

IN THE MATTER OF
CITY SPECIALTY STORES, INC., DOING BUSINESS AS
OPPENHEIM-COLLINS AND FRANKLIN SIMON

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

Docket 6502. Complaint, Feb. 10, 1956—Decision, Aug. 17, 1956

Consent order requiring a corporate operator in New York City of two chains of retail stores in the eastern United States to cease violating the Fur Products Labeling Act through failing to disclose in advertisements in newspapers and otherwise the names of animals producing certain fur products, the fact that certain products were artificially colored, and the country of origin of certain furs; setting forth the names of other animals than those producing the fur; misrepresenting prices as reduced from purported regular prices which were in fact fictitious; misrepresenting savings by means of comparative price claims not based on current market values; and misrepresenting the value of products.

Mr. John T. Walker for the Commission.

Mr. Henry Edward Schultz, of New York City, for respondent.

INITIAL DECISION BY J. EARL COX, HEARING EXAMINER

On February 10, 1956, the Federal Trade Commission issued its complaint in this proceeding, charging the respondent with violation of the Federal Trade Commission Act, the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder, by the use of false and deceptive advertising and unfair methods of competition in commerce, in connection with its fur products, some of which were offered for sale, sold, transported and distributed in commerce by respondent, and some of which were composed, in whole or in part, of fur which had been shipped and received in commerce.

Respondent filed with the Commission an answer to the complaint herein, but thereafter, on June 26, 1956, respondent, its counsel, and counsel supporting the complaint entered into an Agreement Containing Consent Order To Cease And Desist, which was approved by the Director and Assistant Director, Bureau of Litigation of the Commission, and transmitted to the Hearing Examiner for consideration.

The agreement identifies respondent City Specialty Stores, Inc. as a corporation existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 35 West 34th Street, New York, New York.

The agreement provides, among other things, that respondent admits all the jurisdictional facts alleged in the complaint and that the record herein may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations; that respondent's answer shall be considered withdrawn and that the record on which the initial decision and the decision of the Commission shall be based shall consist solely of the complaint and this 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 the complaint may be used in construing the terms of the order agreed upon, which may be altered, modified, or set aside in the manner provided for other orders; that the agreement is for settlement purposes only and does not constitute an admission by respondent that it has violated the law as alleged in the complaint; and that the order set forth in the agreement and hereinafter included in this decision shall have the same force and effect as if entered after a full hearing.

Respondent waives any further procedural steps before the Hearing Examiner and the Commission, the making of findings of fact or conclusions of law, and all of the rights it may have to challenge or contest the validity of the order to cease and desist entered in accordance with the agreement.

The order agreed upon fully covers all the issues raised in the complaint, and adequately prohibits the acts and practices charged therein as being in violation of the Federal Trade Commission Act, the Fur Products Labeling Act, and the Rules and Regulations promulgated under the Fur Products Labeling Act. Accordingly, the Hearing Examiner finds this proceeding to be in the public interest and accepts the Agreement Containing Consent Order To Cease And Desist as part of the record upon which this decision is based. Therefore,

It is ordered, That respondent, City Specialty Stores, Inc., a corporation, doing business under the trade names of Oppenheim-Collins or Franklin Simon, or under any other name, and its officers, 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:

Decision

53 F.T.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) 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 products contain or are composed of bleached, dyed, or otherwise artificially colored fur when such is a fact;

(c) The name of the country of origin of imported furs contained in fur products;

2. Contains the name or names of any animal or animals other than the name or names provided for in Paragraph 5(a)(1) of the Fur Products Labeling Act;

3. 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;

(b) That fur products are of a certain value or quality unless such representations or claims are true in fact;

4. Makes use of comparative prices or percentage savings claims unless such compared prices or claims are based upon the current market value of the fur product or upon a bona fide compared price at a designated time.

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 17th day of August, 1956, become the decision of the Commission; and, accordingly:

It is ordered, That respondent City Specialty Stores, Inc., a corporation, doing business under the trade names of Oppenheim-Collins and Franklin Simon, shall, within sixty (60) days after 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.

Commissioner Gwynne not participating.

Complaint

IN THE MATTER OF
REVLON PRODUCTS CORPORATION

ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF SECS. 2 (d)
AND 2 (e) OF THE CLAYTON ACT

Docket 6519. Complaint, Feb. 20, 1956—Decision, Aug. 17, 1956

Consent order requiring a manufacturer in New York City, with annual sales in excess of \$30,000,000, to cease discriminating in price among its competing customers in violation of Secs. 2(d) and 2(e) of the Clayton Act as amended, through paying money or other things of value and furnishing such services as demonstrators and promotional facilities in varying amounts not proportionally equal by any test to some customers but not to others competing with them.

Before *Mr. Robert L. Piper*, hearing examiner.

Mr. Cecil G. Miles for the Commission.

Blumberg, Singer & Blumenthal, of New York City, and *Davies, Richberg, Tydings & Landa*, of Washington, D.C., for respondent.

COMPLAINT

The Federal Trade Commission having reason to believe that Revlon Products Corporation (hereinafter sometimes designated as "respondent" or as "Revlon") has violated and is now violating the provisions of subsections (d) and (e) of Section 2 of the Clayton Act, as amended by the Robinson-Patman Act, approved June 19, 1936 (U.S.C. Title 15, Section 13), hereby issues its complaint stating its charges with respect thereto as follows:

PARAGRAPH 1. Respondent Revlon Products Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York with its principal office and place of business located at 745 Fifth Avenue, New York, New York.

PAR. 2. The respondent is now and for a number of years last past has been engaged in the business of manufacturing and selling cosmetics, beauty aids and toilet preparations, hereinafter sometimes referred to as cosmetic products or products. Said products are sold to customers with places of business located in the several states of the United States, other than the state in which respondent is located, and in the District of Columbia, for resale in said states and said District of Columbia. Respondent is a substantial factor in the cosmetic industry, in that its annual sales volume is in excess of \$30,000,000.

PAR. 3. In the course and conduct of its business, respondent has engaged in commerce, as "commerce" is defined in the aforesaid