

IN THE MATTER OF
CLINFORD COMB AND NOVELTY CO., INC., ET AL.

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

Docket 6550. Complaint, May 8, 1956—Decision, Dec. 27, 1956

Consent order requiring a concern in New York City to cease stamping and branding as "rubber" and "Atlas Rubber," combs made in large part of material other than rubber, and to cease representing falsely that they manufactured the merchandise they sold.

Mr. Charles S. Cox for the Commission.

Milton M. & Barnard B. Jacobs, of New York City, for respondents.

INITIAL DECISION BY LOREN H. LAUGHLIN, HEARING EXAMINER

On May 8, 1956, the Federal Trade Commission issued its complaint against the respondents herein and thereafter the respondents filed their answer thereto. Counsel supporting the complaint and the respondents have now submitted to the hearing examiner, however, for his approval an agreement for consent order, including a proposed order, which will result in a just disposition of all of the issues involved in this proceeding. Such agreement has been properly executed by the respondent Clinford Comb and Novelty Co., Inc., a corporation, by its President, Louis G. Katz, and by the individual respondents Louis G. Katz, both individually and as President and Secretary of said corporation, and Julius Wolfsie, both individually and as Vice President and Treasurer of said corporation. The agreement has also been signed by counsel supporting the complaint. Said agreement bears date of October 10, 1956, and it has been approved by the Director and Assistant Director of the Commission's Bureau of Litigation.

Upon due consideration of said agreement, the proposed order contained therein, and the complaint, the undersigned hearing examiner finds that said agreement has been properly prepared, approved, and submitted to him for his consideration and approval in accordance with the requirements of Sections 3.21 and 3.25 of the Commission's Rules of Practice for Adjudicative Proceedings, effective on and after May 21, 1955.

The hearing examiner specially finds that by the terms of said agreement all parties thereto have agreed that:

1. Respondent Clinford Comb and Novelty Co., Inc., is a cor-

poration existing and doing business under and by virtue of the laws of the State of New York. Individual respondents Louis G. Katz and Julius Wolfsie are President and Secretary, and Vice President and Treasurer, respectively, of the corporate respondent and formulate, direct and control the acts, practices and policies of the said corporate respondent. Respondents have their office and principal place of business at 103 East 125th Street, New York 35, New York.

2. Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission, on May 8, 1956, issued its complaint in this proceeding against respondents, and a true copy was thereafter duly served on respondents.

3. 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.

4. Said agreement disposes of all of this proceeding as to all parties.

5. Respondents waive 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 may have to challenge or contest the validity of the order to cease and desist entered in accordance with this agreement.

6. 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.

7. Said agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Commission.

8. 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.

9. The proposed order to cease and desist contained in the stipulation may be entered in this proceeding by the Commission without further notice to respondents. When so entered it shall have the same force and effect as if entered after a full hearing. It may be altered, modified or set aside in the manner provided for other orders. The complaint may be used in construing the terms of the order.

The hearing examiner further finds from the complaint and said agreement that the Commission has jurisdiction over the person of each and all of the respondents; that it has jurisdiction over the subject matter of this proceeding under the Federal Trade Commission Act; that the complaint sufficiently charges that respondents

Decision

53 F.T.C.

have committed acts violative of the provisions of the Federal Trade Commission Act; that this proceeding is to the interest of the public; and that the proposed order contained in said agreement is fully appropriate and adequate for the prompt and complete disposition of this proceeding and it should therefore be approved and issued by the hearing examiner as a part of this initial decision.

The agreement for consent order is therefore accepted by the hearing examiner in its entirety and ordered presently placed on file, solely for the consideration of the Commission but neither said agreement nor this initial decision and order shall become part of the official record of this proceeding, or be published unless, and until, this initial decision and order are approved by the Commission and the same thereby become final and a part of its official decision and order in this proceeding.

ORDER

It is ordered, That respondent Clinford Comb and Novelty Co., Inc., a corporation, and its officers, and respondents Louis G. Katz and Julius Wolfsie, 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 offering for sale, sale or distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act, of any combs designed for use on the human hair, do forthwith cease and desist from:

1. Representing directly or by implication by any advertisement, packaging, labeling, branding, stamping, or other marking or indication that such combs are "rubber," "Atlas Rubber," or "hard rubber" or are made of "rubber," "Atlas Rubber" or "hard rubber," unless such combs are in fact made of vulcanized hard rubber.

2. Representing through the use of the words "manufacturer of plastic products," "we are manufacturers" or any other word or words of similar import and meaning in circulars, letters or in any other manner, that they or any of them manufacture the merchandise sold by them.

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 27th day of December, 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.

Decision

IN THE MATTER OF
FIT-RITE WATCH CASE CORPORATION ET AL.

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

Docket 6604. Complaint, July 30, 1956—Decision, Dec. 27, 1956

Consent order requiring a New York City seller of watch cases to distributors and jobbers to cease stamping as "14 K" gold, watch cases manufactured from gold of 13½ karat fineness.

Mr. Donald K. King for the Commission.

Mr. Herbert S. Greenberg, of New York City, for respondents.

INITIAL DECISION BY JOSEPH CALLAWAY, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above named respondents on July 30, 1956, charging them with violation of the Federal Trade Commission Act as set forth in said complaint. After issuance and service of the complaint, all respondents on October 24, 1956, entered into an agreement for a consent order to cease and desist from the practices complained of which agreement disposes of all the issues in this proceeding without hearing. This agreement has been duly approved by the Assistant Director and Director of the Bureau of Litigation and has been submitted to the undersigned, heretofore designated to act as hearing examiner herein for his consideration in accordance with Rule 3.25 of the Rules of Practice of the Commission.

Respondents Fit-Rite Watch Case Corporation, a corporation, Alex Fenster, Harry Steingart (erroneously identified in the complaint and the caption hereof as Harry Steingardt) Murry Crown and Earl Freyeisen, individually, and as officers of said corporation in the aforesaid agreement have admitted all the jurisdictional facts alleged in the complaint and have agreed that the record may be taken as if findings of the jurisdictional facts had been duly made in accordance with such allegations. Said agreement provides further 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 into in accordance with the agreement. It has also been agreed that 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