

Complaint

67 F.T.C.

IN THE MATTER OF

MR. ROMANO, INC., 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-877. Complaint, Feb. 8, 1965—Decision, Feb. 8, 1965*

Consent order requiring three affiliated Beverly Hills, Calif., clothing retailers to cease violating the Textile Fiber Products Identification Act by falsely advertising the fiber content of men's apparel, by using generic names of fibers and fiber trademarks in an improper manner on labels and in newspaper advertisements, and failing to set forth other required information.

## 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 Mr. Romano, Inc., and Malibu Clothes, Ltd., corporations, and Bel-Air Clothes, Ltd., a corporation, trading as Malibu Clothes and William Firestone and Stanley Firestone individually and as officers of said corporations, 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. Respondents Mr. Romano, Inc., Malibu Clothes, Ltd., and Bel-Air Clothes, Ltd., are corporations organized, existing and doing business under and by virtue of the laws of the State of California.

Respondents William Firestone and Stanley Firestone are officers of corporate respondents. They formulate, direct and control the acts and practices of corporate respondents, including the acts and practices hereinafter set forth.

Respondents are engaged in retail selling of textile fiber products and their office and principal place of business is located at 228 South Beverly Drive, Beverly Hills, California.

PAR. 2. Subsequent to the effective date of the Textile Fiber Products Identification Act on March 3, 1960, respondents have been and are now engaged in the introduction, delivery for introduction, sale, advertising, and offering for sale, in commerce, and in the transporta-

tion 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 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 constituent fibers contained therein.

Among such misbranded textile fiber products, but not limited thereto, were textile fiber products which were falsely and deceptively advertised by means of advertisements which appeared in newspapers of interstate circulation, in that certain of said advertisements contained statements which represented, either directly or by implication, that said products were composed wholly or substantially of a fiber, when, in truth and in fact, said product was not composed wholly or substantially of said fiber.

PAR. 4. Certain of said textile fiber products were misbranded 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 as prescribed by the Rules and Regulations promulgated under said Acts.

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

1. Which failed to disclose the true generic name of the fiber present.

2. Which set forth the generic name of a fiber present in an amount of five percent or less.

PAR. 5. Certain of said textile fiber products were further 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 set forth on labels when such fibers were present in amounts of five percentum or less of the total fiber weight in violation of Rule 3 of the aforesaid Rules and Regulations.

B. 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.

C. 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. Certain of said textile fiber products were falsely and deceptively advertised in that respondents in making disclosures or implications as to the fiber content of such textile fiber products in written advertisements used to aid, promote, and assist directly or indirectly in the sale or offering for sale of said products, failed to set forth the required information as to fiber content as specified by Section 4(c) of the Textile Fiber Products Identification Act in the manner and form prescribed by the Rules and Regulations promulgated under said Act.

Among such textile fiber products, but not limited thereto, were articles of wearing apparel which were falsely and deceptively advertised in newspapers of interstate circulation in that the true generic names of the fibers in such articles were not set forth.

PAR. 7. Certain of said textile fiber products were falsely and deceptively advertised in violation of the Textile Fiber Products Identification Act in that they were not advertised in accordance with the Rules and Regulations promulgated thereunder.

Among such textile fiber products but not limited thereto, were textile fiber products which were falsely and deceptively advertised in newspapers of interstate circulation, in the following respects:

A. A fiber trademark was used in advertising textile fiber products, namely men's apparel, without a full disclosure of the fiber content information required by the said Act and the Rules and Regulations thereunder in at least one instance in said advertisement, in violation of Rule 41(a) of the aforesaid Rules and Regulations.

B. A fiber trademark was used in advertising textile fiber products, namely men's apparel, containing more than one fiber and such fiber trademark did not appear in the required fiber content information in immediate proximity and conjunction with the generic name of the fiber in plainly legible type or lettering of equal size and conspicuousness, in violation of Rule 41(b) of the aforesaid Rules and Regulations.

C. A generic name of a fiber was used in advertising in such a manner as to be false, deceptive or misleading as to fiber content, or to indicate directly or indirectly, that a textile fiber product was composed wholly or substantially of such fiber, when, in truth and

100

## Decision and Order

in fact, said product was not composed wholly or substantially of said fiber, in violation of Rule 41(d) of the aforesaid Rules and Regulations.

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 or practices, in commerce, under the Federal Trade Commission Act.

## DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act and the Textile Fiber Products Identification Act, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all the jurisdictional facts set forth in the complaint to issue herein, 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 set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondents Mr. Romano, Inc., Malibu Clothes, Ltd., and Bel-Air Clothes, Ltd., trading as Malibu Clothes, are corporations organized, existing and doing business under and by virtue of the laws of the State of California, with their office and principal place of business located at 228 South Beverly Drive, Beverly Hills, California.

Respondents William Firestone and Stanley Firestone are officers of said corporations and their address is the same as that of said corporations.

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, Mr. Romano, Inc., and Malibu Clothes, Ltd., corporations, and Bel-Air Clothes, Ltd., a corporation, trading as Malibu Clothes, and William Firestone and Stanley Firestone, individually and as officers of said corporations, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from introducing, delivering for introduction, selling, advertising, or offering for sale, in commerce, or transporting or causing to be transported in commerce, or importing into the United States, any textile fiber product; or selling, offering for sale, advertising, delivering, transporting, or causing to be transported, any textile fiber product which has been advertised or offered for sale in commerce; or selling, offering for sale, advertising, delivering, transporting, or causing to be transported, after shipment in commerce, 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:

1. Which are falsely or deceptively stamped, tagged, labeled, invoiced, advertised or otherwise identified as to the name or amount of constituent fibers contained therein.
2. Unless each such product has securely affixed thereto or placed thereon a stamp, tag, label or other means of identification correctly showing each element of information required to be disclosed by Section 4(b) of the Textile Fiber Products Identification Act.
3. Which designates a fiber by its generic name on any label when such fiber is present in any textile fiber product in amount of five percentum or less.
4. Which uses a fiber trademark on labels affixed to such textile fiber products without the generic name of the fiber appearing on the said label.
5. Which uses 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.

*It is further ordered,* That respondents, Mr. Romano, Inc., and Malibu Clothes, Ltd., corporations, and Bel-Air Clothes, Ltd., a corporation, trading as Malibu Clothes, and William Firestone and Stanley Firestone, individually and as officers of said corporations, 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:

Falsely and deceptively advertising textile fiber products by:

1. Making any representations, by disclosure or by implication, as to the fiber contents of any textile fiber product in any written advertisement which is used to aid, promote, or assist, directly or indirectly, in the sale or offering for sale of such textile fiber product, unless the same information required to be shown on the stamp, tag, label or other means of identification under Sections 4(b) (1) and (2) of the Textile Fiber Products Identification Act is contained in the said advertisement, except that the percentages of the fibers present in the textile fiber product need not be stated.
2. Using a fiber trademark in advertisements without a full disclosure of the required content information in at least one instance in the said advertisement.
3. Using a fiber trademark in advertising textile fiber products containing more than one fiber without such fiber trademark appearing in the required fiber content information in immediate proximity and conjunction with the generic name of the fiber in plainly legible type or lettering of equal size and conspicuousness.
4. Using the generic name of a fiber in advertising in such a manner as to be false, deceptive or misleading as to fiber content, or to indicate directly or indirectly, that a textile fiber product is composed wholly or substantially of such fiber, when such product is not composed wholly or substantially of such fiber.

*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.

Complaint

67 F.T.C.

IN THE MATTER OF

JACOBY-BENDER, INC., ET AL.

ORDER, OPINION, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE  
FEDERAL TRADE COMMISSION ACT*Docket 8587. Complaint, July 18, 1963—Decision, Feb. 11, 1965*

Order dismissing a complaint which charged a New York City distributor of metal expansion watchbands to watch manufacturers and to retailers with failure to disclose the foreign origin of such bands for the reason that the respondent had discontinued the practice prior to the issuance of the complaint.

## COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that JACOBY-BENDER, INC., a corporation, and MAX JACOBY and WILLIAM E. STARK, individually and as officers of said corporation, hereinafter referred to as respondents, have violated the provisions of said 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 JACOBY-BENDER, INC., is a corporation organized, existing and doing business under and by virtue of the State of New York, with its office and principal place of business located at 62-10 Northern Boulevard in the city of (Woodside) New York, Queens, State of New York.

Respondents MAX JACOBY and WILLIAM E. STARK are officers of the corporate respondent. They formulate, direct and control the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. Their address is the same as that of the corporate respondent.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale, sale and distribution of metal expansion watchbands to manufacturers and distributors of watches as well as to retailers for resale to the public.

PAR. 3. In the course and conduct of their business, respondents now cause, and for some time last past have caused, their said product, when sold, to be shipped from their place of business in the State of New York to purchasers thereof located in various other States of the United States and in the District of Columbia, and maintain, and at all times herein mentioned have maintained, a substantial course of

trade in said product in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. Said watchbands consist in whole or in substantial part of components which were manufactured in, and imported from Hong Kong. When offered for sale or sold by respondents, said watchbands do not bear disclosure showing that they are substantially of foreign origin.

PAR. 5. In the absence of an adequate disclosure that a product, including metal expansion watchbands, is of foreign origin, the public believes and understands that it is of domestic origin, a fact of which the Commission takes official notice.

As to the aforesaid articles of merchandise, a substantial portion of the purchasing public has a preference for said articles which are of domestic origin, of which fact the Commission also takes official notice. Respondents' failure to clearly and conspicuously disclose the country of origin of said articles of merchandise, or, substantial components thereof, is, therefore, to the prejudice of the purchasing public.

PAR. 6. By the aforesaid practices, respondents place in the hands of watch manufacturers, distributors and retailers, means and instrumentalities by and through which they may mislead the public as to the place of origin of said watchbands or the substantial components thereof.

PAR. 7. In the conduct of their business, at all times mentioned herein, respondents have been in substantial competition, in commerce, with corporations, firms and individuals in the sale of metal expansion watchbands of the same general kind and nature as that sold by the respondents.

PAR. 8. The use by respondents of the false, misleading and deceptive representations and practices hereinabove set forth, and the failure to disclose the foreign origin of their watchbands or of substantial components of their watchbands, have had, and now have, the capacity and tendency to mislead and deceive purchasers or members of the buying public in the manner aforesaid, and thereby to induce them to purchase respondents' watchbands.

PAR. 9. The aforesaid acts and practices of respondents, as herein alleged, were and are all to the prejudice and injury of the public and of respondents' competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce, in violation of Section 5 of the Federal Trade Commission Act.

Initial Decision

67 F.T.C.

*Mr. Herbert L. Blume* supporting the complaint.

*Mr. Philip K. Schwartz* of *Davis, Gilbert, Levine & Schwartz*, New York, N.Y., for respondents.

INITIAL DECISION BY JOSEPH W. KAUFMAN, HEARING EXAMINER

MAY 1, 1964

This case involves, generally speaking, the omission to mark or otherwise disclose the foreign origin, Hong Kong, of skeletons of metal expansion watchbands, sold in the United States, allegedly in violation of Section 5 of the Federal Trade Commission Act. The skeleton is the expansible part of a metal expansion watchband. Respondents, among other things, claim that their Hong Kong skeleton is something less than a completed skeleton.

There is a stipulation of facts herein (CX 17), executed by counsel, both of whom were very cooperative in connection with the prehearing conference procedure. This is supplemented by official notice in respect to consumer understanding and consumer preference for domestic products, as taken by the Commission in the complaint and construed by the examiner to apply to substantial parts. Respondents offered no evidence to disprove the noticed facts, but they have challenged the legality and applicability of the official notice.

Respondents have a special defense of discontinuance, which is the part of this case stressed the most. The proof in support thereof is contained in an affidavit of discontinuance filed with the Commission and executed over a year before the complaint herein was filed, and also in current affidavits submitted in lieu of testimony, as provided for in the aforementioned stipulation.

In the examiner's opinion discontinuance (including likelihood of resumption) is indeed the salient issue in this case, and it will be given extended consideration in this decision. It may be said at once, however, after careful deliberation, that the defense is not sustained. First of all, the proof in support thereof, contained in the current affidavits in lieu of testimony, is very meager except on the oblique issue of the claimed finality of the Commission's acceptance of the affidavit of discontinuance. Secondly, likelihood of resumption is not demonstrated by the proof herein, and is actually negated by the interchangeability beyond recognition of domestic and foreign skeletons, and resulting watchbands, and by respondents' present export business, from which any watchbands containing foreign skeletons may easily be diverted instead of being exported.

As to the violation charged against the respondents in the complaint, which is supported by the stipulation of facts and the official

notice taken, as aforesaid, respondents apparently do not contend that violation has not been proved, except in the following particulars, which will be disposed of at once:

(1) Respondents, as already stated, have challenged the legal basis for taking official notice, although they did not avail themselves of the opportunity to disprove the noticed facts made available to them, pursuant to § 3.14(d) of the Rules of the Commission. The official notice as taken in the complaint, paragraph 5, reads as follows:

In the absence of an adequate disclosure that a product, including metal expansion watchbands, is of foreign origin, the public believes and understands that it is of domestic origin, a fact of which the Commission takes official notice.

As to the aforesaid articles of merchandise, a substantial portion of the purchasing public has a preference for said articles which are of domestic origin, of which fact the Commission also takes official notice.

Immediately following this is another sentence containing the words "substantial components thereof," as follows:

Respondents' failure to clearly and conspicuously disclose the country of origin of such articles of merchandise, or substantial components thereof, is, therefore, to the prejudice of the purchasing public.

In a prehearing conference order, dated October 21, 1963, the examiner, in paragraph 5 thereof, called upon the respondents for any proposed proof denying the validity of this official notice, and also stated:

In this connection the hearing examiner hereby gives formal notice that he intends to take official notice as alleged in the complaint, and to clarify the same by expressly making the official notice applicable not merely to a metal expansion watchband as a whole, but to a substantial component thereof.

Further matter as to official notice is contained in the Findings of Fact 5 herein.—The examiner decides against respondents in respect to their challenge of the legal basis for taking official notice, or its applicability to substantial components, inasmuch as he feels bound by Commission precedents and policy thereon, which are directly challenged by respondents.

(2) Respondents challenge the contention that "Hong Kong" skeletons in this matter are substantial parts of the watchbands. As already stated, they contend that their Hong Kong skeletons are, and were, in any event less than full skeletons. The examiner holds, however, that respondents' Hong Kong skeletons, even if technically something less than full skeletons, are substantial parts of the watchbands. The basic facts in connection therewith are stated in Finding of Fact 4 herein, last paragraph. Reference is also made to the Trade Practice Conference Rules, *i.e.*, to those covering the Metallic Watch

## Findings

67 F.T.C.

Band Industry, 16 C.F.R. § 60.4, particularly footnote 3, reading as follows:

Parts which are to be considered as substantial include the skeletons or interliners of the expansion type bands, whether of the entire length of the band or but a substantial portion of such length, and whether caps and end pieces are affixed thereto before or after the importation of such skeletons or interliners.

(3) Respondents contend that respondent William E. Stark is in no event individually liable for any violation which may be found herein, and that the complaint is incorrect in alleging that he is one of those who "formulate, direct and control the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth." Complaint counsel submitted no proof supporting this allegation in respect to respondent Stark, nor did he submit a proposed finding thereon, although he does include respondent Stark individually in his proposed order.—The examiner hereby dismisses the complaint as against respondent Stark individually.

FINDINGS OF FACT<sup>1</sup>

1. Respondent Jacoby-Bender, Inc., is a corporation, organized, existing and doing business under and by virtue of the laws of the State of New York, with its office and place of business located at 62-10 Northern Boulevard in the Borough of Queens, city of New York, State of New York.

Respondent Max Jacoby is, and has been, the president of respondent corporation. He, his wife, and one Bernard Kanter, are and have been, the directors of the corporate respondent. Said respondent Max Jacoby owns and/or controls 85% of the common stock, the only voting stock. He formulates, directs and controls (and has done so in the past) the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. His business address for the purpose of this proceeding is the same as that of the corporate respondent.

Respondent William E. Stark is and has been the production manager of respondent corporation and vice president in charge of production. His entire stock ownership consists of 3% of the common stock. He does not and has not formulated, directed and controlled the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth.

2. Respondent Jacoby-Bender, Inc., hereinafter called the "firm," "company," or "corporate respondent," and the respondent Max

<sup>1</sup> Findings 1-7 hereof correspond to One to Seven of the complaint.

Jacoby—both of whom are hereinafter referred to as the “respondents”—are now, and for some time last past, have been engaged in the advertising, offering for sale, sale and distribution of metal expansion watchbands to manufacturers and distributors of watches as well as to retailers for resale to the public.

3. In the course and conduct of their business, respondents now cause, and for some time last past have caused, their metal expansion watchbands, when sold, to be shipped from their place of business in the State of New York to purchasers thereof located in various other States of the United States and in the District of Columbia, and maintain, and at all times herein mentioned have maintained, a substantial course of trade in said metal expansion watchbands in commerce, as “commerce” is defined in the Federal Trade Commission Act.

The corporate respondent is a large firm in the watchband industry. It manufactures four to five million watchbands a year, most of them metal expansion watchbands (CX 17A-B).

4. Many of said watchbands have consisted in substantial part of components—comprising roughly the skeleton or expansible part of the watchband—which were manufactured in, and imported from, Hong Kong and, therefore, from a foreign country. When offered for sale or sold by respondents said watchbands have not borne disclosure showing that they were of substantially foreign origin, nor has disclosure been made in any way.

The proof herein as to this relates basically to the past, commencing in 1960, but with imports halted (after Commission contacts with respondents) as per respondents’ affidavit of discontinuance of May 1962, and with sales in the United States halted, according to respondents, by the end of the summer of 1962 (RX 1D). However, although the complaint, issued in July 1963, permits, it does not require proof of “present” violation.—Moreover, any violation continues even after sales of the watchcases considered as “instrumentalities of deception” (see Finding 6).

The said Hong Kong skeletons, or the components comprising such skeletons, as integral parts of the watchbands, are definitely a substantial part of the watchbands. The unique and distinguishable feature of the metal expansion watchband is obviously its ability to expand and contract within the requirements for daily use (see CX 17C—par. 9(a)). The expansible feature exists solely by virtue of the skeleton whether it has many links or few. The essence of the skeleton is a series of link-like springs joined together, link by link, so as to exercise the proper tension and expansibility. The addition to these springs, properly joined, of the decorative metal covering,

of plates and of mechanical services, so as to make them into a finished skeleton and then incorporate them into a watchband, cannot vitiate the aforesaid essence of the skeleton.—The fact that the production cost of the skeleton is not a major cost of the watchband (CX 17D-E), is accordingly hardly controlling on the issue of whether it is a substantial part of the watchband; moreover it must be borne in mind that, due to the Hong Kong labor market as distinguished from that of the United States, labor costs in Hong Kong may be substantially less than in the United States.

5. In the absence of an adequate disclosure that a product, including metal expansion watchbands, is of foreign origin, the public believes and understands that it is of domestic origin—a fact of which the Commission took official notice in the complaint. Metal expansion watchbands containing foreign skeletons, such as those of the respondents, are fairly described as being of foreign origin, and are so understood by the purchasing public, or a substantial portion thereof, if made aware of the foreign origin. In any event, the aforesaid public belief and understanding of domestic origin of a product relates not only to a completed article such as a watchband but also to a substantial part of a product, such as a skeleton of a watchband—of which fact the examiner takes official notice.

As to the aforesaid articles of merchandise, a substantial portion of the purchasing public has a preference for such articles which are of domestic origin—as to which fact the Commission also took official notice in the complaint.

As stated in the preceding paragraph, metal expansion watchbands containing foreign skeletons are fairly described as of foreign origin, rather than domestic, and are so understood by the consuming public, or a substantial part thereof, if made aware of the foreign origin; thus the official notice taken by the Commission comprehends an otherwise domestic watchband containing a foreign skeleton. In any event, the aforesaid public preference for articles of domestic origin relates not only to completed articles, such as metal expansion watchbands, but also to substantial parts thereof, such as the skeleton of an expansion watchband, and there is a public preference for watchbands composed of domestic skeletons—of which fact the hearing examiner herein takes official notice.

Respondents' failure to disclose the said country of origin of "substantial components" (complaint, par. 5) of their aforesaid watchbands is, therefore, to the prejudice of the purchasing public.

6. By the aforesaid practices, respondents have placed in the hands of watch manufacturers, distributors and retailers, means and instru-

