

Decision

IN THE MATTER OF
J. JACOB SHANNON & COMPANY

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

Docket 7327. Complaint, Dec. 9, 1958—Decision, June 6, 1959

Consent order requiring a mail order merchandiser in Philadelphia, Pa., to cease advertising fictitious exaggerated amounts as "Reg." prices for purportedly reduced items.

Mr. Harold A. Kennedy for the Commission.

Mr. Oscar Brown, of Philadelphia, Pa., for respondent.

INITIAL DECISION BY EVERETT F. HAYCRAFT, HEARING EXAMINER

On December 9, 1958, the Federal Trade Commission issued its complaint against the above-named respondent, charging it with the use of unfair and deceptive acts and practices and unfair methods of competition in the sale of miscellaneous merchandise in commerce in violation of the provisions of the Federal Trade Commission Act.

On April 7, 1959, the respondent, by its duly authorized officer and by its attorney, entered into an agreement for consent order with counsel supporting the complaint in accordance with Section 3.25 (a) of the Rules of Practice and Procedure of the Commission, which agreement has been duly approved by the Bureau of Litigation. The hearing examiner finds that the content of the said agreement meets all the requirements of section 3.25 (b) of said rules. It is noted that this agreement is for settlement purposes only and does not constitute an admission by the respondent that it has violated the law as alleged in the complaint.

This proceeding having now come on for final consideration by the hearing examiner on the complaint and the aforesaid agreement for consent order, and it appearing that said agreement provides for an appropriate disposition of this proceeding, the aforesaid agreement is hereby accepted and is ordered filed upon becoming part of the Commission's decision in accordance with Section 3.21 of the Rules of Practice; and in consonance with the terms of said agreement, the hearing examiner makes the following jurisdictional findings and order:

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55 F.T.C.

1. Respondent J. Jacob Shannon & Company is a corporation 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 216 North Twenty-Second Street, in the city of Philadelphia, State of Pennsylvania.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent hereinabove named. The complaint states a cause of action against said respondent under the Federal Trade Commission Act, and this proceeding is in the interest of the public.

ORDER

It is ordered, That respondent J. Jacob Shannon & Company, a corporation, and its officers, and respondent's representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or by implication, that respondent's regular or usual price of any product is any amount which is in excess of the price at which respondent has usually and customarily sold such product in the recent regular course of business;

2. Representing, directly or by implication, that the value of any product is any amount which is in excess of the price at which such product is usually and customarily sold in the trade area, or areas, where the statement is made.

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 6th day of June 1959, become the decision of the Commission; and, accordingly:

It is ordered, That the respondent herein shall, within sixty (60) days after service upon it of this order, file with the Commission a report in writing setting forth in detail the manner and form in which it has complied with the order to cease and desist.

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IN THE MATTER OF
SILF SKIN, INC., ET AL.ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION ACT

Docket 6772. Complaint, Apr. 8, 1957¹—Decision, June 9, 1959

Order requiring New York City manufacturers to cease representing that their "Silf Skin" girdles were seamless.

A charge of advertising the girdles falsely as "full-fashioned" was dropped as not established in the record.

Mr. Charles W. O'Connell supporting the complaint.

Mr. Herbert S. Greenberg, New York, N.Y., for respondents.

INITIAL DECISION BY JOHN B. POINDEXTER, HEARING EXAMINER
PRELIMINARY STATEMENT

The complaint in this proceeding alleges that Silf Skin, Inc., a corporation, George Lacks and Harold Lacks, individually and as officers of said corporation, hereinafter called respondents, have violated the provisions of the Federal Trade Commission Act by misrepresenting the "Silf Skin" girdles which respondents manufacture, sell and distribute.

Counsel supporting the complaint contends that, through the use of statements made in their advertising, which is hereinafter set out in paragraph 3 of the Findings of Fact, respondents represented directly or by implication that:

(a) Said girdles are "full-fashioned;" that is, that they are knit on a flat bed or bar machine in the course of which flat fabric is shaped in the knitting to conform to the shape of the limb or body, the reduction in size looking to such shaping being effected by a process of narrowing in which the loops of various needles are transferred inward to an adjacent needle which loops are then knit by the transferee needle. The flat fabric at the conclusion of the knitting operation is joined at the edges of selvages to make a garment which conforms to the shape of that part of the body upon which it is worn.

(b) Said girdles are made on the same principle as full-fashioned stockings.

(c) Said girdles are seamless.

¹ Amended May 24, 1957.