

Complaint

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IN THE MATTER OF

MORRIS FELDMAN ET AL. DOING BUSINESS AS
PARISIAN FUR COMPANYCONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT AND OF THE FUR PRODUCTS LABELING
ACT*Docket 6301. Complaint, Feb. 25, 1955—Decision, July 7, 1955*

Consent order requiring furriers in Dallas, Tex., to cease violating the Fur Products Labeling Act through failing to label and invoice fur products as required and through misrepresenting in advertising the composition, country or origin, and prices of their products, and failing to keep adequate records.

Before *Mr. Everett F. Haycraft*, hearing examiner.

Mr. John J. McNally and *Mr. Joseph Callaway* for the Commission.

Mr. Morris I. Jaffe, of Dallas, Tex., for respondents.

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 Morris Feldman, Harry Feldman, David Feldman and Lillian Feldman, individually and as copartners doing business as Parisian Fur Company, 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. Respondents, Morris Feldman, Harry Feldman, David Feldman and Lillian Feldman, are individuals and copartners doing business as Parisian Fur Company, with their office and principal place of business located at 4107 Bryan Street, Dallas, Texas.

PAR. 2. Subsequent to the effective date of the Fur Products Labeling Act on August 9, 1952, respondents have been, and are now, 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 fur which had been shipped and received in commerce, as "commerce," "fur," and "fur products" are defined in the Fur Products Labeling Act.

PAR. 3. 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.

PAR. 4. 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) Required information was set forth on labels in abbreviated form, in violation of Rule 4 of the aforesaid Rules and Regulations;

(b) The term "fur origin" did not precede the name of the country of origin on labels as part of the required information, in violation of Rule 12 (e) of the aforesaid Rules and Regulations;

(c) Required information was mingled with non-required information on labels, in violation of Rule 29 (a) of the aforesaid Rules and Regulations;

(d) Required information was set forth in handwriting on labels, in violation of Rule 29 (b) of the aforesaid Rules and Regulations;

(e) Respondents failed to set forth on labels the required item number of such fur products in violation of Rule 40 of the aforesaid Rules and Regulations.

PAR. 5. Certain of said fur products were falsely and deceptively invoiced in that they were not invoiced as required under the provisions of Section 5 (b) (1) of the Fur Products Labeling Act and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

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 the Rules and Regulations promulgated thereunder in that:

(a) Required information was set forth on invoice in abbreviated form in violation of Rule 4 of the aforesaid Rules and Regulations;

(b) Respondents failed to disclose the required item number on invoices in violation of Rule 40 of the aforesaid 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 respondents caused the dissemination in commerce, as "commerce" is defined in said Act, of certain advertisements concerning said fur products, by means of newspapers and by various other means, which advertisements were not in accordance with the provisions of Section 5 (a) of the Fur Products Labeling Act, and of the Rules and Regulations promulgated under said Act, and which advertisements

were intended to aid and did aid, promote and assist, directly or indirectly, in the sale and offering for sale of said fur products.

PAR. 8. Among and including the advertisements as aforesaid, but not limited thereto, were advertisements of respondents which appeared in issues of the "Dallas Times Herald" and the "Dallas Morning News," papers having wide circulation in the State of Texas and other States of the United States.

By means of the aforesaid advertisements and through others of the same import and meaning, not specifically referred to herein, respondents falsely and deceptively:

(a) Failed to disclose that the fur products were composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such was the fact, in violation of Section 5 (a) (4) of the Fur Products Labeling Act;

(b) Failed to disclose the name of the country of origin of any imported fur contained in such fur products, in violation of Section 5 (a) (6) of the Fur Products Labeling Act;

(c) Misrepresented prices of fur products as having been reduced from regular or usual prices, where the so-called regular or usual prices were in fact fictitious, in that they were not the prices at which said merchandise was usually sold by respondents, in the recent regular course of their business, in violation of Rule 44 (a) of the aforesaid Rules and Regulations;

(d) Misrepresented by means of comparative prices and other statements as to "value" not based on current market values, the amount of savings to be effectuated by purchasers of said fur products, in violation of Rule 44 (b) and (c) of the aforesaid Rules and Regulations.

Respondents in making the pricing claims and representations referred to in subparagraphs (c) and (d) hereof, failed to maintain full and adequate records disclosing the facts upon which such claims and representations were purportedly based, in violation of Rule 44 (e) of said Rules and Regulations.

PAR. 9. The aforesaid acts and practices of respondents, as herein alleged, were in violation of the Fur Products Labeling Act, and the Rules and Regulations promulgated thereunder, and constituted unfair and deceptive acts and practices in commerce under the Federal Trade Commission Act.

INITIAL DECISION BY EVERETT F. HAYCRAFT, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondents on February 25, 1955, charging them with the use of unfair methods of competition and unfair acts and practices

in commerce, in violation of the provisions of the Federal Trade Commission Act, the Fur Products Labeling Act, and the Rules and Regulations promulgated under the Fur Products Labeling Act. After being duly served with said complaint and after answering said complaint, the respondents entered into a stipulation with counsel supporting the complaint, dated May 5, 1955, providing for the entry of a consent order disposing of all the issues in this proceeding. Said stipulation has been submitted to the above-named hearing examiner, heretofore duly designated by the Commission, for his consideration in accordance with Rule V of the Commission's Rules of Practice.

Respondents, pursuant to the aforesaid stipulation, have admitted all the jurisdictional allegations of the complaint and agreed that the record herein may be taken as if the Commission had made findings of jurisdictional facts in accordance with such allegations. Said stipulation further provides that the answer heretofore filed in this proceeding by respondents be withdrawn and that all parties expressly waive a hearing before the hearing examiner or the Commission, and all further and other procedure to which the respondents may be entitled under the Federal Trade Commission Act or the Rules of Practice of the Commission. Respondents have also agreed that the order to cease and desist issued in accordance with said stipulation shall have the same force and effect as if made after a full hearing, and specifically waive any and all right, power, or privilege to challenge or contest the validity of said order. It has been further stipulated and agreed that the complaint herein may be used in construing the terms of the order provided for in said stipulation; that the signing of said stipulation is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint; that said stipulation is subject to approval in accordance with Rules V and XXII of the Commission's Rules of Practice, and that said order shall have no force and effect unless and until it becomes the order of the Commission.

This proceeding having now come on for final consideration by the hearing examiner on the complaint and the aforesaid stipulation for consent order, and it appearing that said stipulation provides for an appropriate disposition of this proceeding, the same is hereby accepted and ordered filed as part of the record herein by the hearing examiner, who allows the respondents to withdraw their said answer and makes the following findings, for jurisdictional purposes, and order:

1. Respondents Morris Feldman, Harry Feldman, David Feldman and Lillian Feldman are individuals and copartners doing business

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as Parisian Fur Company, with their office and principal place of business located at 4107 Bryan Street, Dallas, Texas.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents hereinabove named. The complaint states a cause of action against said respondents under the Federal Trade Commission Act and the Fur Products Labeling Act, and this proceeding is in the interest of the public.

ORDER

It is ordered, That respondents Morris Feldman, Harry Feldman, David Feldman and Lillian Feldman, individually and as copartners doing business as Parisian Fur Company, or under any other trade name, and respondents' 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 "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. Failing to affix labels to fur products showing:

(a) The name or names of the animal or animals producing the fur or furs contained in the fur product as set forth in the Fur Products Name Guide and as prescribed under the Rules and Regulations;

(b) That the fur product contains or is composed of used fur, when such is a fact;

(c) That the fur product contains or is composed of bleached, dyed or otherwise artificially colored fur, when such is a fact;

(d) That the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur; when such is a fact;

(e) The name, or other identification issued and registered by the Commission, of one or more persons who manufactured such fur product for introduction into commerce, sold it in commerce, advertised or offered it for sale in commerce, or transported or distributed it in commerce;

(f) The name of the country of origin of any imported furs used in the fur product.

2. Setting forth on labels attached to fur products:

(a) Required information in abbreviated form or in handwriting;

(b) Non-required information mingled with required information.

3. Failing to show on labels attached to fur products, made in whole or in part of imported fur, the term "fur origin," preceding the country of origin, on said labels, as required by Rule 12 (e) of the aforesaid Rules and Regulations.

4. Failing to set forth on labels attached to fur products an item number or mark assigned to such products.

B. Falsely or deceptively invoicing fur products by:

1. Failing to furnish invoices to purchasers of fur products showing:

(a) The name or names of the animal or animals producing the fur or furs contained in the fur product, as set forth in the Fur Products Name Guide and as prescribed under the Rules and Regulations;

(b) That the fur product contains or is composed of used fur, when such is a fact;

(c) That the fur product contains or is composed of bleached, dyed or otherwise artificially colored fur, when such is a fact;

(d) That the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is a fact;

(e) The name and address of the person issuing such invoice;

(f) The name of the country of origin of any imported fur contained in a fur product.

2. Setting forth required information in abbreviated form.

3. Failing to set forth on invoices pertaining to fur products an item number or mark assigned to such products.

C. Falsely or deceptively advertising fur products, 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 fur products, and which:

1. Fails to disclose:

(a) That the fur products are composed in whole or in substantial part of paws, tails, bellies, or waste fur when such is the fact;

(b) The country of origin of imported furs as required by the Fur Products Labeling Act or in the manner and form permitted by Rule 38 (b) of the Rules and Regulations promulgated thereunder.

2. Represents, directly or by implication:

(a) That the regular or usual price of any fur product is any amount which is in excess of the price at which the respondents have usually and customarily sold such products in the recent regular course of their business;

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(b) That a sale price enables purchasers of fur products to effectuate any savings in excess of the difference between the said price and the price at which comparable products were sold by respondents during the time specified or, if no time is specified, in excess of the difference between said price and the current price at which comparable products are sold by respondents.

3. Making pricing claims or representations of the type referred to in paragraph C (2) (a) and (b) above, unless there is maintained by respondents an adequate record disclosing the facts upon which such claims or representation are based.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT
OF COMPLIANCE

Pursuant to Sec. 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 7th day of July, 1955, become the decision of the Commission; and, accordingly:

It is 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 the order to cease and desist.

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IN THE MATTER OF

STANLEY L. ROSE ET AL. DOING BUSINESS AS SEW-EZY
MACHINE COMPANY, ETC.CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT*Docket 6295. Complaint, Feb. 18, 1955—Decision, July 8, 1955*

Consent order requiring a retailer in Hillside, Md., to cease "bait" advertising of his new and reconditioned vacuum cleaners and sewing machines for the purpose of obtaining leads to prospects, and to cease representing falsely guarantees of his products, makers of his new vacuum cleaners, and the length of his time in business.

Before *Mr. James A. Purcell*, hearing examiner.

Mr. Michael J. Vitale for the Commission.

Mr. Jack Pelitz, of Washington, D. C., 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 Stanley L. Rose and Ruth Rose, individuals, trading and doing business as Sew-Ezy Machine Company, Sew-Ezy Sewing Machine Company, Sew-Ezy Vacuum Cleaner Company and Sew-Ezy Sewing Machine and Vacuum Cleaner Company, 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. Respondents Stanley L. Rose and Ruth Rose, are individuals trading and doing business as Sew-Ezy Machine Company, Sew-Ezy Sewing Machine Company, Sew-Ezy Vacuum Cleaner Company, and Sew-Ezy Sewing Machine and Vacuum Cleaner Company. Said respondents, Stanley L. Rose and Ruth Rose, cooperate and act together in performing the acts and practices hereinafter set forth. Respondents' office and principal place of business is located at 5156 Benning Road, S. E., Hillside, Maryland.

PAR. 2. The respondents are now, and for more than one year last past have been, engaged in the sale and distribution of vacuum cleaners and sewing machines. In the course and conduct of their said business respondents have caused their vacuum cleaners and sewing