

Decision

55 F.T.C.

IN THE MATTER OF
SMITH FUR COMPANY

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

Docket 7205. Complaint, July 23, 1958—Decision, Mar. 27, 1959

Consent order requiring furriers in Chicago to cease violating the Fur Products Labeling Act by failing to label and invoice fur products as "second-hand" when that was the case, and failing in other respects to comply with the labeling and invoicing requirements; by advertising which represented prices of fur products falsely to be "Wholesale Cost or Below" and as "60% below retail"; and by failing to maintain adequate records on which such pricing claims were based.

Mr. William A. Somers for the Commission.

Mr. Norman H. Arons, of Chicago, Ill., for respondents.

INITIAL DECISION BY WALTER R. JOHNSON, HEARING EXAMINER

In the complaint dated July 23, 1958, the respondents are charged with violating the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act and the Rules and Regulations made pursuant thereto.

On January 8, 1959, the respondents and their attorney entered into an agreement with counsel in support of the complaint for a consent order.

The hearing examiner finds that the content of the agreement meets all of the requirements of Section 3.25(b) of the Rules of the Commission.

The hearing examiner being of the opinion that the agreement and the proposed order provide an appropriate basis for disposition of this proceeding as to all of the parties, the agreement is hereby accepted and it is ordered that the agreement shall not become a part of the official record of the proceeding unless and until it becomes a part of the decision of the Commission. The following jurisdictional findings are made and the following order issued:

1. Respondents Mac Smith and Libbie Smith are individuals and copartners trading as Smith Fur Company, with offices and principal place of business located at 333 West Adams Street, Chicago, Ill.
2. The Federal Trade Commission has jurisdiction of the sub-

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ject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That respondents Mac Smith and Libbie Smith, individually and as copartners, trading as Smith Fur Company, or under any other name, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction into commerce, or the sale, advertising, or offering for sale in commerce, or the transportation or distribution in commerce of any fur product, or in connection with the sale, advertising, offering for sale, transportation, or distribution of any fur product which is 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:

1. Misbranding fur products by:

A. Failing to affix labels to fur products showing:

(1) 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;

(2) That the fur product contains or is composed of second-hand fur, when such is the fact;

(3) That the fur product contains or is composed of bleached, dyed or otherwise artificially colored fur when such is the fact;

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

(5) 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;

(6) The name of the country of origin of any imported furs contained in a fur product.

B. Failing to disclose that fur products contain or are composed of "Secondhand fur," when such is the fact.

C. Setting forth on labels affixed to fur products:

(1) Information required under Section 4(2) of the Fur Prod-

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ucts Labeling Act and the Rules and Regulations thereunder, mingled with nonrequired information;

(2) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in handwriting.

2. Falsely or deceptively invoicing fur products by:

A. Failing to furnish invoices to purchasers of fur products showing:

(1) The name or names of the animal or animals producing the fur or furs contained in the fur products as set forth in the Fur Products Name Guide and as prescribed under the Rules and Regulations;

(2) That the fur product contains or is composed of second-hand fur, when such is the fact;

(3) That the fur product contains or is composed of bleached, dyed or otherwise artificially colored fur, when such is the fact;

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

(5) The name and address of the person issuing such invoice;

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

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

B. Failing to disclose that fur products contain or are composed of "secondhand fur," when such is the fact.

3. 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:

A. Represents, directly or by implication, that the prices of fur products are at "Wholesale Cost or Below," when such is not the fact.

4. Making price claims and representations respecting percentage savings unless there is 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

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27th day of March 1959, 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.

Complaint

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IN THE MATTER OF
MARKET FORGE COMPANY

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION
OF SEC. 2(a) OF THE CLAYTON ACT

Docket 7243. Complaint, Aug. 28, 1958—Decision, Mar. 27, 1959

Consent order requiring the largest manufacturer of auto luggage carriers in the United States, with main office in Everett, Mass., to cease discriminating in price in violation of Sec. 2(a) of the Clayton Act by such practices as arbitrarily classifying customers as jobbers and distributors and thereby charging some competing retailers different prices; classifying some larger purchasers, but not all, as "Key Accounts" and quoting prices to them 5% lower than to distributors and making them other price reductions and freight allowances; and charging large chain store customers, classified as "National Chain Key Accounts," slightly less than they charged "Key Account" customers and making them more liberal freight allowances.

COMPLAINT

The Federal Trade Commission, having reason to believe that the respondent named in the caption hereof, and hereinafter more particularly designated and described, has violated and is now violating the provisions of subsection (a) of Section 2 of the Clayton Act (U.S.C., Title 15, Sec. 13), as amended by the Robinson-Patman Act, approved June 19, 1936, hereby issues its complaint, stating its charges with respect thereto as follows:

PARAGRAPH 1. Respondent Market Forge Company is a corporation organized, existing and doing business under and by virtue of the laws of the Commonwealth of Massachusetts, with its principal place of business located at 25 Garvey Street, Everett, Mass.

PAR. 2. Respondent is engaged in the manufacture, sale and distribution of various types of equipment, including refrigeration equipment, commercial steam pressure cookers, hospital equipment, mop wringing equipment, and auto luggage carriers, to various wholesale and retail customers throughout the United States. The sale of auto luggage carriers represents a substantial part of respondent's annual sales of all products. The respondent has become the largest manufacturer of auto luggage carriers in the United States in the eight years since it began to manufacture said auto luggage carriers.