

IN THE MATTER OF

CENTURY TRAVEL SERVICE, INC., AND HARRY CRAIG
COOPER AND JOSEPH C. COOPER, JR., TRADING UNDER
THE NAMES OF CENTURY TRAVEL SERVICE, ETC.COMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION
OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914*Docket 5299. Complaint, Mar. 27, 1945—Decision, Oct. 11, 1946*

Where a corporation, and two individuals, officers thereof, engaged as travel and tour agents in competitive solicitation and sale of transportation, hotel accommodations, and various services to tourists in other States, and in soliciting particularly and as their principal business, as a result of recent wartime restrictions on travel, "packaged tours" to Miami Beach, Florida, i. e., travel trips, the price of which included transportation, hotel reservations, baggage and passenger transfers between terminals and hotels, sight-seeing trips, visits to night clubs, and similar things; through advertising circulars disseminated by mail and displayed in railroad terminals and other transportation centers—

- (a) Falsely represented that their tours were sanctioned or approved by some governmental agency through use of the word "APPROVED", in connection with the words "Century Travel Service—De Luxe Tours";

With the effect of causing a substantial number of people, in view of the Government's policy of restricting unnecessary travel in the interest of the war effort, to believe that such tours had approval or sanction of the Office of Defense Transportation or some authorized governmental transportation agency, and with the capacity and tendency so to do;

- (b) Represented through statement in their said circular "8 DAYS Inclusive Rate \$79.95 up" and "14 DAYS Inclusive Rate \$89.95" that said prices were actually "inclusive" and represented the total cost;

The facts being that their rates for 8 days ran from \$79.95 up, and for 14 days from \$89.95 up, and the "inclusive rate" was not in fact inclusive, inasmuch as a tax of \$8.03 per person was added, the statement as to which, in much smaller type near the bottom of the circular, if not observed, was called to the attention of the prospective purchaser only when arrangements for tour were being negotiated;

- (c) Represented through said circular that "Century Travel Service was established in 1921"; the facts being the corporation in question was organized in 1940; and the travel business carried on by the aforesaid two individuals, trading as "Century Travel Service," etc., was organized in 1942;

- (d) Falsely represented through a headline in heavy type, in their said circular, reading "15 SPECIAL FEATURES INCLUDED IN RATES LISTED ABOVE" followed by a list of purported special features numbered from 1 to 15, inclusive, that there were 15 distinct special features available to all purchasers of their tours;

The facts being that certain features, such as "continental breakfast included," were, as disclosed by the circular, "available only at some hotels"; other features listed separately in a different form referred to the same thing; and the feature "Travel on Credit, No Money Down, Pay Later," was not

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available to their customers, as they did not directly grant credit but only suggested that their customers might borrow from a bank to finance the trip;

- (e) Stated "(Operated by Century Travel Service, N. Y.)," in immediate conjunction with the above-mentioned "15 Special Features," when as a matter of fact, the said "special features" were not operated by them;
- (f) Represented through the listing of some 20 hotels, under a heading "Select Hotels" in their circular, that any of such hotels might be selected; when in fact during the time in question a large number of the hotels so listed were being used by the United States Army; and
- (g) Misleadingly represented their status as authorized or bonded agents through legend on their letterheads "CENTURY TRAVEL SERVICE AUTHORIZED BONDED AGENTS":

The facts being that said corporation was bonded only in connection with certain travel to Europe; and none of them was an authorized or bonded agent in connection with the tours to Florida which represented the principal part of their business;

With capacity and tendency to mislead and deceive members of the purchasing public into the erroneous belief that such representations were true, and thereby to cause a substantial number thereof to deal with them, whereby trade in commerce was unfairly diverted to them from competitors, including many who do not engage in unfair or deceptive acts or practices in commerce, to their injury and that of the public:

Held, That such acts and practices were all to the prejudice of the public and their competitors, and constituted unfair methods of competition in commerce and unfair and deceptive acts and practices therein.

Before *Mr. Andrew B. Duvall*, trial examiner.

Mr. Daniel J. Murphy for the Commission.

Mr. Max Seltzer, of New York City, for respondents.

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 Century Travel Service, Inc., a corporation, Harry Craig Cooper and Joseph C. Cooper, Jr., individuals and copartners trading under the names of Century Travel Service, Century Travel Service DeLuxe Tours, Mexican Advisory Tourist Bureau, and Florida Advisory Hotel Bureau, hereinafter referred to as the respondents, have violated the provision 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, Century Travel Service, Inc., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of New York. Respondent, Harry Craig Cooper, also known as H. Craig Cooper, residing at 1016 Fifth Avenue, New York, N. Y., and his brother, respondent Joseph C. Cooper, Jr.,

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residing at 1016 Fifth Avenue, New York, N. Y., are individuals and copartners trading under the names of Century Travel Service, Century Travel Service DeLuxe Tours, Mexican Advisory Tourist Bureau, and Florida Advisory Hotel Bureau. Respondents' principal office and place of business is located at Room 811, 655 Fifth Avenue, New York 22, N. Y.; respondents also maintain a mailing address in Jersey City, N. J.

PAR. 2. Respondents are now, and have been for several years last past, engaged in business as travel and tour agents and in connection therewith solicit the sale of, and sell, transportation, hotel accommodations, and other incidental services.

PAR. 3. Respondents, in connection with the solicitation for the sale, and the sale, of transportation, hotel accommodations, and other incidental services, have maintained, and now maintain, activities of a commercial and business nature involving intercourse and communication with numerous individuals located in States other than the State of New York. Respondents have disseminated, and caused to be disseminated, by the United States mails, an advertising circular to customers and prospective customers located in States other than the State of New York. Certain of respondents' customers are located in States other than the State of New York, and such customers cause orders for tours, money orders, and other property, to be transported from their respective States to the respondents' place of business located in the State of New York. Respondents cause tickets and reservations to be transported from the State of New York to customers located in States other than the State of New York. Respondents maintain, and have maintained for several years last past, a course of trade in commerce between and among the various States of the United States and in the District of Columbia.

PAR. 4. In the course and conduct of their said business, respondents are now, and have been, in competition with corporations, firms, and individuals engaged in the solicitation for sale, and sale, of transportation, hotel accommodations, and incidental services, in commerce, among and between the various States of the United States and in the District of Columbia. Among such competitors are many who do not engage in unfair or deceptive acts or practices, in commerce, in connection with their business.

PAR. 5. In the course and conduct of their business, as above described, respondents solicit the sale of, and sell, "packaged tours," which are travel trips, at an all-inclusive price, including transportation, hotel reservations, baggage and passenger transfers between terminals and hotels, sight-seeing trips, stops at night clubs, etc.

During the past few years, because of wartime restrictions on travel, respondents have been principally soliciting the sale of, and selling, "packaged tours" to Miami Beach, Fla. In connection therewith and for the purpose of aiding and promoting the sale, by them, of such "packaged tours," respondents have disseminated, and caused to be disseminated, by the United States mails, an advertising circular, which circular respondents have displayed, and caused to be displayed, in railroad terminals and other transportation centers. Respondents in said advertising circular make the following representations:

(1) In the upper right-hand corner of respondents' circular appears the word "APPROVED," surrounding a circle which reads, "Century Travel Service DeLuxe Tours." Respondents' representation "APPROVED," as above described, has been made, and is made, for the purpose of conveying, and it does convey, the impression that such tours are approved or sanctioned by some authorized governmental transportation agency.

In truth and in fact, the United States Government, through its authorized agent, the Office of Defense Transportation, has not approved nor sanctioned such tours; but on the contrary, due to wartime emergency, it has discouraged, and does discourage, the active solicitation of such travel.

(2) Respondents' circular lists the following rates:

	Special	
	MIAMI BEACH	
	AT AMAZINGLY LOW RATES!! -	
	INCLUSIVE	1944-5
8 DAYS	RATE	\$79.95
	INCLUSIVE	up
14 DAYS	RATE	\$89.95

Respondents' representations as to such prices have been made for the purpose of conveying, and they do convey, the impression that such tour rates ran from \$79.95 for 8 days to \$89.95 for 14 days.

In truth and in fact, such tour rates for 8 days ran from a minimum of \$79.95 up to \$99.95; and for 14 days ran from \$89.95 up to \$136.95.

(3) Respondents' circular advertises "INCLUSIVE RATE." This representation, by respondents, was made, and is made, for the purpose of conveying, and it does convey, the impression that such rates were in fact inclusive of all charges.

In truth and in fact such rates were not so inclusive of all charges, as the bottom of the circular, in smaller type states: "Add U. S. tax of \$8.03 per person to above rates."

(4) Respondents' circular states:

Established 1921
CENTURY TRAVEL SERVICE

In truth and in fact Century Travel Service has not been established since 1921.

(5) Respondents' circular has a heading in heavy type which reads:

15 SPECIAL FEATURES INCLUDED
IN RATES LISTED ABOVE,

and under which are listed 15 alleged special features. This representation, by respondents, was made, and is made, for the purpose of conveying, and it does convey, the impression that there are 15 distinct special features so listed and that they are all available to all customers of respondents' purchasing such tours.

In truth and in fact there are not 15 distinct special features so listed and all features so listed are not available to all customers of respondents' purchasing such tours; examples: Feature No. 8, the free use of beach, beach umbrellas and chairs, is not available to all purchasers but is available as the circular itself states, only "at some hotels." Feature No. 11, the continental breakfast, is only, as the circular itself states, "included at some hotels." Feature No. 13 offers "TRAVEL ON CREDIT, NO MONEY DOWN, PAY LATER." The respondents do not grant such credit, nor do they directly make such credit facilities available. Features Nos. 3 and 15 refer to the same feature of hotel accommodations.

(6) Respondents' circular, under the listing of the "15 SPECIAL FEATURES," states, "(Operated by Century Travel Service, New York)."

In truth and in fact the "15 Special Features" are not operated by Century Travel Service of New York.

(7) Respondents' circular, under a heading "Select Hotels," lists 20 hotels, for the purpose of conveying, and it does convey, the impression that such "Select Hotels," so listed, are available for selection by respondents' customers.

In truth and in fact, all such "Select Hotels," so listed, are not available for selection by respondents' customers; many of such listed hotels, for some time past have been taken over by the United States armed forces.

(8) Respondents' letterheads, at the top thereof, state:

Century Travel Service
AUTHORIZED-BONDED AGENTS.

In truth and in fact "Century Travel Service" are not "Authorized-Bonded Agents." It is true that Century Travel Service, Inc., is bonded, but only in connection with limited travel to Europe; none of the respondents, including Century Travel Service, Inc., is an authorized bonded agent in connection with tours to Florida, which represent the principal part of respondents' business.

PAR. 6. The acts, practices, and methods of respondents in making and using the aforesaid false and misleading statements, representations and implications have the capacity and tendency to, and do, mislead and deceive members of the public into the erroneous and mistaken belief that such statements, representations, and implications are true and to cause a substantial number of the purchasing public to purchase respondents' travel services because of such erroneous and mistaken belief. As a result, trade in commerce between and among the several States of the United States and in the District of Columbia has been unfairly diverted to the respondents from their competitors in said commerce, to the injury of said competitors and to the public.

PAR. 7. The aforesaid acts and practices of the respondents, as herein alleged, are all to the prejudice of the public and of respondents' competitors and constitute unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

REPORT, FINDINGS AS TO THE FACTS, AND ORDER

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission on March 27, 1945, issued and subsequently served its complaint in this proceeding upon the respondents named in the caption hereof, charging them with the use of unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce in violation of the provisions of said act. After the issuance of said complaint and the filing of respondent's answer thereto, testimony and other evidence were introduced before an examiner of the Commission theretofore duly designated by it, and said testimony and other evidence were duly recorded and filed in the office of the Commission. Thereafter, the proceeding regularly came on for final hearing before the Commission on the said complaint, answer, testimony and other evidence, report of the trial examiner and exceptions thereto, and briefs of counsel (oral argument having been requested but subsequently waived); and the Commission, having duly considered the matter and being fully advised in the premises, finds that this proceeding is in the interest of the public and makes this its findings as to the facts and its conclusion drawn therefrom.

FINDINGS AS TO THE FACTS

PARAGRAPH 1. (a) Respondent Century Travel Service, Inc., is a corporation organized and existing under the laws of the State of New York, with its office and principal place of business at 501 Fifth Avenue, New York, N. Y. This respondent was organized in October 1940.

(b) Respondent, Harry Craig Cooper, is an individual residing at 1016 Fifth Avenue, New York, N. Y. He is president and treasurer of the corporate respondent, Century Travel Service, Inc., and is also associated with respondent, Joseph C. Cooper, Jr., in a partnership organized in January 1942 and trading as Century Travel Service, Century Travel Service DeLuxe Tours, Mexican Advisory Tourist Bureau, and Florida Advisory Hotel Bureau.

(c) Respondent, Joseph C. Cooper, Jr., is an individual residing at 1016 Fifth Avenue, New York, N. Y. He is vice president and secretary of respondent Century Travel Service, Inc., and is also associated with respondent, Harry Craig Cooper, in the aforesaid partnership.

(d) Respondents are now, and for several years last past have been, engaged in business as travel and tour agents, and in the conduct of this business solicit the sale of, and sell, transportation, hotel accommodations, and various services to tourists.

PAR. 2. In the course and conduct of said business, respondents maintain, and have maintained, activities of a commercial and business nature involving intercourse and communication with numerous individuals located in States other than the State of New York, and they have disseminated and caused to be disseminated by the United States mails an advertising circular to customers and prospective customers located in States other than the State of New York. Respondents cause tickets and reservations to be transported to, and receive from, such customers orders for tours, money orders, and other property. Respondents maintain, and for several years last past have maintained, a course of trade in commerce, as "commerce" is defined in the Federal Trade Commission Act, between and among various States of the United States and in the District of Columbia.

PAR. 3. Respondents are, and have been, engaged in competition with corporations, firms, and individuals who also solicit the sale of, and sell, transportation, hotel accommodations, and various services to tourists in commerce among and between various States of the United States and in the District of Columbia. Among such competitors are many who do not engage in unfair or deceptive acts or practices in commerce in the conduct of such business.

PAR. 4. (a) In the conduct of their aforesaid business, respondents solicit the sale of, and sell, "packaged tours." These are travel trips the price of which includes transportation, hotel reservations, baggage and passenger transfers between terminals and hotels, sight-seeing trips, visits to night clubs, and similar things. As a result of war-time restrictions on travel during the last few years, respondents' principal business has been the sale of such packaged tours to Miami Beach, Fla. For the purpose of aiding and promoting the sale of these tours, respondents disseminated, as aforesaid, an advertising circular and also caused copies of such circular to be displayed in railroad terminals and other transportation centers.

(b) In the upper right-hand corner of respondents' said circular is a design surrounded by the words "Century Travel Service—De Luxe Tours" and immediately above this design is the word "APPROVED." Because of the well-known policy of the Government during the past few years in discouraging, limiting, and restricting unnecessary travel in the interest of the war effort, the use of the word "APPROVED" by respondents in connection with their tours has had the capacity and tendency to, and did in fact, cause a substantial number of people to believe that such tours had some form of approval or sanction by the Office of Defense Transportation or some authorized governmental transportation agency.

(c) Printed in large type near the top of respondents' said circular is the following heading:

SPECIAL
MIAMI BEACH
For Your Vacation
At Amazingly Low Rates!!!

		1944-45
8 DAYS	Inclusive	\$79.95
	Rate	up
14 DAYS	Inclusive	\$89.95
	Rate	

These statements constitute representations having the capacity and tendency to cause a substantial portion of the purchasing public to believe that respondents' tour rates were from \$79.95 for 8 days to \$89.95 for 14 days, and that these prices were actually "inclusive" and represented the total cost. In truth and in fact, however, the rates for respondents' tours for 8 days ran from a minimum of \$79.95 up and for 14 days from \$89.95 up. The "inclusive rate" was not in fact inclusive, inasmuch as a tax of \$8.03 per person was added to respondents' stated rates. The addition of the said tax was disclosed in much smaller type near the bottom of the circular, and if not ob-

served it was called to the attention of the prospective purchaser only when arrangements for such tour were being negotiated with respondents.

(d) Respondents' said circular further represents that Century Travel Service was "established 1921," whereas in truth and in fact said service was not established in 1921 and, as heretofore found, Century Travel Service, Inc., was organized in 1940, and the partnership composed of respondents Harry Craig Cooper and Joseph C. Cooper, Jr., trading as Century Travel Service, Century Travel Service DeLuxe Tours, and under other names, was organized in 1942.

(e) The aforesaid circular issued by respondents bears a headline in heavy type reading:

15 SPECIAL FEATURES INCLUDED
IN RATES LISTED ABOVE

followed by a list of purported special features numbered from 1 to 15, inclusive. Said statement constitutes a representation that there are 15 distinct special features available to all purchasers of respondents' tours, and such representation has the capacity and tendency to cause members of the purchasing public to believe that 15 distinct special features are made available by respondents. As a matter of fact, there are not 15 distinct special features, and all features so listed are not available to all purchasers of respondents' tours. For example, the feature listed as No. 3, "Room With Twin Beds and Private Bath in Miami Beach Hotel," and feature No. 15, "Also Other Select Hotels to Choose From," refer to the same matter of hotel accommodations; feature No. 8, "Free Use of Beach, Beach Umbrellas, Chairs, at Some Hotels," and feature No. 11, "Continental Breakfast Included at Some Hotels" are not available to all customers of respondents, for, as disclosed by the circular, they are available only "at some hotels"; feature No. 13, "Travel on Credit, No Money Down, Pay Later," is not a feature made available to respondents' customers, as respondents do not directly grant such credit or make credit facilities available to their customers, but only suggest that their customers may borrow from a bank to finance the trip.

(f) Respondents' said circular, after listing the above-mentioned "15 Special Features," states in immediate conjunction therewith "(Operated by Century Travel Service, N. Y.)." As a matter of fact, the said "special features" are not operated by respondents.

(g) Respondents' circular, under a heading "Select Hotels," lists some 20 hotels, thus conveying to customers or prospective customers that any of the hotels so listed may be selected. The fact is, however, that during the time respondents' circular was being distributed a large number of the hotels so listed were being used by the United

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States Army and were not available for use by respondents' customers.

(h) Respondents' letterheads bear the following legend:

Century Travel Service
Authorized-Bonded Agents

It is true that Century Travel Service, Inc., is bonded, but only in connection with certain travel to Europe. None of the respondents, including Century Travel Service, Inc., is an authorized or bonded agent in connection with the tours to Florida which represent the principal part of respondents' business.

PAR. 5. The use by the respondents of the aforesaid false and misleading statements and representations has the capacity and tendency to mislead and deceive members of the purchasing public into the erroneous and mistaken belief that such statements and representations are true, and to cause a substantial number of the purchasing public to deal with respondents because of such erroneous and mistaken belief. As a result, trade in commerce has been unfairly diverted to respondents from their competitors to the injury of said competitors and of the public.

CONCLUSION

The aforesaid acts and practices of respondents are all to the prejudice of the public and of respondents' competitors and constitute unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission, the answer of respondents, testimony and other evidence taken before an examiner of the Commission theretofore duly designated by it, report of the trial examiner and exceptions thereto, and briefs of counsel, and the Commission having made its findings as to the facts and its conclusion that said respondents have violated the provisions of the Federal Trade Commission Act:

It is ordered, That respondents, Century Travel Service, Inc., a corporation, its officers, representatives, and employees, and the individual respondents, Harry Craig Cooper and Joseph C. Cooper, Jr., copartners, trading as Century Travel Service, Century Travel Service DeLuxe Tours, Mexican Advisory Tourist Bureau, Florida Advisory Hotel Bureau, or under any other name or names, jointly or severally, their representatives, agents, and employees, directly or through any corporate or other advice, in connection with the offering

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for sale, sale, and distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act, of travel tours do forthwith cease and desist from representing directly or by implication:

1. That tours offered by respondents are sanctioned or approved by any governmental agency.

2. That the prices of respondents' tours are less than the actual price thereof; or representing by the use of the term "inclusive rate," or in any other manner, that a price of a tour which is not the total price, including tax, is the total price of such tour.

3. That respondents' business was established in 1921 or at any date earlier than it was in fact established.

4. That any tour offered by respondents includes a greater number of features than are in fact available to all purchasers of such tour.

5. That any features offered purchasers of any tour are operated by respondents, unless such features are in fact operated by respondents.

6. That any hotels which are not in fact available for the use of purchasers of respondents' tours are available to such purchasers.

7. That respondents are authorized or bonded agents for any travel or tours for which respondents are not in fact authorized or bonded agents.

It is further ordered, That the respondents shall, within 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.

Modified order

IN THE MATTER OF

KORET, INC.

MODIFIED CEASE AND DESIST ORDER

Docket 4848. Order, Oct. 18, 1946

Order modifying prior order in proceeding in question, Nov. 30, 1945, 41 F. T. C. 340, requiring respondent, its officers, etc., in connection with offering, etc., of leather handbags in commerce, to cease and desist from using the term "Korantelope," or any other term which includes the word "antelope," or any colorable simulation thereof, etc., to describe, etc., any leather product not composed of the skin of the antelope, etc., as in said order below set out; *so as to permit*, subject to the qualifications provided, use by respondent of the animal figure depicted on exhibit I attached to such modified order, and use of word "Koretolope."

Before *Mr. W. W. Sheppard*, trial examiner.

Mr. James I. Rooney and *Mr. D. C. Daniel* for the Commission.

Stroock & Stroock & Lavan, of New York City, and *Hogan & Hartson*, of Washington, D. C., for respondent.

MODIFIED ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission, answer of the respondent, testimony and other evidence in support of the complaint and in opposition thereto taken before a trial examiner of the Commission theretofore duly designated by it, report of the trial examiner upon the evidence and exceptions filed thereto, briefs filed in support of the complaint and in opposition thereto, and oral argument of counsel; and the Commission, having considered the matter, made and issued its findings as to the facts, conclusion, and order to cease and desist on November 30, 1945. Thereafter, this matter came on for further hearing before the Commission upon motion of the attorneys for the respondent to modify the order to cease and desist, answer to respondent's motion to modify order to cease and desist, and motion to set aside findings as to the facts, conclusion, and order to cease and desist and reopen the proceeding, filed by Richard P. Whiteley, Assistant Chief Counsel for the Commission, and respondent's reply to the answer of the Assistant Chief Counsel; and the Commission, having considered said motions, answers thereto, and the record herein and having reconsidered the order to cease and desist heretofore entered and being of the opinion that a modified order to cease and desist

should be issued in said cause, issues this its modified order to cease and desist:

It is ordered, That the respondent, **Koret, Inc.**, a corporation, and its officers, representatives, agents, and employees, directly or through any corporate or other device in connection with the offering for sale, sale, and distribution of leather handbags in commerce as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using the term "Korantelope" or any other term which includes the word "antelope" or any colorable simulation thereof, or using any other term of similar import or meaning on labels, in advertising, or in any other manner, to describe, designate, or refer to any leather product which is not composed of the skin of the antelope.

2. Using any cut or depiction of an antelope as a trade-mark or label upon any leather product not composed of the skin of the antelope.

3. Using any cut or pictorial design of an antelope in connection with any description of, or reference to, leather products not composed of the skin of the antelope.

4. Using any cut or depiction of an antelope in conjunction with any coined name containing a contraction of the word "antelope" to designate, describe, or refer to leather products not composed of the skin of the antelope.

5. Representing in any manner that leather products made of calf-skin are made from the skin of antelope.

It is further ordered, That nothing herein contained shall be construed as prohibiting the respondent's use, in general advertising not devoted to any specific product, of the animal figure depicted on the attached exhibit I, which, by reference, is incorporated herein and made a part hereof, or as prohibiting the use by the respondent on or in connection with its leather or simulated leather products of:

- (a) The animal figure depicted on the aforesaid exhibit I if such figure is accompanied by a statement, used in immediate conjunction therewith and beginning with the phrase "Made of," clearly and conspicuously indicating the material from which such products are made.

- (b) The word "Koretelope" in conjunction or connection with the animal figure depicted on the aforesaid exhibit I if such word and figure are accompanied by a statement, used in immediate conjunction therewith and beginning with the phrase "Made of," clearly and conspicuously indicating the material from which such products are made.

It is further ordered, That the respondent shall, within 60 days after service upon it of this order, file with the Commission a report

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in writing, setting forth in detail the manner and form in which it has complied with this order.

EXHIBIT I



IN THE MATTER OF
EDWARD P. PAUL & COMPANY, INC.

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

Docket 5202. Complaint, Aug. 9, 1944—Decision, Oct. 24, 1946

Where a corporation engaged in the importation and manufacture and interstate sale and distribution of porcelain products, art ware, and gift ware, principally to and through retail stores and gift shops, and in advertising its merchandise chiefly through an annual catalog distributed to some 25,000 retail dealers throughout the United States—

Represented that certain porcelain candy boxes and table lamps were imported from France and that the latter were of French or British origin through use in said catalog of the language "imported 'Du Barry' porcelain," and "IMPORTED Hand Decorated 'Du Barry' Porcelain—'Du Barry' Porcelain Table Lamps are nationally famous as reproductions of rare original French and English 'Old Pieces' * * *";

The facts being that neither of said products were porcelain ware made in France and the British Isles, for which there is a preference on the part of a substantial portion of the purchasing public, but both the lamps and candy boxes, or the porcelain bodies thereof, were in fact made in Japan and imported by it into the United States; the addition by it of domestic metal bases and other parts obscured the words "Made in Japan" or "Japan" which appeared on the porcelain parts at the time of their importation; and the completed articles, when sold by it, bore no visible marks informing dealers or the purchasing public of their origin in Japan, against the articles of which there is similarly a prejudice;

With tendency and capacity to mislead and deceive a substantial number of retail dealers and members of the purchasing public with respect to the origin of its products, and thereby cause such persons to purchase substantial quantities thereof, and with result of placing in the hands of uninformed or unscrupulous retail dealers an instrumentality whereby such dealers might be enabled to mislead and deceive the purchasing public:

Held, That such acts and practices, under the circumstances set forth, were all to the prejudice of the public, and constituted unfair and deceptive acts and practices in commerce.

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

Mr. Joseph Callaway for the Commission.

Mr. Samuel A. Fried, of New York City, and *Mr. Nathan L. Silberberg*, of Washington, D. C., for respondent.

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 Edward P. Paul &