

IN THE MATTER OF
MANUEL KASNOW TRADING AS KASNOW FURS

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

Docket 6767. Complaint, Apr. 8, 1957—Decision, Sept. 20, 1957

Consent order requiring a Chicago furrier to cease violating the Fur Products Labeling Act by removing the original manufacturer's label and substituting his own which failed to include all the information required by the Act, and by failing in other respects to comply with the labeling requirements; by advertising in newspapers which failed to disclose that certain fur products were used or secondhand, and represented falsely sale prices as reduced from regular prices which were in fact fictitious; and by failing to maintain adequate records as a basis for such claims of savings.

William A. Somers, Esq., for the Commission.

Thompson, Raymond, Mayer, Jenner & Bloomstein by Samuel W. Block, Esq., of Chicago, Ill., for respondent.

INITIAL DECISION BY ROBERT L. PIPER, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondent on April 8, 1957, charging him 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 his fur products. Respondent appeared by counsel and entered into an agreement, dated July 25, 1957, 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.

Respondent, pursuant to the aforesaid agreement, has 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 made duly in accordance with such allegations. Said agreement further provides that respondent 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 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 respondent that he has 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 agreement is hereby accepted and ordered filed upon this decision and said agreement becoming part of the Commission's decision pursuant to Sections 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 Manuel Kasnow is an individual trading and doing business as Kasnow Furs. The office and principal place of business of respondent is located at 20 East Jackson Boulevard, in the city of Chicago, State of Illinois.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent hereinabove named. The complaint states a cause of action against said respondent 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 respondent Manuel Kasnow, an individual trading as Kasnow Furs, or trading under any other name, and his agents, representatives and employees, directly or through any corporate or other device, in connection with the introduction, sale, advertising, or offering for sale in commerce, or the transportation or distribution of fur products, 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 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. Failing to affix labels to fur products showing:

(a) The name or names of the 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.

Order

54 F.T.C.

(b) That the fur product contains or is composed of used fur, when such is the fact.

(c) That the fur product contains or is composed of bleached, dyed, or artificially colored fur, when such is the fact.

(d) That the fur product is composed in whole or in substantial part of paws, tails, bellies or waste fur, when such is the 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.

2. 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.

B. 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 that the fur product is composed of used fur, as required by Rule 21, when such is the fact.

2. Fails to disclose that the fur product is second-hand, in violation of Rule 23, when such is the fact.

3. Represents directly or by implication that respondent's regular price of any fur product is any amount which is in excess of the price at which the respondent has regularly or customarily sold or offered for sale in good faith fur products of like grade and quality in the recent regular course of his business.

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

D. Making comparative or percentage pricing claims of the nature set out in Paragraphs B. 3. and C hereof, unless there are maintained by respondent full and adequate records disclosing facts upon which such claims and representations are based, as required by Rule 44 (e) of the Rules and Regulations.

It is further ordered. That respondent Manuel Kasnow, an individual trading as Kasnow Furs, or trading under any other name, and his agents, representatives and employees, directly or through any corporate or other device, do forthwith cease and desist from

378

Decision

misbranding fur products, in violation of Section 3(e) of the Fur Products Labeling Act, by substituting his own labels on such fur products, following their receipt in commerce, which labels fail to show all of the information required by Section 4(2) of the said Act and the Rules and Regulations promulgated thereunder.

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 20th day of September, 1957, become the decision of the Commission; and, accordingly:

It is ordered, That the respondent herein 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.

IN THE MATTER OF
OTARION, INC., ET AL.

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

Docket 6757. Complaint, Apr. 3, 1957—Decision, Sept. 21, 1957

Consent order requiring a manufacturer of hearing aid instruments, parts, and accessories in Dobbs Ferry, N.Y., and its franchise distributor in the District of Columbia, to cease representing falsely in advertisements in newspapers, magazines, circulars, etc., furnished by said manufacturer to its distributors in the form of mats, that their "Listener" hearing aid was cordless, could not be seen, required nothing in either ear, and was completely contained in and could not be distinguished from ordinary eyeglasses.

Mr. Kent P. Kratz for the Commission.

Benjamin, Galton & Robbins, of New York, N.Y., for respondents.

INITIAL DECISION BY FRANK HIER, HEARING EXAMINER

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission on April 3, 1957, issued and subsequently served its complaint in this proceeding against respondents Otarion, Inc., a corporation existing and doing business under and by virtue of the laws of the State of New York, Leland E. Rosemond, individually and as president-treasurer of Otarion, Inc., Rosemond Hearing Aid Company, Inc., a corporation existing and doing business under and by virtue of the laws of the District of Columbia, and Ward T. Rosemond, individually and as president of Rosemond Hearing Aid Company, Inc. The office and principal place of business of respondents Otarion, Inc. and Leland E. Rosemond is located at 185-7 Ashford Avenue, Dobbs Ferry, New York, and that of respondents Rosemond Hearing Aid Company, Inc. and Ward T. Rosemond is located at 1410 New York Avenue, N.W., Washington, D.C.

On August 5, 1957, 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