

Decision

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IN THE MATTER OF
BASKIN FURS, INC., ET AL.

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

Docket 7158. Complaint, May 27, 1958—Decision, Oct. 11, 1958

Consent order requiring furriers in Washington, D.C., to cease violating the labeling, invoicing, and advertising requirements of the Fur Products Labeling Act.

Frederick McManus, Esq., for the Commission.

Webster Ballinger, Esq., of Washington, D.C., for respondents.

INITIAL DECISION BY ROBERT L. PIPER, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondents on May 27, 1958, 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 representing their fur products. Respondents appeared by counsel and entered into an agreement, dated August 7, 1958, containing a consent order to cease and desist, disposing of all the issues in this proceeding without further hearings, 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 §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

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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, 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 §§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 Baskin Furs, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware. Individual respondents Emanuel Baskin and Sylvia Baskin Vogel are president and secretary-treasurer, respectively, of said corporation and cooperate in formulating, directing and controlling the acts, practices and policies of the corporate respondent. The address and principal place of business of both the corporate respondent and the individual respondents is located at 719 G Street, NW., Washington, D.C. The corporate respondent sometimes trades as Baskin Furs.

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 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 respondents, Baskin Furs, Inc., a corporation, and its officers, and Emanuel Baskin and Sylvia Baskin Vogel, 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 manufacture for introduction into commerce, or the sale, advertising, or offering for sale in commerce, or the

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transportation or distribution in commerce of fur products, or in connection with the manufacture for sale, 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. Falsely or deceptively labeling or 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 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, 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:

(a) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations thereunder in abbreviated form;

(b) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations thereunder mingled with nonrequired information;

4. Failing to show on labels attached to fur products all of the information required under section 4(2) of the Fur Products Labeling Act and the Rules and Regulations thereunder on one side of the label.

B. Falsely or deceptively invoicing fur products by:

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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 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 and address of the person issuing such invoice;

(f) The name of the country of origin of any imported fur contained in a fur product;

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

2. Setting forth information required under Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations thereunder in abbreviated form;

3. Using the term "blended" to describe the pointing, bleaching, dyeing or tip-dyeing of furs.

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. Fails to disclose:

(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 bleached, dyed or otherwise artificially colored fur, when such is the fact;

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

2. Contains the name or names of any animal or animals other than the name or names specified in Section 5(a)(1) of the Fur Products Labeling Act;

3. Contains the term "blended" to describe the pointing, bleaching, dyeing or tip-dyeing of furs;

4. Represents, directly or by implication:

(a) That the regular or usual price of any fur product is any

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amount which is in excess of the price at which the respondents have usually and customarily sold such products in the recent regular course of their business;

(b) That the regular or usual price charged by respondents for any fur product in the recent regular course of their business is reduced in direct proportion to the amounts of savings stated in percentage savings claims, when contrary to fact;

(c) That any such products are the stock of a business in a state of liquidation, unless such is the fact;

(d) That the sources of fur products are other than the true sources thereof;

(e) That the prices at which fur products are offered for sale are wholesale prices or are less than wholesale cost, unless such is the fact.

D. Making claims and representations in advertisements respecting comparative prices, percentage savings claims, claims that prices are reduced from regular or usual prices or that fur products are offered at wholesale prices, unless respondents maintain 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 11th day of October 1958, become the decision of the Commission; and, accordingly:

It is ordered, That the above-named respondents 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.

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IN THE MATTER OF
JOSEPH J. PINKUS DOING BUSINESS AS
PRACTICAL RESEARCH COMPANY, ETC.

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

Docket 7177. Complaint, June 27, 1958—Decision, Oct. 11, 1958

Consent order requiring the distributor of "K-12" reducing preparation to cease representing falsely in advertising in newspapers, magazines, etc., that such product was safe to use by all obese persons and enabled them to lose weight without dieting and to lose a certain number of pounds in a given period.

Mr. Morton Nesmith and Mr. Berryman Davis for the Commission.

Fast & Fast, by Mr. Herman L. Fast, of Newark, N.J., for respondent.

INITIAL DECISION BY EVERETT F. HAYCRAFT,
HEARING EXAMINER

On June 27, 1958, the Federal Trade Commission issued its complaint against the above-named respondent, charging him with the use of an unfair and deceptive act and practice in commerce in violation of the provisions of the Federal Trade Commission Act in the dissemination of false advertisements of a drug preparation designated "K-12." In lieu of submitting answer to said complaint, the respondent entered into an agreement for consent order with counsel supporting the complaint disposing of all the issues in this proceeding in accordance with Section 3.25 of the Rules of Practice and Procedure of the Commission, which agreement has been duly approved by the Bureau of Litigation.

By the terms of said agreement, the respondent admitted all the jurisdictional facts alleged in the complaint and agreed that the record may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations. Respondent 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 he may have to challenge or contest the validity of the order to cease and desist entered in accordance with this agreement. It was further provided that said agreement, together with the complaint,