

Decision

IN THE MATTER OF
BECKMAN-HAMMER FURS, ET AL.

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

Docket 6542. Complaint, Apr. 18, 1956—Decision, Nov. 7, 1956

Consent order requiring a Beverly Hills, Calif., furrier to cease violating the Fur Products Labeling Act by false and deceptive labeling, invoicing and advertising which, variously, identified certain furs by names of animals other than those producing the fur, failed to disclose that certain fur was secondhand, and misrepresented prices and values and source of stocks; by failing to maintain adequate records as a basis for purported reduced prices; by failing in other respects to comply with the requirements of the Act.

Mr. George E. Steinmetz for the Commission.

Mr. Sidney S. Kohn, of Los Angeles, Calif., for respondents.

INITIAL DECISION BY EVERETT F. HAYCRAFT, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondents on April 18, 1956, charging them with the use of unfair and deceptive 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 the issuance of said complaint and the filing of their answer thereto, the respondents entered into an agreement with counsel supporting the complaint, dated August 21, 1956, providing for the entry of a consent order disposing of all the issues in this proceeding, which agreement was duly approved by the Director and the Assistant Director of the Bureau of Litigation.

By the terms of said agreement, the respondents admitted all the jurisdictional facts alleged in the complaint and each of them agreed that the record herein may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations. Respondents in the agreement expressly waived 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 they and each of them may have to challenge or contest the validity of the order to cease and desist entered in accordance with the said agreement.

By said agreement the answer of the respondents to the complaint shall be considered as having been withdrawn in its entirety,

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and the record on which the initial decision and the decision of the Commission shall be based shall consist solely of the complaint and the said agreement. It was further agreed 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, and that said agreement is for settlement purposes only and does not constitute an admission by the respondents that they have violated the law as alleged in the complaint. The agreement also provided that the order to cease and desist issued in accordance with said agreement shall have the same force and effect as if entered after a full hearing; that it 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 by the hearing examiner on the complaint and the aforesaid agreement for consent order, and it appearing that said agreement provides for an appropriate disposition of this proceeding, the aforesaid agreement is hereby accepted and is ordered filed upon becoming part of the Commission's decision in accordance with Sections 3.21 and 3.25 of the Rules of Practice, and in consonance with the terms of said agreement, the hearing examiner makes the following jurisdictional findings and order:

1. Respondent Beckman-Hammer Furs is a corporation organized and doing business under and by virtue of the laws of the State of California, with its office and principal place of business located at 8729 Wilshire Boulevard, Beverly Hills, California. Respondents Harry L. Hammer and Arthur L. Cornsweet are the officers of said respondent corporation, and their addresses are the same as that of the corporate respondent.

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, Beckman-Hammer Furs, a corporation and its officers, and Harry L. Hammer and Arthur L. Cornsweet, individually and as officers of said corporation, 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,

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of fur products, or in connection with the sale, advertising, offer 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. Falsely or deceptively labeling or otherwise identifying any such product as to the name or names of the animal or animals that produced the fur from which such product was manufactured.

2. 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, 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.

3. Setting forth, on labels attached to fur products, the name or names of any animal or animals other than the name or names provided for in Paragraph A(2)(a) above.

4. Setting forth on labels attached to fur products:

(a) Required information in abbreviated form;

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

(c) Required information in handwriting.

5. Failure to show on labels attached to fur products an item number or mark assigned to fur products, in violation of Rule 40(a) of the Rules and Regulations.

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 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 required information in abbreviated form.

3. Failing to set forth on invoices an item number or mark assigned to fur products, in violation of Rule 40(a) of the Rules and Regulations.

4. Failing to set forth on invoices of fur products that such products are "second-hand," when such is a fact.

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. 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 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;

(c) That they have purchased the entire stock of an exclusive furrier, or terms of like import, when such is not the fact.

2. 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.

3. Makes pricing claims or representations of the types referred to in Paragraph C-1 and 2 above, unless there are maintained by respondents full and adequate records disclosing the facts upon which such claims or representations are based, as is required by Rule 44(e) of the aforesaid 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 7th day

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of November, 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.

IN THE MATTER OF
AMERICAN QUILT MANUFACTURING CO. ET AL.

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

Docket 6582. Complaint, June 29, 1956—Decision, Nov. 7, 1956

Consent order requiring a Chicago manufacturer of wool products, to cease violating the Wool Products Labeling Act by labeling as "All New Material Consisting of 100% All New Wool," bed comforters containing substantial amounts of other fibers and by failing to label certain comforters as required; and to cease violating the Federal Trade Commission Act by representing on advertising inserts that the comforters were moth proof and bacteria proof, by misrepresenting the constituent fibers, and by labeling with fictitious prices.

Mr. William R. Kearney for the Commission.

INITIAL DECISION BY FRANK HIER, HEARING EXAMINER

Pursuant to the provisions of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, the Federal Trade Commission on June 29, 1956, issued and subsequently served its complaint in this proceeding against respondent American Quilt Manufacturing Co., 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 913 West Roosevelt Road, Chicago, Illinois, and respondent Abraham Roth, individually and as an officer of the corporate respondent. The address of the individual respondent is the same as that of the corporate respondent.

On September 11, 1956, there was submitted to the undersigned hearing examiner an agreement between respondents and counsel supporting the complaint providing for the entry of a consent order. By the terms of said agreement, 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. By such agreement, respondents waive any further procedural steps before the hearing examiner and the Commission; waive the making of findings of fact and conclusions of law; and waive all of the rights they 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