

Decision

IN THE MATTER OF

HARTLEY FURS, INC., ET AL.

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

Docket 6959. Complaint, Nov. 25, 1957—Decision, Apr. 15, 1958

Order requiring furriers in Minneapolis, Minn., to cease violating the Fur Products Labeling Act by failing to label and invoice fur products as required; and by advertising in newspapers which failed to disclose the country of origin of imported furs, used comparative prices and percentage savings claims and represented that the selling prices were reduced from regular prices without maintaining adequate records upon which the pricing claims were based.

Mr. Harry E. Middleton, Jr., for the Commission.

No appearance for respondents.

INITIAL DECISION BY EARL J. KOLB, HEARING EXAMINER

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act, the Federal Trade Commission on November 25, 1957, issued and subsequently served its complaint in this proceeding upon the respondents Hartley Furs, Inc., a corporation, and Bernard Oksengorin, Raja Oksengorin, and Mike Engel, individually and as officers of said corporation, charging them with the use of unfair and deceptive acts and practices and unfair methods of competition in commerce in violation of the provisions of said acts. Subsequent thereto, said respondents failed to file their answers in this proceeding or to appear before the hearing examiner on February 10, 1958, the date set for the initial hearing in the complaint, and were declared in default. At said initial hearing counsel in support of the complaint was present and submitted a proposed order for consideration by the hearing examiner. Respondents being in default both as to answering the complaint and as to appearance at the initial hearing, and the hearing examiner having considered the proposed order submitted by counsel in support of the complaint and the record herein and being now duly advised in the premises makes the following findings as to the facts, conclusions drawn therefrom and order pursuant to rule 3.7 of the Commission's rules of practice:

1. Hartley Furs, Inc., is a corporation organized and doing business under and by virtue of the laws of the State of Minnesota. Respondents Bernard Oksengorin, Raja Oksengorin, and Mike Engel are officers of the said corporate respondent and they formulate, direct, and

control the acts, policies, and practices of said corporate respondent. The said corporate respondent and said individual respondents have their office and principal place of business at 1500 West Lake Street, Minneapolis, Minn.

2. Subsequent to the effective date of the Fur Products Labeling Act on August 9, 1952, respondents have been, and are now, engaged in the introduction into commerce, and in the manufacture for introduction into commerce, and in the sale, advertising, and offering for sale in commerce, and in the transportation and distribution in commerce of fur products, and have manufactured for sale, sold, advertised, offered for sale, transported, and distributed fur products which have been made in whole or in part of fur which had been shipped and received in commerce, as "commerce," "fur," and "fur product" are defined in the Fur Products Labeling Act.

3. Certain of said fur products were misbranded in that they were not labeled as required under the provisions of section 4(2) of the Fur Products Labeling Act, and in the manner and form prescribed by the rules and regulations promulgated thereunder.

4. Certain of said fur products were misbranded in violation of the Fur Products Labeling Act in that they were not labeled in accordance with the rules and regulations promulgated thereunder in the following respects:

(a) Information required under section 4(2) of the Fur Products Labeling Act and the rules and regulations thereunder was set forth in abbreviated form in violation of rule 4 of the aforesaid rules and regulations.

(b) Information required under section 4(2) of the Fur Products Labeling Act and the rules and regulations thereunder was mingled with nonrequired information in violation of rule 29(a) of the aforesaid rules and regulations.

(c) Information required under section 4(2) of the Fur Products Labeling Act, and the rules and regulations thereunder was set forth in handwriting on labels in violation of rule 29(b) of the aforesaid rules and regulations.

(d) Required item numbers were not set forth on labels in violation of rule 40 of the aforesaid rules and regulations.

5. Certain of said fur products were falsely and deceptively invoiced in violation of the Fur Products Labeling Act in that they were not invoiced in accordance with the rules and regulations promulgated thereunder in that:

(a) Information required under section 5(b)(1) of the Fur Products Labeling Act and the rules and regulations thereunder was set forth

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in abbreviated form in violation of rule 4 of the aforesaid rules and regulations.

(b) Required item numbers or marks were not set forth on invoices in violation of rule 40 of the aforesaid rules and regulations.

6. Certain of said fur products were falsely and deceptively advertised in violation of the Fur Products Labeling Act in that respondents caused the dissemination in commerce, as "commerce" is defined in said act, of certain newspaper advertisements concerning said products which advertisements were not in accordance with the provisions of section 5(a) of the said act and the rules and regulations promulgated thereunder; and which advertisements were intended to aid and did aid, promote and assist, directly or indirectly, in the sale and offering for sale of said fur products.

7. Among and included in the said advertisements, but not limited thereto, were advertisements of the respondents published in the Minneapolis Star, a newspaper published in the city of Minneapolis, State of Minnesota, and having a substantial circulation in the said State and various other States of the United States. By means of such advertisements, as well as others of similar import not specifically referred to herein, respondents falsely and deceptively advertised their fur products in that said advertisements failed to disclose the name of the country of origin of any imported furs contained in fur products in violation of section 5(a)(6) of the Fur Products Labeling Act.

8. In advertising and offering the said fur products for sale, as aforesaid, respondents used comparative prices and percentage savings claims and represented that the prices at which said fur products were offered for sale were reduced prices from the regular or usual prices of the said fur products. Respondents in making such pricing claims and representations failed to maintain full and adequate records disclosing the facts upon which these claims and representations were based, in violation of rule 44(e) of the aforesaid rules and regulations.

CONCLUSION

The aforesaid acts and practices of respondents, as herein found are in violation of the Fur Products Labeling Act and the rules and regulations promulgated thereunder and constitute unfair and deceptive acts and practices in commerce under the Federal Trade Commission Act.

ORDER

It is ordered, That respondents, Hartley Furs, Inc., a corporation, and its officers, and Bernard Oksengorin, Raja Oksengorin and Mike Engel, 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 or manufacture for introduction into commerce or the sale, advertising, or offering for sale in commerce, or the transportation or distribution in commerce, of any fur products, or in connection with the manufacture for sale, sale, advertising, offering for sale, transportation, or distribution of any 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 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 the fact;

(c) That the fur product contains or is composed of bleached, dyed, or otherwise 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;

(g) The item number or mark assigned to a fur product.

2. Setting forth on labels attached to fur products:

(a) Nonrequired information mingled with information that is required under section 4(2) of the act and the rules and regulations thereunder;

(b) Information required under section 4(2) of the act and the rules and regulations thereunder in abbreviated form or in handwriting.

B. Falsely or deceptively invoicing fur products by:

1. Failing to furnish invoices to purchasers of fur products showing the item number or mark assigned to a fur product.

2. Setting forth information required under section 5(b)(1) of the act and the rules and regulations thereunder in abbreviated form.

C. Falsely or deceptively advertising fur products, through the use of any advertisement, representation, public announcement, or notice

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which is intended to aid, promote or assist directly or indirectly, in the sale or offering for sale of fur products, and which fails to disclose the name of the country of origin of any imported furs contained in the fur product.

D. Making use of price reductions, comparative prices and percentage savings claims in advertising unless there are maintained by respondents full and adequate records 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 15th day of April 1958, 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
JORDAN'S INC., ET AL.

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

Docket 6986. Complaint, Nov. 8, 1957—Decision, Apr. 16, 1958

Consent order requiring furriers in Erie, Pa., to cease violating the Fur Products Labeling Act by failing to label and invoice fur products as required.

Mr. Harry E. Middleton, Jr., supporting the complaint.

Mr. Nathan H. Gates, of New York, N.Y., for respondents.

INITIAL DECISION BY JOSEPH CALLAWAY, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondents on November 8, 1957, charging them with having violated the Fur Products Labeling Act, the rules and regulations issued thereunder, and the Federal Trade Commission Act by misbranding and falsely invoicing their fur products. After being served with the complaint respondents entered into an agreement, dated January 13, 1958, 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 assistant director and 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.

Respondents, pursuant to the aforesaid agreement, have 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 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 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 respondents that they have violated the law as