

FEDERAL TRADE COMMISSION DECISIONS

FINDINGS, OPINIONS, AND ORDERS, JANUARY 1, 1971, TO
JUNE 30, 1971

IN THE MATTER OF

ART RICH MANUFACTURING CO., INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION AND THE FLAMMABLE FABRICS ACTS

Docket C-1838. Complaint, Jan. 4, 1971—Decision, Jan. 4, 1971

Consent order requiring a Dalton, Ga., manufacturer and distributor of wearing apparel, including chenille robes, to cease violating the Flammable Fabrics Act by selling, importing, or delivering any fabric which fails to conform to the standards of said Act.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Flammable Fabrics Act, as amended, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Art Rich Manufacturing Co., Inc., a corporation, and Martin S. Richman, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Flammable Fabrics Act, as amended, 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 Art Rich Manufacturing Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Georgia. Respondent Martin S. Richman, is an officer of said corporate respondent. He formulates, directs and controls the acts, practices and policies of said corporation.

The respondents are engaged in the manufacture, sale and distribution of wearing apparel, including but not limited to chenille robes, with their principal place of business located at 204 Bishop Street, Dalton, Georgia.

PAR. 2. Respondents for some time last past have been engaged in the manufacture for sale, the sale or offering for sale, in commerce, and have introduced, delivered for introduction, transported and caused to be transported in commerce, and have sold or delivered after sale or shipment in commerce products, as "commerce" and "product" are defined the Flammable Fabrics Act, as amended, which products failed to conform to an applicable standard or regulation continued in effect, issued or amended under the provisions of the Flammable Fabrics Act, as amended.

Among such products mentioned hereinabove were chenille robes.

PAR. 3. The aforesaid acts and practices of respondents were and are in violation of the Flammable Fabrics Act, as amended, and the Rules and Regulations promulgated thereunder, and as such 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.

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 Flammable Fabrics 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 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 § 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

Decision and Order

1. Respondent Art Rich Manufacturing Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Georgia.

Respondent Martin S. Richman is an officer of the corporate respondent. He formulates, directs and controls the acts, practices and policies of said corporate respondent.

Respondents are engaged in the business of the manufacture, sale and distribution of wearing apparel, including but not limited to chenille robes, with their office and principal place of business located at 204 Bishop Street, Dalton, Georgia.

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 Art Rich Manufacturing Co., Inc., a corporation, and its officers, and Martin S. Richman, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from manufacturing for sale, selling, offering for sale, in commerce, or importing into the United States, or introducing, delivering for introduction, transporting or causing to be transported in commerce, or selling or delivering after sale or shipment in commerce, any product, fabric or related material, as "commerce," "product," "fabric" or "related material" are defined in the Flammable Fabrics Act, as amended, which product, fabric or related material fails to conform to any applicable standard or regulation continued in effect, issued or amended under the provisions of the aforesaid Act.

It is further ordered, That respondents notify all of their customers who have purchased or to whom has been delivered the products which gave rise to this complaint of the flammable nature of such products, and effect recall of such products from said customers.

It is further ordered, That the respondents herein either process the products which gave rise to the complaint so as to bring them within the applicable flammability standards of the Flammable Fabrics Act, as amended, or destroy said products.

It is further ordered, That the respondents herein shall, within ten (10) days after service upon them of this order, file with the Commission an interim special report in writing setting forth the respondents' intentions as to compliance with this order. This interim special report shall also advise the Commission fully and specifically concerning the identity of the product which gave rise to the complaint, (1) the amount of such product in inventory, (2) any action

taken and any further actions proposed to be taken to notify customers of the flammability of such products and to effect recall of such products from said customers, and of the results of such actions, (3) any disposition of such product since September 11, 1969, (4) any action taken or proposed to be taken to flameproof or destroy such products and the results of such action. Such report shall further inform the Commission whether respondents have in inventory any fabric, product or related material having a plain surface and made of paper, silk, rayon and acetate, nylon and acetate, rayon, cotton or combinations thereof, in a weight of two ounces or less per square yard, or having a raised fiber surface made of cotton or rayon or combinations thereof. Respondents will submit samples of any such fabric, product or related material with this report. Samples of the fabric, product or related material shall be of no less than one square yard of material.

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 the 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

THE PAWLEY COMPANY, ET AL.

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

Docket C-1839. Complaint, Jan. 4, 1971—Decision, Jan. 4, 1971

Consent order requiring a Denver, Colo., wholesaler of upholstery and drapery fabrics to cease and desist from misbranding its textile fiber products.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act 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 the Pawley Company, a corporation, and Max Weisbly and Ben Hailpern, individually and as officers of said corporation, 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 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 The Pawley Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Colorado.

Respondents Max Weisbly and Ben Hailpern are officers of the corporate respondent. They formulate, direct and control the acts, practices and policies of said corporate respondent, including the acts and practices hereinafter set forth.

Respondents are wholesalers of upholstery and drapery fabrics, with their office and principal place of business located at 2601 Walnut Street, Denver, Colorado.

PAR. 2. Respondents are now, and for sometime last past have been, engaged in the introduction, delivery for introduction, sale, advertising, and offering for sale, in commerce, and in the transportation or causing to be transported in commerce, and in the importation into the United States, of textile fiber products; and have sold, offered for sale, advertised, delivered, transported and caused to be transported, textile fiber products, which have been advertised or offered for sale, in commerce; and have sold, offered for sale, advertised, delivered, transported and caused to be transported, after shipment in commerce, textile fiber products, either in their original state or contained in other textile fiber products; as the terms "commerce" and "textile fiber product" are defined in the Textile Fiber Products Identification Act.

PAR. 3. Certain of said textile fiber products were misbranded by respondents within the intent and meaning of Section 4(a) of the Textile Fiber Products Identification Act and the Rules and Regulations promulgated thereunder, in that they were falsely and deceptively stamped, tagged, labeled, invoiced, advertised, or otherwise identified as to the name or amount of the constituent fibers contained therein.

Among such misbranded textile fiber products but not limited thereto, were textile fiber products, namely upholstery fabrics, containing more than one fiber with labels attached to samples which set forth the generic name of a particular fiber, namely nylon, in

Complaint

78 F.T.C.

such a manner as to over emphasize the nylon content of the product, to detract from the required fiber content disclosure and to represent or imply, that the products were composed entirely of nylon when in truth and in fact the products contained fibers other than nylon.

PAR. 4. Certain of such textile fiber 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(b) of the Textile Fiber Products Identification Act, and in the manner and form prescribed by the Rules and Regulations promulgated under said Act.

Among such misbranded textile fiber products, but not limited thereto, were textile fiber products without labels and with labels which failed:

1. To disclose the true generic names of the fibers present; and
2. To disclose the true percentage of such fibers.
3. To disclose the name of the country where imported textile fiber products were processed or manufactured.

PAR. 5. Certain of said textile fiber products were misbranded in violation of the Textile Fiber Products Identification Act in that they were not labeled in accordance with the Rules and Regulations promulgated thereunder in the following respects:

A. Generic names of fibers were used in non-required information on labels attached to samples in such a manner as to be false, deceptive or misleading as to fiber content, and to indicate, directly or indirectly, that such textile fiber products were composed wholly or in part of a particular fiber, when such was not the case, in violation of Rule 17(d) of the aforesaid Rules and Regulations.

B. Samples, swatches and specimens of textile fiber products subject to the aforesaid Act, which were used to promote or effect sales of such textile fiber products, were not labeled to show their respective fiber content and other information required by Section 4(b) of the Textile Fiber Products Identification Act and the Rules and Regulations promulgated thereunder, in violation of Rule 21(a) 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 Textile Fiber Products Identification Act and the Rules and Regulations promulgated thereunder, and constituted and now constitute unfair methods of competition and unfair and deceptive acts or practices, in commerce, under 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, Bureau of Consumer Protection 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 Textile Fiber Products Identification Act; 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 thirty (30) days, now in further conformity with the procedure prescribed in § 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent The Pawley Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Colorado.

Respondents Max Weisbly and Ben Hailpern are officers of the corporate respondent. They formulate, direct and control the acts, practices and policies of said corporate respondent.

Respondents are wholesalers of upholstery and drapery fabrics with their office and principal place of business located at 2601 Walnut Street, Denver, Colorado.

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 The Pawley Company, a corporation, and its officers, and Max Weisbly and Ben Hailpern, indi-

vidually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, delivery 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; or in connection with the sale, offering for sale, advertising, delivery, transportation or causing to be transported, of any textile fiber product, which has been advertised or offered for sale in commerce; or in connection with the sale, offering for sale, advertising, delivery, transportation or causing to be transported, after shipment in commerce of any textile fiber product, whether in its original state or contained in other textile fiber products, as the terms "commerce" and "textile fiber product" are defined in the Textile Fiber Products Identification Act, do forthwith cease and desist from:

Misbranding textile fiber products by:

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

2. Failing to affix a stamp, tag, label or other means of identification to each such textile fiber product showing in a clear, legible and conspicuous manner each element of information required to be disclosed by Section 4(b) of the Textile Fiber Products Identification Act.

3. Using the generic names of fibers in non-required information on any label in such a manner as to be false, deceptive or misleading as to fiber content or to indicate, directly or indirectly, that such textile fiber products are composed wholly or in part of a particular fiber, when such is not the case.

4. Failing to affix labels showing the respective fiber content and other required information to samples, swatches, and specimens of textile fiber products subject to the aforesaid Act which are used to promote or effect sales of such textile fiber 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 the order.

Complaint

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 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

MURIEL'S, INC., DOING BUSINESS AS TROPIC
TIES, ET AL.CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION AND THE TEXTILE FIBER
PRODUCTS IDENTIFICATION ACTS

Docket C-1840. Complaint, Jan. 4, 1971—Decision, Jan. 4, 1971

Consent order requiring a Miami Beach, Fla., manufacturer and retailer of men's neckties to cease and desist from misbranding and furnishing false guaranties on its textile fiber products.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act 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 Muriel's, Inc., a corporation, doing business under its own name, and under the trade name Tropic Ties, and Paul Turner, individually and as an officer of said corporation, 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 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 Muriel's, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Florida with its office and principal place of business located at 620 Lincoln Road Mall, Miami Beach, Florida. Respondent Muriel's, Inc., also does business under the trade name Tropic Ties.

Individual respondent Paul Turner is an officer of said corporation. He formulates, directs and controls the policies, acts and practices of said corporation and his address is the same as that of the corporate respondent.

Respondents are engaged in the manufacturing and retailing of men's neckties.

PAR. 2. Respondents are now and for some time last past have been engaged in the introduction, delivery for introduction, manufacture for introduction, sale, advertising, and offering for sale, in commerce, and in the transportation or causing to be transported in commerce, and in the importation into the United States, of textile fiber products; and have sold, offered for sale, advertised, delivered, transported, and caused to be transported, textile fiber products which have been advertised or offered for sale in commerce; and have sold, offered for sale, advertised, delivered, transported, and caused to be transported, after shipment in commerce, textile fiber products, either in their original state or contained in other textile fiber products; as the terms "commerce" and "textile fiber product" are defined in the Textile Fiber Products Identification Act.

PAR. 3. Certain of said textile fiber products were misbranded by the respondents within the intent and meaning of Section 4(a) of the Textile Fiber Products Identification Act and the Rules and Regulations promulgated thereunder, in that they were falsely and deceptively stamped, tagged, labeled, invoiced, advertised, or otherwise identified as to the name or amount of the constituent fibers contained therein.

Among such misbranded textile fiber products, but not limited thereto, were textile fiber products (neckties) with labels which set forth the fiber content as "All Silk," whereas, in truth and in fact, the said textile fiber products contained substantially different fibers and amounts of fibers than represented.

PAR. 4. Certain of such textile fiber products were further misbranded by respondents in that they were not stamped, tagged, labeled, or otherwise identified to show each element of information required to be disclosed by Section 4(b) of the Textile Fiber Products Identification Act, and in the manner and form prescribed by the Rules and Regulations promulgated under said Act.

Among such misbranded textile fiber products, but not limited thereto, were textile fiber products with labels which failed:

1. To disclose the true generic names of the fibers present; and
2. To disclose the true percentage of such fibers.

PAR. 5. Certain of said textile fiber products were misbranded in violation of the Textile Fiber Products Identification Act in that they were not labeled in accordance with the Rules and Regulations promulgated thereunder in the following respects:

A. Fiber trademarks were placed on labels without the generic names of the fibers appearing on such labels, in violation of Rule 17(a) of the aforesaid Rules and Regulations.

B. Fiber trademarks were used on labels without a full and complete fiber content disclosure appearing on such labels, in violation of Rule 17(b) of the aforesaid Rules and Regulations.

PAR. 6. Respondents have failed to maintain and preserve proper records showing the fiber content of the textile fiber products manufactured by them in violation of Section 6(a) of the Textile Fiber Products Identification Act and Rule 39 of the Regulations promulgated thereunder.

PAR. 7. The respondents have furnished false guaranties that textile fiber products were not misbranded or falsely or deceptively invoiced or advertised in violation of Section 10(b) of the Textile Fiber Products Identification Act.

PAR. 8. The acts and practices of respondents as set forth above were, and are, in violation of the Textile Fiber Products Identification Act 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.

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 Bureau of Consumer Protection 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 Textile Fiber Products Identification Act; 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 thirty (30) days, now in further conformity with the procedure prescribed in § 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Muriel's, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Florida.

Respondent Paul Turner is an officer of said corporation. He formulates, directs and controls the acts, practices and policies of said corporation.

Tropic Ties is a trade name used by the respondent Muriel's, Inc.

Respondents are engaged in the manufacturing and retailing of men's neckties with their office and principal place of business located at 620 Lincoln Road Mall, Miami Beach, Florida.

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 Muriel's, Inc., a corporation, doing business under its own name and under the trade name Tropic Ties, or any other name, and its officers, and Paul Turner, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, delivery for introduction, manufacture for introduction, sale, advertising, or offering for sale, advertising, delivery, transportation, in commerce, or causing to be transported, of any textile fiber product, which has been advertised or offered for sale in commerce; or in connection with the sale, offering for sale, advertising, delivery, transportation, or causing to be transported, after shipment in commerce, of any textile fiber product, whether in its original state or contained in other textile fiber products, as the terms "commerce" and "textile fiber product" are de-

ned in the Textile Fiber Products Identification Act, do forthwith cease and desist from:

A. Misbranding textile fiber products by:

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

2. Failing to affix a stamp, tag, label or other means of identification to each such product showing in a clear, legible and conspicuous manner each element of information required to be disclosed by Section 4(b) of the Textile Fiber Products Identification Act.

3. Using a fiber trademark on labels affixed to such textile fiber products without the generic name of the fiber appearing on the said label.

4. Using a generic name or fiber trademark on any label, whether required or non-required, without making a full and complete fiber content disclosure in accordance with the Act and Regulations the first time such generic name or fiber trademark appears on the label.

B. Failing to maintain and preserve proper records of fiber content of textile fiber products manufactured by respondents, as required by Section 6(a) of the Textile Fiber Products Identification Act and Rule 39 of the Regulations promulgated thereunder.

It is further ordered, That respondents Muriel's, Inc., a corporation, doing business under its own name and under the trade name Tropic Ties, or any other name, and its officers, and Paul Turner, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from furnishing a false guaranty that any textile fiber product is not misbranded or falsely or deceptively invoiced or advertised under the provisions of the Textile Fiber Products Identification Act.

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 the order.

Complaint

78 F.T.C.

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 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

CHRISTIAN DIOR-NEW YORK, INCORPORATED

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATIONS OF
THE FEDERAL TRADE COMMISSION AND THE FLAMMABLE FABRICS ACTS

Docket C-1841. Complaint, Jan. 4, 1971—Decision, Jan. 4, 1971

Consent order requiring a New York City manufacturer and seller of women's and misses' wearing apparel, including ladies' dresses, to cease violating the Flammable Fabrics Act by selling, importing, or delivering any fabric which fails to conform to the standards of said Act.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Flammable Fabrics Act, as amended, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Christian Dior-New York, Incorporated, a corporation hereinafter referred to as respondent, has violated the provisions of the said Acts and the Rules and Regulations promulgated under the Flammable Fabrics Act, as amended, 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 Christian Dior-New York, Incorporated, is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondent is engaged in the manufacture and sale of women's and misses' wearing apparel including, but not limited to, ladies' dresses.

The office and principal place of business of the respondent is 498 Seventh Avenue, New York, New York.

PAR. 2. Respondent is now and for some time last past has been engaged in the manufacturing for sale, sale and offering for sale, in

Decision and Order

commerce, and in the importation into the United States, and has introduced, delivered for introduction, transported and caused to be transported in commerce, and has sold or delivered after sale or shipment in commerce, products; and has manufactured for sale, sold, and offered for sale products made of fabric or related material which has been shipped and received in commerce, as the terms "commerce," "product," "fabric" and "related material" are defined in the Flammable Fabrics Act, as amended, which products and fabrics failed to conform to an applicable standard or regulation continued in effect issued or amended under the provisions of the Flammable Fabrics Act, as amended.

Among such products mentioned hereinabove were ladies' dresses.

PAR. 3. The aforesaid acts and practices of respondent were and are in violation of the Flammable Fabrics Act, as amended, and the Rules and Regulations promulgated thereunder, and as such 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.

DECISION AND ORDER

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

The respondent and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent 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 respondent 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 respondent has 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 § 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings and enters the following order:

1. Respondent Christian Dior-New York, Incorporated, is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondent is engaged in the manufacture and sale of women's and misses' wearing apparel, including, but not limited to, ladies' dresses with its office and principal place of business located at 498 Seventh Avenue, New York, New York.

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

ORDER

It is ordered, That respondent Christian Dior-New York, Incorporated, a corporation, and its officers, and respondent's representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from manufacturing for sale, selling, offering for sale, in commerce, or importing into the United States, or introducing, delivering for introduction, transporting or causing to be transported in commerce, or selling or delivering after sale or shipment in commerce, any product, fabric, or related material; or manufacturing for sale, selling, or offering for sale, any product made of fabric or related material which has been shipped or received in commerce, as "commerce," "product," "fabric" and "related material" are defined in the Flammable Fabrics Act, as amended, which product, fabric or related material fails to conform to an applicable standard or regulation continued in effect, issued or amended under the provisions of the aforesaid Act.

It is further ordered, That respondent herein shall, within ten (10) days after service upon it of this order, file with the Commission an interim special report in writing setting forth the respondent's intention as to compliance with this order. This interim special report shall also advise the Commission fully and specifically concerning the identity of the product which gave rise to the complaint, (1) the amount of such product in inventory, (2) any action taken to notify customers of the flammability of such product and the results thereof and (3) any disposition of such product since March 9, 1970. Such report shall further inform the Commission whether respondent has in inventory any other fabric, product or related material having a plain surface and made of silk, paper, rayon and ace-

14

Complaint

weight of two ounces or less per square yard or with a raised fiber surface and made of cotton or rayon or combinations thereof. Respondent will submit samples of any such fabric, product or related material with this report. Samples of the fabric, product or related material shall be not less than the square yard of material.

It is further ordered, That the respondent herein either process the fabrics which gave rise to this complaint and any wearing apparel made from said fabrics so as to bring them within the applicable flammability standards of the Flammable Fabrics Act, as amended, or destroy said fabrics or any wearing apparel made therefrom.

It is further ordered, That respondent 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 the 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 respondent shall maintain full and adequate records concerning all products, fabrics or related materials subject to the Flammable Fabrics Act, as amended, which are sold or distributed by it.

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

 IN THE MATTER OF

GOLDEN-VENET, INC., ET AL.

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

Docket C-1842. Complaint, Jan. 4, 1971—Decision, Jan. 4, 1971

Consent order requiring a Millburn, N.J., retailer of furs to cease and desist from misbranding and deceptively invoicing any fur product.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act, and the order of the Commission...

vested in it by said Acts, the Federal Trade Commission, having reason to believe that Golden-Venet, Inc., a corporation, and Arthur Goldenberg, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Fur Products Labeling Act, 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 Golden-Venet, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey.

Respondent Arthur Goldenberg is an officer of said corporation. He formulates, directs and controls the policies, acts and practices of the said corporation.

Respondents are retailers of fur products with their office and principal place of business located at 217 Millburn Avenue, Millburn, New Jersey.

PAR. 2. Respondents are now and for some time last past have been engaged in the introduction into commerce, and in the sale, advertising, and offering for sale in commerce and in the transportation and distribution in commerce, of fur products; and have sold, advertised, offered for sale, transported and distributed fur products which have been made in whole or in part of furs which have been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act.

PAR. 3. Certain of said fur products were misbranded in that they were not labeled as required under the provisions of Section 4(2) of the Fur Products Labeling Act and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

Among such misbranded fur products, but not limited thereto, were fur products without labels required by the said Act.

PAR. 4. Certain of said fur products were falsely and deceptively invoiced by the respondents in that they were not invoiced as required by Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated under such Act.

Among such falsely and deceptively invoiced fur products, but not limited thereto, were fur products covered by invoices which failed to disclose that the fur products were bleached, dyed or otherwise artificially colored, when such was the fact.

PAR. 5. Certain of said fur products were falsely and deceptively invoiced in that certain of said fur products were invoiced to show

17

Decision and Order

that the fur contained therein was "natural" when in fact such fur was pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Section 5(b)(2) of the Fur Products Labeling Act.

PAR. 6. The aforesaid acts and practices of respondents, as herein alleged, are in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder and constitute unfair methods of competition and unfair and deceptive acts and practices in commerce under 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 Fur Products Labeling Act; 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 has 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 thirty (30) days, now in further conformity with the procedure prescribed in § 2.34(b) of the Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Golden-Venet, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey with its office and principal place of business located at 217 Millburn Avenue, Millburn, New Jersey.

Respondent Arthur Goldenberg is an officer of the said corporation. He formulates, directs and controls the policies, acts and prac-

tices of said corporation and his address is the same as that of said corporation.

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 Golden-Venet, Inc., a corporation, and its officers, and Arthur Goldenberg, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce, of any fur product; or in connection with the sale, advertising, offering for sale, transportation or distribution of any fur product which is made in whole or in part of fur which has been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

1. Misbranding any fur product by failing to affix a label to such fur product showing in words and in figures plainly legible all of the information required to be disclosed by each of the subsections of Section 4(2) of the Fur Products Labeling Act.

2. Falsely or deceptively invoicing any fur product by failing to furnish an invoice, as the term "invoice" is defined in the Fur Products Labeling Act, showing in words and figures plainly legible all the information required to be disclosed by each of the subsections of Section 5(b)(1) of the Fur Products Labeling Act.

3. Representing directly or by implication on an invoice that the fur contained in such fur product is "natural," when such fur is pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

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 the order.

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

17

Order

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

WOLVERINE SUPPLY & MFG. CO.*

ORDER OF DISMISSAL, ETC., IN REGARD TO THE ALLEGED VIOLATION
OF SEC. 2(d) OF THE CLAYTON ACT

*Docket 7972. Complaints, June 24, 1960, Aug. 25, 1960, Dec. 22, 1960—
Decision, Jan. 6, 1971*

Order and decision reopening 27 orders charging toy manufacturers with violations of Section 2(d) of the Clayton Act issued in 1962, 61 F.T.C. 629, rescinding the orders and dismissing the complaints.

ORDER AND DECISION REOPENING PROCEEDINGS RESCINDING
ORDERS AND DISMISSING COMPLAINTS

The Commission having issued its orders to cease and desist against respondents on September 19, 1962 [61 F.T.C. 629], November 19, 1962, November 27, 1962, December 5, 1962, and December 13, 1962, and having issued on October 7, 1970, its order to show cause why these proceedings should not be reopened for the purpose of rescinding its said orders to cease and desist and dismissing its complaints; and having served its said order to show cause upon the respondents; and

The Commission being of the opinion that the order to show cause raises no substantial issue of fact requiring resolution; and

The Commission for the reasons set forth in its order to show cause being of the opinion that the public interest will best be served

*and the following related cases: Emence Industries, Inc., Docket No. 7974; Bilnor Corp., Docket No. 7975; Parker Bros., Inc., Docket No. 7976; American Machine & Foundry Co., Docket No. 7977; Transogram Co., Inc., Docket No. 7978; Ideal Toy Corp., Docket No. 7979; Tonka Toys, Inc., Docket No. 8242; Fisher-Price Toys, Inc., Docket No. 8243; Radio Steel & Mfg. Co., Docket No. 8244; Wen-Mac Corp., Docket No. 8245; The Hubley Manufacturing Co., Docket No. 8254; Milton Bradley Co., Docket No. 8256; Hamilton Steel Products, Inc., Docket No. 8257; Hassenfeld Bros., Inc., Docket No. 8258; Knickerbocker Toy Co., Inc., Docket 8101; Alexander Miner Sales Corp., Docket No. 8102; Remco Industries, Inc., Docket No. 8103; The A. C. Gilbert Co., Docket No. 8104; Revell, Inc., Docket No. 8224; Aurora Plastics Co., Docket No. 8225; Kohner Bros., Inc., Docket No. 8226; Mattel, Inc., Docket No. 8227; The Porter Chemical Co., Docket No. 8228; Multiple Products Corp., Docket No. 8229; Halsam Products, Co., Docket No. 8230; Horsman Dolls, Inc., Docket No. 8241.

Complaint

78 F.T.C.

by reopening the proceedings herein, rescinding its orders to cease and desist, and dismissing its complaints,

It is ordered, That these matters be, and they hereby are, reopened as to the respondents named herein.

It is further ordered, That the Commission's orders to cease and desist issued September 19, 1962, November 19, 1962, November 27, 1962, December 5, 1962, and December 13, 1962, be, and they hereby are, rescinded as to all respondents and that the complaints as to such respondents be, and they hereby are, dismissed.

IN THE MATTER OF

SUPERMARKET BROADCASTING NETWORK, INC.,
ET AL.

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

Docket C-1843. Complaint, Jan. 6, 1971—Decision, Jan. 6, 1971

Consent order requiring a Chicago, Ill., corporation operating a system of sound broadcasts in retail outlet stores to cease failing to offer or furnish its services to competitors of its retail store customers on a proportionally equal basis, failing to offer its services to all firms supplying its retail store customers, and acting as an intermediary between suppliers and retail stores without making all advantages offered available to all other retail customers.

COMPLAINT

The Federal Trade Commission, pursuant to the provisions of the Federal Trade Commission Act (15 U.S.C. Section 45), by virtue of the authority vested in it by said Act, having reason to believe that the parties named in the caption hereof and hereinafter more particularly described and referred to as respondents, have violated and are now violating the provisions of Section 5 of the Federal Trade Commission Act, as hereinafter more particularly described, 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 respect thereto as follows:

PARAGRAPH 1. Supermarket Broadcasting Network, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois with its principal office located at 360 North Michigan Avenue, Chicago, Illinois. Respondent Super-

market Broadcasting Network, Inc., is known as and referred to herein as "SBN."

Respondent Robert E. Potter, Sr., is an individual and is now and during the times referred to herein has been the president and principal stockholder of the corporate respondent, Supermarket Broadcasting Network, Inc., with his principal office and place of business located at 360 North Michigan Avenue, Chicago, Illinois, and, as such, has directed, managed, and controlled the activities of the respondent corporation and has formulated the policies under which the acts and practices referred to herein have been conducted.

PAR. 2. DEFINITIONS. As used herein, the following words and phrases shall have the principal meanings and definitions indicated.

PARTICIPATING SUPPLIER-ADVERTISERS—include those engaged in the manufacture, packaging, sale and distribution of products and commodities, both edible and nonedible, normally sold in grocery stores, including supermarkets, and who contract with respondent SBN for the services and facilities provided by respondent SBN in broadcasting commercial announcements as hereinafter more particularly described.

WHOLESALER GROUPS—a central wholesaler who buys products from suppliers and who sells and distributes said products to retailers who in turn resell to consumers, and the retailers who have affiliated with the central wholesaler for the purposes of cooperative buying and cooperative merchandising.

PARTICIPATING NETWORK UNIT—any wholesaler group, as hereinbefore defined, or any unaffiliated retailer contracting with respondent SBN for the services, facilities, and payments as hereinafter more particularly described.

PARTICIPATING NETWORK OUTLET—a retail store, physically equipped with and using the broadcast equipment of the respondent SBN in the manner hereinafter described.

PAR. 3. Respondent SBN is now and for many years has been engaged in the operation of a system of sound broadcasts in participating network outlets (retail stores), by which music, news, public interest announcements and, particularly, commercial messages are disseminated to shoppers.

In connection with its business, respondent SBN solicits, enters into and executes contracts and agreements with wholesaler groups and sometimes with independent, non-affiliated retailers (participating network units), which contracts and agreements provide that SBN supplies the following services and facilities in connection with

the sale and offering for sale of participating supplier-advertisers' products:

1. SBN installs the sound broadcasting equipment in participating network outlets.

2. SBN arranges for and provides the in-store sound broadcasts by radio transmissions or audio tapes of background music, news, public interest announcements, and, particularly, commercial messages featuring the products of participating supplier-advertisers.

Said contracts also provide that the participating network outlet operators shall promote the products of participating supplier-advertisers by newspaper advertisements, hand bills, and in-store displays, in addition to permitting commercial messages on the sound broadcasts.

In addition to the foregoing the contracts and agreements with the participating network units typically provide that the participating network units will receive payment of money as consideration for the services or facilities furnished by or through the participating network unit in connection with the SBN program.

In connection with its business, respondent SBN solicits, enters into, and executes contracts and agreements with participating supplier-advertisers whose products are sold in the participating network outlets, which contracts and agreements provide that said participating supplier-advertisers pay SBN for the aforementioned services and facilities furnished by SBN, through SBN and by the participating network units.

Typically, the contracts between SBN and the participating supplier-advertisers provide that SBN will offer its services to all wholesalers and retail food outlets in the areas in which it has contracted to perform with the participating network units.

Respondent SBN's business is substantial. In 1966 it received approximately \$896,000 from suppliers for advertising their products in about 1300 participating network outlets located in about 25 States of the United States.

PAR. 4. In the course and conduct of its business, respondent SBN has engaged and is now engaged in commerce, as "commerce" is defined in the Federal Trade Commission Act. Respondent SBN sends or causes to be sent, equipment, advertising materials, payments, communications, contracts, invoices and other items to and from its home offices in the State of Illinois to and from the many other States of the United States in which the participating network units and outlets are located. Respondent SBN's officers, employees and agents travel extensively from many of the States in the United

States to many other States of the United States in the course of the business of respondent SBN, and respondent SBN receives at its home offices in the State of Illinois, communications, payments of money, advertising copy and other items from many of its participating supplier-advertisers located in many of the other States of the United States.

In addition, many of the products sold and promoted in the participating network outlets under the SBN program and contracts as hereinbefore described have been transported from many States of the United States in which said products were manufactured, or prepared, or warehoused to many other States of the United States in which said participating network outlets are located.

PAR. 5. Many of the participating network outlets are in competition with other retailers, and many of the wholesalers participating with respondent SBN as participating network units are in competition with other wholesalers in the purchase, sale and distribution of food, grocery, and non-edible household products.

PAR. 6. In the course and conduct of its business in commerce and particularly since 1962, respondent SBN has been the principal instrumentality and factor in negotiating and executing promotional and advertising arrangements between participating supplier-advertisers and participating network units, as hereinbefore defined wherein:

A. Participating supplier-advertisers have paid or contracted for the payment of something of value to respondent SBN for the benefit of customers of such participating supplier-advertisers as compensation or in consideration for services and facilities furnished by or through said customers in connection with the sale or offering for sale of such participating supplier-advertisers' products by such customers, and wherein

B. Participating supplier-advertisers have contracted to furnish, have furnished, and contributed to the furnishing to customers, through respondent SBN of services and facilities connected with the sale or offering for sale of such participating supplier-advertisers' products

when respondents knew or should have known that the said payments for, or the said furnishing of, services and facilities were discriminatory in that neither SBN nor the participating supplier-advertisers offered and other wise made available or accorded such payments, for, or the furnishing of, services and facilities to all of said participating supplier-advertisers' customers, in-

cluding those who do not purchase directly, competing with those so favored.

PAR. 7. By conceiving, authorizing and initiating the contracts with the participating network units and with the participating supplier-advertisers as aforesaid, respondent SBN controlled and determined the terms, conditions, rates, amounts, times and territories of promotional arrangements between participating supplier-advertisers and their participating customers.

Although respondent SBN in many instances agreed with participating supplier-advertisers to offer the SBN program to all of the participating supplier-advertisers' customers competing with the participating network outlets in the distribution of said participating supplier-advertisers' products, respondent SBN failed to offer and otherwise make available on proportionally equal terms the SBN program to all of said participating supplier-advertisers' other customers, including those who do not purchase directly, who, in fact, competed with the favored.

In addition respondent SBN, knew or should have known that many of SBN's participating supplier-advertisers did not themselves offer and otherwise make available on proportionally equal terms the benefits of the payments, services and facilities of the SBN program to all of their other customers, including those who do not purchase directly, competing with their SBN participating customers in the distribution of such participating supplier-advertisers' products.

As a result, respondent SBN knew or should have known that the benefits of the payments, services and facilities of the SBN program were not offered, accorded and otherwise made available to all of said participating supplier-advertisers' customers, including those who do not purchase directly, competing in the distribution of said participating supplier-advertisers' products.

PAR. 8. The acts and practices of respondents, as herein alleged, are all to the prejudice of the public and constitute unfair methods of competition in commerce and unfair acts and practices in commerce within the intent and meaning and in violation of Section 5 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 Bureau of Restraint of

Trade proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of Section 5 of the Federal Trade Commission Act; 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 Act, 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 Supermarket Broadcasting Network, Inc., is a corporation organized and doing business under and by virtue of the laws of the State of Illinois, with its office and principal place of business located at 360 North Michigan Avenue, Chicago, Illinois.

Respondent Robert E. Potter, Sr., is an officer of said corporation and his address is 360 North Michigan Avenue, Chicago, Illinois.

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 respondent Supermarket Broadcasting Network, Inc., a corporation, and its officers, and respondent Robert E. Potter, Sr., individually and as an officer of respondent corporation, and their representatives, agents, and employees, directly, indirectly, or through any corporate or other device, in or in connection with their business in commerce, as "commerce" is defined in the Federal Trade Commission Act do forthwith cease and desist from:

1. Inducing and receiving, receiving or contracting for the receipt of anything of value from any supplier for the benefit of such supplier's customer, for the purpose of compensating such

supplier's customer for display and promotional services or facilities furnished by or through said supplier's customers, or for the purpose of furnishing display or promotional services and facilities, including background music and promotional announcements to said supplier's customers, in connection with the processing, handling, sale or offering for sale of such supplier's products by such customer, when respondents know or should know that such compensation, consideration, services, or facilities are not affirmatively offered, accorded, and otherwise made available by such supplier or respondents on proportionally equal terms to all the supplier's customers, including those who do not purchase directly from such supplier, competing with the favored customer in the sale and distribution of such supplier's products.

2. Paying or contracting for the payment of anything of value to or for the benefit of any customer of a supplier, as compensation or in consideration for any services or facilities furnished by or through such customer, or furnishing, contracting to furnish, or contributing to the furnishing of any service or facility, including background music and promotional announcements, to any customer of such supplier, in connection with the processing, handling, sale or offering for sale of any of such supplier's products, unless such payment, compensation, consideration, services or facilities are affirmatively offered, accorded, and otherwise made available to all of such supplier's customers, including those who do not purchase directly from such supplier, competing with the favored customer in the sale and distribution of such supplier's products.

3. Acting as an intermediary in transactions between suppliers and their customers as described in the complaint unless respondents affirmatively inform all such suppliers of such supplier's primary responsibility for seeing that the allowances they grant, or the services or facilities they furnish directly or indirectly in connection with the promotion of their products, to or for the benefit of some of their customers, are made available to all other customers, including those buying indirectly, who compete in the resale of their products with customers so favored.

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 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 of the effective date 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
VARIETY FROCKS, ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATIONS OF
THE FEDERAL TRADE COMMISSION AND THE FLAMMABLE FABRICS ACTS

Docket C-1844. Complaint, Jan. 6, 1971—Decision, Jan. 6, 1971

Consent order requiring a New York City manufacturer and importer of women's wear, including maternity dresses, to cease violating the Flammable Fabrics Act by importing and selling any fabric which fails to conform to the standards of said Act.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Flammable Fabrics Act, as amended, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Variety Frocks, a partnership, and Irving Edelman and Benjamin Laub, individually and as copartners trading as Variety Frocks, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Flammable Fabrics Act, as amended, 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 Variety Frocks is a partnership 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 1359 Broadway, New York, New York.

Individual respondents Irving Edelman and Benjamin Laub are copartners in said partnership. They formulate, direct and control

the acts, practices and policies of said partnership. Their address is the same as that of the partnership.

PAR. 2. Respondents are now and for some time last past have been engaged in the manufacture for sale, sale, offering for sale, in commerce, and in the importation into the United States, and have introduced, delivered for introduction, transported and caused to be transported in commerce, and have sold or delivered after sale or shipment in commerce, products; and have manufactured for sale, sold and offered for sale, products made of fabrics or related materials which have been shipped or received in commerce, as the terms "commerce," "product," "fabric" and "related material" are defined in the Flammable Fabrics Act, as amended, which fabrics and products failed to conform to an applicable standard or regulation continued in effect, issued or amended under the provisions of the Flammable Fabrics Act, as amended.

Among such products mentioned hereinabove were maternity dresses.

PAR. 3. The aforesaid acts and practices of respondents were and are in violation of the Flammable Fabrics Act, as amended, 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.

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 Bureau of Consumer Protection 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 Flammable Fabrics 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 and 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

