

Complaint

IN THE MATTER OF

PRINCESS ANN GIRL COAT, INC., ET AL.

COMPLAINT, FINDINGS, AND ORDERS IN REGARD TO THE ALLEGED VIOLATION OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914, AND AN ACT OF CONGRESS APPROVED OCT. 14, 1940

Docket 5877. Complaint, May 3, 1951—Decision, Sept. 21, 1951

The use of different labels on the same product, subject to the Wool Products Labeling Act, which show conflicting fiber content information, such as a label on one place of a garment showing the content as "100 percent reprocessed wool," and another showing it as "100 percent wool," constitute false and deceptive labeling of such products in violation of said act and the rules and regulations promulgated thereunder, since the product cannot be composed entirely of reprocessed wool and wool at one and the same time.

Where a corporation and its two officers, engaged in the manufacture and introduction into commerce, and in the sale and distribution therein in commerce, of wool products as defined in the Wool Products Labeling Act—

- (a) Misbranded certain of said products within the intent and meaning of said act and the rules and regulations promulgated thereunder in that they placed thereon conflicting fiber content information, such as labeling the garment at one place as "100 percent reprocessed wool," and at another place as "100 percent wool;" with effect of confusing the purchasing public as to the fiber content of said products; and
- (b) Further misbranded certain of said products in that the constituent fibers and the percentages thereof, as well as the name of the manufacturer or its registered identification number, were not set out on the labels attached thereto in the manner and form required by said rules and regulations:

Held, That such acts and practices, under the circumstances set forth, were in violation of said act and the rules and regulations promulgated thereunder, were to the prejudice and injury of the public and constituted unfair and deceptive acts and practices in commerce.

Before *Mr. Earl J. Kolb*, trial examiner.

Mr. B. G. Wilson and *Mr. Carlo J. Aimone* for the Commission.

Mr. Frederick Silver, 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 Princess Ann Girl Coat, Inc., a corporation, Jack Horowitz and Seymour Wasserman, individually and as officers of said corporation, have violated the provisions of said acts and rules and regulations promulgated under the Wool Products

Complaint

48 F. T. C.

Labeling Act of 1939, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest. hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent, Princess Ann Girl Coat, Inc., is a corporation organized and existing under and by virtue of the laws of the State of New York; respondent Jack Horowitz is its president and Seymour Wasserman is its secretary-treasurer. The individual respondents formulate, direct, and control the policies, acts, and practices of the corporate respondent. The office and principal place of business of both corporate respondent and individual respondents is located at 225 West Thirty-sixth Street, N. Y.

PAR. 2. Subsequent to January 1, 1949, respondents 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 the Wool Products Labeling Act, wool products, as "wool products" are defined therein.

PAR. 3. Certain of said wool products were misbranded within the intent and meaning of the said act and the rules and regulations promulgated thereunder in that they were falsely and deceptively labeled with respect to the character and amount of their constituent fibers.

Certain of said wool products were misbranded in that they were falsely and deceptively labeled by respondents by placing on said products labels showing conflicting fiber content information. Typical of such practice is the placing of a label on garments at one place showing the content as "100 percent reprocessed wool" and another label on the same product showing the content as "100 percent wool." The use on said products of such conflicting labels has the capacity and tendency to confuse and deceive and does confuse and deceive the purchasing public as to the fiber content of said products and is in violation of the Wool Products Labeling Act and the rules and regulations promulgated thereunder.

Certain of said wool products were further misbranded in that the constituent fibers and the percentages thereof, as well as the name of the manufacturer or its registered identification number as required by said act and the rules and regulations thereunder were not set out on labels attached to such products, in the manner and form as required by the said rules and regulations.

PAR. 4. The acts and practices of respondents, as herein alleged, were in violation of the Wool Products Labeling Act of 1939 and 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.

DECISION OF THE COMMISSION

Pursuant to rule XXII of the Commission's rules of practice, and as set forth in the Commission's "Decision of the Commission and Order to File Report of Compliance," dated September 21, 1951, the initial decision in the instant matter of trial examiner Earl J. Kolb, as set out as follows, became on that date the decision of the Commission.

INITIAL DECISION BY EARL J. KOLB, TRIAL EXAMINER

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 on May 3, 1951, issued and subsequently served its complaint in this proceeding upon the respondents Princess Ann Girl Coat, Inc., a corporation, and Jack Horowitz and Seymour Wasserman, individually and as officers of said corporation, charging them with the use of unfair and deceptive acts and practices in commerce in violation of the provisions of those acts. After the service of said complaint upon said respondents, a stipulation as to the facts was entered into whereby it was stipulated and agreed that a statement of facts executed by counsel supporting the complaint and counsel for respondents might be taken as the facts in this proceeding and in lieu of evidence in support of and in opposition to the charges stated in the complaint, and that such statement of facts might serve as the basis for findings as to the facts and conclusion based thereon and an order disposing of the proceeding without presentation of proposed findings and conclusions or oral argument. The stipulation further provided that upon appeal to or review by the Commission such stipulation might be set aside by the Commission and this matter remanded for further proceedings under the complaint. Thereafter, the proceeding regularly came on for final consideration by the above-named trial examiner, theretofore duly designated by the Commission, upon the complaint and stipulation as to the facts, said stipulation having been approved by said trial examiner, who, after duly considering the record herein, finds that this proceeding is in the interest of the public and makes the following findings as to the facts, conclusion drawn therefrom and order:

FINDINGS AS TO THE FACTS

PARAGRAPH 1. Respondent Princess Ann Girl Coat, Inc., is a corporation organized and existing under and by virtue of the laws of the State of New York; respondent Jack Horowitz is its president and Seymour Wasserman is its secretary-treasurer. The individual re-

spondents formulate, direct and control the policies, acts and practices of the corporate respondent. The office and principal place of business of both corporate respondent and individual respondents is located at 225 W. Thirty-sixth Street, New York, N. Y.

PAR. 2. Subsequent to January 1, 1949, respondents 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 the Wool Products Labeling Act, wool products, as "wool products" are defined therein.

PAR. 3. Certain of said wool products were misbranded within the intent and meaning of the said act and the rules and regulations promulgated thereunder in that they were mislabeled by respondents by placing on said products labels showing conflicting fiber content information. Typical of such practice is the placing of a label on garments at one place showing the content as "100 percent reprocessed wool" and another label on the same product showing the content as "100 percent wool." The use on said products of such conflicting labels has the capacity and tendency to confuse and does confuse the purchasing public as to the fiber content of said products.

As said products cannot be composed entirely of reprocessed wool and composed entirely of wool at one and the same time, the use of conflicting labels designating said products as being "100 percent reprocessed wool" and "100 percent wool" constitutes false and deceptive labeling of such products in violation of the Wool Products Labeling Act and the rules and regulations promulgated thereunder.

Certain of said wool products were further misbranded in that the constituent fibers and the percentages thereof, as well as the name of the manufacturer or its registered identification number as required by said act and the rules and regulations thereunder, were not set out on labels attached to such products in the manner and form required by the said rules and regulations.

CONCLUSION

The acts and practices of the respondents in the manufacture for introduction into commerce and in the sale, transportation and distribution in commerce of wool products which were misbranded, as herein found, were in violation of the provisions of the Wool Products Labeling Act of 1939 and the rules and regulations promulgated thereunder and were to the prejudice and injury of the public and constituted unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

325

Order

ORDER

It is ordered, That the respondents Princess Ann Girl Coat, Inc., a corporation, and its officers, and Jack Horowitz and Seymour Wasserman, individually and as officers of said corporation, and their respective representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction into commerce or the offering for sale, sale, or distribution in commerce, as "commerce" is defined in the aforesaid acts, of 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:

1. By affixing or attaching to said products labels describing fiber content, one or more of which do not clearly state the correct constituent fibers, as required by the Wool Products Labeling Act.

2. By failing to affix securely to or place on such products 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 product, exclusive of ornamentation not exceeding 5 percent of said total fiber weight of (1) wool, (2) reprocessed wool, (3) reused wool, (4) each fiber other than wool where said percentage by weight of such fiber is 5 percent or more, and (5) the aggregate of all other fibers.

(b) The name or the registered identification number of the manufacturer of such wool product one or more persons engaged in introducing such wool product into commerce, or in offering for sale, sale, transportation, or distribution thereof in commerce, as "commerce" is defined in the Federal Trade Commission Act and 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.

ORDER TO FILE REPORT OF COMPLIANCE

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 [as required by said declaratory decision and order of September 21, 1951].

Complaint

48 F. T. C.

IN THE MATTER OF

LORRAINE SMART SHOPS, INC. ET AL.

COMPLAINT, FINDINGS, AND ORDERS IN REGARD TO THE ALLEGED VIOLATION OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914, AND OF AN ACT OF CONGRESS APPROVED OCT. 14, 1940

Docket 5669. Complaint, June 28, 1949—Decision, Sept. 27, 1951

Where a corporation engaged in the purchase from manufacturers in other States of wearing apparel which it caused to be shipped to its New York address for checking, sorting, and shipment to its approximately 23 retailers in various States, or direct from said manufacturers to said retail stores for sale to the purchasing public, one of said retail stores, and a managerial employee of said corporation;

After delivery to said corporation or its stores of articles of wearing apparel which were wool products subject to the Wool Products Labeling Act of 1939 and the rules and regulations promulgated thereunder, including women's coats, sweaters, and suits, and before offer for sale thereof to the general public, and with intent to violate the provisions of said act and rules—

Removed and participated in, and caused, the removal of the stamps, tags, labels, or other means of identification required by said act and which has been affixed to said products by the manufacturer, and did not replace them with substitute stamps, etc.,

With the result that said wool products when offered for sale and sold by them to the general public at their said stores did not have affixed thereto stamps, etc., required by said act and rules:

Held, That said acts and practices of respondents, under the circumstances set forth, were in violation of the Wool Products Labeling Act of 1939 and to the prejudice and injury of the public, and constituted unfair and deceptive acts and practices in commerce.

As respects the allegations of the complaint that respondents offered for sale and sold wool products in commerce which were misbranded with the intent and meaning of said act and said rules and regulations: there was no evidence that they manufactured, delivered for shipment, shipped, sold, or offered for sale in commerce any wool products which were thus misbranded, so that said allegations were not sustained.

Before *Mr. John W. Addison*, trial examiner.

Mr. DeWitt T. Puckett and *Mr. Randolph W. Branch* for the Commission.

Conrad & Smith, 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 Lorraine Smart Shops, Inc., a corporation, Lorraine Roanoke Shop, Inc., a corporation, and Mrs. Ruby Shepherd, individually and as a managerial employee of Lorraine Smart Shops, Inc., 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. Respondent Lorraine Smart Shops, Inc., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of New York and has an office or place of business at 270 West Thirty-ninth Street, New York, N. Y. It also maintains an office or place of business at 260 West Forty-first Street in New York City.

Respondent Lorraine Roanoke Shop, Inc., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Virginia and has its office and place of business at 12 West Campbell Avenue, Roanoke, Va.

Respondent Mrs. Ruby Shepherd is a managerial employee of respondent Lorraine Smart Shops, Inc., and is vested with authority to dictate policies and practices engaged in by the aforesaid corporate respondents.

PAR. 2. Respondent Lorraine Smart Shops, Inc., is now, and for more than 1 year last past has been engaged in purchasing wearing apparel from various manufacturers thereof located in various States of the United States and having said apparel shipped either to said respondent's New York address where said apparel is checked, sorted, prepared for shipment, and shipped from said address in New York to approximately 23 retail stores, including respondent Lorraine Roanoke Shop, Inc., located in various States of the United States, all of which retail stores are owned by respondent Lorraine Smart Shops, Inc., or its stockholders, or the merchandise is shipped direct from said manufacturers to said retail stores at which place said merchandise is offered for sale and sold to the ultimate purchasing public by respondent's said stores.

PAR. 3. Respondent Lorraine Roanoke Shop, Inc., is one of the aforesaid retail stores and is engaged in offering for sale and selling said wearing apparel to the ultimate purchasing public.

PAR. 4. A substantial portion of the articles of wearing apparel offered for sale and sold to the purchasing public by the respondents, as aforesaid, are wool products as such products are defined in the Wool Products Labeling Act of 1939 in that said products are com-

posed in whole or in part of wool, reprocessed wool, or reused wool, as those terms are defined in said act.

PAR. 5. Among the wool products purchased and transported in commerce as aforesaid and also among the wool products manufactured for introduction into said commerce and thereafter offered for sale and sold by respondents as aforesaid since July 15, 1941, were women's coats, sweaters, and suits and other garments. All of said wool products purchased and transported in commerce as aforesaid, and all of said wool products manufactured for introduction into said commerce, were subject to the provisions of the Wool Products Labeling Act of 1939 and the rules and regulations promulgated thereunder.

PAR. 6. Some of the aforesaid wool products were misbranded within the intent and meaning of the Wool Products Labeling Act of 1939 and the rules and regulations promulgated thereunder when offered for sale and sold by respondents, in that said products, when offered for sale and sold by respondents, did not have affixed thereto a stamp, tag, label, or other means of identification showing (a) the percentage of the total fiber weight of the wool product, exclusive of ornamentation, not exceeding 5 percent of said total fiber weight of (1) wool, (2) reprocessed wool, (3) reused wool, (4) each fiber other than wool where said percentage by weight of such fiber was 5 percentum or more, and (5) the aggregate of all other fibers; (b) the maximum percentage of the total weight of the wool product of non-fibrous loading, filling, or adulterating matter; (c) the name of the manufacturer of the wool product, or the manufacturer's registered identification number and the name of a subsequent seller or reseller of the product, as provided for in the rules and regulations promulgated under such act, or the name of one or more persons subject to section 3 of said act with respect to such wool product; (d) the percentages in words and figures plainly legible, by weight of the wool contents of said wool product where said wool product contained a fiber other than wool.

PAR. 7. The aforesaid wool products, when received by respondent Lorraine Smart Shops, Inc., at its New York address or at the said retail stores, direct from the manufacturers thereof, had affixed thereto stamps, tags, labels, or other means of identification purporting to contain the information required by the Wool Products Labeling Act of 1939. After said wool products were delivered to the respondent's said stores, as aforesaid, and before said wool products were offered for sale or sold by respondents to the general public, said respondents, with intent to violate the provisions of the Wool Products Labeling Act of 1939 and the rules and regulations promulgated thereunder,

did remove, and participate in and cause removal of, the stamps, tags, labels, or other means of identification which purported to contain the information required by the provisions of said act and said rules and regulations affixed to said wool products by the manufacturer thereof or by some person authorized or required by said act to affix such stamps, tags, labels, or other means of identification to said wool products.

PAR. 8. Said respondents did not replace said stamps, tags, labels, or other means of identification with substitute stamps, tags, labels, or other means of identification containing the information required under the provisions of the Wool Products Labeling Act of 1939 and the rules and regulations thereunder. As a result of respondents' said acts and practices in removing said stamps, tags, labels, or other means of identification affixed to said wool products, said wool products, when offered for sale and sold by respondents to the general public at their said stores and places of business, did not have affixed thereto stamps, tags, labels, or other means of identification containing the information required by said act and said rules and regulations.

PAR. 9. The aforesaid acts, practices, and methods of the respondents, as herein alleged, were and are in violation of the Wool Products Labeling Act of 1939, and 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.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

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, on June 28, 1949, issued and subsequently served its complaint in this proceeding upon the respondents named in the caption hereof, charging them with the use of unfair and deceptive acts and practices in commerce in violation of the provisions of said acts and the rules and regulations promulgated under the Wool Products Labeling Act of 1939, in connection with the sale of women's wearing apparel. After the filing of respondents' answer, hearings were held before a trial examiner of the Commission theretofore duly designated by it, at which testimony and other evidence in support of and in opposition to the allegations of the complaint were introduced, and said testimony and other evidence were duly recorded and filed in the office of the Commission. On May 14, 1951, the trial examiner filed his initial decision.

The Commission, having reason to believe that the initial decision did not constitute an adequate disposition of the matter, subsequently placed this case on its own docket for review, and on August 17, 1951, it issued, and thereafter served upon the parties, its order affording the respondents an opportunity to show cause why said initial decision should not be altered in the manner and to the extent shown in a tentative decision of the Commission attached to said order. Respondents having filed no objections in response to the leave to show cause, the proceeding regularly came on for final consideration by the Commission upon the record herein on review; and the Commission, having duly considered the matter and being now fully advised in the premises, finds that this proceeding is in the interest of the public and makes this its findings as to the facts, conclusion drawn therefrom, and order, the same to be in lieu of the initial decision of the trial examiner.

FINDINGS AS TO THE FACTS

PARAGRAPH 1. Respondent Lorraine Smart Shops, Inc., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of New York, and has an office or place of business at 270 West Thirty-ninth Street, New York, N. Y. It also maintains an office or place of business at 260 West Forty-first Street in New York City.

Respondent Lorraine Roanoke Shop, Inc., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Virginia, and has its office and place of business at 12 West Campbell Avenue, Roanoke, Va.

Respondent Mrs. Ruby Shepherd is a managerial employee of respondent Lorraine Smart Shops, Inc., and is vested with authority to fire and hire employees and to dictate policies and practices engaged in by the aforesaid corporate respondents, but is now closely supervised.

PAR. 2. Respondent Lorraine Smart Shops, Inc., is now, and for more than 1 year last past has been, engaged in purchasing wearing apparel from various manufacturers thereof located in various States of the United States and having said apparel shipped either to said respondent's New York address where said apparel is checked, sorted, prepared for shipment, and shipped from said address in New York to approximately 23 retail stores, including respondent Lorraine Roanoke Shops, Inc., located in various States of the United States, all of which retail stores are owned by respondent Lorraine Smart Shops, Inc., or its stockholders, or direct from said manufacturers to said retail stores at which places said merchandise is offered for sale and sold to the ultimate purchasing public by respondent's said stores.

PAR. 3. Respondent Lorraine Roanoke Shop, Inc., is one of the aforesaid retail stores and is engaged in offering for sale and selling said wearing apparel to the ultimate purchasing public.

PAR. 4. A substantial portion of the articles of wearing apparel offered for sale and sold to the purchasing public by the respondents as aforesaid, are wool products as such products are defined in the Wool Products Labeling Act of 1939, in that said products are composed in whole or in part of wool, reprocessed wool, or reused wool, as these terms are defined in said act.

PAR. 5. Among the wool products purchased and transported in commerce as aforesaid and also among the wool products manufactured for introduction into said commerce and thereafter offered for sale and sold by respondents as aforesaid since July 15, 1941, were women's coats, sweaters, and suits, and other garments. All of said wool products purchased and transported in commerce as aforesaid, and all of said wool products manufactured for introduction into said commerce, were subject to the provisions of the Wool Products Labeling Act of 1939 and the rules and regulations promulgated thereunder.

PAR. 6. The aforesaid wool products when received by respondent Lorraine Smart Shops, Inc., at its New York address, or at the said retail stores direct from the manufacturers thereof, had affixed thereto stamps, tags, labels, or other means of identification purporting to contain the information required by the Wool Products Labeling Act of 1939. After said wool products were delivered to the respondent's said stores as aforesaid, and before said wool products were offered for sale or sold by respondents to the general public, said respondents, with intent to violate the provisions of the Wool Products Labeling Act of 1939 and the rules and regulations promulgated thereunder, did remove, and participate in and cause the removal of, the stamps, tags, labels, or other means of identification which purported to contain the information required by the provisions of said act and said rules and regulations, affixed to said wool products by the manufacturer thereof or by some person authorized or required by said act to affix such stamps, tags, labels, or other means of identification to said wool products.

PAR. 7. Said respondents did not replace said stamps, tags, labels, or other means of identification with substitute stamps, tags, labels, or other means of identification containing the information required under the provisions of the Wool Products Labeling Act of 1939 and the rules and regulations thereunder. As a result of respondents' said acts and practices in removing said stamps, tags, labels, or other means of identification affixed to said wool products, said wool prod-

Order

48 F. T. C.

ucts when offered for sale and sold by respondents to the general public at their said stores and places of business did not have affixed thereto stamps, tags, labels, or other means of identification containing the information required by said act and said rules and regulations.

PAR. 8. There is no evidence that the respondents manufactured, delivered for shipment, shipped, sold, or offered for sale in commerce any wool products which were misbranded within the intent and meaning of the Wool Products Labeling Act of 1939 and the rules and regulations promulgated thereunder. Consequently, the allegations of the complaint that the respondents offered for sale and sold wool products in commerce which were misbranded within the intent and meaning of said act and said rules and regulations are not sustained.

CONCLUSION

The acts and practices and methods of respondents as found in paragraphs 6 and 7 hereof were and are in violation of the Wool Products Labeling Act of 1939, and are to the prejudice and injury of the public and constitute unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

ORDER

It is ordered, That the respondent Lorraine Smart Shops, Inc., a corporation, its officers, respondent Lorraine Roanoke Shop, Inc., a corporation, its officers, and respondent Mrs. Ruby Shepherd, individually and as a managerial employee of Lorraine Smart Shops, Inc., trading under the name of Lorraine Smart Shops, Inc., Lorraine Roanoke Shop, Inc., or any other name, their respective representatives, agents, and employees, directly or through any corporate or other device, in connection with the purchase, offering for sale, sale, or distribution of wearing apparel or any other "wool products" as such products are defined in and subject to the Wool Products Labeling Act of 1939, do forthwith cease and desist from causing or participating in the removal or mutilation of any stamp, tag, label, or other means of identification affixed to any such "wool product" pursuant to the Wool Products Labeling Act of 1939, with intent to violate the provisions of said Wool Products Labeling Act, and which stamp, tag, label, or other means of identification purports to contain all or any part of the information required by said act.

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

Syllabus

IN THE MATTER OF
MORRIS HESSEL, INC., ET AL.

COMPLAINT, FINDINGS, AND ORDERS IN REGARD TO THE ALLEGED VIOLATION
OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 28, 1914

Docket 5870. Complaint, Apr. 4, 1951—Decision, Sept. 27, 1951

Many members of the purchasing public are unaware of the fact that "mouton" is the French word for lamb and believe that said word stands for the fur for some other animal—a belief enhanced by the fact that the fur, correctly designated as "mouton dyed lamb", is dyed so that it resembles other furs.

Where a corporation and its three officers, engaged in the interstate sale and distribution of fur, fur coats, jackets, scarfs, and related fur garments, in competition with many similarly engaged, who do not misrepresent their business status or the prices charged for their merchandise; in advertising in newspapers, circulars, and other media—

(a) Represented that said corporation was a manufacturer of fur products, manufactured such products sold by it, and had been in the fur business continuously for a period of 37 years, through such statements as "Manufacturing furrier," "Over 30 years in fur manufacturing," etc.;

The facts being that while its president had 38 years of experience in the fur business, said corporation had been in business only since its incorporation in 1940; and while it did for a limited period manufacture a small portion of the fur products sold by it, the great majority of its products had been at all times bought from others;

(b) Represented falsely that said corporation was a wholesaler and sold at wholesale prices, and that its prices were 30 percent less than those charged by any retail store, through such statements as "He conceived the plan of selling furs directly to the individual at the wholesale level available to big store buyers * * *," "Wholesale to you," "You know our regular prices are 30 percent below those of any retail furrier * * *," etc.;

(c) Represented falsely that its said products were sold at special sales at prices as much as 50 percent less than the regular prices, that certain of its sales were private and for selected customers only; and that the merchandise offered at such sales was not available for purchase by the public generally, through such statements as "Please keep this private sale a secret! This is a private sale for regular Morris Hessel patrons only. It is not open to the general public * * *," etc.; and

(d) Represented that its president was the author of books entitled "Fur Book of Knowledge" and "Facts You Should Know About Furs," and by reason thereof an outstanding authority on furs;

The facts being that while he supplied the material for the former and caused its publication, and distributed the latter, he was the author of neither; and

(e) Advertised as "mouton" certain of their furs correctly described as "mouton dyed lamb";

With tendency and capacity to mislead and deceive a substantial portion of the purchasing public with respect to their products and thereby cause its purchase thereof:

