

Complaint

IN THE MATTER OF

ANDREX INDUSTRIES CORPORATION, ET AL.

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

Docket C-2831. Complaint, Aug. 11, 1976 — Decision, Aug. 11, 1976

Consent order requiring a New York City manufacturer and seller of fabrics, among other things to cease misbranding and mislabeling wool products; misrepresenting the wool and other fiber content of their fabrics and further requires respondents to notify their customers that the fabrics they purchased were misbranded. The order further prohibits respondents from using the term "Angorama" in connection with products not substantially composed of "angora" fibers.

Appearances

For the Commission: *Jerry R. McDonald.*

For the respondents: *Hahn, Hessen, Margolis & Ryan*, New York City.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, as amended, 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 Andrex Industries Corp., a corporation, and Stephen Gottdiener, individually and as an officer of said corporation, hereinafter sometimes referred to as respondents, 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 Andrex Industries Corp. is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 1430 Broadway, New York, New York.

Respondent Stephen Gottdiener is an officer of Andrex Industries Corp. He formulates, directs, and controls the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. His business address is the same as that of the corporate respondent.

Respondents are engaged in the business of manufacturing and selling fabrics including but not limited to wool products.

PAR. 2. Respondents, now and for some time past, have manufactured for introduction into commerce, introduced into commerce, transported, distributed, delivered for shipment, shipped, offered for sale, and sold in commerce as "commerce" is defined in the Wool 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 the 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 certain fabrics represented to contain wool and stamped, tagged, labeled, or otherwise identified by respondents as 70% polyester, 15% acrylic and 15% angora wool; whereas, in truth and in fact, said products contained substantially different fibers and amounts of fibers 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, namely fabrics represented as containing wool, 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 said 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. Certain of said wool products were misbranded in violation of the Wool Products Labeling Act of 1939 in that they were not labeled in accordance with the rules and regulations promulgated thereunder in the following respect:

Samples, swatches or specimens of wool products used to promote or effect sales of such wool products in commerce, were not labeled or marked to show the information required under Section 4(a)(2) of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, in violation of Rule 22 of the aforesaid Rules and Regulations.

PAR. 6. The acts and practices of 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, under the Federal Trade Commission Act, as amended.

PAR. 7. Respondents are now and for some time past have been engaged in the manufacture, offering for sale, sale, and distribution of certain products, namely fabrics. In the course and conduct of their business as aforesaid, respondents now cause and for some time last past, have caused their said products, when sold, to be shipped from their mill in the State of North Carolina to purchasers 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 or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, as amended.

PAR. 8. Respondents in the course and conduct of their business have disseminated to prospective purchasers samples of wool products used to promote or effect sales of such wool products affixed to sample cards. The trademark, "Angorama," was conspicuously printed upon said sample cards representing, directly or indirectly, that said products contained angora wool whereas, in truth and in fact, said products did not contain angora wool but contained substantially different fibers.

PAR. 9. Respondents in the course and conduct of their business as aforesaid have made statements on their sample cards and invoices setting forth the fiber content of certain of their products as 70% polyester, 15% acrylic, 15% angora wool whereas, in truth and in fact, said products contained substantially different fibers and amounts of fibers than represented.

PAR. 10. The acts and practices set forth in Paragraphs Eight and Nine have the tendency and capacity to mislead and deceive the purchasers of said products as to the true content thereof.

PAR. 11. The aforesaid acts and practices of the respondents as herein alleged in Paragraphs Eight and Nine were, and are, all to the prejudice and injury of the public, and constituted, and now constitute, unfair and deceptive acts or practices in or affecting commerce, within the intent and meaning of the Federal Trade Commission Act, as amended.

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 New York Regional Office 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, as amended, and the Wool Products Labeling Act of 1939; 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 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 sixty (60) days, now in further conformity with the procedure prescribed in Section 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Andrex Industries Corp. is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 1430 Broadway, New York, New York.

Respondent Stephen Gottdiener is an officer of said corporation. He formulates, directs and controls the acts, practices and policies of said corporation, and his principal office and place of business is located at the above-stated address.

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 Andrex Industries Corp., a corporation, its successors and assigns, and its officers, and Stephen Gottdiener, individually and as an officer of said corporation, and respondents' representatives, agents, and employees, directly or through any corporation, subsidiary, division or any 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.
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.
3. Failing to securely affix labels to samples, swatches or specimens of wool products, used to promote or effect the sale of such wool products, showing in words and figures plainly legible all the information required to be disclosed by Section 4(a)(2) of the Wool Products Labeling Act of 1939.

It is further ordered, That respondents Andrex Industries Corp., a corporation, its successors and assigns, and its officers, and Stephen Gottdiener, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporation, or other device in connection with manufacturing, advertising, offering for sale, sale or distribution of fabrics in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, as amended, do forthwith cease and desist from:

1. Using the word "Angorama" or any word of similar import on sample cards or in any other manner in connection with any product that is not composed substantially of fibers entitled to be designated as "angora." *Provided, however,* that this order shall not be construed as prohibiting use of the word "Angorama" in connection with a product composed in substantial part of fibers entitled to be designated "angora" if such word is accompanied by a clear and conspicuous statement of the percentage by weight of the fibers contained therein.
2. Misrepresenting the amount or character of constituent fibers contained in such products on invoices or shipping memoranda applicable thereto, or in any other manner.

It is further ordered, unless heretofore complied with, That respondents notify each of their customers that purchased the wool products which gave rise to this complaint of the fact that United States government tests have shown that such products were misbranded.

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 individual respondent named herein promptly notify the Commission of each change in business or

employment status, which includes discontinuance of his present business or employment and each affiliation with a new business or employment, for ten (10) years following the effective date of this order. Such notices shall include respondent's current business address and a description of the business or employment in which he is engaged as well as a description of his duties and responsibilities. The expiration of the notice provision of this paragraph shall not affect any other obligations arising under this order.

It is further ordered, That respondents notify the Commission at least thirty (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 the order.

It is further ordered, That respondents 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 the order to cease and desist contained herein.

IN THE MATTER OF
SUNSHINE ORIGINALS OF MIAMI, INC., ET AL.

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

Docket C-2832. Complaint, Aug. 11, 1976 — Decision, Aug. 11, 1976

Consent order requiring a Hialeah, Fla., garment manufacturer among other things to cease misbranding and falsely guaranteeing textile fiber products; failing to disclose legally required information concerning such products; and misrepresenting domestic and foreign branch offices.

Appearances

For the Commission: *Truett M. Honeycutt.*

For the respondents: *Pro se.*

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, as amended, and the Textile Fiber Products Identification Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Sunshine Originals of Miami, Inc., a corporation, also doing business as Don Manuel of Miami, and Manuel Ramos and Manuel A. Ramos, Jr., individually and as officers of Sunshine Originals of Miami, Inc., hereinafter referred to as respondents, have violated the provisions of said Acts and the rules and regulations promulgated under the Textile Fiber Products Identification Act, and it now appearing to the Commission that a proceeding by it in respect thereto would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Sunshine Originals of Miami, Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Florida. The respondent corporation maintains its office and principal place of business at 600 W. 18th St., Hialeah, Florida.

Respondents Manuel Ramos and Manuel A. Ramos, Jr., are officers of said corporation. They formulate, direct and control the practices of the corporate respondent. Their address is the same as that of the corporate respondent.

Respondents are engaged in the business of manufacturing garments including particularly men's sport shirts and women's blouses, substantial quantities of which are known in the trade as "irregulars," or "seconds."