

IN THE MATTER OF
IMPORT IMAGE INC., ET AL.

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

Docket C-3288. Complaint, May 1, 1990—Decision, May 1, 1990

This consent order prohibits, among other things, a New York wholesaler of women's clothing from falsely or deceptively labeling, invoicing, or advertising its textile fiber products as to name or amount of constituent fibers; failing to affix, or removing, labels containing the information required by the Textile Fiber Products Identification Act; and misrepresenting or failing to disclose the country of origin of its products.

Appearances

For the Commission: *Katherine B. Alphin* and *Paul K. Davis*.

For the respondents: *Stanley M. Spiegler, Kirschenbaum, Fleischman & Spiegler*, New York, N.Y.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, 15 U.S.C. 41 *et seq.*, and the Textile Fiber Products Identification Act, 15 U.S.C. 70, hereinafter "Textile Fiber Act", and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Import Image Inc., a corporation, and Bertram Turoff, individually and as an officer of said corporation, hereinafter sometimes referred to as respondents, have violated the provisions of said Acts, 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 Import Image Inc., 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 498 Seventh Avenue, New York, New York.

PAR. 2. Respondent Bertram Turoff is sole shareholder and

president of the corporate respondent named herein. He formulates, directs and controls the acts and practices of said corporate respondent, including the acts and practices hereinafter set forth. His office and principal place of business are the same as that of respondent Import Image Inc.

PAR. 3. Respondent Import Image Inc., is engaged in the manufacture, importation and sale of women's sportwear, suits, coats, dresses, blouses and other clothing.

PAR. 4. Respondents have in the past and presently continue to import, sell and introduce into commerce textile fiber products and otherwise have been engaged in commerce with textile fiber products as "commerce" and "textile fiber products" are defined in the Textile Fiber Act and the Rules and Regulations under the Textile Fiber Products Identification Act, 16 CFR 303, hereinafter "Rule(s)" as promulgated by the Federal Trade Commission.

PAR. 5. Certain of said textile products were misbranded by the respondents within the intent and meaning of Sections 4(b)(4) and 4(b)(5) of the Textile Fiber Act, 15 U.S.C. 70b(b)4 and 70b(b)5, and Rule 33, 16 CFR 303.33, in that they did not have a country of origin stamp, tag, label, or other identification. Respondents have, therefore, violated Section 3 of the Textile Fiber Act, 15 U.S.C. 70a, and Rule 2, 16 CFR 303.2.

PAR. 6. Certain of said textile products were misbranded by the respondents within the intent and meaning of Sections 3, 4(a), and 4(b)(1), 15 U.S.C. 70a, 70b(a) and 70b(b)(1), of the Textile Fiber Act and Rules 4, 6 and 7, 16 CFR 303.4, 303.6 and 303.7, thereunder, in that they did not identify constituent fibers by their generic name in English. Respondents have, therefore, violated Section 3 of the Textile Fiber Act, 15 U.S.C. 70a, and Rule 2, 16 CFR 303.2

PAR. 7. The acts and practices of respondents as set forth in paragraphs five and six were, and are, in violation of the Textile Fiber Act and the Rules promulgated thereunder, and constituted, and now constitute, unfair methods of competition and unfair and deceptive acts and practices, in or affecting commerce, in violation of Section 5(a) of the Federal Trade Commission Act, 15 U.S.C. 45(a), as amended.

PAR. 8. In the course and conduct of their business, and at all times mentioned herein, respondents have been, and now are, in substantial competition in or affecting commerce with corporations, firms and individuals engaged in the importation, manufacture and sale of

merchandise of the same general kind and nature as merchandise sold by respondents.

PAR. 9. The acts and practices of respondents, as herein alleged, were and are to the prejudice and injury of the public and respondents' competitors. The acts and practices of respondents, as herein alleged, are continuing and will continue in the absence of the relief herein requested.

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 Atlanta 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 Textile Fiber Products Identification Act, 15 U.S.C. 70, hereinafter "Textile Fiber Act," and the Rules and Regulations Under the Textile Fiber Products Identification Act, 16 CFR 303, hereinafter "Rule(s)," and the Federal Trade Commission Act, 15 U.S.C. 41 *et seq.*; and

The respondents, their attorneys, 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 the complaint, and waivers and other provisions as required by the Commission's Rules of Practice; 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 rules, 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 the Commission's Rules of Practice, the Commission hereby issues its complaint, makes the following jurisdictional findings and enters the following order:

PARAGRAPH 1. Respondent Import Image Inc., 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 498 Seventh Avenue, New York, New York.

PAR. 2. Respondent Bertram Turoff is sole shareholder and president of the corporate respondent named herein. He formulates, directs and controls the acts and practices of said corporate respondent, including the acts and practices hereinafter set forth. His office and principal place of business are the same as that of respondent Import Image Inc.

PAR. 3. 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

I.

It is ordered, That respondents Import Image Inc., a corporation, its successors and assigns, and its officers, and Bertram Turoff, 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, delivery for introduction, manufacture for introduction, sale, advertising, or offering for sale, in commerce, or the transportation or causing to be transported in commerce, or the importation into the United States of any textile fiber product, as "commerce" and "textile fiber product" are defined in the Textile Fiber Products Identification Act, 15 U.S.C. 70, hereinafter "Textile Fiber Act," and the Rules and Regulations Under the Textile Fiber Products Identification Act, 16 CFR 303, hereinafter "Rule(s)," do forthwith cease and desist from misbranding or falsely or deceptively advertising any such product by:

A. Falsely or deceptively stamping, tagging, labeling, invoicing, advertising or otherwise identifying such products as to the name or amount of constituent fibers contained therein in violation of Sections 3 and 4 of the Textile Fiber Act, 15 U.S.C. 70a and 70b, and Rules 2, 4, 6, and 7, 16 CFR 303.2, 303.4, 303.6, and 303.7;

B. Failing to affix securely to or place securely on each such product in the location, manner, and form required by the Rules, 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 of the Textile Fiber Act, 15 U.S.C. 70b, and the Rules;

C. Causing or participating in the removal or mutilation of any stamp, tag, label, or other means of identification affixed to a textile fiber product, unless a substitute stamp, tag, or label or other form of identification is affixed that shows in a clear and conspicuous manner each element of information required to be disclosed by Section 4 of the Textile Fiber Act, 15 U.S.C. 70b, and the Rules.

II.

It is further ordered, That respondents Import Image Inc., a corporation, its successors and assigns, and its officers, and Bertram Turoff, 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, delivery for introduction, manufacture for introduction, sale, advertising, or offering for sale, in commerce, or the transportation or causing to be transported in commerce, or the importation into the United States of any product in or affecting commerce, as "commerce" is defined in the Textile Fiber Act, do forthwith cease and desist from misrepresenting or failing to disclose, in any manner, the country of origin of such products in violation of Sections 3, 4(b)(4) and 4(b)(5) of the Textile Fiber Act, 15 U.S.C. 70a, 70b(b)(4) and 70b(b)(5), and Rule 33, 16 CFR 303.33.

III.

It is further ordered, That respondents shall forthwith file with the Commission a continuing guaranty applicable to all textile products handled by respondents, in the form prescribed by Rule 38, 16 CFR 303.38.

IV.

It is further ordered, That respondents shall distribute a copy of this order to all present or future personnel, agents or representatives having managerial, purchasing, importing, sales, advertising, or policy responsibilities with respect to the subject matter of this order and that respondents shall secure from each such person a signed statement acknowledging receipt of said order.

V.

It is further ordered, That, for a period of five (5) years, respondents will keep copies of each stamp, tag, label or other form of identification which shows information required by the Textile Fiber Act as well as such records as will show the textile fiber products in which each stamp, tag, label or other form of identification was affixed for each product it introduces, manufactures or introduction, sells, advertises, offers for sale or imports.

VI.

It is further ordered, That respondents shall, for a period of five (5) years after this order becomes final, maintain and upon request make available to the Federal Trade Commission for inspection and copying, upon reasonable notice, all documents that relate to the manner and form in which respondents have complied with this order.

VII.

It is further ordered, That respondents shall notify the Federal Trade Commission at least thirty (30) days prior to any proposed change in Import Image Inc., 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 that may affect compliance obligations arising out of this order.

VIII.

It is further ordered, That Import Image Inc., shall require, as a condition precedent to the closing of the sale of its business or other disposition of all or a substantial part of its assets, that the acquiring party file with the Commission, prior to the closing of such sale or other disposition, a written agreement to be bound by the provisions of the order that relate to Import Image Inc.

IX.

It is further ordered, That the individual respondent named herein shall promptly notify the Commission of the discontinuance of his present business or employment and of his affiliation with a new

business or employment and, in addition, for a period of 10 years from the date of service of this order, the respondent shall promptly notify the Commission of each affiliation with a new business or employment, each such notice to include the respondent's new business address and a statement of the nature of the business or employment in which the respondent is newly engaged as well as a description of respondent's duties and responsibilities in connection with the business or employment. The expiration of the notice provision of this paragraph shall not affect any other obligation arising under this order.

X.

It is further ordered, That respondents shall, within sixty (60) days after the date of service of this order, submit a verified report in writing, to the Federal Trade Commission setting forth in detail the manner and form in which they have complied with this order.

IN THE MATTER OF

T&N PLC

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SEC. 7 OF THE CLAYTON ACT AND SEC. 5 OF THE
FEDERAL TRADE COMMISSION ACT

Docket C-3312. Complaint, Nov. 8, 1990—Decision, Nov. 8, 1990

This consent order requires, among other things, a Manchester, England, manufacturer to divest within twelve months certain thinwall engine bearing assets and certain tri-metal heavywall engine bearing assets to a Commission-approved acquirer or acquirers; and if required by the acquirers, requires the respondent to supply certain input material to the acquirers for five years. If neither the respondent nor the trustee successfully divests either set of assets, the order requires the divestiture of J.P. Industries' McConnellsville, Ohio, facility, in addition to certain thinwall engine bearing assets.

Appearances

For the Commission: *Allee A. Ramadhan* and *Ernest A. Nagata*.

For the respondent: *Richard E. Carlton, Sullivan & Cromwell*,
New York, N.Y.

COMPLAINT

The Federal Trade Commission ("Commission"), having reason to believe that respondent T&N plc ("T&N"), a corporation subject to the jurisdiction of the Commission, proposes to acquire substantially all of the common stock of J.P. Industries, Inc. ("JPI") in violation of the provisions of Section 7 of the Clayton Act, as amended, 15 U.S.C. 18, and Section 5 of the Federal Trade Commission Act ("FTC Act"), as amended, 15 U.S.C. 45, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint pursuant to Section 11 of the Clayton Act, 15 U.S.C. 21, and Section 5(b) of the FTC Act, 15 U.S.C. 45(b), stating its charges as follows:

I. DEFINITIONS

1. For purposes of this complaint, the following definitions apply: