

Decision

IN THE MATTER OF
J. LICHTERMAN, INC., ET AL.

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

Docket 7183. Complaint, July 11, 1958—Decision, Nov. 14, 1958

Consent order requiring a furrier in Philadelphia, Pa., to cease violating the Fur Products Labeling Act by failing to invoice fur products as required; by advertising by means of letters, tickets, brochures, etc., which represented selling prices as reduced from so-called regular prices which were in fact fictitious, misrepresented percentage savings through the use of such claims as "Half price sale"; and by failing to maintain adequate records on which such savings representations were based.

Mr. S. F. House for the Commission.

Schnader, Harrison, Segal & Lewis, by *Mr. Edward W. Mullinix*, of Philadelphia, Pa., for respondents.

INITIAL DECISION BY J. EARL COX, HEARING EXAMINER

The complaint charges respondents with falsely and deceptively invoicing and advertising certain of their fur products, and with failing to maintain full and adequate records disclosing the facts upon which their comparative pricing claims and representations were based, in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder, and of the Federal Trade Commission Act.

After the issuance of the complaint, respondents, their counsel, and counsel supporting the complaint entered into an agreement containing consent order to cease and desist, which was approved by the director and an assistant director of the Commission's Bureau of Litigation, and thereafter transmitted to the hearing examiner for consideration.

The agreement states that respondent J. Lichterman, Inc., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Pennsylvania, with its office and principal place of business located at 122 South 13th Street, Philadelphia, Pa.

The agreement also states that respondent Arthur D. Lichterman is president of said corporate respondent, formulates, controls, and directs the acts, practices and policies thereof, and has the same address as that of said corporate respondent.

The agreement provides, among other things, that 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; that 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; 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 the complaint may be used in construing the terms of the order agreed upon, which may be altered, modified or set aside in the manner provided for other orders; that the agreement is for settlement purposes only and does not constitute an admission by the respondents that they have violated the law as alleged in the complaint; and that the order set forth in the agreement and hereinafter included in this decision shall have the same force and effect as if entered after a full hearing.

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 the agreement.

The order agreed upon fully disposes of all the issues raised in the complaint, and adequately prohibits the acts and practices charged therein as being in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder, and of the Federal Trade Commission Act. Accordingly, the hearing examiner finds this proceeding to be in the public interest, and accepts the agreement containing consent order to cease and desist as part of the record upon which this decision is based. Therefore,

It is ordered, That respondents J. Lichterman, Inc., a corporation, and its officers, and Arthur D. Lichterman, individually and as an officer 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, offering for sale in commerce, or the 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 de-

fined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Falsely or deceptively invoicing fur products by:

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 persons issuing such invoice;

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

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. Represents, directly or by implication, that their regular or usual price of any fur product is any amount which is in excess of the price at which the respondents have usually and customarily sold such product in the recent and regular course of their business;

2. Represents, directly or by implication, through percentage savings claims, or otherwise, that the customary or usual retail price charged by respondents for any fur product in the recent regular course of their business is reduced in direct proportion to the amount of savings stated in the percentage savings claims, when contrary to the fact;

C. Making price claims and representations in advertisements respecting comparative prices, percentage savings claims, or claims that prices are reduced from regular or usual prices of fur products, unless there are maintained by respondents full and adequate records disclosing the facts upon which such claims or representations are based.

Decision

55 F.T.C.

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 14th day of November 1958, become the decision of the Commission; and, accordingly:

It is ordered, That respondents J. Lichterman, Inc., a corporation, and Arthur D. Lichterman, individually and as an officer of said corporation, 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.

Complaint

IN THE MATTER OF
LONGINES-WITTNAUER WATCH COMPANY, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT AND OF SEC. 2(d) OF THE CLAYTON ACT

Docket 7117. Complaint, Apr. 10, 1958—Decision, Nov. 15, 1958

Consent order requiring importers of jeweled watch movements and parts from Switzerland which they assembled in their New York workshops, with sales in 1955 in excess of \$20,000,000, to cease making payments for newspaper, television, and other advertising to a chain of retail jewelry stores—including six in and around Philadelphia and one in Norfolk, Va., and which acted as buyer also, and handled advertising, for four other affiliated retail jewelry dealers located in the Delaware Valley of Pennsylvania and New Jersey—without making such payments available on proportionally equal terms to all their other customers competing with such favored buyers; and requiring aforesaid retail jewelry chain and its affiliates to cease knowingly inducing and receiving such payments in excess of the limit of 3% of the amount of purchases from respondents' sellers and 50% of the cost of advertising, as set by said sellers for all other customers competing with the favored chain and affiliates.

COMPLAINT

The Federal Trade Commission, having reason to believe Longines-Wittnauer Watch Company, Inc., a corporation, and Vacheron & Constantin-Le Coultre Watches, Inc., a corporation, have violated and are now violating the provisions of subsection (d) of Section 2 of the Clayton Act (U.S.C. Title 15, Sec. 13), as amended by the Robinson-Patman Act, and the Commission having further reason to believe that Associated Barr Stores, Inc., a corporation, and Myer B. Barr, as an individual and as president of Associated Barr Stores, Inc., have violated and now are violating the provisions of Section 5 of the Federal Trade Commission Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges with respect thereto as follows:

Count I

PARAGRAPH 1. Respondents Longines-Wittnauer Watch Company, Inc., and Vacheron & Constantin-Le Coultre Watches, Inc., are corporations organized, existing, and doing business under and by virtue of the laws of the State of New York. Both said respondents have their principal office and place of business at