

IN THE MATTER OF
PARFUMERIE LIDO, INC., ET AL.

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

Docket 6688. Complaint, Dec. 11, 1956—Decision, Oct. 4, 1957

Consent order requiring a seller in New York City to cease, on labels and in advertising, representing fictitious prices as the customary prices of perfumes and colognes and representing falsely that such products were compounded in France.

Mr. Kent P. Kratz for the Commission.

Sherman & Citron, of New York, N.Y., by *Mr. Cecil A. Citron* for Parfumerie Lido, Inc., and Alexander S. Salz.

Mr. Berthold Dilloff, of New York, N.Y., pro se.

INITIAL DECISION BY WILLIAM L. PACK, HEARING EXAMINER

The complaint in this matter charges the respondents with violation of the Federal Trade Commission Act through the making of certain misrepresentations in connection with perfume products sold by them. Agreements have now been entered into by respondents and counsel supporting the complaint which provide, among other things, that respondents admit all of the jurisdictional allegations in the complaint; 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 respective agreements; that the inclusion of findings of fact and conclusions of law in the decision disposing of this matter is waived, together with any further procedural steps before the hearing examiner and the Commission; that the orders set forth in the agreements may be entered in disposition of the proceeding as to the respective respondents, such orders to have the same force and effect as if entered after a full hearing, respondents specifically waiving any and all rights to challenge or contest the validity of such orders; that the orders may be altered, modified, or set aside in the manner provided for other orders of the Commission; that the complaint may be used in construing the terms of the orders; and that the agreements are for settlement purposes only and do not constitute an admission by respondents that they have violated the law as alleged in this complaint.

The hearing examiner having considered the agreements and proposed orders and being of the opinion that they provide an adequate basis for appropriate disposition of the proceeding, the agreements

are hereby accepted, the following jurisdictional findings made, and the following order issued (the orders in the two agreements being identical except as to the respondents named therein, the orders are here consolidated into one order):

1. Respondent Parfumerie Lido, Inc., is a corporation organized, 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 at 115 West 30th Street, New York, New York. Respondent Alexander S. Salz is founder and president of the corporation and formulates, directs and controls its policies, acts and practices. Respondent Salz and respondent Berthold Dilloff were formerly partners in a business known as Lido Products Company, such partnership having since been dissolved.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That respondent Parfumerie Lido, Inc., a corporation, its officers, and respondent Alexander S. Salz, individually and as an officer of said corporation and formerly trading as Lido Products Company, or trading under any other name; and respondent Berthold Dilloff, individually and formerly trading as Lido Products Company, or trading under any other name; and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of perfumes, colognes, or any other related product do forthwith cease and desist from directly or indirectly:

1. Disseminating or causing to be disseminated any advertisement, by means of the United States mails or by any means in commerce, as "commerce" is defined in the Federal Trade Commission Act, for the purpose of inducing or which is likely to induce, directly or indirectly, the purchase of said products, which advertisement:

(a) Contains or lists prices or amounts when such prices or amounts are in excess of the prices at which the products are usually and customarily sold at retail;

(b) Uses the words "Design Created in Paris," "25 Rue Montgolfier, Paris," "Sole United States Distributor," "Originated in France," "Imported French Perfume," "French Perfume," "Famous French Perfume," "Imported From France," "Created in France," or "New York-Paris" in connection with any products not manufactured or compounded in France; or otherwise representing, directly

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or by implication, that such products are manufactured or compounded in France;

(c) Uses any French name or word as a corporate or trade name or as a part thereof or any name, word, term or depiction indicative of French origin in connection with products manufactured or compounded in the United States unless it is clearly and conspicuously revealed in immediate connection and conjunction therewith that such products are manufactured or compounded in the United States.

2. Disseminating or causing to be disseminated any advertisement, by any means, for the purpose of inducing or which is likely to induce, directly or indirectly, the purchase of said products in commerce, as "commerce" is defined in the Federal Trade Commission Act, which advertisement contains any of the representations prohibited in Paragraph 1 of this order.

It is further ordered, That respondent Parfumerie Lido, Inc., a corporation, its officers, and respondent Alexander S. Salz, individually and as an officer of said corporation and formerly trading as Lido Products Company, or trading under any other name; and respondent Berthold Dilloff, individually and formerly trading as Lido Products Company, or trading under any other name; and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of perfumes, colognes or any other related product in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Setting out prices or amounts on the labels or in the labeling of their products, when such prices or amounts are in excess of the prices at which such products are usually and customarily sold at retail.

2. Using the words "Design Created in Paris," "25 Rue Montgolfier, Paris," "Sole United States Distributor," "Originated in France," "Imported French Perfume," "French Perfume," "Famous French Perfume," "Imported From France," "Created in France," or "New York-Paris" on the labels or in the labeling in connection with any products not manufactured or compounded in France, or otherwise representing, directly or by implication, on the labels or in the labeling that such products are manufactured or compounded in France.

3. Using any French name or word as a corporate or trade name or as a part thereof or any name, word, term or depiction indicative of French origin, on the label or in the labeling of products manufactured or compounded in the United States unless it is clearly and conspicuously revealed in immediate connection and conjunction

therewith that such products are manufactured or compounded in the United States.

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 4th day of October, 1957, 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

RIT-ZIE NOVELTY COMPANY, INC., ET AL.

Docket 6354. Complaint, May 16, 1955—Decision, Oct. 7, 1957

VICTOR B. HANDAL & BRO., INC., ET AL.

Docket 6375. Complaint, June 27, 1955—Decision, Oct. 7, 1957

RELIANCE INTERCONTINENTAL CORPORATION ET AL.

*Docket 6520. Complaint, Feb. 28, 1956—Decision, Oct. 7, 1957*CONSENT ORDERS, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION AND THE FLAMMABLE FABRICS ACTS

Consent orders requiring three importers in New York City to cease violating the Flammable Fabrics Act by importing into the United States from Japan and selling and transporting in commerce silk scarves which were so highly inflammable as to be dangerous when worn.

Before *Mr. James A. Purcell*, hearing examiner.

Mr. Brockman Horne for the Commission.

Weil, Gotshal & Manges, of New York City, for respondents.

OPINION OF THE COMMISSION

By ANDERSON, Commissioner:

Upon the closing on the record of the case-in-chief in support of the complaint in each of the above-captioned proceedings, all of the parties thereto, moving through counsel supporting the complaint, on July 8, 1957, sought and obtained from the hearing examiner a deferment of the reception of evidence in opposition to the allegations of the complaint for the purpose of permitting negotiation of agreements containing cease and desist orders disposing of each of the proceedings. Thereafter, at a duly noticed hearing in New York on July 18, 1957, the record discloses agreements in each of the three cases had been negotiated and executed. Subsequently, on July 25, 1957, they were submitted to the hearing examiner under one memorandum of transmittal. The agreements were rejected by the hearing examiner. Counsel supporting the complaints and counsel for respondents in all three matters have filed joint appeal from that ruling as permitted under § 3.25 of the Commission's Rules of Practice.

The hearing examiner predicates his rejection of the consent agreements, first, upon the ground that respondents have “* * * availed themselves of delaying tactics and of every possible avenue of de-