

Decision

IN THE MATTER OF
NIGBOR FURS, INC., ET AL.

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

Docket 6516. Complaint, Feb. 20, 1956—Decision, July 24, 1956

Consent order requiring furriers in Stevens Point, Wis., to cease violating the Fur Products Labeling Act by removing labels from fur products prior to their ultimate sale; by failing to comply with labeling requirements of the Act; and by advertisements in newspapers which failed to disclose the names of animals producing the furs and the country of origin, or that certain products were artificially colored, or which represented regular prices as reduced without maintaining adequate records upon which such pricing claims were based.

Mr. William A. Somers for the Commission.

INITIAL DECISION BY ROBERT L. PIPER, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondents on February 20, 1956, charging them with having violated the Fur Products Labeling Act, the rules and regulations issued thereunder, and the Federal Trade Commission Act, by misbranding and falsely advertising their fur products and by removing labels required to be affixed to such fur products. After the issuance of said complaint and the filing of their answer thereto, the respondents entered into an agreement, dated May 25, 1956, containing a consent order to cease and desist disposing of all the issues in this proceeding without hearing, which agreement has been duly approved by the Director of the Bureau of Litigation. 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 of the Commission.

Respondents, pursuant to the aforesaid agreement, have admitted all of 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 respondents 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 respondents' answer to the complaint shall be con-

sidered as having been withdrawn and the record herein shall consist solely of the complaint and said agreement, that the agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Commission, that said agreement 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 order to cease and desist shall have the same force and effect as if entered after a full hearing and may be altered, modified, or set aside in the manner provided for other orders, and that the complaint may be used in construing the terms of the order.

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

1. Respondent Nigbor Furs, Inc., is a corporation existing and doing business under and by virtue of the laws of the State of Wisconsin, and respondents Bernard E. Nigbor and Chester P. Nigbor are President and Vice President, respectively, of said corporate respondent, all with their office and principal place of business located at 553 Main Street, Stevens Point, Wisconsin.

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 Fur Products Labeling Act and the Federal Trade Commission Act, and this proceeding is in the interest of the public.

ORDER

It is ordered, That respondents Nigbor Furs, Inc., a corporation, and its officers, Bernard E. Nigbor and Chester P. Nigbor, individually and as officers of said corporation, and their agents, representatives and employees, directly or through any corporate or other device, in connection with the introduction, or the sale, advertisement, offering for sale, transportation or distribution 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 had been shipped and received in commerce, as "commerce," "fur" and "fur

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products" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Removing, or causing the removal or participating in the removal of, labels required to be affixed to fur products, prior to the time fur products are sold and delivered to the ultimate purchaser of such products.

B. 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) The name of the country of origin of any imported furs used in the fur product;

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

(D) The information required by Rule 36 of Rules and Regulations promulgated under the Fur Products Labeling Act, when the fur product is composed of two or more sections containing different animal furs.

2. Setting forth on labels attached to fur products non-required information mingled with required information.

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 the fur products contain or are composed of bleached, dyed, or otherwise artificially colored fur, when such is the fact;

3. Fails to disclose the name of the country of origin of the imported furs contained in the fur products;

4. Sets forth required information in abbreviated form;

5. Represents directly or by implication:

(A) That any of such products are manufactured by respondents when in truth and fact said fur products are not so manufactured;

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

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6. Makes comparative or percentage pricing claims, unless there are maintained by respondents full and adequate records disclosing facts upon which claims and representations are based, as required by Rule 44(e) of the Rules and Regulations.

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 24th day of July, 1956, 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.

Complaint

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IN THE MATTER OF
MINUTE MAID CORPORATION

ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF SEC. 2 (D)
OF THE CLAYTON ACT

Docket 6466. Complaint, Nov. 21, 1955—Decision, July 27, 1956

Consent order requiring a producer of frozen food products to cease paying some of its customers compensation for advertising its products while not making such payments available on proportionally equal terms to their competitors.

Before *Mr. Frank Hier*, hearing examiner.

Mr. Andrew C. Goodhope and *Mr. Fredric T. Suss* for the Commission.

Mr. William E. Speeler, of New York City, for respondent.

COMPLAINT

The Federal Trade Commission, having reason to believe that the party respondent named in the caption hereof, and hereinafter more particularly described, has violated the provisions of subsection (d) of Section 2 of the Clayton Act (U.S.C., Title 15, Sec. 13), as amended by the Robinson-Patman Act, hereby issues its complaint, stating its charges with respect thereto as follows:

PARAGRAPH 1. Respondent, Minute Maid Corporation, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Florida, with its office and principal place of business located at 488 Madison Avenue, New York 22, New York.

PAR. 2. Respondent is now and has been engaged in the production, sale and distribution of a number of frozen food products. The principal brand names under which respondent's products are sold are "Minute Maid" and "Snow Crop." Respondent sells its products throughout the United States through food brokers and distributors, and respondent also sells directly to retail grocery stores, including retail chain store organizations. Sales made by the respondent of its products are substantial, amounting to \$37,118,000 in the year 1954.

PAR. 3. In the course and conduct of its business, respondent has engaged in commerce, as "commerce" is defined in the Clayton Act, as amended. Respondent ships its products, or causes them to be transported, across state lines from the State of manufacture to customers located in other States of the United States and the District of Columbia.