

FEDERAL TRADE COMMISSION DECISIONS

FINDINGS AND ORDERS, JULY 1, 1955, TO JUNE 30, 1956

IN THE MATTER OF

HARRY MILLER ET AL. TRADING AS MILSON SALES & COMMISSION COMPANY

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

Docket 6304. Complaint, Mar. 2, 1955—Decision, July 1, 1955

Consent order requiring manufacturers with office in New York City to cease violating the Wool Products Labeling Act by labeling interlining fabrics falsely as containing "100% reused wool", "100% reprocessed wool", or "80% reused wool" and "20% other fibers", or by failing to label them as required.

Before *Mr. John Lewis*, hearing examiner.

Mr. Roslyn D. Young, Jr. for the Commission.

Hausman Forscher & Traub, of New York City, for respondents.

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 Harry Miller, Samuel Miller, Edwin Allen Miller and Irwin C. Miller, as individuals and copartners, trading as Milson Sales & Commission Company, hereinafter 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. Respondents, Harry Miller, Samuel Miller, Edwin Allen Miller and Irwin C. Miller, as individuals and copartners, are trading as Milson Sales & Commission Company, with their principal office and place of business located at 255 West 36th Street, New York, New York.

PAR. 2. Subsequent to the effective date of the Wool Products Labeling Act of 1939, and more specifically since January 1953,

respondents have manufactured for introduction into commerce, introduced in commerce, sold, transported, distributed, delivered for shipment and offered for sale in commerce, as "commerce" is defined in said Act, wool products, as "wool products" are defined therein.

PAR. 3. Certain of said wool products were misbranded within the intent and meaning of Section 4 (a) (1) of said Wool Products Labeling Act and the rules and regulations promulgated thereunder in that they were falsely and deceptively labeled or tagged with respect to the character and the amount of the constituent fibers contained therein. Among respondents' wool products aforementioned were certain interlining fabrics labeled or tagged by respondents as containing "100% reused wool"; "100% reprocessed wool"; or as "80% reused wool, 20% other fibers"; when in truth and in fact said interlining fabrics did not contain 100% reused wool; 100% reprocessed wool; or 80% reused wool, 20% other fibers as defined by the Wool Products Labeling Act of 1939 and the rules and regulations promulgated thereunder.

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

PAR. 5. The acts and practices of the respondents as hereinabove alleged were in violation of the Wool Products Labeling Act of 1939 and of the rules and regulations promulgated thereunder, and constitute unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

INITIAL DECISION BY JOHN LEWIS, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondents on March 2, 1955, charging them with having violated the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, and the Federal Trade Commission Act, through the misbranding of certain wool products. After being duly served with said complaint, the respondents appeared by counsel and entered into a stipulation with counsel supporting the complaint, providing for the entry of a consent order disposing of all the issues in this proceeding. Said stipulation has been submitted to the above-named hearing examiner, heretofore duly designated by the Commission, for his consideration in accordance with Rule V of the Commission's Rules of Practice.

Respondents, pursuant to the aforesaid stipulation, have admitted all the jurisdictional allegations of the complaint and agreed that

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Order

the record herein may be taken as if the Commission had made findings of jurisdictional facts in accordance with such allegations. Said stipulation further provides that all parties expressly waive a hearing before the hearing examiner or the Commission, and all further and other procedure to which the respondents may be entitled under the Federal Trade Commission Act or the Rules of Practice of the Commission. Respondents have also agreed that the order to cease and desist issued in accordance with said stipulation shall have the same force and effect as if made after a full hearing, and specifically waive any and all right, power, or privilege to challenge or contest the validity of said order. It has been further stipulated and agreed that the complaint herein may be used in construing the terms of the order provided for in said stipulation, and that the signing of said stipulation is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint.

This proceeding having now come on for final consideration by the hearing examiner on the complaint and the aforesaid stipulation for consent order, dated May 9, 1955, and it appearing that said stipulation provides for an appropriate disposition of this proceeding, the same is hereby accepted and ordered filed as part of the record herein by the hearing examiner, who makes the following findings, for jurisdictional purposes, and order :

1. Respondents are now, and have been at all times mentioned in the complaint herein, a partnership, with their office and principal place of business located at 255 West 36th Street, New York, New York.
2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents hereinabove named. The complaint states a cause of action against said respondents under the Wool Products Labeling Act of 1939 and the Federal Trade Commission Act, and this proceeding is in the interest of the public.

ORDER

It is ordered, That the respondents, Harry Miller, Samuel Miller, Edwin Allen Miller and Irwin C. Miller, individually and as copartners, trading as Milson Sales & Commission Company, or under any other name, 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 offering for sale, sale, transportation or distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, of interlining fabrics or other "wool products" as such products are defined in and subject to the Wool

Products Labeling Act of 1939, which products contain, purport to contain, or in any way are represented as containing "wool," "reprocessed wool" or "reused wool," as those terms are defined in said Act, do forthwith cease and desist from misbranding such products by:

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

(a) The percentage of the total fiber weight of such wool products, exclusive of ornamentation not exceeding five percentum of said total fiber weight, of (1) wool, (2) reprocessed wool, (3) reused wool, (4) such fiber other than wool where said percentage by weight of such fiber is five percentum or more, and (5) the aggregate of all other fibers;

(b) The maximum percentage of the total weight of such wool products, of any non-fibrous loading, filling, or adulterating matter;

(c) The name or the registered identification number of the manufacturer of such wool product or of one or more persons engaged in introducing such wool product into commerce, or in the offering for sale, sale, transportation, distribution or delivery for shipment thereof in commerce, as "commerce" is defined in the Wool Products Labeling Act of 1939.

Provided, That the foregoing provisions concerning misbranding shall not be construed to prohibit acts permitted by paragraphs (a) and (b) of Section 3 of the Wool Products Labeling Act of 1939, and

Provided further, That nothing contained in this order shall be construed as limiting any applicable provisions of said Act or the rules and regulations promulgated thereunder.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF
COMPLIANCE

Pursuant to Sec. 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 1st day of July, 1955, become the decision of the Commission; and, accordingly:

It is 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 the order to cease and desist.

Complaint

IN THE MATTER OF

UNIVERSAL WOOL BATTING CORP. ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT AND OF THE WOOL PRODUCTS LABELING
ACT*Docket 6326. Complaint, Apr. 6, 1955—Decision, July 1, 1955*

Consent order requiring manufacturers in New York City to cease violating the Wool Products Labeling Act by falsely labeling wool batts or battings as "80% Reused Wool, 20% Cotton & Rayon or Other Fibers" and "80% Reused Wool, 20% Other Fibers", and by failing to label said wool products as required.

Before *Mr. James A. Purcell*, hearing examiner.

Mr. George E. Steinmetz for the Commission.

Mr. Myron Goldman, of New York City, for respondents.

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 Universal Wool Batting Corp., a corporation, and Jacob Louis, individually and as an officer of said corporation, hereinafter 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. The corporate respondent, Universal Wool Batting Corp. is a corporation organized and existing under and by virtue of the laws of the State of New York. Respondent Jacob Louis is president thereof, and this individual formulates, directs, and controls the acts, policies, and practices of said corporate respondent. The offices and principal place of business of each of said respondents are located at 515 Tiffany Street, New York 59, New York.

PAR. 2. Subsequent to the effective date of the Wool Products Labeling Act of 1939 and more especially since January 1, 1953, respondents have manufactured for introduction into commerce, introduced into commerce, sold, transported, distributed, delivered for shipment, and offered for sale in commerce, as "commerce" is defined in said Act, wool products, as "wool products" are defined therein.

PAR. 3. Certain of said wool products were misbranded within the intent and meaning of Section 4 (a) (1) of said Wool products Labeling Act and the Rules and Regulations promulgated thereunder in that they were falsely and deceptively stamped, tagged, or labeled

with respect to the character and amount of the constituent fibers contained therein.

Among such misbranded wool products were batts or battings stamped, tagged, or labeled by respondents as consisting of "80/20% Reused"; "80% Reused Wool, 20% Cotton & Rayon or Other Fibers"; and "80% Reused Wool, 20% Other Fibers"; whereas, in truth and in fact said products actually contained substantially less quantities of reused wool and substantially greater quantities of non-woolen fibers than represented by said respondents as aforesaid.

PAR. 4. Certain of said wool products described as batts or battings were misbranded in that they were not stamped, tagged or labeled as required under the provisions of Section 4 (a) (2) of said Wool Products Labeling Act, and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

PAR. 5. The acts and practices of the respondents, as herein alleged, were and are in violation of the Wool Products Labeling Act of 1939 and of the Rules and Regulations pursuant thereto, and constitute unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

INITIAL DECISION BY JAMES A. PURCELL, HEARING EXAMINER

The Federal Trade Commission on April 6, 1955, issued its complaint in this proceeding charging respondents with the violation of the provisions of the Federal Trade Commission Act and of the Wool Products Labeling Act of 1939, as will more particularly appear by reference to said complaint. On May 2, 1955, respondents filed their formal answer to the complaint and thereafter, on May 16, 1955, respondents entered into a consent agreement with counsel supporting the complaint and pursuant thereto submitted to the hearing examiner a stipulation for consent order disposing of all of the issues of this proceeding.

In said stipulation the respondent, Universal Wool Batting Corp., is identified as a corporation organized and existing by virtue of the laws of the State of New York, with its office and principal place of business located at No. 515 Tiffany Street, New York (59), New York. The individual respondent, Jacob Louis, is President of the corporate respondent and maintains his office and place of business at the same address as that of the corporate respondent, as above.

Respondents admit all of the jurisdictional allegations set forth in the complaint and agree that the record herein may be taken as if the hearing examiner and the Commission had made findings of jurisdictional facts in accordance therewith. All parties agreed that the formal answer filed herein on May 2, 1955, be withdrawn from record,

