

Complaint

IN THE MATTER OF

HARVEY J. STRAUSS DOING BUSINESS AS
H. J. STRAUSS FURSCONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION AND THE FUR PRODUCTS LABELING ACTS*Docket 6371. Complaint, June 27, 1955—Decision, Oct. 12, 1955*

Consent order requiring a furrier in Lowell, Mass., to cease misbranding and falsely advertising fur products in violation of the Fur Products Labeling Act and the Federal Trade Commission Act.

Before *Mr. John Lewis*, hearing examiner.

Mr. John J. McNally for the Commission.

Mr. Wallace H. Levy, of Lowell, Mass., for respondent.

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 Harvey J. Strauss, an individual, doing business as H. J. Strauss Furs, 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 Harvey J. Strauss is an individual doing business as H. J. Strauss Furs, with his office and principal place of business located at 44 Bridge Street, Lowell, Massachusetts.

PAR. 2. Subsequent to the effective date of the Fur Products Labeling Act on August 9, 1952, respondent has advertised and offered for sale fur products in commerce, and has sold, advertised, offered for sale, transported and distributed fur products which have been 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.

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.

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PAR. 4. Certain of said fur products were misbranded in violation of the Fur Products Labeling Act and of the Rules and Regulations promulgated thereunder in that certain of the labels affixed thereto:

(a) Failed to meet the minimum size requirements of Rule 27 of the said Rules and Regulations.

(b) Contained non-required information intermingled with required information in violation of Rule 29 (a) of the Rules and Regulations.

(c) Set forth required information in handwriting in violation of Rule 29 (b) of the Rules and Regulations.

(d) Did not set forth an item number or mark assigned to such products, in violation of Rule 40 of the 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 required information was set forth in abbreviated form, in violation of Rule 4 of the Rules and Regulations promulgated thereunder.

PAR. 7. Certain of said fur products were falsely and deceptively advertised, in violation of the Fur Products Labeling Act. Respondent has caused the dissemination of certain advertisements concerning said products by means of newspapers, radio broadcasts, 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 and did aid, promote and assist, directly and indirectly, in the sale and offering for sale of said fur products.

PAR. 8. Among and including the advertisements referred to in Paragraph Seven hereof, but not limited thereto, were advertisements of respondent which appeared in various issues of the "Lowell Sun," a publication having wide circulation in the State of Massachusetts, and also having circulation in other States of the United States. Other advertisements of respondent were in the form of continuities broadcast over Radio Station WCAP, Lowell, Massachusetts; a radio station having wide coverage in the States of Massachusetts and New Hampshire.

PAR. 9. Certain of said fur products were falsely and deceptively advertised in that certain of the advertisements, disseminated in commerce as aforesaid by respondents, failed to set forth the information

required by Section 5 (a) of the Fur Products Labeling Act and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

Certain of said advertisements falsely and deceptively failed to disclose:

(a) The name or names of the animal or animals producing the fur or furs contained in the fur products, as set forth in the Fur Products Name Guide and as prescribed under the Rules and Regulations, in violation of Section 5 (a) (1) of the Fur Products Labeling Act;

(b) That fur products contained or were composed of bleached, dyed or otherwise artificially colored fur, when such was the fact, in violation of Section 5 (a) (3) of the Fur Products Labeling Act;

Certain of said advertisements also falsely and deceptively:

(c) Set forth certain of the required information in abbreviated form in violation of the Fur Products Labeling Act and of Rule 4 of the Rules and Regulations promulgated thereunder;

(d) Misrepresented, in violation of the Fur Products Labeling Act, and of Rule 44 (a) of the said Rules and Regulations, fur products as being offered at or for less than wholesale prices;

(e) Misrepresented, by means of comparative prices and percentage savings claims, not based upon current market values, the amount of savings to be effectuated by purchasers of said fur products, in violation of Rule 44 (b) of the said Rules and Regulations;

(f) Misrepresented, in violation of the Fur Products Labeling Act and of Rules 44 (c) and 49 of the Rules and Regulations promulgated thereunder, the aggregate value of the fur products being offered for sale by respondent;

(g) Misrepresented, in violation of the Fur Products Labeling Act and of Rules 44 (G) and 49 of the Rules and Regulations promulgated thereunder, that the advertised fur products were bankrupt stock, were purchased by respondent, and were from the stock of a famous and reputable furrier.

Respondent, in making the claims and representations as to value referred to in subparagraphs (d), (e) and (f) hereof, has failed to maintain full and adequate records disclosing the facts upon which such claims and representations were purportedly based, in violation of the Fur Products Labeling Act and Rule 44 (e) of the Rules and Regulations promulgated thereunder.

PAR. 10. The aforesaid acts and practices of respondent were in violation of the Fur Products Labeling Act and of the Rules and Regulations promulgated thereunder and constituted unfair and deceptive acts and practices under the Federal Trade Commission Act.

INITIAL DECISION BY JOHN LEWIS, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondent on June 27, 1955, charging him with having violated the Fur Products Labeling Act and the rules and regulations issued thereunder, and the Federal Trade Commission Act. After being served with said complaint, respondent appeared by counsel and entered into an agreement, dated August 5, 1955, containing a consent order to cease and desist disposing of all the issues in this proceeding without hearing. Said agreement has been submitted to the undersigned, heretofore duly designated to act as hearing examiner herein, for his consideration in accordance with Section 3.25 of the Rules of Practice and Procedure of the Commission.

Respondent, pursuant to the aforesaid agreement, has admitted all the jurisdictional allegations of the complaint and agreed that the record may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations. Said agreement further provides that respondent waive all further procedural steps before the hearing examiner or the Commission, including the making of findings of fact or conclusions of law and the right to challenge or contest the validity of the order to cease and desist entered in accordance with such agreement. It has also been agreed that the record herein shall consist solely of the complaint and said agreement, and that said agreement is for settlement purposes only and does not constitute an admission by respondent that he has violated the law as alleged in the complaint.

This proceeding having now come on for final consideration on the complaint and the aforesaid agreement containing consent order, and it appearing that the order provided for in said agreement covers all the allegations of the complaint and provides for an appropriate disposition of this proceeding, the same is hereby accepted and is ordered filed upon becoming part of the Commission's decision pursuant to Section 3.21 and 3.25 of the Rules of Practice and Procedure, and the hearing examiner, accordingly, makes the following findings, for jurisdictional purposes, and order:

1. Respondent Harvey J. Strauss is an individual doing business as H. J. Strauss Furs with his office and principal place of business located at 44 Bridge Street, in the city of Lowell, State of Massachusetts.

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

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Order

ORDER

It is ordered, That respondent, Harvey J. Strauss, an individual doing business as H. J. Strauss Furs, or under any other name, and respondent's representatives, agents and employees, directly or through an corporate or other device, in connection with the advertising or offering for sale of fur products in commerce, or in connection with the sale, advertising, offering for sale, transportation or distribution of fur products which have been 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 products 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, introduced it 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. Attaching to fur products labels which fail to meet the minimum size requirements of Rule 27 of the Rules and Regulations.

3. Setting forth on labels attached to fur products required information in handwriting, or mingled with non-required information.

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;

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(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 invoices;

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

2. Setting forth, on invoices pertaining to fur products, required information in abbreviated form.

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

2. Fails to disclose that fur products contain or are composed of bleached, dyed, or otherwise artificially colored fur when such is the fact;

3. Abbreviates words or terms of required information.

4. Represents, directly or by implication:

(a) That fur products are being offered at or for less than wholesale prices when such is contrary to the fact;

(b) That a sale price enable 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 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;

(c) The aggregate value of fur products to be greater than is the fact;

(d) That fur products are bankrupt stock, or that they were purchased by respondent, or were from the stock of a famous or reputable furrier when such is contrary to the fact.

5. Makes pricing claims or representations of the type referred to in Paragraph C (4) (a), (b), or (c) above, unless there is maintained by respondent full and adequate records disclosing the facts upon which such claims and representations are based, as required by Rule 44 (e) of the Rules and Regulations.

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Decision

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 12th day of October, 1955, become the decision of the Commission; and, accordingly:

It is 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 the order to cease and desist.

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IN THE MATTER OF

RICE'S FASHION CORNER, INC., ET AL.

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

Docket 6385. Complaint, June 30, 1955—Decision, Oct. 12, 1955

Consent order requiring a dealer in Norfolk, Va., to cease misbranding and falsely advertising ladies' weskit and skirt combinations, in violation of the Wool Products Labeling Act and the Federal Trade Commission Act.

Before *Mr. William L. Pack*, hearing examiner.
Mr. R. D. Young, Jr. for the Commission.

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 Rice's Fashion Corner, Inc., a corporation; and Irving G. Rice and Maurice Nordlinger, 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 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, Rice's Fashion Corner, Inc., is a corporation organized and existing under and by virtue of the laws of the State of Virginia. Respondent Irving G. Rice is President and respondent Maurice Nordlinger is Secretary-Treasurer and General Manager of said corporation respondent. These individual respondents formulate, direct and control the acts, policies and practices of the corporate respondent. The office and principal place of business of each and all of said corporate and individual respondents is located at 400 Granby Street, Norfolk 10, Virginia.

PAR. 2. Subsequent to the effective date of the Wool Products Labeling Act of 1939, and more especially since January, 1954, respondents have introduced into commerce, sold, transported, distributed, delivered for shipment and offered for sale in commerce as "commerce" is defined in said Act, wool products, as "wool products" are defined therein.