

Decision

55 F.T.C.

IN THE MATTER OF
REGENT-SHEFFIELD, LTD., ET AL.

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

Docket 7282. Complaint, Oct. 17, 1958—Decision, Feb. 11, 1959

Consent order requiring distributors of cutlery in New York City to cease selling without disclosure of foreign origin, carving forks assembled from heads manufactured in Japan and stamped on the shank with the word "Japan" which was concealed in the process of assembling with domestic handles, and packaged with carving knives, the blades of which were made in England and so marked and attached to domestic handles; to cease preticketing their merchandise, and furnishing their customers, with tags bearing fictitious and greatly exaggerated prices represented thereby as regular retail prices; and to cease representing certain kinds of merchandise falsely as "24 karat gold plated" by catalog sheets, carton imprints, and attached stickers.

Ames W. Williams, Esq., for the Commission.

Respondents, *pro se*.

INITIAL DECISION BY ROBERT L. PIPER, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondents on October 17, 1958, charging them with having violated the Federal Trade Commission Act, by misrepresenting the quality, price and origin of their products. Respondents appeared and entered into an agreement dated December 12, 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 acting 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

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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 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 Regent-Sheffield is a corporation 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 3545 Webster Avenue, Bronx, New York, N.Y.

2. Individual respondents Jerome S. Hahn and Bernard Fuller are officers of the corporate respondent. They dominate, direct and control the policies, acts and practices of the corporate respondent and their address is the same as that of the corporate respondent.

3. 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 Federal Trade Commission Act, and this proceeding is in the interest of the public.

ORDER

It is ordered, That the respondent Regent-Sheffield, Ltd., a corporation, and its officers, and Jerome S. Hahn and Bernard Fuller, individually and as officers of said corporation, and respondents' agents, representatives and employees, directly or

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through any corporate or other device, in connection with the offering for sale, sale, or distribution of cutlery, or other merchandise, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from directly or indirectly:

1. Offering for sale or selling cutlery or any other product containing parts made in Japan, or in any other foreign country except England, combined with components made in England and bearing a legend asserting or indicating English origin, without affirmatively disclosing the country of origin of such other parts;

2. Offering for sale or selling any product, made in Japan or in any foreign country, without clearly disclosing the foreign origin of such product;

3. Representing by words or symbols on the containers in which cutlery or other products, made in part in Japan, or any other foreign country other than England, are shipped, or in any other manner, that such products are of English origin;

4. Representing through the use of the words "Plant-Upper Allen Street-Sheffield, England" on price lists, advertisements and invoices, or in any other manner, that respondents own, operate, or control a factory in England or any other foreign country in which their products are made;

5. Representing, by preticketing, or in any other manner, that a certain amount is the customary or usual retail price of merchandise when said amount is in excess of the price at which said merchandise is customarily and usually sold at retail;

6. Representing that merchandise is gold plated unless it has a surface plating of gold or gold alloy applied by a mechanical process provided, however, that a product or a part thereof on which there has been affixed by an electrolytic process a coating of gold, or a gold alloy of not less than 10 karat fineness, the minimum thickness of which is equivalent to seven one-millionths of an inch of fine gold may be marked or described as gold electroplate or gold electroplated.

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 February 1959, become the decision of the Commission; and, accordingly:

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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.

IN THE MATTER OF
ST. REGIS PAPER COMPANY, ET AL.

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

Docket 6476. Complaint, Dec. 7, 1955—Decision, Feb. 12, 1959

Consent order requiring 17 of the nation's leading paper bag manufacturers—alleged, along with the four other manufacturers cited, to account for substantially all the more than two billion annual production of multi-wall paper shipping sacks, and charged with using the same pricing formula to quote identical delivered prices to customers, regardless of location or freight costs—to cease entering into and carrying out any planned common course of action among themselves or with others to fix prices of said products.

In 1956 the examiner dismissed charges as to Raymond Bag Co. and Thomas Phillips Co., who no longer made and sold the sacks.

On April 11, 1959 (p. 1672 herein), charges were dismissed without prejudice as to the remaining two respondents, Fulton Bag and Cotton Mills and Equitable Paper Bag Co.

INITIAL DECISION AS TO ALL REMAINING RESPONDENTS
EXCEPT FULTON BAG AND COTTON MILLS
AND EQUITABLE PAPER BAG COMPANY

Mr. Andrew C. Goodhope, Mr. Ross D. Young, Jr., and Mr. John Perechinsky supporting complaint.

LeBoeuf, Lamb & Leiby, by *Mr. Horace R. Lamb* and *Mr. Craigh Leonard*, of New York, N.Y., for St. Regis Paper Company;

Hale and Dorr, by *Mr. Joseph N. Welch*, of Boston, Mass., for Bemis Brothers Bag Company;

Mr. George Gruber, of New York, N.Y., for Arkell & Smiths;

Battle, Fowler, Neaman, Stokes & Kheel, by *Mr. Ludlow S. Fowler*, of New York, N.Y., for Chase Bag Company;

Katzenbach and Salvatore, by *Mr. Frank S. Katzenbach, III*, and *Mr. Arthur A. Salvatore*, of Trenton, N.J., for Universal Paper Bag Company;

Mr. Israel B. Oseas, of New York, N.Y., for Hudson Pulp & Paper Corporation;

Gallop, Climenko & Gould, by *Mr. Jesse Climenko*, of New York, N.Y., for National Container Corporation;

Davis, Polk, Wardwell, Sunderland & Kiendl, by *Mr. Ralph M. Carson*, of New York, N.Y., for International Paper Company;