

Complaint

20 F. T. C.

IN THE MATTER OF
JULES V. RIVIERE PERFUMES, INC.

COMPLAINT AND ORDER IN REGARD TO THE ALLEGED VIOLATION OF SEC. 5 OF
AN ACT OF CONGRESS APPROVED SEPT. 26, 1914

Docket 2250. Complaint, Nov. 23, 1934—Order, Apr. 22, 1935

Consent order requiring respondent, its officers, etc., in connection with the advertisement, sale and offer for sale of its perfumes in interstate commerce to forthwith cease and desist from (1) using the words "Paris" or "France", or the name of Jules V. Riviere or Jules Riviere or Riviere in the form of a signature, in or on labels, or display or shipping cartons or packages containing domestic made perfumes, or in connection with advertising matter, relating to domestic made perfumes, in the form of written or printed words or radio broadcast, or other form, in such a way as to represent or imply that said perfumes were made in Paris or France, and from (2) using the name of Jules V. Riviere, as aforesaid, or any inscriptions or statements in the French language, upon such cartons or packages, or in connection with such advertising matter, without clearly showing that said perfumes were made in the United States.

Mr. Robt. N. McMillen for the Commission.

Munn, Anderson & Liddy, of New York City, for respondent.

COMPLAINT

Pursuant to the provisions of an Act of Congress entitled "An Act to create a Federal Trade Commission, to define its powers and duties, and for other purposes", the Federal Trade Commission, having reason to believe that Jules V. Riviere Perfumes, Inc., a corporation, hereinafter referred to as respondent, has been and is using unfair methods of competition in commerce, as "commerce" is defined in said act, and it appearing to the Commission that a proceeding by it would be in the public interest, hereby issues its complaint, stating its charges in that respect as follows:

PARAGRAPH 1. Respondent is, and at all times hereinafter mentioned was, a corporation organized and existing under and by virtue of the laws of the State of New York, with its principal place of business at New York City in said State. It is and has been engaged in the manufacture, compounding and sale of perfumes. Its sales are made to customers located in the various States of the Union, and pursuant to such sales shipment is made by respondent from its place of business in New York to such customers located in the various States as aforesaid. The corporate name is not the name of any person connected with respondent or its predecessor in the business.

PAR. 2. There are in the State of New York and in various other States of the United States, other persons, firms and corporations engaged in the business of manufacturing, compounding and selling perfumes to customers located throughout the United States, and pursuant to said sales said persons, firms and corporations make shipment from their respective places of business to said customers located in various States other than the State of the location of said manufacturers. Respondent is in substantial competition with these other persons, firms and corporations.

PAR. 3. The perfumes offered for sale and sold by respondent, as aforesaid, are manufactured or compounded by it at its place of business in New York. Such manufacturing and compounding consists in adding alcohol and water to essential oils. The product is then filtered, bottled, labeled and packed for shipment.

PAR. 4. Upon the carton or outer container in which such perfume is packed and shipped appear the words:

The intention behind the packing of this product is to deliver a fine perfume in a sensible container at the minimum cost.

Above this is substantially the same statement in the French language. In a conspicuous place, and as a subscription to the French inscription, appear the words, "Jules V. Riviere, Paris." In inconspicuous letters and in an inconspicuous place on the carton appear the words, "Bottled in U. S. A." On another face of the same container or carton appear the words, "Jules V. Riviere, Paris, France." A circular enclosed in each carton contains the above quoted inscription, both in English and in French, with illustrations of bottles containing the names of the various odors in which such perfume is made, with the word "Paris" conspicuous on each bottle and in almost indistinguishable letters and in an inconspicuous place the words "Bottled in U. S. A."

PAR. 5. Perfumes manufactured and compounded in France, and particularly Paris, have for many years enjoyed widespread popularity and demand among the trade and consuming public throughout the United States, many of whom believe and consider that French perfumes are superior in quality to perfumes manufactured in the United States.

PAR. 6. The use by respondent of the French-sounding corporate name, coupled with the inscriptions in the French language, and the words "Paris" and "France" on the carton, have a tendency to and do mislead the trade and consuming public in the belief that the perfumes offered for sale by respondent are made in Paris, France, and are imported into the United States. Such deception is

prejudicial and injurious to respondent's competitors, both those who import and sell perfumes made and compounded in France and those who sell domestic perfumes which they represent as such. And such deception is prejudicial to the consuming public and constitutes an unfair method of competition within the intent and meaning of Section 5 of the Federal Trade Commission Act, approved September 26, 1914.

ORDER TO CEASE AND DESIST

It appearing to the Commission that at the time and place appointed for the respondent to appear and show cause why an order should not be entered by the Commission requiring it to cease and desist from the violation of law charged in the complaint, the respondent appeared and asked leave to withdraw its answer heretofore filed contesting the proceeding, and in lieu of said answer stated that it did not desire to contest the proceeding and that it consented that, without a hearing or trial, without the taking of evidence, and without findings as to the facts or other intervening procedure, the Commission might make, enter and serve upon respondent an order to cease and desist from the violations of law charged in the complaint, and by way of specification, but without limitation as to the scope of the Commission's order, consented to certain definite prohibitions that said order should contain.

And the Commission finding that under its rules of procedure this proffer and consent of the respondent shall be deemed to be an admission of all the allegations of the complaint, to waive a hearing thereon and to authorize the Commission, without a trial, without the taking of evidence, and without findings as to the facts or other intervening procedure, to make, enter and serve upon the respondent an order to cease and desist from the violations of law charged in the complaint.

It is therefore ordered, That the respondent be and hereby is permitted to withdraw its answer heretofore filed.

It is further ordered, That the respondent, Jules V. Riviere Perfumes, Inc., its officers, representatives and agents, in connection with the advertisement, sale and offering for sale of its perfumes in interstate commerce, do forthwith cease and desist:

(a) From using the words "Paris" or "France", or the name of Jules V. Riviere or Jules Riviere or Riviere in the form of a signature, in or on labels on, or display or shipping cartons or packages containing domestic made perfumes, or in connection with advertising matter, relating to domestic made perfumes, in the

form of written or printed words or radio broadcast, or other form, in such a way as to represent or imply that said perfumes were made in Paris or France;

(b) From using the name of Jules V. Riviere or Jules Riviere or Riviere, or any inscriptions or statements in the French language, in or upon display or shipping cartons or packages containing domestic made perfumes, or in connection with advertising matter, relating to domestic made perfumes, in the form of written or printed words or radio broadcast, or other form, without clearly showing that said perfumes were made in the United States.

It is further ordered, That the respondent shall within 30 days after the 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 the order to cease and desist hereinabove set forth.

IN THE MATTER OF
EVANS FUR COMPANY, A. L. MELTZER, M. MELTZER,
HERMAN MELTZER, KENT FUR COMPANY, CLARENCE
BONNEM, AND S. KANE

COMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION
OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 20, 1914

Docket 2227. Complaint, Aug. 30, 1934—Decision, Apr. 24, 1935

Where two corporations, representing a community of interest and engaged under common control in purchase of fur garments from jobbers and/or manufacturers and resale thereof at retail from their place of business to purchasers residing in the various States; in advertising said products in letters and circulars, newspapers and periodicals, and radio broadcasts, respectively, read and heard by persons in other States—

- (a) Falsely represented one of said corporations as the manufacturer of the garments offered and sold by it, and that through purchasing from it, the manufacturer, the customer was saved the middleman's profit and thus effected savings amounting to as much as 50 percent of the price of similar products sold through the usual retail channels;
- (b) Falsely represented that the prices at which they offered and sold said garments represented from 75 percent to 50 percent of their real value, and of the usual selling price of products of equal quality and value, fact being said prices were as high as or higher than usual selling prices of comparable articles; and
- (c) Falsely represented, in the case of one of said corporations, that it sold garments made by it to certain popular motion picture actresses, and that such actresses wore the same, and in its advertising falsely depicted the latter attired in garments represented as its product;

With effect of diverting trade from competitors, including those who manufacture their garments and truthfully represent themselves as so doing, those who do not do so or represent themselves as so doing, and those who do not misrepresent the value or usual selling price of their products, and of deceiving purchasing public into believing they were securing greater value in said garments by purchasing direct from a manufacturer, and were securing the same at from 75 percent to 50 percent of their real value, and of the usual retail selling value of articles of equal quality and value, and with capacity and tendency so to divert:

Held, That such acts and practices, under the circumstances set forth, were to the prejudice of the public and competitors, and constituted unfair methods of competition.

Mr. John W. Hildrop for the Commission.

Mr. Eliot C. Lovett, of Washington, D. C., for respondents, along with whom *Mr. Benjamin F. Goldstein*, of Chicago, Ill., also ap-