

IN THE MATTER OF
WORLD WIDE WATCH CO., INC., ET AL.

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

Docket 7076. Complaint, Feb. 28, 1958—Decision, Jan. 21, 1959

Consent order requiring distributors in New York City to cease misrepresenting their "Harvester" brand watches by imprinting on dials and cases the words "jeweled," "17 jewels," "water resistant," and "waterproof," and using the same terms, as well as the words "Fully guaranteed," on circulars, display cards, posters, and tags distributed to jobbers and dealer for use in resale of the watches; and to cease attaching to the watches, or furnishing to dealers for use in resale, tags bearing fictitious and excessive prices represented thereby as the usual selling prices.

Mr. Ames W. Williams for the Commission.

Mr. Jacob Steinberg, of Brooklyn, 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 February 28, 1958, issued and subsequently served its complaint in this proceeding against respondents World Wide Watch Co., Inc., a corporation existing and doing business under and by virtue of the laws of the State of New York, and Jack Bloom, Nettie Bloom, Bernard Bloom and Harriet Bloom, individually and as officers of said corporation.

On November 26, 1958, there was submitted to the undersigned hearing examiner an agreement between respondents World Wide Watch Co., Inc., Bernard Bloom, and Harriet Bloom, 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 the Commission; waive the making of findings of fact and conclusions of law; and waive all of the rights they may have to challenge or contest the validity of the order to cease and desist entered in accordance with this agreement. Such agreement further provides that it disposes of all of this proceeding as to all parties, except those charges set

out in paragraph 5 of the complaint, which counsel in support of the complaint states cannot be sustained. Attached to and made a part of said agreement is an affidavit attesting to the fact that Nettie Bloom, named as respondent in the complaint, does not now and never has formulated, directed, or controlled the acts, practices, and policies of the corporate respondent and has never in any manner participated in the business of said corporate respondent. There is also attached to and made a part of said agreement a certificate attesting to the death of respondent Jack Bloom.

Said agreement further provides that the record on which this initial decision and the decision of the Commission shall be based shall consist solely of the complaint and this agreement; that the latter shall not become a part of the official record unless and until it becomes a part of the decision of the Commission; that the 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; and that the following order to cease and desist may be entered in this proceeding by the Commission without further notice to respondents, and, when so entered, it 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.

The hearing examiner having considered the agreement and proposed order, and being of the opinion that they provide an appropriate basis for settlement and disposition of this proceeding, the agreement is hereby accepted, the following jurisdictional findings made, and the following order issued.

1. Respondent World Wide Watch Co., 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 located at 1178 Broadway, New York, N.Y.

Individual respondents Bernard Bloom and Harriet Bloom are officers of said corporation. These individuals formulate, direct, and control the policies, acts, and practices of the corporate respondent. Their address is the same as that of the corporate respondent.

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.

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ORDER

It is ordered, That respondents World Wide Watch Co., Inc., a corporation, and its officers; Bernard Bloom and Harriet Bloom, individually and as officers of said corporation, 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 watches, or other products, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or indirectly:

(a) That a watch is a jeweled watch, or that it contains a jeweled movement, unless it contains at least seven jewels, including a jeweled lever and unless each of said jewels serves a mechanical purpose as a frictional bearing;

(b) That a watch contains seven or more jewels unless it contains a jeweled lever and unless each of the claimed number of jewels serves a mechanical purpose as a frictional bearing;

(c) That their watches are either waterproof or water resistant;

(d) That their watches are guaranteed or fully guaranteed unless all of the conditions of the guarantee are fully and clearly set out and if a service charge is imposed, the amount of such charge.

2. Attaching tickets to merchandise showing prices which are in excess of the prices at which such merchandise is usually and regularly sold at retail or misrepresenting in any manner the usual and regular retail prices of merchandise.

3. Furnishing tickets or other materials to dealers, or others, which may be attached to or exhibited in connection with merchandise sold to them by respondents, which show prices that are in excess of the prices at which such merchandise is usually and regularly sold at retail; or furnishing any other means or instrumentality by which dealers may misrepresent the usual and regular retail price of merchandise.

It is further ordered, That the complaint be, and the same hereby is dismissed as to the respondents Jack Bloom and Nettie Bloom and as to the charges set out in paragraph five, 5, thereof.

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 21st

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day of January 1959, become the decision of the Commission; and, accordingly:

It is ordered, That the respondents World Wide Watch Co., Inc., a corporation, and Bernard Bloom and Harriet Bloom, individually and as officers 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.

IN THE MATTER OF
CHESTER H. ROTH COMPANY, INC., ET AL.

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

Docket 7100. Complaint, Mar. 28, 1958—Order, Jan. 29, 1959

Order dismissing without prejudice—for the reason that, before the date of the initial hearing, the hosiery business of the corporate respondent was acquired by a large manufacturer of lingerie, hosiery, gloves, etc., and the challenged practices discontinued—complaint charging a corporate manufacturer of hosiery in New York City with making use of a deceptive scheme to establish a fictitious retail price solely for use in promoting the sale of its hosiery at a lesser price, and with falsely representing that the hosiery was created by famous fashion designers.

Mr. Edward F. Downs and Mr. Eugene Kaplan for the Commission.

Mr. Harold L. Glasser and Mr. Milton Handler, of New York, N.Y., for respondents.

INITIAL DECISION BY WILLIAM L. PACK, HEARING EXAMINER

1. This matter is now before the hearing examiner upon a motion filed by respondents to dismiss the complaint on the ground that all of the challenged practices have been discontinued and will not be resumed. Counsel supporting the complaint have filed an answer in opposition to the motion. No hearings in the case have been held, the initial hearing being set for September 25, 1958.

2. Respondents are charged with the fictitious pricing of women's hosiery, the complaint (par. 5) alleging that:

* * * respondents attached to certain hosiery the names "Jacques Heim," "Mr. John" and "John Frederics," and to some of such hosiery respondents affixed the price of \$1.95 per pair. This hosiery was advertised by respondents in magazines of national circulation at the retail price of \$1.95 per pair. The retail stores buying the aforesaid hosiery from respondents were required, by respondents, to purchase a basic stock thereof at a wholesale price of \$12.00 per dozen pair and offer it to the consuming public at a retail price of \$1.95 per pair. However, respondents permitted such retail stores to hold special sales of this hosiery, selling it at retail at one-half price or ninety-nine cents per pair, and for these special sales respondents sold this hosiery to the retail stores at wholesale prices ranging from \$7.25 to \$7.75 per dozen. In addition, respondents supplied the retail stores with "mailers" for use in promoting such sales, which "mailers" stated that the aforesaid hosiery was