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IN THE UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

_____)	
UNITED STATES OF AMERICA,)	Case No. 97-4085 LGB (RnBx)
)	
Plaintiff,)	COMPLAINT FOR CIVIL
)	PENALTIES, INJUNCTIVE
v.)	AND OTHER RELIEF
)	
WESTPOINT STEVENS INC.)	
a corporation,)	
)	
Defendant.)	
)	
_____)	

Plaintiff, the United States of America, acting upon the notification and authorization to the Attorney General by the Federal Trade Commission ("Commission"), for its complaint alleges that:

1. Plaintiff brings this action under Sections 5(a)(1), 5(m)(1)(B), 9, 13(b), and 16(a) of the Federal Trade Commission Act as amended ("FTC Act"), 15 U.S.C. §§ 45(a)(1), 45(m)(1)(B), 49, 53(b), and 56(a), to obtain monetary civil penalties, injunctive and other relief for defendant's violations of the Textile Fiber Products Identification Act ("Textile Act"), 15 U.S.C. §§ 70-70k, and injunctive relief for violations of Section 5(a)(1) of the Federal Trade Commission Act, 15 U.S.C. § 45(a)(1).

JURISDICTION AND VENUE

2. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1331, 1337(a), 1345, and 1355 and to 15 U.S.C. §§ 45(m)(1)(B), 49, 53(b), and 56(a). This action arises under 15 U.S.C. § 45(a)(1).

3. Venue in this District is proper under 15 U.S.C. § 53(b) and under 28 U.S.C. §§ 1391(b-c) and 1395(a).

DEFENDANT

4. Defendant WestPoint Stevens Inc. is a Delaware Corporation with its principal place of business at 507 West Tenth Street, West Point, Georgia 31833. Defendant WestPoint Stevens Inc. is engaged in the importation, manufacture and sale of textile fiber products in many states. Defendant WestPoint Stevens Inc. transacts business in this district.

COMMERCE

5. At all times material to this complaint, the defendant has maintained a substantial course of trade, including the importation, introduction, advertising, offering for sale, and sale of textile fiber products, in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

TEXTILE FIBER PRODUCTS IDENTIFICATION ACT

6. Section 3 of the Textile Act, 15 U.S.C. § 70a, specifies that the introduction, delivery for introduction, manufacture for introduction, sale, advertising, or offering for sale, in commerce, or the transportation or causing to be transported in commerce, or the importation into the United States, of any textile fiber product which is misbranded or falsely or deceptively advertised within the

meaning of this Act or the rules and regulations promulgated thereunder, is unlawful, and shall be an unfair method of competition and an unfair and deceptive act or practice in commerce under the Federal Trade Commission Act.

PRIOR COMMISSION PROCEEDINGS CONCERNING
MISBRANDING OF TEXTILE FIBER PRODUCTS

7. The Commission has determined that certain acts or practices in connection with the labeling and importing of textile fiber products are unfair or deceptive and are unlawful under the Textile Act, 15 U.S.C. §§ 70-70k, and Section 5(a)(1) of the FTC Act, 15 U.S.C. § 45(a)(1). These determinations were made in proceedings under Section 5(b) of the FTC Act, 15 U.S.C. § 45(b). In these proceedings, the Commission issued final cease and desist orders in which the Commission determined that:

a. It is an unfair or deceptive act or practice to falsely or deceptively stamp, tag, label, invoice, advertise or otherwise identify any textile fiber product as to the name or amount of constituent fibers contained therein. H. Myerson Sons, et al., 78 F.T.C. 464 (1971); Taylor-Friedsam Co., Inc., et al., 69 F.T.C. 483 (1966); Verrazzano Trading Corporation, et al., 91 F.T.C. 888 (1978).

b. It is an unfair or deceptive act or practice to furnish a false guarantee that a textile fiber product is not misbranded or otherwise misrepresented under the provisions of the Textile Fiber Products Identification Act. Taylor-Friedsam Co., Inc., et al., supra.

8. WestPoint Stevens Inc. is the successor company resulting from a merger between J.P. Stevens & Co., Inc. and West Point-Pepperell, Inc. in 1988. Prior to the merger the Commission sent each of the merging parties, by certified mail, return receipt requested, a letter stating that the Commission, in the proceedings described in Paragraph 7 above, had determined that the acts and practices set forth in Paragraph 7 above, inter alia, are unfair or deceptive and unlawful under the Textile Act, 15 U.S.C. §§ 70-70k, and Section 5(a)(1) of the FTC Act, 15 U.S.C. § 45(a)(1). The letters also notified them of their liability for civil penalties under Section 5(m)(1)(B) of the FTC Act, 15 U.S.C. § 45(m)(1)(B), for knowingly engaging in acts or practices determined by the Commission to be unfair or deceptive and unlawful. Enclosed with each letter was a synopsis of the Commission's determinations under the Textile Act, 15 U.S.C. §§ 70-70k; a copy of Section 5(m) of the FTC Act, 15 U.S.C. § 45(m); a copy of the Textile Act, 15 U.S.C. §§ 70-70k; and copies of the Commission's Final Orders and Opinions in the proceedings described in Paragraph 7 above.

9. On or about February 2, 1977, J.P. Stevens & Co., Inc. received the letter and the enclosures described in Paragraph 8 above, and on or about February 7, 1977, West Point-Pepperell, Inc. received the letter and the enclosures described in Paragraph 8 above.

VIOLATIONS RELATING TO MISBRANDING
TEXTILE FIBER PRODUCTS

COUNT I

10. Beginning no later than January, 1993, in connection with the importing, introduction, manufacture for introduction,

advertising, offering for sale or sale of "textile fiber products," as that term is defined in Section 2 of the Textile Act, 15 U.S.C. § 70, defendant misbranded numerous textile fiber products as to the amount of constituent fibers contained therein: e.g., labels and package inserts indicated that towels and sheets were made entirely of Pima cotton when in fact they were composed of six to fifty percent Pima cotton.

11. By engaging in the acts and practices set forth in Paragraph 10 above, defendant has violated the Textile Act, 15 U.S.C. §§ 70-70k, and Section 5(a)(1) of the FTC Act, 15 U.S.C. § 45(a)(1).

COUNT II

12. Paragraphs one through nine are incorporated by reference.

13. On or about February 3, 1994, WestPoint Stevens Inc. filed a continuing guarantee with the Commission stating that the company guarantees that when it ships or delivers any textile fiber product, the product will not be misbranded, falsely or deceptively invoiced, or falsely or deceptively advertised, within the meaning of the Textile Fiber Products Identification Act and the rules and regulations under that Act.

14. After the continuing guarantee was filed with the Commission, WestPoint Stevens Inc. misbranded numerous textile fiber products as to the amount of constituent fibers contained therein: e.g., labels and package inserts indicated that towels and sheets were made entirely of Pima Cotton when in fact they were composed of six to fifty percent Pima cotton. Therefore, the guarantee was false. The furnishing of a false guarantee is a violation of the

Textile Act, 15 U.S.C. §§ 70-70k, and Section 5(a)(1) of the FTC Act, 15 U.S.C. § 45(a)(1).

CIVIL PENALTIES

15. At the time it engaged in the acts and practices set forth in Paragraphs 10 and 14 above, defendant had actual knowledge that such acts and practices were unfair or deceptive and unlawful pursuant to Section 5(a)(1) of the FTC Act, 15 U.S.C. § 45(a)(1). Defendant, therefore, engaged in such acts or practices with actual knowledge as set forth in Section 5(m)(1)(B) of the FTC Act, 15 U.S.C. § 45(m)(1)(B).

16. During the five years preceding the filing of this complaint, each misbranded textile fiber product that the defendant imported, manufactured for introduction in commerce, introduced, advertised, offered for sale, or sold, as set forth in Paragraph 10 above, and each false guarantee as set forth in Paragraph 14 above, constitutes a separate violation of the Textile Act for the purpose of computing civil penalties.

17. Section 5(m)(1)(B) of the FTC Act, 15 U.S.C. § 45(m)(1)(B), authorizes the Court to award monetary civil penalties of not more than \$10,000 for each such violation of the Textile Act.

18. Under Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), this Court is authorized to issue a permanent injunction to restrain violations of the FTC Act, as well as such ancillary relief as is necessary.

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PRAYER FOR RELIEF

WHEREFORE, plaintiff requests this Court, pursuant to 15 U.S.C. §§ 45(a)(1), 45(m)(1)(B), 49 and 53(b) and the Court's own equity powers:

(1) Enter judgment against defendant and in favor of plaintiff for each violation of the Federal Trade Commission Act and of the Textile Act alleged in this complaint;

(2) Award plaintiff monetary civil penalties pursuant to 15 U.S.C. § 45(m)(1)(B);

(3) Enjoin defendant from violating the Textile Act and the rules and regulations promulgated thereunder;

(4) Order defendant to pay the costs of this action; and

(5) Award plaintiff such additional relief as the Court may deem just and proper.

DATED: _____

FOR THE UNITED STATES OF AMERICA

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By: _____

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