

MILGRIM, INC.

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

Docket 7758. Complaint, Jan. 26, 1960—Decision, May 18, 1960

Consent order requiring Cleveland, Ohio, merchandisers to cease violating the Fur Products Labeling Act by mutilating labels on fur products prior to ultimate sale; by advertising in newspapers which failed to disclose the names of animals producing the fur in certain products or the fact that

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some fur products contained artificially colored fur, and used the term "blended" to describe the bleaching, tip-dyeing, etc., of furs; and by failing in other respects to comply with labeling, invoicing, and advertising requirements of the Act.

Mr. Garland S. Ferguson for the Commission.

Mr. Sidney S. Friedman, of Cleveland, Ohio, for respondent.

INITIAL DECISION BY J. EARL COX, HEARING EXAMINER

The complaint charges that respondent has violated the Federal Trade Commission Act, and the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder, by mutilating or causing or participating in the mutilation of labels required by the Fur Products Labeling Act to be affixed to fur products; and by misbranding and falsely and deceptively invoicing and advertising certain fur products.

After the issuance of the complaint, respondent, its counsel, and counsel supporting the complaint entered into an agreement containing consent order to cease and desist, which was approved by the Director and Assistant Director of the Commission's Bureau of Litigation, and thereafter transmitted to the hearing examiner for consideration.

The agreement states that respondent Milgrim, Inc., is a corporation existing and doing business under and by virtue of the laws of the State of Ohio, with its office and principal place of business located at 1310 Huron Road, Cleveland, Ohio, and that respondent's fur department is operated in conjunction with the lessee thereof.

The agreement provides, among other things, that respondent admits all the jurisdictional facts alleged in the complaint, and agrees that the record may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations; that 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; 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 the complaint may be used in construing the terms of the order agreed upon, which may be altered, modified or set aside in the manner provided for other orders; that the agreement is for settlement purposes only and does not constitute an admission by respondent that it has violated the law as alleged in the complaint; and that the order set forth in the agreement and hereinafter included in this decision shall have the same force and effect as if entered after a full hearing.

Respondent waives any further procedural steps before the hearing examiner and the Commission, the making of findings of fact or conclusions of law, and all of the rights it may have to challenge or contest the validity of the order to cease and desist entered in accordance with the agreement.

The order agreed upon fully disposes of all the issues raised in the complaint, and adequately prohibits the acts and practices charged therein as being in violation of the Federal Trade Commission Act, and of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder. Accordingly, the hearing examiner finds this proceeding to be in the public interest, and accepts the agreement containing consent order to cease and desist as part of the record upon which this decision is based. Therefore,

It is ordered. That respondent Milgrim, Inc., an Ohio corporation, and its officers, and respondent's 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 fur products, or in connection with the sale, advertising, offering for sale, transportation or distribution of fur products which are 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 in words and figures plainly legible all of the information required to be disclosed by each of the subsections of §4(2) of the Fur Products Labeling Act;

B. Setting forth on labels affixed to fur products:

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

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

3. 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;

2. Mutilating, or causing the mutilation or participating in the mutilation of, labels required to be affixed to fur products, prior to the time fur products are sold and delivered to the ultimate purchaser of such products;

3. Falsely or deceptively invoicing fur products by failing to furnish to purchasers of fur products an invoice showing all the information required to be disclosed by each of the subsections of §5(b) (1) of the Fur Products Labeling Act;

4. 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. Fails to disclose:

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 bleached, dyed or otherwise artificially colored fur when such is the fact;

B. Fails to set forth separately in advertisements relating to fur products composed of two or more sections containing different animal furs, the information required under §5(a) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder, with respect to the fur comprising each section;

C. Sets forth the term "blended" as part of the information required under §5(a) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe the pointing, bleaching, dyeing or tip-dyeing of furs.

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 18th day of May, 1960, become the decision of the Commission; and, accordingly:

It is ordered, That respondent Milgrim, Inc., an Ohio corporation, 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
SIDNEY J. KREISS, INC., ET AL.CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT*Docket 7264. Complaint, Sept. 30, 1958—Decision, May 19, 1960*

Consent order requiring New York City distributors of women's hosiery to retail stores, to cease representing falsely—in advertising in magazines and newspapers and in "mailers" supplied their customers for use in promoting sales—that certain of their hosiery was created, designed or fashioned by famous fashion designers.

Charges of fictitious pricing and of offering hosiery "free of charge" were dismissed.

Mr. Edward F. Downs for the Commission.

Guzik and Boukstein, of New York, N.Y., for respondents.

INITIAL DECISION BY EARL J. KOLB, HEARING EXAMINER

This proceeding is based upon a complaint brought under Section 5 of the Federal Trade Commission Act charging respondents with the use of unfair and deceptive acts and practices and unfair methods of competition in commerce in connection with the sale and distribution of their hosiery.

This proceeding is now before the hearing examiner for final consideration upon the complaint, answers thereto, testimony and other evidence, proposed findings of fact and conclusions of law filed by all parties and brief filed by respondent. The hearing examiner has given consideration to the proposed findings of fact and conclusions submitted by the parties, and brief in support thereof, and all findings of fact and conclusions of law proposed by the parties, respectively, not hereinafter specifically found or concluded are herewith rejected, and the hearing examiner having considered the record herein and being now duly advised in the premises makes the following findings as to the facts, conclusions drawn therefrom, and order:

1. Respondents Sidney J. Kreiss, Inc., and Picturesque Hosiery Company, Inc., are corporations organized under the laws of the State of New York with their offices and principal places of business located at 350 Fifth Avenue, New York, New York. Respondents Sidney J. Kreiss and Mildred Kreiss are individuals and officers of both corporate respondents. Respondent Sidney J. Kreiss formulates, directs and controls the acts and practices of said corporate respondents. Respondent Mildred Kreiss, wife of Sidney J. Kreiss,