

Decision

IN THE MATTER OF
I. J. FOX, INC., ET AL.ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATIONS OF THE FEDERAL
TRADE COMMISSION AND THE FUR PRODUCTS LABELING ACTS*Docket 6558. Complaint, May 25, 1956—Decision, Sept. 19, 1956*

Consent order requiring a Cleveland furrier of fur products to comply with the advertising, labeling, and invoicing requirements of the Fur Products Labeling Act.

Mr. Terral A. Jordan for the Commission.

Mendelsohn, Krottinger & Lane, by *Mr. Leonard Lane*, of Cleveland, Ohio, for respondents.

INITIAL DECISION BY ABNER E. LIPSCOMB, HEARING EXAMINER

The complaint herein was issued on May 25, 1956, alleging that the Respondents are, and subsequent to August 9, 1952, the effective date of the Fur Products Labeling Act, have been using unfair and deceptive acts and practices in commerce by misrepresenting certain of their fur products in newspaper, radio and television advertisements; by misbranding and falsely and deceptively invoicing such products; and by failing to maintain full and adequate records disclosing the facts upon which such representations were based, in violation of the Fur Products Labeling Act, the Rules and Regulations promulgated thereunder, and the Federal Trade Commission Act.

On August 7, 1956, no answer to the complaint herein having been filed, Respondents, their counsel, and counsel supporting the complaint entered into an Agreement Containing Consent Order To Cease And Desist, which was approved by the Director of the Commission's Bureau of Litigation, and thereafter submitted to the Hearing Examiner for consideration.

Respondent I. J. Fox, Inc. is identified in the agreement as an Ohio corporation, with its office and principal place of business located at 328 Euclid Avenue, Cleveland, Ohio, and Respondents Charles K. Fox and Max Weisman, respectively, are identified as president and secretary, and vice president and treasurer, thereof, having their office at the same address as the corporate Respondent.

Respondents admit all the jurisdictional facts alleged in the complaint and agree that the record may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations.

Respondents, in the agreement, waive any further procedure before the Hearing Examiner and the Commission; the making of findings of fact or conclusions of law; and all the rights they may have to challenge or contest the validity of the order to cease and desist entered in accordance therewith. All parties agree that the record on which the initial decision and the decision of the Commission shall be based shall consist solely of the complaint and the agreement; that the order to cease and desist as contained in the agreement 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 herein may be used in construing the terms of said order.

After consideration of the allegations of the complaint, and the provisions of the agreement and the proposed order, the Hearing Examiner is of the opinion that such order constitutes a satisfactory disposition of this proceeding. Accordingly, in consonance with the terms of the aforesaid agreement, the Hearing Examiner accepts the Agreement Containing Consent Order To Cease And Desist; finds that the Commission has jurisdiction over the Respondents and over their acts and practices as alleged in the complaint; and finds that this proceeding is in the public interest. Therefore,

It is ordered, That Respondents I. J. Fox, Inc., a corporation, and its officers, and Charles K. Fox and Max Weisman, individually and as officers of said corporation, and Respondents' agents, representatives and employees, directly or through any corporate or other device in connection with 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 products" 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;

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(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;

(c) Prices represented to be the regular or usual price of any fur products which are an amount in excess of the prices at which the respondents have usually or customarily sold such fur products in the recent regular course of their business;

3. Failing to show separately on labels attached to a fur product composed of two or more sections containing different animal furs the required information with respect to the fur comprising each said section;

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 indi-

rectly, 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 that produced 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 bleached, dyed or otherwise artificially colored fur, when such is the fact;

(c) 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 fur products are made from "pedigreed Persian Lambs" or which through the use of the word "pedigree" or any other word of similar import or meaning misrepresents the quality or characteristics of the fur products so advertised;

(b) 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;

D. Using comparative prices and percentage savings claims in advertising unless such prices and claims are based on current market values or unless the designated time of a bona fide compared price is given;

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

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 19th day of September, 1956, become the decision of the Commission; and accordingly:

It is ordered, That respondents I. J. Fox, Inc., a corporation, and Charles K. Fox and Max Weisman, individually and as officers of said corporation, 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.

Commissioners Gwynne and Mason not participating.

Decision

IN THE MATTER OF
ILLINOIS TRAVELING MEN'S HEALTH ASSOCIATION

ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION ACT

Docket 6454. Complaint, Nov. 18, 1955—Decision, Sept. 25, 1956

Consent order requiring a Chicago insurance company to cease misrepresenting the terms and conditions of its accident and health insurance policies in advertising matter and statements made by its agents.

Mr. William A. Somers for the Commission.

Ryan, Condon & Livingston, by *Mr. Earle Hurley* and *Mr. Hayes Kennedy*, of Chicago, Ill., for respondent.

INITIAL DECISION BY FRANK HIER, HEARING EXAMINER

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission on November 18, 1955, issued and subsequently served its complaint in this proceeding against respondent Illinois Traveling Men's Health Association, a corporation existing and doing business under and by virtue of the laws of the State of Illinois, with its office and principal place of business located at 332 South Michigan Avenue, Chicago, Illinois.

On August 14, 1956, there was submitted to the undersigned hearing examiner an agreement between the respondent and counsel supporting the complaint providing for the entry of a consent order. By the terms of said agreement, respondent admits all the jurisdictional facts alleged in the complaint; agrees that the record may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations; and agrees that the answer of respondent herein to the complaint shall be considered as having been withdrawn. By such agreement, respondent waives any further procedural steps before the hearing examiner and the Commission; waives the making of findings of fact and conclusions of law; and waives all of the rights it may have to challenge or contest the validity of the order to cease and desist entered in accordance with this agreement. Such agreement further provides that it disposes of all of this proceeding as to all parties; that the record on which this initial decision and the decision of the Commission shall be based shall consist solely of the complaint and this agreement; that the latter shall not become a part of the official record unless and until it becomes a part of the decision of the Commission; that the agreement is for settlement purposes only and does not consti-