

IN THE MATTER OF
TEITELBAUM FURS, LTD. OF AMERICA, ET AL.

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

Docket 7222. Complaint, Aug. 5, 1958—Decision, May 9, 1959

Consent order requiring furriers in Beverly Hills, Calif., to cease violating the Fur Products Labeling Act by falsely identifying animals producing certain furs, by using the term "blended" improperly, by failing to label and invoice as "secondhand fur" where required, and by failing in other respects to comply with labeling and invoicing requirements; and by advertising in newspapers which failed to disclose the names of animals producing certain furs or that some products contained used, artificially colored, or secondhand fur.

Mr. William A. Somers; Mr. John J. McNally and Mr. Eugene Kaplan for the Commission.

Horace L. Kalik, Esq., for Leland and Plattner, of Los Angeles, Calif., for respondents.

INITIAL DECISION BY LOREN H. LAUGHLIN, HEARING EXAMINER

The Federal Trade Commission (sometimes also hereinafter referred to as the Commission) on August 5, 1958, issued its complaint herein, charging the above-named respondents with having violated the provisions of both the Federal Trade Commission Act and the Fur Products Labeling Act, together with the Rules and Regulations promulgated thereunder, and the respondents were duly served with process.

On March 18, 1959, there was submitted to the undersigned hearing examiner of the Commission for his consideration and approval an "Agreement Containing Consent Order to Cease and Desist," which had been entered into by and between respondents and the attorneys for both parties, under date of March 10, 1959, subject to the approval of the Bureau of Litigation of the Commission, which had subsequently duly approved the same.

On due consideration of such agreement, the hearing examiner finds that said agreement, both in form and in content, is in accord with §3.25 of the Commission's Rules of Practice for Adjudicative Proceedings, and that by said agreement the parties have specifically agreed to the following matters:

1. Respondent Teitelbaum Furs, Ltd., of America is a cor-

poration organized, existing and doing business under and by virtue of the laws of the State of California, with its office and principal place of business located at 414 North Rodeo Drive, Beverly Hills, Calif. Respondent Irving B. Telson is an individual and is president of said corporate respondent, and has his office and principal place of business at the same address as said corporate respondent.

2. 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.

3. This agreement disposes of all of this proceeding as to all parties.

4. Respondents waive:

(a) Any further procedural steps before the hearing examiner and the Commission;

(b) The making of findings of fact or conclusions of law; and

(c) 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.

5. 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.

6. This agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Commission.

7. This 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.

8. The following order to cease and desist may be entered in this proceeding by the Commission without further notice to respondents. When so entered it shall have the same force and effect as if entered after a full hearing. It may be altered, modified or set aside in the manner provided for other orders. The complaint may be used in construing the terms of the order.

Upon due consideration of the complaint filed herein and the said "Agreement Containing Consent Order to Cease and Desist," the latter is hereby approved, accepted and ordered filed, the same not to become a part of the record herein, however, unless and until it becomes part of the decision of the Commission. The hearing examiner finds from the complaint and the said "Agreement Containing Consent Order to Cease and Desist" that

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the Commission has jurisdiction of the subject matter of this proceeding and of each of the respondents herein; that the complaint states a legal cause for complaint under the Federal Trade Commission Act and the Fur Products Labeling Act and the Rules and Regulations promulgated by the Commission under the latter Act, against each of the respondents both generally and in each of the particulars alleged therein; that this proceeding is in the interest of the public; that the following order as proposed in said agreement is appropriate for the just disposition of all of the issues in this proceeding as to all of the parties hereto; and that said order therefore should be, and hereby is, entered as follows:

ORDER

It is ordered, That Teitelbaum Furs, Ltd. of America, a corporation, and its officers, and Irving B. Telson, 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 into commerce, or the sale, advertising, offering for sale, transportation or distribution of fur products in commerce, or in connection with the 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 otherwise falsely or deceptively identifying fur products with respect to the name or names of the animal or animals that produced the fur from which said fur products had been manufactured;

2. Failing to affix labels to such 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;

- (c) That the fur product contains or is composed of bleached, dyed or otherwise artificially colored fur;

- (d) That the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur;

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(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 in commerce, or transported or distributed it in commerce;

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

3. Setting forth on labels attached to fur products:

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

(b) The term "blended" as part of the information required under §5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe the pointing, bleaching, dyeing or tip-dyeing of furs;

(c) Information required under §4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder mingled with non-required information;

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

4. Failing to set forth on labels the term "second hand" in describing fur products where required by Rule 23;

5. Failing to set forth separately on labels attached to fur products composed of two or more sections containing different animal furs the information required under §4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder with respect to the fur comprising each section;

B. 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;

(c) That the fur product contains or is composed of bleached, dyed, or otherwise artificially colored fur;

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

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

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

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

2. Using on invoices the name or names of any animal or animals other than the name or names provided for in paragraph B(1) (a) above;

3. Setting forth on invoices pertaining to fur products:

(a) Information required under §5(b) (1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in abbreviated form;

(b) The term "blended" as part of the information required under §5(b) (1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe the pointing, bleaching, dyeing or tip-dyeing of furs;

4. Failing to set forth on invoices the term "second hand fur" where required by Rule 23;

5. Failing to set forth separately on invoices pertaining to fur products composed of two or more sections containing different animal furs the information required under §5(b) (1) of the Fur Products Labeling Act and the Rules and Regulations thereunder with respect to the fur comprising each section;

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 products as set forth in the Fur Products Name Guide and as prescribed under the Rules and Regulations;

(b) That the fur products contain or are composed of used fur;

(c) That the fur products contain or are composed of bleached, dyed, or otherwise artificially colored fur;

2. Fails to set forth the term "second hand fur" where required by Rule 23 of the Rules and Regulations.

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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9th day of May 1959, 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.

IN THE MATTER OF
TONEMASTER MANUFACTURING COMPANY ET AL.

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

Docket 7301. Complaint, Nov. 14, 1958—Decision, May 9, 1959

Consent order requiring manufacturers in Peoria, Ill., to cease advertising falsely that four named models of their hearing aids were cordless, requiring nothing in the ear, and were invisible; and that they were inventors of the hearing aid contained in the temple of eyeglasses.

Before *Mr. John B. Poindexter*, hearing examiner.

Mr. Kent P. Kratz and *Mr. William A. Somers* for the Commission.

Knoblock & Ott, of Peoria, Ill., for respondents Tonemaster Manufacturing Company, Paul B. H. Smith, and Margaret H. Smith.

INITIAL DECISION AS TO RESPONDENTS

TONEMASTER MANUFACTURING COMPANY, A CORPORATION,
PAUL B. H. SMITH, AND MARGARET H. SMITH, INDIVIDUALLY
AND AS OFFICERS OF SAID CORPORATION

On November 14, 1958, the Federal Trade Commission issued a complaint charging that Tonemaster Manufacturing Company, a corporation, and Paul B. H. Smith, Harold A. Lyons, Margaret H. Smith and John L. Lyons, individually and as officers of said corporation, hereinafter referred to as respondents, had violated the Federal Trade Commission Act by misrepresenting in advertisements that certain of their hearing aids are cordless, invisible, or require nothing in the ear.

After issuance and service of the complaint, the respondent Tonemaster Manufacturing Company, a corporation, Paul B. H. Smith and Margaret H. Smith, individually and as officers of said corporation, and counsel supporting the complaint, entered into an agreement for a consent order. The order disposes of the matters complained about with respect to Tonemaster Manufacturing Company, a corporation, Paul B. H. Smith and Margaret H. Smith, individually and as officers of said corporation. The proceeding with respect to the remaining respondents, Harold A. Lyons and John L. Lyons, will be disposed of by separate initial decision.

Under the agreement, respondents admit the jurisdictional facts