

# FEDERAL TRADE COMMISSION DECISIONS

FINDINGS, OPINIONS, AND ORDERS, JULY 1, 1969, TO  
DECEMBER 31, 1969

IN THE MATTER OF  
SLIFKA FABRICS, ET AL.

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

*Docket C-1550. Complaint, July 2, 1969—Decision, July 2, 1969*

Consent order requiring a New York City converter and importer of fabrics  
to cease misbranding and falsely invoicing its wool products.

## 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 Slifka Fabrics, a partnership, and Joseph Slifka and Sylvia Slifka, individually and as copartners trading as Slifka Fabrics, 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 Slifka Fabrics is a partnership with its office and principal place of business located at 469 Seventh Avenue, New York, New York.

Joseph Slifka and Sylvia Slifka are individuals and copartners trading as Slifka Fabrics. Their address is the same as that of the said partnership.

Respondents are converters and importers of fabrics.

PAR. 2. Respondents, now and for some time last past, have in-

roduced into commerce, sold, transported, distributed, delivered for shipment, shipped, and offered for sale, in commerce, as "commerce" is defined in the Wool Products Labeling Act of 1939, wool products as "wool product" is defined therein.

PAR. 3. Certain of said wool products were misbranded by the respondents within the intent and meaning of Section 4(a) (1) of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, in that they were falsely and deceptively stamped, tagged, labeled, or otherwise identified with respect to the character and amount of the constituent fibers contained therein.

Among such misbranded wool products but not limited thereto, was a wool product stamped, tagged, labeled, or otherwise identified by respondents as "70% Reprocessed Wool, 15% Fur Fibers, 10% Nylon, 5% Other Fibers" whereas, in truth and in fact, said products contained substantially different fibers and amounts of fibers than represented.

PAR. 4. Certain of said wool 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(a) (2) of the Wool Products Labeling Act of 1939 and in the manner and form as prescribed by the Rules and Regulations promulgated under said Act.

Among such misbranded wool products, but not limited thereto, was a wool product with a label on or affixed thereto which failed to disclose the percentage of the total fiber weight of the said wool product, exclusive of ornamentation not exceeding 5 per centum of the total fiber weight, of (1) wool; (2) reprocessed wool; (3) reused wool; (4) each fiber other than wool, when said percentage by weight of such fiber was 5 per centum or more; and (5) the aggregate of all other fibers.

PAR. 5. The acts and practices of the respondents as set forth above were, and are, in violation of the Wool Products Labeling Act of 1939 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 within the meaning of the Federal Trade Commission Act.

PAR. 6. Respondents are now and for some time last past have been engaged in the offering for sale, sale and distribution of certain products, namely woolen fabrics. In the course and conduct of their business the aforesaid respondents now cause and for some time last past have caused, their said products, when sold,

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to be shipped from their place of business in New York to purchasers located in various other States of the United States, and maintain and at all times mentioned herein have maintained a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 7. Respondents in the course and conduct of their business have made statements on invoices to their customers, misrepresenting the fiber content of certain of their products.

Among such misrepresentations, but not limited thereto, were statements made on invoices representing the fiber content thereof as "70% Reprocessed Wool, 15% Fur Fibers, 10% Nylon, 5% Other Fibers" whereas, in truth and in fact, the products contained substantially different fibers and amounts of fibers than represented.

PAR. 8. The acts and practices set out in Paragraph Seven have the tendency and capacity to mislead and deceive the purchasers of said products as to the true content thereof.

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 constituted, and now constitute, 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 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 Wool Products Labeling Act of 1939; 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

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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 Slifka Fabrics is a partnership with its office and principal place of business located at 469 Seventh Avenue, New York, New York.

Respondents Joseph Slifka and Sylvia Slifka are individuals and copartners trading as Slifka Fabrics and their address is the same as that of said partnership.

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 Slifka Fabrics, a partnership, and Joseph Slifka and Sylvia Slifka, individually and as copartners trading as Slifka Fabrics, or under any other name or names, and respondents' 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, transportation, distribution, delivery for shipment or shipment, in commerce, of wool products, as "commerce" and "wool product" are defined in the Wool Products Labeling Act of 1939, do forthwith cease and desist from misbranding such products by:

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

2. Failing to securely affix to, or place on, each such product a stamp, tag, label, or other means of identification showing in a clear and conspicuous manner each element of information required to be disclosed by Section 4(a)(2) of the Wool Products Labeling Act of 1939.

*It is further ordered,* That respondents Slifka Fabrics, a partnership, and Joseph Slifka and Sylvia Slifka, individually and as

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copartners trading as Slifka Fabrics, or under any other name or names, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale, sale or distribution of wool products, or other products in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from misrepresenting the character or amount of the constituent fibers contained in such products, on invoices or shipping memoranda applicable thereto or in any other manner.

*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.

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IN THE MATTER OF

## MAYLIS ASSOCIATES, ET AL.

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

*Docket C-1551. Complaint, July 2, 1969—Decision, July 2, 1969*

Consent order requiring a New York City clothing manufacturer to cease misbranding and falsely invoicing its wool products.

## 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 Maylis Associates, a partnership, and Solomon Elias, Morris Ellis, Sidney Landau and Milton Steiger, individually and as copartners trading as Maylis Associates, 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 Maylis Associates is a partnership. The said partnership is organized, exists and does business in the

State of New York with its office and principal place of business located at 450 Seventh Avenue, New York, New York.

Individual respondents Solomon Elias, Morris Ellis, Sidney Landau and Milton Steiger are copartners in said partnership. They formulate, direct and control the acts, practices and policies of said partnership. Their office and principal place of business is the same as that of the partnership.

PAR. 2. Respondents now and for some time last past have manufactured for introduction into commerce, introduced into commerce, sold, transported, distributed, delivered for shipment, shipped and offered for sale, in commerce, as "commerce" is defined in the Wool Products Labeling Act of 1939, wool products as "wool product" is defined therein.

PAR. 3. Certain of said wool products were misbranded by respondents within the intent and meaning of Section 4(a) (1) of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, in that they were falsely and deceptively stamped, tagged, labeled or otherwise identified with respect to the character and amount of the constituent fibers contained therein.

Among such misbranded wool products but not limited thereto were certain fabrics which were stamped, tagged, labeled or otherwise identified by respondents as containing "80% Rep. Wool, 8% Nylon and 12% Fur Fibers" whereas in truth and in fact said fabrics contained substantially different fibers and amounts of fibers than as represented.

PAR. 4. Certain of said wool 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(a) (2) of the Wool Products Labeling Act of 1939 and in the manner and form as prescribed by the Rules and Regulations promulgated under said Act.

Among such misbranded wool products, but not limited thereto were wool products, namely fabrics with labels on or affixed thereto, which failed to disclose the percentage of total fiber weight of said wool products, exclusive of ornamentation, not exceeding 5 per centum of said total fiber weight, of (1) wool, (2) reprocessed wool, (3) reused wool, (4) each fiber other than wool when said percentage by weight of such fiber was 5 per centum or more; and (5) the aggregate of all other fibers.

PAR. 5. Certain of said wool products were misbranded in violation of the Wool Products Labeling Act of 1939 in that they were

not labeled in accordance with the Rules and Regulations promulgated thereunder in the following respects:

1. Stamps, tags, labels and other marks of identification attached to certain wool products contained the name or designation of fibers not present in said product, in violation of Rule 8(f) of the aforesaid Rules and Regulations.

2. Information required under Section 4(a)(2) of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder was abbreviated on labels in violation of Rule 9(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 Wool Products Labeling Act of 1939 and Rules and Regulations promulgated thereunder, and constituted, and now constitute unfair and deceptive acts and practices and unfair methods of competition in commerce within the intent and meaning of the Federal Trade Commission Act.

PAR. 7. Respondents now and for some time last past have been engaged in the advertising, offering for sale, sale and distribution of products, namely fabrics, to their customers in commerce. The respondents maintain and at all times mentioned herein have maintained a substantial course of trade in said products in commerce as "commerce" is defined in the Federal Trade Commission Act.

PAR. 8. Respondents in the course and conduct of their business as aforesaid, have made statements on their invoices and shipping memoranda to their customers misrepresenting the character and amount of the constituent fibers present in such products. Among such misrepresentations, but not limited thereto, were statements representing certain fabrics to be "80% Rep. Wool, 8% Nylon, and 12% Fur Fibers" whereas in truth and in fact, the said products contained substantially different fibers and amounts of fibers than were represented.

PAR. 9. The acts and practices of respondents as set out in Paragraph Eight have had and now have the tendency and capacity to mislead and deceive purchasers of said products as to the true content thereof.

PAR. 10. The acts and practices as set out in Paragraph Eight were and are all to the prejudice and injury of the public and constituted, and now constitute 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 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 Wool Products Labeling Act of 1939; 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 Maylis Associates is a partnership which is organized, exists and does business in the State of New York and its office and principal place of business is located at 450 Seventh Avenue, New York, New York.

Respondents Solomon Elias, Morris Ellis, Sidney Landau and Milton Steiger are copartners of said partnership and their address is the same as that of said partnership.

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 Maylis Associates, a partnership, and Solomon Elias, Morris Ellis, Sidney Landau and Milton Steiger, individually and as copartners doing business as Maylis

Associates or under any other name, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, or manufacture for introduction, into commerce, or the offering for sale, sale, transportation, distribution, delivery for shipment or shipment in commerce, of wool products, as "commerce" and "wool product" are defined in the Wool Products Labeling Act of 1939, do forthwith cease and desist from misbranding such products by:

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

2. Failing to securely affix to or place on each such product a stamp, tag, label or other means of identification showing in a clear and conspicuous manner each element of information required to be disclosed by Section 4(a) (2) of the Wool Products Labeling Act of 1939.

3. Setting forth as a part of the listing or marking of required fiber content on the stamp, tag, label or other mark of identification affixed to a wool product words which constitute, directly or indirectly, the generic name of a fiber not present in the product.

4. Setting forth words and terms in required information under Section 4(a) (2) of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder in abbreviated form on labels affixed to wool products.

*It is further ordered.* That respondents Maylis Associates, a partnership, and Solomon Elias, Morris Ellis, Sidney Landau and Milton Steiger, individually and as copartners doing business as Maylis Associates or under any other name, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of fabrics or other products in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from misrepresenting the character or amount of the constituent fibers contained in such products on invoices or shipping memoranda applicable thereto or in any other manner.

*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.

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In THE MATTER OF

WALKER SCOTT CORPORATION DOING BUSINESS AS WALKER  
SCOTT COMPANYCONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION  
OF THE FEDERAL TRADE COMMISSION AND THE FUR PRODUCTS  
LABELING ACTS*Docket C-1552. Complaint, July 2, 1969—Decision, July 2, 1969*

Consent order requiring a San Diego, Calif., department store operator to cease falsely advertising its fur products.

## COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Walker Scott Corporation, a corporation, doing business as Walker Scott Company, hereinafter referred to as respondent, has 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 Walker Scott Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of California.

Respondent operates a department store and retails various commodities including fur products. The office and principal place of business is located at Fifth Avenue at Broadway, San Diego, California.

PAR. 2. Respondent is now and for some time last past has 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 has 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 falsely and deceptively advertised in violation of the Fur Products Labeling Act in that certain advertisements intended to aid, promote and assist, directly or indirectly, in the sale and offering for sale of such fur products were not in accordance with the provisions of Section 5(a) of the said Act.

Among and included in the aforesaid advertisements but not limited thereto, were advertising flyers of respondent which were circulated in the State of California and other States of the United States.

By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein, respondent falsely and deceptively advertised fur products, in violation of Section 5(a)(5) of the Fur Products Labeling Act and Rule 44(a) of the Rules and Regulations. In the aforesaid advertisements, fur products were offered for sale by the respondent at prices designated as being "Below Wholesale Cost." By means of the aforesaid respondent represented that the fur products were being offered to the consuming public at prices which were less than the prices paid by the respondent in acquiring the said fur products and that savings were afforded to the purchasers of said fur products. In truth and in fact, the designated prices were not "Below Wholesale Cost" but, in fact, were in excess of the prices paid for the fur products by the respondent and savings were not afforded to the purchasers thereof, as represented.

PAR. 4. The aforesaid acts and practices of respondent 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 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 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 Fur Products Labeling Act; 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 Walker Scott Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of California with its office and principal place of business located at Fifth Avenue at Broadway, San Diego, California.
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 Walker Scott Corporation, a corporation, trading as Walker Scott Company or under any other name, and respondent's officers, 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 falsely or deceptively advertising any fur product through the use of any advertisement, representation, public announcement or notice

which is intended to aid, promote or assist, directly or indirectly, in the sale, or offering for sale of any such fur product, and which:

1. Falsely or deceptively represents, directly or by implication, by means of the phrase "Below Wholesale Cost" or any other phrase, term or word of similar import or meaning that such fur product is being offered for sale at less than the price paid for the product by the respondent so offering the product for sale.

2. Falsely or deceptively represents that savings are afforded to the purchaser of such fur product or misrepresents in any manner the amount of savings afforded to the purchaser of such fur product.

*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 herein shall, within sixty (60) days after service upon him of this order, file with the Commission a report in writing setting forth in detail the manner and form in which he has complied with this order.

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IN THE MATTER OF

RICHARD MARTIN SAMPSON TRADING AS RICHARD ROBERT EDWARDS, ETC.

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

*Docket C-1553. Complaint, July 2, 1969—Decision, July 2, 1969*

Consent order requiring a New York City retail furrier to cease misbranding, deceptively invoicing and falsely advertising his fur products.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission having reason to believe that Richard Martin Sampson, an individual trading as Richard Robert Edwards and as Pano-Lib, Inc.,

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hereinafter referred to as respondent, has 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 Richard Martin Sampson is an individual trading as Richard Robert Edwards and as Pano-Lib, Inc., under and by virtue of the laws of the State of New York. Respondent is a retailer and/or dealer in fur products. His address is 100 West 57th Street, New York, New York. Respondent has no other business address.

PAR. 2. Respondent is now and for some time last past has 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 has 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 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, was a fur product with a label which failed:

1. To show the true animal name of the fur used in such fur product.

2. To disclose that the fur contained in the fur product was bleached, dyed, or otherwise artificially colored, when such was the fact.

3. To show the name or other identification issued and registered by the Commission, of one or more of the persons who manufactured such fur product for introduction into commerce, introduced it into commerce, sold it in commerce, advertised or offered it for sale, in commerce, or transported or distributed it in commerce.

4. To show the country of origin of the imported furs contained in such fur product.

PAR. 4. Certain of said fur products were misbranded in violation of the Fur Products Labeling Act in that they were not la-

beled in accordance with the Rules and Regulations promulgated thereunder in the following respects :

1. Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was set forth on labels in abbreviated form, in violation of Rule 4 of said Rules and Regulations.

2. The term "natural" was not used on labels to describe the fur products which were not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Rule 19(g) of said Rules and Regulations.

3. Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was set forth in handwriting on labels, in violation of Rule 29(b) of said Rules and Regulations.

4. Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was not set forth in the required sequence in violation of Rule 30 of said Rules and Regulations.

5. Required item numbers were not set forth on labels in violation of Rule 40 of said Rules and Regulations.

PAR. 5. Certain of said fur products were falsely and deceptively invoiced by the respondent 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 thereunder.

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

PAR. 6. Certain of said fur products were falsely and deceptively invoiced in violation of the Fur Products Labeling Act in that they were not invoiced in accordance with Rules and Regulations promulgated thereunder in the following respects :

1. Information required under Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was set forth on invoices in abbreviated form, in violation of Rule 4 of said Rules and Regulations.

2. The term "natural" was not used on invoices to describe fur products which were not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Rule 19(g) of said Rules and Regulations.

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3. Required item numbers were not set forth, in violation of Rule 40 of said Rules and Regulations.

PAR. 7. Certain of said fur products were falsely and deceptively advertised in violation of the Fur Products Labeling Act in that certain advertisements intended to aid, promote and assist, directly or indirectly, in the sale and offering for sale of such fur products were not in accordance with the provisions of Section 5(a) of the said Act.

Among and included in the aforesaid advertisements but not limited thereto, were advertisements of the respondent which appeared in the San Francisco Chronicle and the Los Angeles Times, newspapers published in the cities of San Francisco and Los Angeles, California, respectively, which have a wide circulation in the State of California and in other States of the United States.

Among such false and deceptive advertisements but not limited thereto, were advertisements which failed:

1. To show that the fur contained in such products was bleached, dyed, or otherwise artificially colored, when such was the fact.

2. To show the country of origin of imported furs contained in any such fur product.

PAR. 8. By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein, respondent falsely and deceptively advertised fur products in violation of the Fur Products Labeling Act in that said fur products were not advertised in accordance with Rules and Regulations promulgated thereunder in that the term "natural" was not used to describe fur products which were not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored in violation of Rule 19(g) of the said Rules and Regulations.

PAR. 9. By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein, respondent falsely and deceptively advertised fur products in that said advertisements represented, contrary to fact, that certain fur products were from the 1969 Paris collection of Jean Revion, in violation of Section 5(a)(5) of the Fur Products Labeling Act and Rule 44(g) of the Rules and Regulations promulgated under the aforesaid Act.

PAR. 10. The aforesaid acts and practices of the respondent 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 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 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 Fur Products Labeling Act; 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 Richard Martin Sampson is an individual doing business under and by virtue of the laws of the State of New York. He trades under his own name and as Richard Robert Edwards and Pano-Lib, Inc. His address is 100 West 57th Street, 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 the respondent Richard Martin Sampson, an individual trading as Richard Robert Edwards and as Pano-Lib, Inc. or under any other name or names, and respondent's 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:

## A. Misbranding any fur product by:

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

2. Setting forth required information under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in abbreviated form on the label affixed to such fur product.

3. Failing to set forth the term "natural" as part of the information required to be disclosed on a label under the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe such fur product which is not bleached, dyed, tip-dyed, or otherwise artificially colored.

4. Setting forth the information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in handwriting on a label affixed to such fur product.

5. Failing to set forth information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder on a label in the sequence required by Rule 30 of the aforesaid Rules and Regulations.

6. Failing to set forth on a label the item number or mark assigned to such fur product.

## B. Falsely or deceptively invoicing any fur product by:

1. 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.

2. Setting forth information required under Section 5(b) (1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in abbreviated form.

3. Failing to set forth the term "natural" as part of the information required to be disclosed on an invoice under the Fur Products Labeling Act and Rules and Regulations promulgated thereunder to describe such fur product which is not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

4. Failing to set forth on an invoice the item number or mark assigned to such fur product.

## C. Falsely or deceptively advertising any fur product through the use of any advertisement, representation, public announcement or notice which is intended to aid, promote or assist, directly or indirectly, in the sale, or offering for sale of any such fur product, and which:

1. Fails to set forth in words and figures plainly legible all the information required to be disclosed by each of the subsections of Section 5(a) of the Fur Products Labeling Act.

2. Fails to set forth the term "natural" as part of the information required to be disclosed in advertisements under the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe such fur product which is not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

3. Represents, directly or by implication, that such fur product is from the 1969 Paris collection of Jean Re-vion or from any source unless such source is in fact the true source of the fur product being advertised.

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

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Complaint

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IN THE MATTER OF  
MEYER BROTHERS

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

*Docket C-1554. Complaint, July 2, 1969—Decision, July 2, 1969*

Consent order requiring a Paterson, N.J., department store to cease falsely advertising its furs and textiles, and misbranding and falsely invoicing its furs.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, the Fur Products Labeling 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 Meyer Brothers, a corporation, hereinafter referred to as respondent, has violated the provisions of said Acts and the Rules and Regulations promulgated under the Fur Products Labeling Act and 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 Meyer Brothers is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey.

Respondent operates a department store which includes a fur department. Its office and principal place of business is located at 181 Main Street, Paterson, New Jersey.

PAR. 2. Respondent is now, and for some time last past has 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 has 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 falsely and deceptively labeled or otherwise falsely or deceptively identified with respect to the name or designation of the animal or animals that produced the fur from which the said fur products had been manufactured, in violation of Section 4(1) of the Fur Products Labeling Act.

Among such misbranded fur products, but not limited thereto, were fur products which were labeled as "Broadtail" thereby implying that the furs contained therein were entitled to the designation "Broadtail Lamb" when in truth and in fact the furs contained therein were not entitled to such designation.

PAR. 4. 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 with labels which failed to show the true animal name of the animal or animals that produced the fur used in such fur products.

PAR. 5. Certain of said fur products were misbranded in that labels attached thereto, set forth the name of an animal other than the name or names of the animal or animals that produced the fur from which the said fur products had been manufactured, in violation of Section 4(3) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder.

PAR. 6. Certain of said fur products were misbranded in violation of the Fur Products Labeling Act in that they were not labeled in accordance with the Rules and Regulations promulgated thereunder in the following respects:

(a) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was set forth on labels in abbreviated form, in violation of Rule 4 of said Rules and Regulations.

(b) The term "Dyed Broadtail-processed Lamb" was not set forth on labels in the manner required by law, in violation of Rule 10 of said Rules and Regulations.

(c) The term "natural" was not used on labels to describe fur products which were not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Rule 19(g) of said Rules and Regulations.

(d) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated

thereunder was set forth in handwriting on labels, in violation of Rule 29 (a) of said Rules and Regulations.

(e) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was not set forth in the required sequence, in violation of Rule 30 of said Rules and Regulations.

PAR. 7. Certain of said fur products were falsely and deceptively invoiced by the respondent 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:

1. To show the true animal name of the animal or animals that produced the fur used in such fur products.
2. To show the country of origin of imported furs used in any such fur products.

PAR. 8. Certain of said fur products were falsely and deceptively invoiced in violation of the Fur Products Labeling Act in that they were not invoiced in accordance with the Rules and Regulations promulgated thereunder in the following respects:

(a) Information required under Section 5(b) (1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was set forth on invoices in abbreviated form, in violation of Rule 4 of said Rules and Regulations.

(b) The term "natural" was not used on invoices to describe fur products which were not pointed, bleached, dyed, tip-dyed or otherwise artificially colored, in violation of Rule 19(g) of said Rules and Regulations.

PAR. 9. Certain of said fur products were falsely and deceptively advertised in violation of the Fur Products Labeling Act in that certain advertisements intended to aid, promote and assist, directly or indirectly, in the sale and offering for sale of such fur products were not in accordance with the provisions of Section 5(a) of the said Act.

Among and included in the aforesaid advertisements but not limited thereto, were advertisements of respondent which appeared in issues of the Paterson News, a newspaper published in the city of Paterson, State of New Jersey and having a wide circulation in New Jersey and in other States of the United States.

Among such false and deceptive advertisements, but not limited thereto, were advertisements which failed:

1. To show the true animal name of the animal or animals which produced the fur used in such fur products.
2. To show that the fur contained in the fur products was bleached, dyed, or otherwise artificially colored, when such was the fact.

PAR. 10. By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein, respondent falsely and deceptively advertised fur products in violation of the Fur Products Labeling Act in that the said fur products were not advertised in accordance with the Rules and Regulations promulgated thereunder in the following respects:

(a) The term "Dyed Broadtail-processed Lamb" was not set forth in the manner required, in violation of Rule 10 of the said Rules and Regulations.

(b) The term "natural" was not used to describe fur products which were not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Rule 19(g) of the said Rules and Regulations.

PAR. 11. By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein, respondent falsely and deceptively advertised fur products in that certain of said fur products were falsely or deceptively identified with respect to the name or designation of the animal or animals that produced the fur from which the said fur products had been manufactured, in violation of Section 5(a) (5) of the Fur Products Labeling Act.

Among such falsely and deceptively advertised fur products, but not limited thereto, were fur products advertised as "Broadtail" thereby implying that the furs contained therein were entitled to the designation "Broadtail Lamb" when in truth and in fact the furs contained therein were not entitled to such designation.

PAR. 12. In advertising fur products for sale, as aforesaid, respondent made pricing claims and representations of the types covered by subsections (a), (b), (c) and (d) of Rule 44 of the Regulations under the Fur Products Labeling Act. Respondent in making such claims and representations failed to maintain full and adequate records disclosing the facts upon which such claims and representations were based, in violation of Rule 44(e) of said Rules and Regulations.

PAR. 13. The aforesaid acts and practices of respondent, 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.

PAR. 14. Respondent is now and for some time last past has 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 has 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 has 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. 15. Certain of said textile fiber products were misbranded by respondent 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 in the Paterson News, a newspaper published in the city of Paterson, State of New Jersey, and having a wide circulation in New Jersey and various other States of the United States in that the fiber content of textile fiber products was set forth as being rayon-linen, thereby representing or implying that the products contained linen. In truth and in fact the said textile fiber products contained substantially different fibers than represented or implied.

PAR. 16. Certain of said textile fiber products were falsely and deceptively advertised in that respondent, 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 con-

tent as specified in Section 4(c) 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 textile fiber products, but not limited thereto, were textile fiber products which were falsely and deceptively advertised in the Paterson News, a newspaper published in the city of Paterson, State of New Jersey, and having a wide circulation in New Jersey and various other States of the United States, in that the true generic names of the fibers present in such products were not set forth.

PAR. 17. By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein, respondent falsely and deceptively advertised textile fiber products in violation of the Textile Fiber Products Identification Act in that said textile fiber products were not advertised in accordance with the Rules and Regulations thereunder in the following respects:

(a) Fiber trademarks were used in advertising textile fiber products 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 advertisements, in violation of Rule 41 (a) of the aforesaid Rules and Regulations.

(b) Fiber trademarks were used in advertising textile fiber products containing more than one fiber and such fiber trademarks did not appear in the required fiber content information in immediate proximity and conjunction with the generic names of the fibers to which they related 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 fiber trademark was used in advertising a textile fiber product containing only one fiber and such fiber trademark did not appear at least once in the said advertisement in immediate proximity and conjunction with the generic name of the fiber to which it related in plainly legible and conspicuous type or lettering, in violation of Rule 41 (c) of the aforesaid Rules and Regulations.

PAR. 18. The acts and practices of the respondent as set forth in Paragraphs Fifteen, Sixteen and Seventeen 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 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 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, the Fur Products Labeling Act and the Textile Fiber Products Identification Act; 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 Meyer Brothers 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 181 Main Street, Paterson, New Jersey.

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 Meyer Brothers, a corporation, and its officers, 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:

A. Misbranding any fur product by:

1. Falsely or deceptively labeling or otherwise falsely or deceptively identifying any such fur product as to the name or designation of the animal or animals that produced the fur contained in the fur product.

2. 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.

3. Setting forth on a label attached to the fur product the name or names of any animal or animals other than the name of the animal producing the fur contained in the fur product as specified in the Fur Products Name Guide, and as prescribed by the Rules and Regulations.

4. Setting forth information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in abbreviated form on a label affixed to such fur product.

5. Failing to set forth the term "Dyed Broadtail-processed Lamb" on a label in the manner required where an election is made to use that term in lieu of the term "Dyed Lamb."

6. Failing to set forth the term "natural" as part of the information required to be disclosed on a label under the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe such fur product which is not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

7. Setting forth information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in handwriting on a label affixed to such fur product.

8. Failing to set forth information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder on a label in the sequence required by Rule 30 of the afore-said Rules and Regulations.

B. Falsely or deceptively invoicing any fur product by:

1. 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.

2. Setting forth information required under Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in abbreviated form on an invoice pertaining to such fur product.

3. Failing to set forth the term "natural" as part of the information required to be disclosed on an invoice under the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe such fur product which is not pointed, bleached, dyed, tip-dyed or otherwise artificially colored.

C. Falsely or deceptively advertising any fur product through the use of any advertisement, representation, public announcement or notice which is intended to aid, promote or assist, directly or indirectly, in the sale, or offering for sale of any such fur product, and which:

1. Fails to set forth in words and figures plainly legible all the information required to be disclosed by each of the subsections of Section 5(a) of the Fur Products Labeling Act.

2. Falsely or deceptively identifies any fur product as to the name or designation of the animal or animals that produced the fur contained in the fur product.

3. Fails to set forth the term "Dyed Broadtail-processed Lamb" in the manner required where an election is made to use that term instead of the words "Dyed Lamb."

4. Fails to set forth the term "natural" as part of the information required to be disclosed in advertisements under the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe such

fur product which is not pointed, bleached, dyed, tipped, or otherwise artificially colored.

D. Failing to maintain full and adequate records disclosing the facts upon which pricing claims and representations of the types described in subsections (a), (b), (c) and (d) of Rule 44 of the Rules and Regulations promulgated under the Fur Products Labeling Act, are based.

*It is further ordered,* That respondent Meyer Brothers, a corporation, and its officers, 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, 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 or deceptively advertising any textile fiber product by:

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

2. Making any representation, by disclosure or by implication, as to the fiber content 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 Section 4(b)(1) and (2) of the Textile Fiber Products Identification Act is contained in the same advertisement, except that the percentages of the fibers present in a textile fiber product need not be stated.

3. Using a fiber trademark in advertising such textile fiber product without a full disclosure of the required content information in at least one instance in said advertisement.

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4. Using a fiber trademark in advertising such textile fiber product 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.

5. Using a fiber trademark in advertising such textile fiber product containing only one fiber without such fiber trademark appearing at least once in the said advertisement, in immediate proximity and conjunction with the generic name of the fiber and in plainly legible and conspicuous type or lettering.

*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 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.

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IN THE MATTER OF

ORVIL D. PERCIFIELD TRADING AS NORTHWEST CHINCHILLA COMPANY

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

*Docket C-1555. Complaint, July 2, 1969—Decision, July 2, 1969*

Consent order requiring a Portland, Oregon, distributor of chinchilla breeding stock to cease making exaggerated earning claims, misrepresenting the quality of its stock, deceptively guaranteeing the fertility of its stock, and misrepresenting its services to purchasers.

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 Orvil D. Percifield, also known as Orville D. Percifield, an individual trading and doing business as Northwest Chinchilla Company, formerly known as The Chinchilla Guild of America, Pacific North-

west Division, hereinafter referred to as respondent, has 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 Orvil D. Percifield, also known as Orville D. Percifield, is an individual trading and doing business under the name Northwest Chinchilla Company, with his principal place of business located at 802 Failing Building, Portland, Oregon, 97204.

Respondent, until September 1966, traded and did business as The Chinchilla Guild of America, Pacific Northwest Division. His principal place of business was located at 802 Failing Building, Portland, Oregon.

PAR. 2. Respondent is now, and for some time last past has been, engaged in the advertising, offering for sale, sale and distribution of chinchilla breeding stock to the public.

PAR. 3. In the course and conduct of his aforesaid business, respondent now causes, and for some time last past has caused, his said chinchillas, when sold, to be shipped from his place of business in the State of Oregon to purchasers thereof located in various other States of the United States, and maintains, and at all times mentioned herein has maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of his aforesaid business, and for the purpose of obtaining the names of prospective purchasers and inducing the purchase of said chinchillas, respondent makes numerous statements and representations in direct mail advertising and through the oral statements and display of promotional material to prospective purchasers by his salesmen, with respect to the breeding of chinchillas for profit without previous experience, the rate of reproduction of said animals, the expected return from the sale of their pelts, the market value of said animals as breeding stock, their quality, their warranty, and the training assistance to be made available to purchasers.

Typical and illustrative of said statements and representations, but not all inclusive thereof, are the following:

Many chinchilla ranchers are earning thousands of dollars a year IN THEIR SPARE TIME. Turn extra room into additional income for education, travel, retirement. With just a few hundred dollars invested YOU CAN PULL YOURSELF OUT OF THAT MONTHLY PAYROLL RUT!!

## Complaint

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Farmers—In our opinion there is nothing you can raise or grow that space, time or dollarwise can equal raising quality chinchillas. Investigate Chinchilla Production.

Professional assistance from well-trained Ranch Inspectors assures success, even if you have no experience.

We've found the answer to financial problems for hundreds of people \* \* \* City Folks and Farmers alike.

Key Rancher Agreement. This agreement \* \* \* between Northwest Chinchilla Co., hereinafter called The Company and \_\_\_\_\_ hereinafter called Key Rancher. It is mutually agreed: 1. That the Company shall buy all offspring scheduled for breeding, meeting prevailing "Guild Quality" standards at the date of purchase. These offspring shall be in pairs, a pair being a male and a female. 2. The purchase price shall be the sum of \$80 per pair for all animals purchased.

PAR. 5. By and through the use of the above-quoted statements and representations, and others of similar import and meaning but not expressly set out herein, and through the oral statements and representations made in sales presentations to purchasers, respondent represents, and has represented, directly or by implication, that:

1. It is commercially feasible to breed and raise chinchillas from breeding stock purchased from respondent, in homes, basements, garages, barns or spare rooms and large profits can be made in this manner.

2. The breeding of chinchillas from breeding stock purchased from respondent as a commercially profitable enterprise, requires no previous experience in the breeding, caring for and raising of such animals.

3. Each female chinchilla purchased from respondent and each female offspring will produce several successive litters of from one to four live offspring at 111-day intervals.

4. All of the offspring referred to in Paragraph Five (3) above will have pelts selling for an average price of \$30.90 per pelt, and that pelts from offspring of respondent's breeding stock generally sell from \$15 to \$60 each.

5. Chinchillas sold by respondent are top quality breeding stock and have a market value of \$350 each.

6. Each female chinchilla purchased from respondent and each female offspring will produce at least three live young per year.

7. A purchaser starting with six mated pairs of respondent's chinchillas will have a gross income of at least \$5,760 a year from the sale of pelts at the end of the fifth year.

8. Chinchilla breeding stock purchased from respondent is un-

conditionally warranted to live three years and within 18 months reproduce a number of offspring equal to the number of animals originally purchased.

9. Breeding chinchillas by mated pairs produces more offspring of better quality than by using one male to breed several females, called polygamous breeding.

10. Chinchillas are hardy animals and are not susceptible to diseases.

11. Purchasers of respondent's chinchilla breeding stock joining The Chinchilla Guild of America will, because of the services offered by said organization, be able to raise chinchillas with pelts selling for an average price of \$45 per pelt.

12. Respondent will purchase, through the "Key Rancher Agreement," all of the chinchilla offspring meeting prevailing "Guild Quality" standards raised by purchasers of respondent's chinchilla breeding stock, for \$80 per pair, a pair being a male and a female.

13. The "Guild Quality" standard of live chinchilla evaluation is an accepted standard in the chinchilla industry for determining the quality of chinchilla breeding stock.

14. Approximately 75 percent of all chinchilla offspring raised from chinchilla breeding stock purchased from respondent will be of "Guild Quality."

15. Respondent, doing business as Northwest Chinchilla Company, has been in the chinchilla business for more than 20 years.

16. Purchasers of respondent's breeding stock can expect a great demand for the offspring and for the pelts of the offspring of respondent's chinchillas.

17. A purchaser investing \$4,000 in respondent's chinchillas will make \$25,000 a year in profit two years after the purchase of respondent's chinchillas.

18. Through the assistance and advice furnished to purchasers of respondent's breeding stock by The Chinchilla Guild of America, purchasers are able to successfully breed and raise chinchillas as a commercially profitable enterprise.

PAR. 6. In truth and in fact:

1. It is not commercially feasible to breed or raise chinchillas from breeding stock purchased from respondent in homes, basements, garages, barns, or spare rooms and large profits cannot be made in this manner. Such quarters or buildings, unless they have adequate space and the requisite temperature, humidity,

ventilation and other necessary environmental conditions are not adaptable to or suitable for the breeding of chinchillas on a commercial basis.

2. The breeding of chinchillas from breeding stock purchased from respondent as a commercially profitable enterprise requires specialized knowledge in the breeding, caring for and raising of said animals, much of which must be acquired through actual experience.

3. Each female chinchilla purchased from respondent and each female offspring will not produce several successive litters of from one to four live offspring at 111-day intervals, but generally less than that number.

4. All of the offspring referred to in subparagraph (4) of Paragraph Five above will not produce pelts selling for an average price of \$30.90 per pelt but substantially less than that amount; and pelts from offspring of respondent's breeding stock will generally not sell for \$15 to \$60 each since some of the pelts are not marketable at all and others would not sell for \$15 but substantially less than that amount.

5. Chinchillas sold by respondent are not top quality breeding stock and do not have a market value of \$350 each, but substantially less than that amount.

6. Each female chinchilla purchased from respondent and each female offspring will not produce at least three live young per year but generally less than that amount.

7. A purchaser starting out with six mated pairs of respondent's breeding stock will not have a gross income of at least \$5,760 from the sale of pelts at the end of the fifth year, but substantially less than that amount.

8. Chinchilla breeding stock purchased from respondent is not unconditionally warranted to live three years and within 18 months reproduce a number of offspring equal to the number of animals originally purchased but such guarantee as is provided is subject to numerous terms, limitations and conditions.

9. Breeding chinchillas by mated pairs does not produce more offspring or offspring of better quality than the polygamous breeding method.

10. Chinchillas are not hardy animals and are susceptible to pneumonia, and other diseases.

11. Purchasers of respondent's chinchilla breeding stock joining The Chinchilla Guild of America are not able, because of the services offered by that organization, to raise chinchillas with

pelts selling for an average price of \$45 per pelt; such pelts generally sell for substantially less than that amount.

12. Respondent seldom, if ever, through the "Key Rancher Agreement" purchases all, if any, of the chinchilla offspring meeting prevailing "Guild Quality" standards raised by purchasers of respondent's chinchilla breeding stock for \$80 per pair. Furthermore, respondent purchases the breeding stock resold by him from a commercial breeding organization and seldom, if ever, purchases any breeding stock from his customers.

13. The "Guild Quality" standard for live chinchilla evaluation is not an accepted standard in the chinchilla industry for determining the quality of chinchilla breeding stock.

14. Approximately 75 percent of all chinchilla offspring raised from chinchilla breeding stock purchased from respondent will not be of "Guild Quality."

15. Respondent, doing business as Northwest Chinchilla Company has not been in the chinchilla business for more than 20 years. Respondent doing business as Northwest Chinchilla Company has been in the chinchilla business for less than 2 years.

16. Purchasers of respondent's breeding stock cannot expect a great demand for the offspring or the pelts of the offspring of respondent's chinchillas.

17. A purchaser investing \$4,000 in respondent's chinchillas will not make \$25,000 a year in profit two years after the purchase of respondent's chinchillas. Such purchasers can make little, if any, profit two years after said purchase.

18. Purchasers of respondent's breeding stock are not able to successfully breed and raise chinchillas as a commercially profitable enterprise through the assistance and advice furnished them by The Chinchilla Guild of America.

Therefore, the statements and representations as set forth in Paragraphs Four and Five hereof were and are false, misleading and deceptive.

PAR. 7. In the course and conduct of his aforesaid business, and at all times mentioned herein, respondent has been, and now is, in substantial competition, in commerce, with corporations, firms and individuals in the sale of chinchilla breeding stock of the same general kind and nature as that sold by respondent.

PAR. 8. The use by respondent of the aforementioned false, misleading and deceptive statements, representations, and practices has had, and now has, the tendency and capacity to mislead members of the purchasing public into the erroneous and mistaken be-

lief that said statements and representations were and are true and into the purchase of substantial quantities of respondent's chinchillas by reason of said erroneous and mistaken belief.

PAR. 9. The aforesaid acts and practices of the respondent, as herein alleged, were and are all to the prejudice and injury of the public and of respondent's 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.

#### DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondent named in the caption hereof with violation of the Federal Trade Commission Act, and the respondent 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 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 complaint to issue herein, 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 considered the agreement and having accepted same, and the agreement containing consent order having thereupon been placed 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 in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Orvil D. Percifield, also known as Orville D. Percifield, is an individual trading and doing business under the name Northwest Chinchilla Company, with his principal place of business located at 802 Failing Building, Portland, Oregon, 97204.

Respondent Percifield, until September 1966, traded and did business as The Chinchilla Guild of America, Pacific Northwest Division. His principal place of business was located at 802 Failing Building, Portland, Oregon.

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 Orvil D. Percifield, also known as Orville D. Percifield, an individual trading and doing business as Northwest Chinchilla Company, formerly known as The Chinchilla Guild of America, Pacific Northwest Division, or trading and doing business under any other name or names, and respondent's representatives, agents and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of chinchilla breeding stock or any other products, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

## A. Representing, directly or by implication, that:

1. It is commercially feasible to breed or raise chinchillas in homes, basements, garages or spare buildings, or other quarters or buildings unless in immediate conjunction therewith it is clearly and conspicuously disclosed that the represented quarters or buildings can only be adaptable to and suitable for the breeding and raising of chinchillas on a commercial basis if they have the requisite space, temperature, humidity, ventilation and other environmental conditions.
2. Breeding chinchillas as a commercially profitable enterprise can be achieved without previous knowledge or experience in the breeding, caring for and raising of such animals.
3. Each female chinchilla purchased from respondent and each female offspring will produce successive litters of one to four live offspring at 111-day intervals.
4. The number of litters or sizes thereof produced per female chinchilla is any number or range thereof; or representing, in any manner, the past number or range of numbers of litters or sizes produced per female chinchilla of purchasers of respondent's breeding stock unless in fact the past number or range of numbers represented are those of a substantial number of purchasers

and accurately reflect the number or range of numbers of litters or sizes thereof produced per female chinchilla of these purchasers under circumstances similar to those of the purchaser to whom the representation is made.

5. Pelts from the offspring of respondent's chinchilla breeding stock sell for an average price of \$30.90 per pelt; or that pelts from the offspring of respondent's breeding stock generally sell from \$15 to \$60 each.

6. Chinchilla pelts from respondent's breeding stock will sell for any price, average price, or range of prices; or representing, in any manner, the past price, average price or range of prices of purchasers of respondent's breeding stock unless in fact the past price, average price or range of prices represented are those of a substantial number of purchasers and accurately reflect the price, average price or range of prices realized by these purchasers under circumstances similar to those of the purchaser to whom the representation is made.

7. Purchasers of respondent's chinchilla breeding stock will receive top quality chinchillas or that respondent's chinchilla breeding stock has a market value of \$350 each or any other price or range of prices unless respondent's purchasers do actually receive chinchillas of the represented market value, price or range of prices.

8. Each female chinchilla purchased from respondent and each female offspring produce at least three live young per year.

9. The number of live offspring produced per female chinchilla is any number or range of numbers; or representing, in any manner, the past number or range of numbers of live offspring produced per female chinchilla of purchasers of respondent's breeding stock unless in fact the past number or range of numbers represented are those of a substantial number of purchasers and accurately reflect the number or range of numbers of live offspring produced per female chinchilla of these purchasers under circumstances similar to those of the purchaser to whom the representation is made.

10. A purchaser starting with six mated pairs of respondent's chinchillas will have, from the sale of pelts, a

gross income, earnings or profits of \$5,760 at the end of the fifth year after purchase.

11. Purchasers of respondent's breeding stock will realize earnings, profits or income in any amount or range of amounts; or representing, in any manner, the past earnings, profits or income of purchasers of respondent's breeding stock unless in fact the past earnings, profits or income represented are those of a substantial number of purchasers and accurately reflect the average earnings, profits or income of these purchasers under circumstances similar to those of the purchaser to whom the representation is made.

12. Breeding stock purchased from respondent is warranted or guaranteed without clearly and conspicuously disclosing in immediate conjunction therewith the nature and extent of the guarantee, the manner in which the guarantor will perform and the identity of the guarantor.

13. Breeding chinchillas by mated pairs will produce more or better quality offspring than by polygamous breeding.

14. Chinchillas are hardy animals or are not susceptible to disease.

15. Purchasers of respondent's chinchilla breeding stock joining The Chinchilla Guild of America will, because of the services offered by that organization, be able to raise chinchillas with pelts selling for an average price of \$45 per pelt, or for any other amount in excess of that usually received by members of said Guild; or misrepresenting, in any manner, the benefits, gains, or advantages afforded members of said Guild or members, participants, or affiliates of any other organization or group.

16. Respondent will purchase all or any of the chinchilla offspring or pelts thereof raised by purchasers of respondent's breeding stock for \$80 a pair unless respondent does in fact so purchase such offspring or pelts for the represented price; or that respondent will purchase said offspring or pelts for any other prices unless respondent does, in fact, purchase all the offspring or pelts offered by said purchasers at the prices and on the terms and conditions represented; or representing, in

any manner, that respondent will purchase chinchilla offspring raised by customers unless respondent does in fact purchase such offspring.

17. The "Guild Quality" standard of live chinchilla evaluation is an accepted standard in the chinchilla industry for determining the quality of chinchilla breeding stock; or misrepresenting, in any manner, the standards or the acceptance or recognition of standards in the chinchilla industry for the evaluation or grading of chinchillas or the pelts therefrom.

18. Approximately 75 percent of all chinchillas raised from chinchilla breeding stock purchased from respondent will be of Guild Quality; or misrepresenting, in any manner, the number or proportion of chinchillas from respondent's or any other breeding stock which will be of a stated grade or quality.

19. Respondent doing business as Northwest Chinchilla Company or under any other trade or corporate name or as an individual has been in the chinchilla business for more than 20 years; or misrepresenting, in any manner, the length of time respondent individually or through any corporate or other device has been in business.

20. Chinchillas or chinchilla pelts are in great demand; or that purchasers of respondent's breeding stock can expect to be able to sell the offspring or the pelts of the offspring of respondent's chinchillas because said chinchillas or pelts are in great demand.

21. Purchasers investing \$4,000 in respondent's chinchillas will make \$25,000 in profit two years after the purchase of respondent's chinchillas.

22. Purchasers investing any amount or range of amounts will make any amount, or range of amounts in profit in any number of years or interval of time after the purchase of respondent's chinchillas; or representing, in any manner, the past profit or range of profits purchasers investing any amount or range of amounts will make in any number of years or interval of time after purchase of respondent's chinchillas unless, in fact, the past profit or range of profits represented are those of a substantial number of purchasers and accurately re-

flect the average profit or range of profits of these purchasers under circumstances similar to those of the purchaser to whom the representation is made.

23. The assistance or advice furnished to purchasers of respondent's chinchilla breeding stock by respondent or The Chinchilla Guild of America will assure purchasers of successfully breeding or raising chinchillas as a commercially profitable enterprise.

B. Misrepresenting, in any manner, the assistance, training, services or advice supplied by respondent to purchasers of his chinchilla breeding stock.

C. Misrepresenting, in any manner, the earnings or profits to purchasers or the quality or reproduction capacity of any chinchilla breeding stock.

D. Failing to deliver a copy of this order to cease and desist to all present and future salesmen or other persons engaged in the sale of respondent's products or services, and failing to secure from each such salesman or other person a signed statement acknowledging receipt of said order.

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

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IN THE MATTER OF

GINEROS & BORONICO, 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-1556. Complaint, July 8, 1969—Decision, July 8, 1969*

Consent order requiring a New York City manufacturing furrier to cease misbranding and falsely invoicing its fur products.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission,

having reason to believe that Gineros & Boronico, Inc., a corporation, and Spero Gineros and Constantine Boronico, 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 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 Gineros & Boronico, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondents Spero Gineros and Constantine Boronico are officers of the corporate respondent. They formulate, direct and control the acts, practices and policies of the said corporate respondent including those hereinafter set forth.

Respondents are engaged in the manufacture and sale of fur products with their office and principal place of business located at 307 Seventh Avenue, New York, New York.

PAR. 2. Respondents are now and for some time last past have been engaged in the introduction into commerce, and in the manufacture for 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 manufactured for sale, 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 falsely and deceptively labeled to show that fur contained therein was natural, when in fact such fur was pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Section 4(1) of the Fur Products Labeling Act.

PAR. 4. 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 with labels which failed to disclose that the fur contained in the fur products was bleached, dyed, or otherwise artificially colored, when such was the fact.

PAR. 5. 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 contained in the fur products was bleached, dyed, or otherwise artificially colored, when such was the fact.

PAR. 6. Certain of said fur products were falsely and deceptively invoiced in that said fur products were invoiced to show 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. 7. Certain of said fur products were falsely and deceptively invoiced in violation of the Fur Products Labeling Act in that they were not invoiced in accordance with the Rules and Regulations promulgated thereunder inasmuch as information required under Section 5(b) (1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was set forth on invoices in abbreviated form, in violation of Rule 4 of said Rules and Regulations.

PAR. 8. The aforesaid acts and practices of respondents, as herein alleged in Paragraphs Three through Seven 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 Bureau 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 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 Gineros & Boronico, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York and its office and principal place of business is located at 307 Seventh Avenue, New York, New York.

Respondents Spero Gineros and Constantine Boronico are officers of said corporation and their 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 Gineros & Boronico, Inc., a corporation, and its officers, and Spero Gineros and Constantine Boronico, individually 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, or manufacture for 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 manufacture for sale, 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:

A. Misbranding fur products by:

1. Representing, directly or by implication, on labels that the fur contained in any fur product is natural when the fur contained therein is pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

2. Failing to affix labels to fur products 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.

B. Falsely or deceptively invoicing fur products by:

1. Failing to furnish invoices, 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.

2. Representing, directly or by implication, on invoices that the fur contained in the fur products is natural when such fur is pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

3. Setting forth information required under Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in abbreviated form.

*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.

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Complaint

76 F.T.C.

IN THE MATTER OF

PHILIP REINER FURS, 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-1557. Complaint, July 8, 1969—Decision, July 8, 1969*

Consent order requiring a New York City retail furrier to cease misbranding, falsely invoicing, and advertising its fur products.

## COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Philip Reiner Furs, Inc., a corporation, and Philip Reiner, 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 Philip Reiner Furs, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondent Philip Reiner is an officer of the corporate respondent. He formulates, directs and controls the policies, acts and practices of the said corporate respondent including those hereinafter set forth.

Respondents are retailers of fur products with their office and principal place of business located at 305 Seventh Avenue, New York, New York.

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 falsely and deceptively labeled or otherwise falsely or deceptively identified with respect to the name or designation of the animal or animals that produced the fur from which the said fur products had been manufactured, in violation of Section 4(1) of the Fur Products Labeling Act.

Among such misbranded fur products, but not limited thereto, were fur products labeled as "Broadtail" thereby implying that the furs contained therein were entitled to the designation "Broadtail Lamb" when in truth and in fact the furs contained therein were not entitled to such designation.

PAR. 4. 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 with labels which failed:

1. to show the true animal name of the animal or animals which produced the fur used in such fur products.
2. To disclose that the fur contained in the fur products was bleached, dyed, or otherwise artificially colored, when such was the fact.

PAR. 5. Certain of said fur products were misbranded in that labels attached thereto, set forth the name or names of an animal or animals other than the name of the animal that produced the fur from which the said fur products had been manufactured, in violation of Section 4(3) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder.

PAR. 6. Certain of said fur products were misbranded in violation of the Fur Products Labeling Act in that they were not labeled in accordance with the Rules and Regulations promulgated thereunder in the following respects:

(a) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was set forth on labels in abbreviated form, in violation of Rule 4 of said Rules and Regulations.

(b) The term "Dyed Broadtail-processed Lamb" was not set forth on labels in the manner required by law, in violation of Rule 10 of said Rules and Regulations.

(c) The term "natural" was not used on labels to describe fur products which were not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Rule 19(g) of said Rules and Regulations.

(d) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was set forth in handwriting on labels, in violation of Rule 29(b) of said Rules and Regulations.

(e) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was not set forth in the required sequence, in violation of Rule 30 of said Rules and Regulations.

PAR. 7. Certain of said fur products were falsely and deceptively invoiced by 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 show the true animal name of the animal or animals which produced the fur used in such fur products.

PAR. 8. Certain of said fur products were falsely and deceptively invoiced in that respondents set forth on invoices pertaining to fur products the name or names of an animal or animals other than the name of the animal that produced the fur from which the said fur products had been manufactured, in violation of Section 5(b)(2) of the Fur Products Labeling Act.

PAR. 9. Certain of said fur products were falsely and deceptively invoiced in violation of the Fur Products Labeling Act in that they were not invoiced in accordance with the Rules and Regulations promulgated thereunder inasmuch as information required under Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was set forth in abbreviated form, in violation of Rule 4 of said Rules and Regulations.

PAR. 10. Certain of said fur products were falsely and deceptively advertised in violation of the Fur Products Labeling Act in that certain advertisements intended to aid, promote and assist, directly or indirectly, in the sale and offering for sale of such fur products were not in accordance with the provisions of Section 5(a) of the said Act.

Among and included in the aforesaid advertisements but not limited thereto, were advertisements of respondents which appeared in issues of the Paterson News, a newspaper published in the city of Paterson, State of New Jersey and having a wide circulation in New Jersey and in other States of the United States.

Among such false and deceptive advertisements, but not limited thereto, were advertisements which failed:

1. To show the true animal name of the animal or animals which produced the fur used in such fur products.
2. To show that the fur contained in the fur products was bleached, dyed, or otherwise artificially colored, when such was the fact.

PAR. 11. By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein, respondents falsely and deceptively advertised fur products in violation of the Fur Products Labeling Act in that the said fur products were not advertised in accordance with the Rules and Regulations promulgated thereunder in the following respects:

(a) The term "Dyed Broadtail-processed Lamb" was not set forth in the manner required, in violation of Rule 10 of the said Rules and Regulations.

(b) The term "natural" was not used to describe fur products which were not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Rule 19(g) of the said Rules and Regulations.

PAR. 12. By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein, respondents falsely and deceptively advertised fur products in that certain of said fur products were falsely or deceptively identified with respect to the name or designation of the animal or animals that produced the fur from which the said fur products had been manufactured, in violation of Section 5(a)(5) of the Fur Products Labeling Act.

Among such falsely and deceptively advertised fur products, but not limited thereto, were fur products advertised as "Broadtail" thereby implying that the furs contained therein were entitled to the designation "Broadtail Lamb" when in truth and in fact the furs contained therein were not entitled to such designation.

PAR. 13. In advertising fur products for sale, as aforesaid, respondents made pricing claims and representations of the types covered by subsections (a), (b), (c) and (d) of Rule 44 of the Regulations under the Fur Products Labeling Act. Respondents in making such claims and representations failed to maintain full and adequate records disclosing the facts upon which such claims and representations were based, in violation of Rule 44 (e) of said Rules and Regulations.

PAR. 14. 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 Bureau 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 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 Philip Reiner Furs, 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 principal place of business located at 305 Seventh Avenue, New York, New York.

Respondent Philip Reiner is an officer 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 Philip Reiner Furs, Inc., a corporation, and its officers, and Philip Reiner, 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, 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:

A. Misbranding any fur product by:

1. Falsely or deceptively labeling or otherwise falsely or deceptively identifying any such fur product as to the name or designation of the animal or animals that produced the fur contained in the fur product.

2. 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.

3. Setting forth on a label attached to such fur product the name or names of any animal or animals other than the name of the animal producing the fur contained in the fur product as specified in the Fur Products Name Guide, and as prescribed by the Rules and Regulations.

4. Setting forth information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in abbreviated form on a label affixed to such fur product.

5. Failing to set forth the term "Dyed Broadtail-processed Lamb" on a label in the manner required where an election is made to use that term in lieu of the term "Dyed Lamb."

6. Failing to set forth the term "natural" as part of the information required to be disclosed on a label under the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe such fur product which is not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

7. Setting forth information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in handwriting on a label affixed to such fur product.

8. Failing to set forth information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder on a label in the sequence required by Rule 30 of the aforesaid Rules and Regulations.

B. Falsely or deceptively invoicing any fur product by:

1. 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.

2. Setting forth on an invoice pertaining to such fur product the name or names of any animal or animals other than the name of the animal producing the fur contained in the fur product as specified in the Fur Products Name Guide, and as prescribed by the Rules and Regulations.

3. Setting forth information required under Section 5(b) (1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in abbreviated form on an invoice pertaining to such fur product.

C. Falsely or deceptively advertising any fur product through the use of any advertisement, representation, public announcement or notice which is intended to aid, promote or assist, directly or indirectly, in the sale, or offering for sale of any such fur product, and which:

1. Fails to set forth in words and figures plainly legible all the information required to be disclosed by each of the subsections of Section 5(a) of the Fur Products Labeling Act.

2. Falsely or deceptively identifies such fur product as to the name or designation of the animal or animals that produced the fur contained in the fur product.

3. Fails to set forth the term "Dyed Broadtail-processed Lamb" in the manner required where an election is made to use that term instead of the words "Dyed Lamb."

4. Fails to set forth the term "natural" as part of the information required to be disclosed in advertisements under the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe such fur product which is not pointed, bleached, dyed, tipped, or otherwise artificially colored.

D. Failing to maintain full and adequate records disclosing the facts upon which pricing claims and representations of the types described in subsections (a), (b), (c) and (d) of Rule 44 of the Rules and Regulations promulgated under the Fur Products Labeling Act, are based.

*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.

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Complaint

76 F.T.C.

IN THE MATTER OF  
THE HOBBY MART, INC., ET AL.

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

*Docket C-1558. Complaint, July 9, 1969—Decision, July 9, 1969*

Consent order requiring a Pittsburgh, Pa., seller of various products to cease marketing dangerously flammable fabrics including wood fiber chips.

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 The Hobby Mart, Inc., a corporation, and Irving Feldstein, 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 The Hobby Mart, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Pennsylvania.

Respondent Irving Feldstein is an officer of the corporate respondent. He formulates, directs and controls the acts, practices and policies of the said corporate respondent including those hereinafter set forth.

Respondents are engaged in the sale of various consumer products, including, but not limited to, wood fiber chips. The business address of the respondents is 604 Penn Avenue, Pittsburgh, Pennsylvania.

PAR. 2. Respondents are now and for some time last past have been engaged in the sale and 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, fabrics as the terms "commerce" and "fabric"

are defined in the Flammable Fabrics Act, as amended which 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 fabrics mentioned hereinabove were wood fiber chips.

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 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:

1. Respondent The Hobby Mart, Inc., is a corporation organized, existing and doing business under and by virtue of the laws

of the State of Pennsylvania, with its office and principal place of business located at 604 Penn Avenue, Pittsburgh, Pennsylvania.

Respondent Irving Feldstein is an officer 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 the respondents The Hobby Mart, Inc., a corporation, and its officers, and Irving Feldstein, 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 fabric as "commerce" and "fabric" are defined in the Flammable Fabrics Act, as amended, which 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 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' intention as to compliance with this Order. This interim special report shall also advise the Commission fully and specifically concerning the identity of the fabric which gave rise to the complaint, (1) the amount of such fabric in inventory, (2) any action taken to notify customers of the flammability of such fabric and the results thereof and (3) any disposition of such fabrics since August 5, 1968. 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 silk, rayon or cotton or combinations thereof in a weight of two ounces or less per square yard or made of cotton or rayon or combinations thereof with a raised fiber surface fabric. Respondents will submit samples of any such fabric, product or related material with this report.

*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.

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IN THE MATTER OF

MAJESTIC CHINCHILLA, INC., ET AL.

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

*Docket C-1559. Complaint, July 10, 1969—Decision, July 10, 1969*

Consent order requiring a Louisville, Ky., seller of chinchilla breeding stock to cease making exaggerated earning claims, misrepresenting the quality of the stock, deceptively guaranteeing the fertility of the stock, and misrepresenting services to purchasers.

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 Majestic Chinchilla, Inc., a corporation, and Howard M. Withers, individually and as an officer of said corporation, and John R. Smith and Odie Carman, individually and as former 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 Majestic Chinchilla, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Kentucky, with its principal office and place of business located at 6910 Southside Drive, Louisville, Kentucky, 40214.

Respondent Howard M. Withers is an individual and the sole stockholder and an officer of said Majestic Chinchilla, Inc., which he acquired about August 1968 and since that time alone formu-

lates, directs and controls the acts and practices hereinafter set forth. His address is the same as that of the corporate respondent.

Respondents John R. Smith and Odie Carman are individuals and former officers of Majestic Chinchilla, Inc. Prior to said change of ownership, together they formulated, directed and controlled the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. Respondent John R. Smith's address is 10303 National Turnpike Road, Fairdale, Kentucky. Respondent Odie Carman's address is 8809 Brown Austin Road, Fairdale, Kentucky.

PAR. 2. Respondents, as above described, are now, and for some time last past have been, engaged in the advertising, offering for sale, sale and distribution of chinchilla breeding stock to the public.

PAR. 3. In the course and conduct of their aforesaid business, respondents caused, and for some time last past have caused, and respondents Howard M. Withers and Majestic Chinchilla, Inc., continue to cause, their said chinchillas, when sold, to be shipped from their place of business in the State of Kentucky to purchasers thereof located in various other States of the United States, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their aforesaid business, and for the purpose of obtaining the names of prospective purchasers and inducing the purchase of said chinchillas, the respondents made, and respondents Howard M. Withers and Majestic Chinchilla, Inc., continue to make, numerous statements and representations by means of television broadcasts, direct mail advertising, and through the oral statements and display of promotional material to prospective purchasers by their salesmen, with respect to the breeding of chinchillas for profit without previous experience, the rate of reproduction of said animals, the expected return from the sale of their pelts and their hardiness and freedom from disease.

Typical and illustrative, but not all inclusive of the said statements and representations made in respondents' television and promotional literature, are the following:

\* \* \* Many people contemplating raising chinchillas think they must have special buildings to house their herds. However, successful chinchilla ranch-

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Complaint

ing can be done in basements, spare rooms, closed-in porches and outbuildings. \* \* \*

\* \* \* \* \*

\* \* \* The Chinchilla is a healthy, hardy disease-free animal. \* \* \*

\* \* \* \* \*

Majestic guarantees each animal to live past maturity.

\* \* \* \* \*

Breeding \* \* \* Gestation period is 111 days and the young are born in litters of from one to five, with the average being about two.

\* \* \* \* \*

Productivity—111 days gestation period; average one to two per litter. National average 1.9 per litter.

\* \* \* \* \*

Is schooling or experience necessary to qualify as a Majestic rancher? Our experienced herdsmen personally guide each new rancher through the proven methods of chinchilla ranching. \* \* \*

\* \* \* \* \*

Fur value \* \* \* Empress Chinchilla \* \* \*—Dec. 1965 good quality—\$30.90 to \$63.00.

\* \* \* \* \*

This graph shows your potential yearly income for the number of females breeding

Number of Females			
25 -----	\$1,561.00	175 -----	\$10,997.00
50 -----	3,145.00	200 -----	12,582.00
75 -----	4,730.00	225 -----	14,143.00
100 -----	6,291.00	250 -----	15,727.00
125 -----	7,858.00	275 -----	17,312.00
150 -----	9,436.00	300 -----	18,875.00

\* \* \* \* \*

\* \* \* A herd purchased from Majestic will be the finest grade of animals available for the price.

\* \* \* \* \*

\* \* \* Majestic qualifies in all of the categories that make ranching a success.

A—Quality stock.

B—Experienced Consultants. \* \* \*

C—Ranches visitation four times a year by experienced herdsmen.

PAR. 5. By and through the use of the aforesaid statements and representations and others of similar import and meaning, but not expressly set out herein, separately and in connection with the oral statements and representations made by their salesmen and representatives to prospective purchasers and purchasers, re-

spondents represented, and respondents Howard M. Withers and Majestic Chinchilla, Inc., continue to represent, directly or by implication, that:

1. It is commercially feasible to breed and raise chinchillas from breeding stock purchased from respondents in homes, basements, closed-in porches, or spare buildings, and large profits can be made in this manner.

2. The breeding of chinchillas from breeding stock purchased from respondents, as a commercially profitable enterprise, requires no previous experience in the breeding, caring for and raising of such animals.

3. Chinchillas are hardy animals and are not susceptible to diseases.

4. Purchasers of respondents' breeding stock receive high or top quality chinchillas.

5. Each female chinchilla purchased from respondents and each female offspring will produce at least four live offspring per year.

6. Each female chinchilla purchased from respondents and each female offspring will produce successive litters of from one to five live offspring at 111-day intervals.

7. The offspring referred to in Paragraph Five subparagraph (6) above will produce pelts selling for an average price of \$30 per pelt, and that pelts from offspring of respondents' breeding stock generally sell from \$30.90 to \$63.00 each.

8. A purchaser starting with one female and one male of respondents' chinchilla breeding stock will have a net profit of \$3,865.98 from the sale of pelts in the sixth year.

9. Chinchilla breeding stock purchased from respondents is unconditionally guaranteed to live.

10. Purchasers of respondents' breeding stock receive service calls from respondents' service personnel four times a year for the first year after purchase of the animals.

11. Purchasers of respondents' breeding stock are given guidance in the care and breeding of chinchillas.

12. Purchasers of respondents' breeding stock can expect a great demand for the offspring and for the pelts of the offspring of respondents' chinchillas.

13. Through the assistance and advice furnished to purchasers of respondents' breeding stock by respondents, purchasers are able to successfully breed and raise chinchillas as a commercially profitable enterprise.

## PAR. 6. In truth and in fact:

1. It is not commercially feasible to breed or raise chinchillas from breeding stock purchased from respondents in homes, basements, closed-in porches or spare buildings, and large profits cannot be made in this manner. Such quarters or buildings, unless they have adequate space and the requisite temperature, humidity, ventilation and other necessary environmental conditions are not adaptable to or suitable for the breeding or raising of chinchillas on a commercial basis.
2. The breeding of chinchillas from breeding stock purchased from respondents as a commercially profitable enterprise requires specialized knowledge in the breeding, caring for and raising of said animals much of which must be acquired through actual experience.
3. Chinchillas are not hardy animals and are susceptible to pneumonia and other diseases.
4. Chinchilla breeding stock sold by respondents is not of high or top quality.
5. Each female chinchilla purchased from respondents and each female offspring will not produce at least four live offspring per year, but generally less than that number.
6. Each female chinchilla purchased from respondents and each female offspring will not produce successive litters of from one to five live offspring at 111-day intervals, but generally less than that number.
7. The offspring referred to in subparagraph (6) of Paragraph Five above will not produce pelts selling for an average price of \$30 per pelt but substantially less than that amount; and pelts from offspring of respondents' breeding stock will generally not sell for \$30.90 to \$63.00 each since some of the pelts are not marketable at all and others would not sell for \$30 but for substantially less than that amount.
8. A purchaser starting with one female and one male of respondents' breeding stock will not have a net profit of \$3,865.98 from the sale of pelts in the sixth year but substantially less than that amount.
9. Chinchilla breeding stock purchased from respondents is not unconditionally guaranteed to live but such guarantee as is provided is subject to numerous terms, limitations and conditions.
10. Purchasers of respondents' breeding stock do not receive the represented number of service calls from respondents' service personnel but generally less than that number.

11. Purchasers of respondents' breeding stock are given little, if any, guidance in the care and breeding of chinchillas.

12. Purchasers of respondents' breeding stock cannot expect a great demand for the offspring of and pelts from respondents' chinchillas.

13. Purchasers of respondents' breeding stock are not able to successfully breed and raise chinchillas as a commercially profitable enterprise through the assistance and advice furnished them by respondents.

Therefore, the statements and representations as set forth in Paragraphs Four and Five hereof were, and are, false, misleading and deceptive.

PAR. 7. In the course and conduct of their business, and at all times mentioned herein, respondents have been in substantial competition, in commerce, with corporations, firms and individuals in the sale of chinchilla breeding stock of the same general kind and nature as those sold by respondents.

PAR. 8. The use by respondents of the aforesaid false, misleading and deceptive statements, representations and practices has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were, and are, true and into the purchase of substantial quantities of respondents' chinchillas by reason of said erroneous and mistaken belief.

PAR. 9. The aforesaid acts and practices of the 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.

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

1. Respondent Majestic Chinchilla, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Kentucky, with its office and principal place of business located at 6910 Southside Drive, Louisville, Kentucky.

Respondent Howard M. Withers is an officer of said corporation and his address is the same as that of said corporation. Respondents John R. Smith and Odie Carman are former officers of said corporation. The address of respondent John R. Smith is 10303 National Turnpike Road, Fairdale, Kentucky, and the address of respondent Odie Carman is 8809 Brown Austin Road, Fairdale, Kentucky.

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 Majestic Chinchilla, Inc., a corporation, and its officers, and Howard M. Withers, individually and as an officer of said corporation, and John R. Smith and Odie Carman, individually and as former officers of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of chinchilla breeding stock or any other products, in commerce, as "com-

merce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

A. Representing, directly or by implication, that:

1. It is commercially feasible to breed or raise chinchillas in homes, basements, closed-in porches or spare buildings, or other quarters or buildings unless in immediate conjunction therewith it is clearly and conspicuously disclosed that the represented quarters or buildings can only be adaptable to and suitable for the breeding and raising of chinchillas on a commercial basis if they have the requisite space, temperature, humidity, ventilation and other environmental conditions.

2. Breeding chinchillas as a commercially profitable enterprise can be achieved without previous knowledge or experience in the breeding, caring for and raising of such animals.

3. Chinchillas are hardy animals or are not susceptible to disease.

4. Purchasers of respondent's chinchilla breeding stock will receive high or top quality chinchillas.

5. Each female chinchilla purchased from respondents and each female offspring will produce at least four live young per year.

6. The number of live offspring produced per female chinchilla is any number or range of numbers; or representing, in any manner, the past number or range of numbers of live offspring produced per female chinchilla of purchasers of respondents' breeding stock unless, in fact, the past number or range of numbers represented are those of a substantial number of purchasers and accurately reflect the number or range of numbers of live offspring produced per female chinchilla of these purchasers under circumstances similar to those of the purchaser to whom the representation is made.

7. Each female chinchilla purchased from respondents and each female offspring will produce successive litters of one to five live offspring at 111-day intervals.

8. The number of litters or sizes thereof produced per female chinchilla is any number or range thereof; or representing, in any manner, the past number or range of numbers of litters or sizes produced per female chin-

chilla of purchasers of respondents' breeding stock unless, in fact, the past number or range of numbers represented are those of a substantial number of purchasers and accurately reflect the number or range of numbers of litters or sizes thereof produced per female chinchilla of these purchasers under circumstances similar to those of the purchaser to whom the representation is made.

9. Pelts from the offspring of respondents' chinchilla breeding stock sell for an average price of \$30 per pelt; or that pelts from the offspring of respondents' breeding stock generally sell from \$30.90 to \$63.00 each.

10. Chinchilla pelts will sell for any price, average price, or range of prices; or representing, in any manner, the past price, average price or range of prices of pelts of purchasers of respondents' breeding stock unless, in fact, the past price, average price or range of prices represented are those of a substantial number of purchasers and accurately reflect the price, average price or range of prices realized by these purchasers under circumstances similar to those of the purchaser to whom the representation is made.

11. A purchaser starting with one female and one male will have, from the sale of pelts, a net profit, annual income or earnings of \$3,865.98 in the sixth year after purchase.

12. Purchasers of respondents' breeding stock will realize earnings, profits or income in any amount or range of amounts; or representing, in any manner, the past earnings, profits or income of purchasers of respondents' breeding stock unless, in fact, the past earnings, profits or income represented are those of a substantial number of purchasers and accurately reflect the average earnings, profits or income of these purchasers under circumstances similar to those of the purchaser to whom the representation is made.

13. Breeding stock purchased from respondents is guaranteed or warranted without clearly and conspicuously disclosing, in immediate conjunction therewith, the nature and extent of the guarantee, the manner in which the guarantor will perform thereunder and the identity of the guarantor.

14. Purchasers of respondents' chinchilla breeding stock will receive service calls from respondents' service personnel four times a year for the first year after purchase of the animals or at any other interval or frequency unless purchasers do in fact receive the represented number of service calls at the represented interval or frequency.

15. Purchasers of respondents' chinchilla breeding stock are given guidance in the care and breeding of chinchillas or are furnished advice by respondents as to the breeding of chinchillas unless purchasers are actually given the represented guidance in the care and breeding of chinchillas and are furnished the represented advice by respondents as to the breeding of chinchillas.

16. Chinchillas or chinchilla pelts are in great demand; or that purchasers of respondents' breeding stock can expect to be able to sell the offspring or the pelts of the offspring of respondents' chinchillas because said chinchillas or pelts are in great demand.

17. The assistance or advice furnished to purchasers of respondents' chinchilla breeding stock by respondents will enable purchasers to successfully breed or raise chinchillas as a commercially profitable enterprise.

B. 1. Misrepresenting, in any manner, the assistance, training, services or advice supplied by respondents to purchasers of their chinchilla breeding stock.

2. Misrepresenting, in any manner, the earnings or profits to purchasers; or the quality or reproduction capacity of any chinchilla breeding stock.

C. Failing to deliver a copy of this order to cease and desist to all present and future salesmen and other persons engaged in the sale of the respondents' products or services and failing to secure from each such salesman or other person a signed statement acknowledging receipt of said 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.

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IN THE MATTER OF  
ETOWAH TEXTILES, 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-1560. Complaint, July 10, 1969—Decision, July 10, 1969*

Consent order requiring a Cartersville, Ga., manufacturer of carpets and other fabric products to cease misbranding and falsely guaranteeing its textile fiber products and failing to maintain required records.

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 Etowah Textiles, Inc., a corporation, and Jesse C. Akins, individually and as an officer of said corporation, and Samuel M. Timms, individually and as a former 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 Etowah Textiles, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Georgia.

Respondent Jesse C. Akins is an officer of said corporate respondent. He formulates, directs and controls the acts, practices and policies of said corporate respondent.

Respondent Samuel M. Timms formerly was an officer of said corporate respondent and is now on the board of directors. He

formulated, directed and controlled the acts, practices and policies of said corporate respondent.

Respondents are engaged in the manufacture and sale of textile fiber products, including floor coverings, with their office and principal place of business located on Dallas-Rockmart Highway, Cartersville, Georgia.

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 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 constituent fibers contained therein.

Among such misbranded textile fiber products, but not limited thereto, were carpets which were invoiced to show the fiber content as "80% Acrylic, 20% Modacrylic," whereas, in truth and in fact, said product contained substantially different fibers and amounts of fibers.

PAR. 4. Certain of said 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 as prescribed by the Rules and Regulations promulgated under said Act.

Among such misbranded textile fiber products, but not limited thereto, were carpets which failed to disclose the true percentage of fibers present by weight.

PAR. 5. Respondents have failed to maintain proper records showing the fiber content of the textile fiber products manufactured by them, in violation of Section 6 of the Textile Fiber Products Identification Act and Rule 39 of the Regulations promulgated thereunder.

PAR. 6. Respondents have furnished their customers with false guaranties that certain of the textile fiber products were not misbranded or falsely invoiced by falsely representing in writing on invoices that respondents have filed a continuing guaranty under the Textile Fiber Products Identification Act with the Federal Trade Commission in violation of Rule 38(d) of the Rules and Regulations under said Act and Section 10(b) of such Act.

PAR. 7. 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 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 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 Etowah Textiles, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Georgia, with its office and principal place of business located on Dallas-Rockmart Highway, Cartersville, Georgia.

Respondent Jesse C. Akins is an officer of said corporation and his address is the same as that of said corporation.

Respondent Samuel M. Timms is a former officer of said corporation and is now on the Board of Directors 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 Etowah Textiles, Inc., a corporation, and its officers, and Jesse C. Akins, individually and as an officer of said corporation, and Samuel M. Timms, individually and as a former 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, 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:

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 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.

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

*It is further ordered,* That respondents Etowah Textiles, Inc., a corporation, and its officers, and Jesse C. Akins, individually and as an officer of said corporation, and Samuel M. Timms, individually and as a former 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 invoiced under the provisions of the Textile Fiber Products Identification Act.

*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.

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IN THE MATTER OF  
BERGER-TEICH, 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-1561. Complaint, July 10, 1969—Decision, July 10, 1969*

Consent order requiring a New York City manufacturing furrier to cease misbranding and falsely invoicing and guaranteeing its fur products.

Complaint

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## COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Berger-Teich, Inc., a corporation, and Manny Teich and Alfred S. Berger, 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 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 Berger-Teich, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondents Manny Teich and Alfred S. Berger are officers of the corporate respondent. They formulate, direct and control the acts, practices and policies of the said corporate respondent including those hereinafter set forth.

Respondents are manufacturers of fur products with their office and principal place of business located at 330 Seventh Avenue, New York, New York.

PAR. 2. Respondents now and for some time last past have been engaged in the introduction into commerce, and in the manufacture for 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 manufactured for sale, 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 falsely and deceptively labeled to show that fur contained therein was natural, when in fact such fur was pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Section 4(1) of the Fur Products Labeling Act.

PAR. 4. 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 with labels which failed to disclose that the fur contained in the fur products was bleached, dyed, or otherwise artificially colored, when such was the fact.

PAR. 5. 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 contained in the fur products was bleached, dyed, or otherwise artificially colored, when such was the fact.

PAR. 6. Certain of said fur products were falsely and deceptively invoiced in that said fur products were invoiced to show 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. 7. Respondents furnished false guaranties that certain of their fur products were not misbranded, falsely invoiced or falsely advertised when respondents in furnishing such guaranties had reason to believe that fur products so falsely guaranteed would be introduced, sold, transported or distributed in commerce, in violation of Section 10(b) of the Fur Products Labeling Act.

PAR. 8. 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 Bureau 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 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 Berger-Teich, 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 principal place of business located at 330 Seventh Avenue, New York, New York.

Respondents Manny Teich and Alfred S. Berger are officers of said corporation and their 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 Berger-Teich, Inc., a corporation, and its officers, and Manny Teich and Alfred S. Berger, individually 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, or manufacture for 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 manufacture for sale, 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:

A. Misbranding fur products by:

1. Representing, directly or by implication, on labels that the fur contained in any fur product is natural when the fur contained therein is pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

2. Failing to affix labels to fur products 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.

B. Falsely or deceptively invoicing fur products by:

1. Failing to furnish invoices, 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.

2. Representing, directly or by implication, on invoices that the fur contained in the fur products is natural when such fur is pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

*It is further ordered,* That respondents Berger-Teich, Inc., a corporation, and its officers, and Manny Teich and Alfred S. Berger, individually and as officers 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 fur product is not misbranded, falsely invoiced or falsely advertised when the respondents have reason to believe that such fur product may be introduced, sold, transported, or distributed in commerce.

*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.

Complaint

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IN THE MATTER OF

DAVID H. LEE, 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-1562. Complaint, July 10, 1969—Decision, July 10, 1969*

Consent order requiring a New York City manufacturing furrier to cease misbranding and falsely invoicing and guaranteeing its fur products.

## COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that David H. Lee, Inc., a corporation, and David H. Lee, 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 David H. Lee, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondent David H. Lee is an officer of the corporate respondent. He formulates, directs and controls the acts, practices and policies of the said corporate respondent including those hereinafter set forth.

Respondents are manufacturers of fur products with their office and principal place of business located at 307 Seventh Avenue, New York, New York.

PAR. 2. Respondents are now and for some time last past have been engaged in the introduction into commerce, and in the manufacture for 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 manufactured for sale, 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 falsely and deceptively labeled to show that fur contained therein was natural, when in fact such fur was pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Section 4(1) of the Fur Products Labeling Act.

PAR. 4. 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 with labels which failed to disclose that the fur contained in the fur products was bleached, dyed, or otherwise artificially colored, when such was the fact.

PAR. 5. 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 contained in the fur products was bleached, dyed, or otherwise artificially colored, when such was the fact.

PAR. 6. Certain of said fur products were falsely and deceptively invoiced in that said fur products were invoiced to show 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. 7. Respondents furnished false guaranties that certain of their fur products were not misbranded, falsely invoiced or falsely advertised when respondents in furnishing such guaranties had reason to believe that fur products so falsely guaranteed would be introduced, sold, transported or distributed in commerce, in violation of Section 10(b) of the Fur Products Labeling Act.

PAR. 8. The aforesaid acts and practices of respondents, as herein alleged in Paragraphs Three through Seven are in viola-

tion 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 Bureau 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 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 David H. Lee, 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 principal place of business located at 307 Seventh Avenue, New York, New York.

Respondent David H. Lee is an officer 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 David H. Lee, Inc., a corporation, and its officers, and David H. Lee, 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, or manufacture for 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 manufacture for sale, 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:

## A. Misbranding fur products by:

1. Representing, directly or by implication, on labels that the fur contained in any fur product is natural when the fur contained therein is pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

2. Failing to affix labels to fur products 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.

## B. Falsely or deceptively invoicing fur products by:

1. Failing to furnish invoices, 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.

2. Representing, directly or by implication, on invoices that the fur contained in the fur products is natural when such fur is pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

*It is further ordered,* That respondents David H. Lee, Inc., a corporation, and its officers, and David H. Lee, 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 fur product is not misbranded, falsely invoiced or falsely advertised when the respondents have reason to

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believe that such fur product may be introduced, sold, transported, or distributed in commerce.

*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.

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IN THE MATTER OF

INDIVIDUALIZED CATALOGS, INC., ET AL.\*

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

*Docket 7971. Complaint, June 23, 1960—Decision, July 14, 1969*

Order reopening proceedings and rescinding orders to cease and desist and dismissing complaints against six toy catalog companies which charged them with knowingly inducing discriminatory promotional allowances in violation of the Federal Trade Commission Act.

ORDER REOPENING PROCEEDINGS, RESCINDING ORDERS TO CEASE  
AND DESIST AND DISMISSING COMPLAINTS

The Commission having issued on April 3, 1964, and on June 4, 1964, its orders to cease and desist against respondents named in the above-captioned proceedings; and having issued on January 15, 1969, 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 having given notice of the show cause order to other members of the toy catalog industry; and having received from some of the respondents by their attorney and from other members of the industry an answer or statement with respect to the said show cause order and no such answer or statement was in opposition to reopening

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\* And the following related cases: ATD Catalogs, Inc., et al., Docket No. 8100, 65 F.T.C. 71; Santa's Official Toy Prevue, Inc., et al., Docket No. 8231, 65 F.T.C. 129; Billy & Ruth Promotion, Inc., et al., Docket No. 8240, 65 F.T.C. 143; United Variety Wholesalers, et al., Docket No. 8255, 65 F.T.C. 217; and Santa's Playthings, Inc., et al., Docket No. 8259, 65 F.T.C. 225.

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## Order Reopening Proceedings

the said proceedings, rescinding the said orders and dismissing the said complaints; and

The Commission being of the opinion that neither the order to show cause nor the answers or statements with respect thereto raise any 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 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 April 3, 1964, and June 4, 1964, 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

## AMERICAN HOME PRODUCTS CORPORATION

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

*Docket 8641. Complaint, Aug. 28, 1964—Decision, July 15, 1969 \**

Order modifying pursuant to a decision of the Court of Appeals, Sixth Circuit, 402 F. 2d 232, an earlier order dated December 16, 1966, 70 F.T.C. 1524, which inhibited certain misrepresentations about the efficacy of "Preparation H" for treatment of hemorrhoids by prohibiting any claims that the product afforded any relief from pain or itching in excess of temporary relief, and restricting the order to non-prescription drug preparations.

## OPINION OF THE COMMISSION

JULY 15, 1969

BY JONES, *Commissioner*:

On October 18, 1968, the United States Court of Appeals for the Sixth Circuit affirmed in major part the Commission's decision and order in the above-captioned matter holding respondent liable under Section 5 of the Federal Trade Commission Act for

\* Modified by Commission's order of June 9, 1970, by modifying paragraph I.A.(4).

having made misrepresentations in its advertising of Preparation H.<sup>1</sup>

The Circuit Court stated that it found " \* \* \* in the record substantial evidence to support most but not all of the provisions of the Commission's order, \* \* \* " directed the Commission to modify its order to reflect its views, and remanded the case " \* \* \* for proceedings consistent with this opinion." <sup>2</sup>

Neither party petitioned the Supreme Court for a writ of certiorari to review the Sixth Circuit Court's opinion, and the Commission subsequently submitted a proposed modified order to respondent and to complaint counsel and solicited their comments.<sup>3</sup>

After hearing oral argument on the form of the order to be entered herein, the Commission notified counsel that it would defer issuing its own order pending an exploration by the parties of the submission of an agreed-upon order. Such an order was submitted to the Commission by the parties on May 16, 1969.

The two order provisions concerning hemorrhoid products which the Circuit Court found to be too broad were those prohibiting " \* \* \* representations that Preparation H will relieve pain and itching and reduce swelling associated with hemorrhoids." <sup>4</sup> The Court held that the prohibitions in the order must be formulated in the light of a definition of hemorrhoids which includes " \* \* \* not only the varicose vein itself but also the tissue contiguous to the vein." <sup>5</sup> Thus, although the Court acknowledged that Preparation H will have no effect on the hemorrhoidal vein, it held that the evidence, when viewed in the light of a broad definition of hemorrhoids, would not support the Commission's finding that Preparation H " \* \* \* will not help to reduce swelling as-

<sup>1</sup> *American Home Products Corp. v. F.T.C.*, 402 F. 2d 232 (6th Cir. 1968).

<sup>2</sup> 402 F. 2d at 237-8.

<sup>3</sup> The Commission sent a proposed modified order to respondent on December 23, 1968. Respondent subsequently had informal discussions with the Commission staff and on January 29, 1969, submitted a counter-proposal to the Commission. At this point the Commission requested an oral argument on the appropriate order to be entered, and invited respondent and complaint counsel to submit comments on the Commission's proposed modified order and on respondent's proposal. Each party filed a brief, and oral argument was heard on April 10, 1969.

<sup>4</sup> 402 F. 2d at 236. The Commission's order would have prohibited any representation that the product will:

"(a) Reduce or shrink hemorrhoids or hemorrhoidal tissue or membranes or reduce or shrink swelling associated with hemorrhoids;"

\* \* \* \* \*

"(d) Afford any relief from pain or itching attributed to or caused by hemorrhoids in excess of affording some temporary relief in some cases of pain and itching associated with some types of hemorrhoids;"

<sup>5</sup> 402 F. 2d at 236.

sociated with hemorrhoids and caused by edema, infection, or inflammation, except to the extent that such swelling is of the hemorrhoidal vein itself.”<sup>6</sup> On pain and itching, the Court held—again in the light of its broader definition of hemorrhoids—that the evidence in the record did not support the Commission’s findings that Preparation H “ \* \* \* will not afford in many cases temporary relief from the pain and itching associated with this malady.”<sup>7</sup>

Thus the Court remanded this order to the Commission for revision in light of a definition of “hemorrhoids” that includes both the hemorrhoidal *vein and* hemorrhoidal *tissue*. The proposed order which has now been jointly submitted by respondent and counsel supporting the complaint still fails to heed the specific injunction by the Circuit Court that the order must reflect this broad definition of hemorrhoids. The provisions which define the claims which would be permitted with respect to shrinking and pain and itch, speak solely in terms of “hemorrhoids” and thus suffer from the same infirmity—in their excessive permissiveness—as the Court found inhered in the Commission’s order in its excessive prohibitiveness.<sup>8</sup> In addition, respondent’s provisions ignore the careful delineation of the Circuit Court as to the types of swelling affected by the product (*i.e.*, only swelling caused by edema, infection, or inflammation).

The jointly proposed order therefore fails to conform either to the opinion of the Sixth Circuit or to the record evidence. Nor do we believe that it adequately protects the consumer from the misrepresentations which have been found to have been made in the advertising of Preparation H. We are accordingly entering our own modified order which departs in some respects from the order agreed to by the parties.

The Commission’s task is to fashion an order which reflects the Court’s view of the evidence and which will clearly state what features of respondent’s advertising are false and misleading so that respondent will have reasonably defined guidelines to follow and so that consumers will no longer be misled or deceived as to what Preparation H can and cannot do for them.

<sup>6</sup> *Id.* at 237.

<sup>7</sup> *Id.* at 237.

<sup>8</sup> The jointly proposed order would prohibit shrink claims respecting the hemorrhoidal *vein* and then provide that the respondent is specifically permitted to claim that the use of such product will:

“Help shrink hemorrhoids.”

“Afford temporary relief from pain of hemorrhoids.”

“Afford temporary relief from itching of hemorrhoids.”

The only way consumers can know what Preparation H will and will not do for them is for respondent's advertising to be reasonably precise about its effect on swelling of tissue. To say that the product helps shrink hemorrhoids is just as false as its original claim that it will shrink hemorrhoids. It will not. The Court's opinion made this quite clear. The Court specifically found that the Commission's original order prohibition was overly broad because it would have prohibited *any* claim of reducing swelling, even with respect to the hemorrhoidal tissue. The Court held that there was evidence in the record that certain types of swelling might be helped, *i.e.*, swelling of hemorrhoidal tissue caused by edema, infection, or inflammation.<sup>9</sup> It is obvious that this finding by the Court cannot be translated into an order provision *permitting* respondent to assert that Preparation H will "help shrink hemorrhoids." The order prohibition must reflect what Preparation H can and cannot do. It cannot shrink hemorrhoidal veins. It can, according to the Circuit Court, help reduce certain types of swelling of the hemorrhoidal tissue.

The modification to the Commission's order required by the Court's opinion must prohibit not only claims that the product will shrink the hemorrhoidal vein, but also any other claims about shrinking except claims that the product will help reduce swelling of hemorrhoidal tissue due to edema, infection, or inflammation. Or, alternatively, respondent could state that Preparation H helps reduce swelling of the hemorrhoidal tissue by lubricating the affected area. This alternative claim in effect is another—and shorter—way of communicating truthfully to consumers the way in which the evidence indicates the preparation works on swelling due to edema, infection, or inflammation.

We have accordingly modified our original order to reflect these principles with respect to claims involving swelling.

With regard to pain and itching, the jointly proposed order simply would permit respondent to advertise that Preparation H affords temporary relief from pain and itching of hemorrhoids.

The Court did not find that the product would stop *all* pain and itch. Nor did it recognize any pain-relieving qualities in the prod-

<sup>9</sup> 402 F. 2d at 237. The Court did not disturb—and indeed apparently relied upon—the Commission's Finding 33 to the effect that "Preparation H may possibly, through the lubricants which it contains, temporarily protect inflamed surface areas from the passage of hard, dry stool and thereby have some effect upon edema or swelling in the tissue overlying hemorrhoids. \* \* \* However, where swelling is due to thrombosis (Tr. 264), it will have no beneficial effect (Tr. 503)."

The Court also agreed with the Commission's conclusion (Finding 32) that Preparation H would have no effect on the hemorrhoidal vein. [402 F. 2d at 236-7.]

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## Opinion

uct except as a lubricant. It determined simply that the evidence would not support the Commission's finding that Preparation H "will not afford *in many cases* temporary relief from the pain and itching associated with this malady." [402 F. 2d at 237, emphasis added.] Indeed, it left undisturbed the Commission's finding that the product has *no* effect upon pain "due to thrombosis \* \* \* or due to spasm or strangulation \* \* \*." [Finding 34]

The fact that evidence is lacking to support the proposition that temporary relief from pain is not available "in many cases" does not justify a conclusion that the evidence supports an affirmative claim that temporary relief will always be afforded in *all* cases by the product. Moreover, here again the use of the term "hemorrhoids" ignores the Court's careful definition of hemorrhoids as embracing in the consumer's mind hemorrhoidal veins, hemorrhoidal tissue, and hemorrhoidal symptoms.

We conclude that the Commission's order relating to pain and itching must be modified so that it prohibits representations that the use of the product will:

"Afford any relief from pain or itching associated with hemorrhoids in excess of affording temporary relief of many types of pain and itching of hemorrhoidal tissue."

Finally, we have completed our modification of the original order in accordance with the Court's opinion by restricting the entire order to non-prescription drug preparations which are offered for sale for the treatment or relief of hemorrhoids or any of the symptoms thereof.

## FINAL ORDER

The Commission having issued its original order to cease and desist in this matter on December 16, 1966, and the respondent having appealed from the Commission's decision; and

The matter having been remanded to the Commission for further proceedings by the United States Court of Appeals for the Sixth Circuit by its opinion and order issued October 18, 1968; and

The time for filing a petition for certiorari having expired without any such petition having been filed; and

The Commission having considered order modifications suggested by counsel supporting the complaint and modifications suggested by respondent, and having heard oral argument from both parties on the issues involved herein,

*It is ordered*, That the previously issued cease and desist order of the Commission be, and it hereby is, modified to read as follows:

## ORDER

I. *It is ordered*, That respondent American Home Products Corporation, a corporation, and its officers, representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from disseminating or causing the dissemination of any advertisement by means of the United States mails or by any means in commerce, as "commerce" is defined in the Federal Trade Commission Act, in connection with the offering for sale, sale or distribution of Preparation H Ointment or Suppositories, or any other non-prescription drug product offered for sale for the treatment or relief of hemorrhoids or piles or any of its symptoms, which:

A. Represents directly or by implication that the use of such product will:

(1) Reduce, shrink, or afford any relief of hemorrhoidal veins themselves: *Provided, however*, That nothing contained herein shall be construed to prohibit the dissemination of any advertisement which represents that the use of such products will help reduce swelling of hemorrhoidal tissue caused by edema, infection or inflammation, or that the use of such product will help reduce swelling of hemorrhoidal tissue by lubricating the affected area;

(2) Avoid the need for surgery as a treatment for hemorrhoids or hemorrhoidal symptoms;

(3) Heal, cure, or remove hemorrhoids, or eliminate the problem of hemorrhoids;

(4) Afford any relief from pain or itching associated with hemorrhoids in excess of affording temporary relief of many types of pain and itching of hemorrhoidal tissue;

(5) Afford any other type of relief, or have any other effect on, hemorrhoids or hemorrhoidal symptoms.

B. Contains any reference to the word "Bio-Dyne"; or contains any reference to any other ingredient either singly or in combination unless each such ingredient is effective in the treatment or relief of hemorrhoids or any of its symp-

toms and unless the specific effect thereof is expressly and truthfully set forth.

II. *It is further ordered*, That respondent and its officers, representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from disseminating, or causing to be disseminated, by any means, for the purpose of inducing, or which is likely to induce, directly or indirectly, the purchase of Preparation H Ointment or Suppositories, or any other non-prescription drug product offered for sale for the treatment or relief of hemorrhoids or any of its symptoms, in commerce, as "commerce" is defined in the Federal Trade Commission Act, any advertisement which contains any of the representations prohibited in Paragraph I hereof.

III. In the event that respondent at any time in the future markets any non-prescription drug preparation for the treatment or relief of hemorrhoids or any of its symptoms for which it desires to make any of the representations now prohibited under Paragraph I of this order, it may petition the Commission for a modification of the order. Such petition shall be accompanied by a showing that the representation is not false or misleading within the meaning of the Federal Trade Commission Act, and, if such has been the case, that the specific representation has been accepted as part of the labeling for such product by the Secretary of the Department of Health, Education and Welfare under the provisions of the Federal Food, Drug and Cosmetic Act as it is presently constituted or as it may hereafter be amended.

*It is further ordered*, That respondent 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 to cease and desist.

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IN THE MATTER OF

LIPPIN-GOLDEN, 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-1563. Complaint, July 15, 1969—Decision, July 15, 1969*

Consent order requiring a New York City manufacturing furrier to cease misbranding and falsely invoicing and guaranteeing its fur products.

Complaint

76 F.T.C.

## COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Lippin-Golden, Inc., a corporation, and Elliot Lippin and Murray Golden, 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 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 Lippin-Golden, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondents Elliot Lippin and Murray Golden are officers of the corporate respondent. They formulate, direct and control the policies, acts and practices of the said corporate respondent including those hereinafter set forth.

Respondents are manufacturers of fur products with their office and principal place of business located at 315 Seventh Avenue, New York, New York.

PAR. 2. Respondents are now and for some time last past have been engaged in the introduction into commerce, and in the manufacture for 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 manufactured for sale, 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 falsely and deceptively labeled or otherwise falsely or deceptively identified with respect to the name of the country of origin of furs contained in such fur products, in violation of Section 4(1) of the Fur Products Labeling Act.

Among such misbranded fur products, but not limited thereto, were fur products labeled to show the country of origin of furs

used in such fur products as the United States when the country of origin of each such fur was, in fact, Denmark or Sweden.

PAR. 4. 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 with labels which failed to show the country of origin of the imported furs contained in the fur products.

PAR. 5. 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 show the country of origin of imported furs used in fur products.

PAR. 6. Certain of said fur products were falsely and deceptively invoiced with respect to the name of the country of origin of imported furs used in fur products, in violation of Section 5(b) (2) of the Fur Products Labeling Act.

Among such falsely and deceptively invoiced fur products, but not limited thereto, were fur products invoiced to show the name of the country of origin of furs contained in such fur products as the United States when the country of origin of each such fur was, in fact, Denmark or Sweden.

PAR. 7. Respondents furnished false guaranties that certain of their fur products were not misbranded, falsely invoiced or falsely advertised when respondents in furnishing such guaranties had reason to believe that fur products so falsely guaranteed would be introduced, sold, transported or distributed in commerce, in violation of Section 10(b) of the Fur Products Labeling Act.

PAR. 8. 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

76 F.T.C.

## 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 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 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 Lippin-Golden, 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 principal place of business located at 315 Seventh Avenue, New York, New York.

Respondents Elliot Lippin and Murray Golden are officers of said corporation and their 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 Lippin-Golden, Inc., a corporation, and its officers, and Elliot Lippin and Murray Golden, individually and as officers of said corporation, and respondents' rep-

representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, or manufacture for 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 manufacture for sale, 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:

A. Misbranding any fur product by:

1. Falsely or deceptively labeling or otherwise falsely and deceptively identifying such fur product as to the country of origin of furs contained in such fur product.
2. 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.

B. Falsely or deceptively invoicing any fur product by:

1. Failing to furnish an invoice, as the term "invoice" is defined in the Fur Products Labeling Act, showing in words and figures plainly all the information required to be disclosed by each of the subsections of Section 5(b)(1) of the Fur Products Labeling Act.
2. Misrepresenting in any manner, on an invoice directly or by implication, the country of origin of fur contained in such fur product.

*It is further ordered,* That respondents Lippin-Golden, Inc., a corporation, and its officers and Elliot Lippin and Murray Golden, individually and as officers 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 fur product is not misbranded, falsely invoiced or falsely advertised when the respondents have reason to believe that such fur product may be introduced, sold, transported, or distributed in commerce.

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

Complaint

76 F.T.C.

*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.

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IN THE MATTER OF

JOSE ANGEL SENDRA TRADING AS AMERICAN  
PROFESSIONAL AGENCY, ETC.

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

*Docket C-1564. Complaint, July 16, 1969—Decision, July 16, 1969*

Consent order requiring a Miami, Florida, distributor of correspondence courses in English, photography, electronics and other subjects to cease misrepresenting the nature of his instructional staff and facilities, that he provides scholarships, that instructional material or equipment is free, and that students will be offered salaried employment.

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 Jose Angel Sendra, an individual trading and doing business as American Professional Agency, as Miami Popular Schools, and as First National Academy, hereinafter referred to as respondent, has 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. Jose Angel Sendra is an individual trading and doing business as American Professional Agency, as Miami Popular Schools, and as First National Academy, with his principal place of business located at 4329 SW. 8th Street in the city of Miami, State of Florida.

PAR. 2. Respondent is now, and for some time last past has been, engaged in the advertising, offering for sale, sale and distribution of courses of study and instruction in various subjects such as the English language, photography, electronics and oth-

ers. Said courses are pursued by correspondence through the mails.

PAR. 3. In the course and conduct of his business as aforesaid, respondent now causes, and for some time last past has caused, his courses, when sold to be shipped from his place of business in the State of Florida to purchasers thereof located in various countries in Latin America. Respondent maintains, and at all times mentioned herein has maintained, a substantial course of trade in said courses in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of his aforesaid business, and for the purpose of inducing the purchase of his courses, respondent has made, and is now making, numerous statements and representations with respect to said courses in advertisements inserted in newspapers and magazines and in brochures and other printed material furnished to prospective purchasers of his courses in Latin America.

By and through said statements and representations, respondent represents, and has represented, directly or by implication, that:

1. Respondent's business is that of a non-profit educational enterprise devoted to the dissemination of culture and education in Latin America.

2. Respondent has a staff of professors or other academic personnel.

3. All students receive scholarships.

4. The instructional material and equipment are free, the student being required to pay only postage and handling charges.

5. Respondent offers salaried employment to students.

PAR. 5. In truth and in fact:

1. Respondent's business is not that of a non-profit educational enterprise devoted to the dissemination of culture and education in Latin America. Respondent is engaged in the sale of correspondence courses for a profit.

2. Respondent employs no professors or other academic personnel.

3. Students do not receive scholarships.

4. The instructional material and equipment are not free. The sum of money paid by the student includes the cost of the instructional material and equipment as well as the postage and handling.

5. Respondent does not offer salaried employment to students.

Therefore, the statements and representations as set forth in Paragraph Four hereof were, and are, false, misleading and deceptive.

PAR. 6. In the course and conduct of his aforesaid business, and at all times mentioned herein, respondent has been, and now is, in substantial competition in commerce, with corporations, firms and individuals engaged in the sale of courses of study and instruction covering the same or similar subjects.

PAR. 7. The use by respondent of the aforesaid false, misleading and deceptive statements, representations and practices has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were and are true and into the purchase of substantial quantities of respondent's courses of study and instruction by reason of said erroneous and mistaken belief.

PAR. 8. The aforesaid acts and practices of respondent, as herein alleged, were and are all to the prejudice and injury of respondent's competitors and constituted, and now constitute, unfair methods of competition in commerce 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 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 Deceptive Practices 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 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 respond-

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

1. Respondent Jose Angel Sendra is an individual trading and doing business as American Professional Agency, as Miami Popular Schools, and as First National Academy, with his principal place of business located at 4329 SW. 8th Street, Miami, Florida.

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 Jose Angel Sendra, an individual trading as American Professional Agency, as Miami Popular Schools, and as First National Academy, or under any other name or names, and respondent's agents, representatives and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of courses of study and instruction in the English language, photography, electronics or any other subject, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, directly or by implication, that:

1. Respondent's business is other than that of a private commercial venture engaged in the sale of correspondence courses for profit; or misrepresenting, in any manner, the nature of respondent's business.

2. Respondent has a staff of professors or other academic personnel; or misrepresenting, in any manner, the nature or extent of the instructional facilities, personnel or equipment possessed by respondent.

3. Respondent provides scholarships.

4. The instructional material or equipment provided as a part of respondent's courses is free; or misrepresenting, in any manner, the cost or nature of respondent's courses.

5. Respondent offers salaried employment to students; or

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misrepresenting, in any manner, the opportunity for students to earn money while studying respondent's courses.

*It is further ordered,* That respondent shall forthwith distribute a copy of this order to each of his employees directly involved in the advertising and sale of his courses.

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

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IN THE MATTER OF

SMARTLINE GARMENT CO., 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-1565. Complaint, July 16, 1969—Decision, July 16, 1969*

Consent order requiring a New York City manufacturer of fur trimmed misses' coats to cease misbranding and deceptively invoicing its fur products.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Smartline Garment Co., Inc., a corporation, and Edwin Sena and Sally Sena, 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 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 Smartline Garment Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondents Edwin Sena and Sally Sena are officers of the corporate respondent. They formulate, direct and control the acts,

practices and policies of the said corporate respondent including those hereinafter set forth.

Respondents are manufacturers of misses' coats including fur products with their office and principal place of business located at 252 West 37th Street, New York, New York.

PAR. 2. Respondents are now and for some time last past have been engaged in the introduction into commerce, and in the manufacture for 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 manufactured for sale, 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 falsely and deceptively labeled to show that fur contained therein was natural, when in fact such fur was pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Section 4(1) of the Fur Products Labeling Act.

PAR. 4. 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 with labels which failed to disclose that the fur contained in the fur products was bleached, dyed, or otherwise artificially colored, when such was the fact.

PAR. 5. Certain of said fur products were misbranded in violation of the Fur Products Labeling Act in that they were not labeled in accordance with the Rules and Regulations promulgated thereunder in the following respects:

(a) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was set forth on labels in abbreviated form, in violation of Rule 4 of said Rules and Regulations.

(b) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was set forth in handwriting on labels, in violation of Rule 29(b) of said Rules and Regulations.

PAR. 6. 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:

1. To show the true animal name of the animal or animals which produced the fur used in such fur products.

2. To disclose that the fur contained in the fur products was bleached, dyed, or otherwise artificially colored, when such was the fact.

3. To show the country of origin of imported furs used in such fur products.

PAR. 7. Certain of said fur products were falsely and deceptively invoiced in violation of the Fur Products Labeling Act in that they were not invoiced in accordance with the Rules and Regulations promulgated thereunder inasmuch as the term "natural" was not used on invoices to describe fur products which were not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Rule 19(g) of said Rules and Regulations.

PAR. 8. Certain of said fur products were falsely and deceptively invoiced with respect to the required disclosure that the products were bleached, dyed, or otherwise artificially colored, in violation of Section 5(b)(2) of the Fur Products Labeling Act.

Among such falsely and deceptively invoiced fur products, but not limited thereto, were fur products covered by invoices which failed to show that the fur products were bleached, dyed or otherwise artificially colored, when such was the fact. The omission of the required material fact that the products were bleached, dyed or otherwise artificially colored implied, directly or by implication, that the said fur products were "natural" when in truth and in fact said fur products were bleached, dyed, or otherwise artificially colored.

PAR. 9. 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 Bureau 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 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 Smartline Garment Co., 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 principal place of business located at 252 West 37th Street, New York, New York.

Respondents Edwin Sena and Sally Sena are officers of said corporation and their 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 Smartline Garment Co., Inc., a corporation, and its officers, and Edwin Sena and Sally Sena, individually 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, or manufacture for 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 manufacture for sale, 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:

- A. Misbranding any fur product by:
1. Representing directly or by implication on a label that the fur contained in such fur product is natural when such fur is pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.
  2. 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.
  3. Setting forth information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in abbreviated form on a label affixed to such fur product.
  4. Setting forth information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in handwriting on a label affixed to such fur product.
- B. Falsely or deceptively invoicing any fur product by:
1. 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.
  2. 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.
  3. Failing to set forth the term "natural" as part of the information required to be disclosed on an invoice under the Fur Products Labeling Act and the Rules and

Regulations promulgated thereunder to describe such fur product which is not pointed, bleached, dyed, tipped or otherwise artificially colored.

*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.

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IN THE MATTER OF

MARKET FUR DRESSING CORP., ET AL.

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

*Docket 8772. Complaint, Dec. 17, 1968—Decision, July 24, 1969*

Order requiring a New York City manufacturer of fur garments to cease falsely invoicing its fur products.

COMPLAINT \*

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Market Fur Dressing Corp., a corporation, and Milton Mainwold, 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 Market Fur Dressing Corp. is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

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\* Published as amended by Hearing Examiner's order to May 29, 1969, by amending Pars. 2 and 3 to clarify the issues of the proceeding.

Complaint

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Respondent Milton Mainwold is an officer of the corporate respondent. He formulates, directs and controls the acts, practices and policies of the said corporate respondent including those hereinafter set forth.

Respondents are dressers of fur products with their office and principal place of business located at 153-159 West 27th Street, New York, New York.

PAR. 2. Respondents are now and for some time last past have been engaged in the introduction into commerce, and in the manufacture for introduction into commerce, and in the transportation and distribution in commerce, of fur products; and have manufactured 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, and have introduced into commerce, and transported and distributed in commerce, furs, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act.

PAR. 3. Certain of said fur products or furs 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 or furs, but not limited thereto, were fur products or furs covered by invoices which failed to disclose that the fur contained in the fur products or furs was bleached, dyed, or otherwise artificially colored, when such was the fact.

PAR. 4. Respondents processed and distributed fur products or furs which were bleached, dyed or artificially colored. Certain of these furs or fur products were falsely and deceptively invoiced in violation of Section 5(b) (2) of the Fur Products Labeling Act in that the said fur products were described on invoices as "Mink" without disclosing that said fur products or furs were bleached, dyed or otherwise artificially colored. The respondents' description of the said furs or fur products as "Mink" without a disclosure that the said furs or fur products were bleached, dyed or artificially colored had the tendency and capacity to mislead respondents' customers and others into the erroneous belief that the fur products or furs were not bleached, dyed or otherwise artificially colored. Such failure to disclose a material fact was to the prejudice of respondents' customers or principals and the

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## Complaint

purchasing public and constituted false and deceptive invoicing under Section 5(b)(2) of the Fur Products Labeling Act.

PAR. 5. Certain of said fur products or furs were falsely and deceptively invoiced in violation of the Fur Products Labeling Act for the reason that they were not invoiced in accordance with the Rules and Regulations promulgated thereunder in the following respects:

(a) The fact that furs or fur products were composed of bleached, dyed or otherwise artificially colored fur was not disclosed in the required information on invoices covering the said furs or fur products in violation of Rule 19(a) of said Rules and Regulations.

(b) The term "natural" was not used on invoices to describe furs or fur products which were not pointed, bleached, dyed, tipped or otherwise artificially colored, in violation of Rule 19(g) of said Rules and Regulations.

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.

*Mr. Frank W. Vanderheyden* and *Mr. Edward B. Finch* for the Commission.

*Mr. Samuel C. Borzilleri, Borzilleri & Dostert*, Washington, D.C., for respondents.

INITIAL DECISION BY JOHN B. POINDEXTER, HEARING EXAMINER  
JUNE 12, 1969

The complaint in this proceeding, issued on December 17, 1968, alleges that Market Fur Dressing Corp., a corporation, and Milton Mainwold, individually and as an officer of said corporation, hereinafter called respondents, violated the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder.

On January 29, 1969, through their counsel, respondents answered the complaint and denied most of the material allegations thereof.

Thereafter, on May 16, 1969, complaint counsel filed a motion to amend paragraphs two and three of the complaint so as to more accurately reflect the acts and practices which complaint

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counsel contend constitute the violations of the Act and Regulations by respondents, and to clarify the issues and facilitate the disposition of the proceeding. Simultaneously, on said date, May 16, 1969, respondents filed an amended answer, withdrawing their previous answer, and (1) admitted the material allegations of the complaint, as amended, (2) waived a formal hearing and the filing of proposed findings of fact and conclusions of law, and (3) agreed to the issuance of the order attached to the complaint, as amended. By order dated May 29, 1969, the hearing examiner granted the motion to amend complaint filed by complaint counsel on May 16, 1969.

Pursuant to Section 3.12(b) (2) of the Rules of Practice for Adjudicative Proceedings, the matter is now before the hearing examiner for initial decision based upon the facts as alleged in the complaint, as amended.

#### FINDINGS OF FACT

1. The respondent, Market Fur Dressing Corp., a dresser of fur products, is a corporation organized and doing business under the laws of the State of New York, with an office located at 153-159 West 27th Street, New York, N.Y. The respondent, Milton Mainwold, is an officer of the corporate respondent and formulates, directs and controls the acts, practices and policies of said corporate respondent, including those hereinafter found. His office is the same as that of the corporate respondent.

2. Respondents are now and for some time last past have been engaged in the introduction into commerce, and in the manufacture for introduction into commerce, and in the transportation and distribution in commerce, of fur products; and have manufactured 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, and have introduced into commerce, and transported and distributed in commerce, furs, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act.

3. Certain of said fur products or furs 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 or

furs, but not limited thereto, were fur products or furs covered by invoices which failed to disclose that the fur contained in the fur products or furs was bleached, dyed, or otherwise artificially colored, when such was the fact.

4. Respondents processed and distributed fur products or furs which were bleached, dyed or artificially colored. Certain of these furs or fur products were falsely and deceptively invoiced in violation of Section 5(b)(2) of the Fur Products Labeling Act in that the said fur products were described on invoices as "Mink" without disclosing that said fur products or furs were bleached, dyed or otherwise artificially colored. The respondents' description of the said furs or fur products as "Mink" without a disclosure that the said furs or fur products were bleached, dyed or artificially colored had the tendency and capacity to mislead respondents' customers and others into the erroneous belief that the fur products or furs were not bleached, dyed or otherwise artificially colored. Such failure to disclose a material fact was to the prejudice of respondents' customers or principals and the purchasing public and constituted false and deceptive invoicing under Section 5(b)(2) of the Fur Products Labeling Act.

5. Certain of said fur products or furs were falsely and deceptively invoiced in violation of the Fur Products Labeling Act for the reason that they were not invoiced in accordance with the Rules and Regulations promulgated thereunder in the following respects:

(a) The fact that furs or fur products were composed of bleached, dyed or otherwise artificially colored fur was not disclosed in the required information on invoices covering the said furs or fur products in violation of Rule 19(a) of said Rules and Regulations.

(b) The term "natural" was not used on invoices to describe furs or fur products which were not pointed, bleached, dyed, tip-dyed or otherwise artificially colored, in violation of Rule 19(g) of said Rules and Regulations.

#### CONCLUSIONS

The aforesaid acts and practices of respondents, as herein found, are in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder, and constitute

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unfair methods of competition and unfair and deceptive acts and practices in commerce, in violation of the Federal Trade Commission Act. This proceeding is in the public interest.

**ORDER**

*It is ordered*, That respondents Market Fur Dressing Corp., a corporation, and its officers, and Milton Mainwold, 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, or manufacture for 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 manufacture for sale, 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; or in connection with the introduction into commerce, or the sale, advertising or offering for sale in commerce, or the transportation and distribution in commerce of furs, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from falsely or deceptively invoicing fur products or furs by:

1. Failing to furnish invoices, 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.
2. Describing fur products or furs which have been bleached, dyed or otherwise artificially colored by the name mink or by any other animal name or names without disclosing that the said fur products or furs were bleached, dyed or otherwise artificially colored.
3. Failing when a fur or fur product is pointed or contains or is composed of bleached, dyed or otherwise artificially colored fur, to disclose such facts as a part of the required information on invoices pertaining thereto.
4. Failing to set forth the term "natural" as part of the information required to be disclosed on invoices under the Fur Products Labeling Act and the Rules and Regulations

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promulgated thereunder to describe such fur products or furs which are not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

## FINAL ORDER

No appeal from the initial decision of the hearing examiner having been filed, and the Commission having determined that the case should not be placed on its own docket for review and that pursuant to Section 3.51 of the Commission's Rules of Practice (effective July 1, 1967), the initial decision should be adopted and issued as the decision of the Commission:

*It is ordered,* That the initial decision of the hearing examiner be, and it hereby is, adopted as the decision of the Commission.

*It is further ordered,* That respondents, Market Fur Dressing Corp., a corporation, and Milton Mainwold, individually and as an officer of said corporation, shall, within sixty (60) days after service of this order upon them, file with the Commission a report in writing, signed by such respondents, setting forth in detail the manner and form of their compliance with the order to cease and desist.

## IN THE MATTER OF

## THERMOCHEMICAL PRODUCTS, INC., ET AL.

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

*Docket 8725. Complaint, Jan. 9, 1967—Decision July 25, 1969*

Order requiring a New York City marketer of water repellent paints and coatings to cease misrepresenting that it is a division of Union Carbide Co. or any other large company, exaggerating the earnings of prospective franchised dealers, misrepresenting the quality of its paints, using a fictitious subsidiary to collect its accounts, failing to reveal that its purchase contracts may be negotiated to third parties, making false guarantees, and using other deceptive means to recruit salesmen and dealers to sell its products.

## 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 Ther-