

Complaint

IN THE MATTER OF

U.S. INDUSTRIES, INC., DOING BUSINESS AS VALOR DIVISION,
ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION AND THE WOOL PRODUCTS LABELING ACTS

Docket C-2156. Complaint, Feb. 25, 1972—Decision, Feb. 25, 1972

Consent order requiring a New York City manufacturer and seller of wool products, including women's coats, to cease violating the Wool Products Labeling Act by misbranding its wool products.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939 and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that U.S. Industries, Inc., a corporation, trading as Valor Division, and Albert Markson, individually and as chairman of said division, have violated the provisions of said Acts and the rules and regulations promulgated under the Wool Products Labeling Act of 1939, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent U.S. Industries, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware. Respondent U.S. Industries, Inc. trades, among others, under the name of Valor Division.

Respondent Albert Markson is the chairman of the Valor Division of U.S. Industries, Inc. He directs the acts and practices of said division, including those hereinafter set forth.

Respondents are engaged in the manufacture and sale of wool products, including women's coats, with the office and principal place of business of respondent U.S. Industries, Inc., located at 250 Park Avenue, New York, New York. The office and principal place of business of Valor Division and respondent Albert Markson, chairman of Valor Division, is located at 671 Bellville Avenue, New Bedford, Massachusetts.

PAR. 2. Respondents, now and for some time last past, have manufactured for introduction into commerce, introduced into commerce, sold, transported, distributed, delivered for shipment, shipped, and offered for sale, in commerce, as "commerce" is defined in the Wool

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Products Labeling Act of 1939, wool products as "wool product" is defined therein.

PAR. 3. Certain of said wool products were misbranded by the respondents within the intent and meaning of Section 4(a)(1) of the Wool Products Labeling Act of 1939 and rules and regulations promulgated thereunder, in that they were falsely and deceptively stamped, tagged, labeled, or otherwise identified with respect to the character and amount of the constituent fibers contained therein.

Among such misbranded wool products, but not limited thereto, were ladies' coats stamped, tagged, labeled, or otherwise identified by respondents as "80% Wool and 20% Undetermined Fibers," whereas in truth and in fact, said products contained substantially different fibers and amounts of fiber than represented.

PAR. 4. Certain of said wool products were further misbranded by respondents in that they were not stamped, tagged, labeled, or otherwise identified as required under the provisions of Section 4(a)(2) of the Wool Products Labeling Act of 1939 and in the manner and form as prescribed by the rules and regulations promulgated under said Act.

Among such misbranded wool products, but not limited thereto, were wool products with labels on or affixed thereto which failed to disclose the percentage of the total fiber weight of the said wool products, exclusive of ornamentation not exceeding 5 per centum of the total fiber weight, of (1) wool; (2) reprocessed wool; (3) reused wool; (4) each fiber other than wool, when said percentage by weight of such fiber was 5 per centum or more; and (5) the aggregate of all other fibers.

PAR. 5. The acts and practices of the respondents as set forth above were, and are, in violation of the Wool Products Labeling Act of 1939 and the rules and regulations promulgated thereunder, and constituted, and now constitute, unfair methods of competition and unfair and deceptive acts and practices in commerce, within the intent and meaning of the Federal Trade Commission Act.

PAR. 6. Respondents are now and for some time last past have been engaged in the advertising, offering for sale, sale, and distribution of certain products, namely coats, in commerce. In the course and conduct of their business, respondents now cause, and for some time last past have caused, their said products, when sold, to be shipped from their place of business in the Commonwealth of Massachusetts to purchasers thereof located in various other States of the United States, and maintain and at all times mentioned herein, have maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 7. In the course and conduct of their business, and for the purpose of inducing the sale of their said products, namely women's coats, respondents have made certain statements in an advertisement inserted in the New York Times Magazine of August 24, 1969, relative to the fiber content composition of the said coats.

The statement in the New York Times Magazine of August 24, 1969, reads "A. take the fabrics There's the coats body, made of 100% wool Melton."

PAR. 8. By the use of the aforesaid statement and representation respondents represent, and have represented, directly that said coats were composed entirely of "wool," whereas in truth and in fact, said coats were not composed entirely of wool, but contained substantially different fibers and amounts of fibers than represented.

PAR. 9. The acts and practices of respondents as set forth in Paragraph Seven and Eight above, have the tendency and capacity to mislead and deceive the purchasers of said products as to the true content thereof.

PAR. 10. The aforesaid acts and practices of respondents, as herein alleged, were, and are, all to the prejudice and injury of the public, and constituted, and now constitute, unfair and deceptive acts and practices in commerce, within the intent and meaning of the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Division of Textiles and Furs proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act and the Wool Products Labeling Act, as amended; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents

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have violated the said Acts, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in Section 2.34(b) of its rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent U.S. Industries, Inc., trading as Valor Division, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware.

Respondent Albert Markson is chairman of Valor Division. He directs the acts and practices of said division.

Respondents are engaged in the manufacture and sale of wool products, including but not limited to women's coats, with the office and principal place of business of respondent U.S. Industries, Inc., located at 250 Park Avenue, New York, New York. The office and principal place of business of Valor Division and respondent, Albert Markson, chairman of Valor Division, is located at 671 Bellville Avenue, New Bedford, Massachusetts.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That respondents U.S. Industries, Inc., a corporation, trading as Valor Division, or any other name, and its officers, and Albert Markson, individually and as chairman of Valor Division, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction or manufacture for introduction, into commerce, or the offering for sale, sale, transportation, distribution, delivery for shipment or shipment, in commerce, of wool products, as "commerce" and "wool product" are defined in the Wool Products Labeling Act of 1939, do forthwith cease and desist from misbranding such products by:

1. Falsely and deceptively stamping, tagging labeling, or otherwise identifying such products as to the character or amount of the constituent fibers contained therein.

2. Failing to securely affix to, or place on, each such product a stamp, tag, label, or other means of identification showing in a clear and conspicuous manner each element of information required to be disclosed by Section 4(a)(2) of the Wool Products Labeling Act of 1939.

It is further ordered, That respondents U.S. Industries, Inc., a corporation, trading as Valor Division or any other name, and its officers, and Albert Markson, individually and as chairman of Valor Division, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of coats, or other products, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from falsely and deceptively advertising or misrepresenting in any manner, or by any means, the character or amount of constituent fibers contained in such products.

It is further ordered, That respondents notify the Commission at least 30 days prior to any proposed change in the corporate respondent, such as dissolution, assignment or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries or any other change in the corporation which may affect compliance obligations arising out of this order.

It is further ordered, That the respondent corporation shall forthwith distribute a copy of this order to each of its operating divisions.

It is further ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

IN THE MATTER OF

AUSTIN H. BURKE, FORMERLY DOING BUSINESS AS AUSTIN
BURKE, INC.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION, THE WOOL PRODUCTS LABELING AND
TEXTILE FIBER PRODUCTS IDENTIFICATION ACTS