

IN THE MATTER OF  
CHELSEA LEATHER GOODS CO., INC., ET AL.

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

*Docket 8196. Complaint, Nov. 29, 1960—Decision, Mar. 25, 1961*

Consent order requiring New York City manufacturers of billfolds and wallets to cease such misleading practices as stamping products largely made of non-leather materials with the words "Top grain genuine leather", "Top grain genuine cowhide", and "Cowhide split leather", and marking non-leather products with the words "Pig Grain"; and requiring them to disclose clearly when their products having the texture, feel, and appearance of leather are made of non-leather materials.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the Federal Trade Commission having reason to believe that Chelsea Leather Goods Co., Inc., a corporation, and Joseph Weiss, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Chelsea Leather Goods Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its principal office

and place of business located at 109-11 Spring Street, in the City of New York, State of New York.

Respondent Joseph Weiss is an individual and is an officer of the corporate respondent. He formulates, directs and controls the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. His address is the same as that of the corporate respondent.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the manufacturing, advertising, offering for sale, sale and distribution of billfolds and wallets to distributors and jobbers and to retailers for resale to the public.

PAR. 3. In the course and conduct of their business, respondents now cause, and for some time last past have caused, their said products, when sold, to be shipped from their place of business in the State of New York to purchasers thereof located in various other states of the United States and in the District of Columbia, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business as aforesaid and for the purpose of inducing the sale of said products, respondents have engaged in certain acts and practices as follows:

1. Certain of the said products are stamped with words such as "Top grain genuine leather", "Top grain genuine cowhide", "Cowhide split leather", and other similar terms and expressions.

2. Certain of said products are made of non-leather materials which simulate leather and are stamped with the words "Pig Grain".

3. Certain of said products are manufactured of non-leather materials having the texture, feel and appearance of leather.

PAR. 5. Through the use of the aforesaid statements and representations and materials in the manner aforesaid, respondents have represented, directly or indirectly:

1. That the said products marked with the expressions "Top grain genuine leather", "Top grain genuine cowhide", "Cowhide split leather", and other similar terms and expressions are made entirely of leather, with the exception of the necessary fittings and trimmings.

2. That the products made of non-leather materials which simulate leather and stamped with the expression "Pig Grain" are made of leather.

3. That the products made of non-leather materials which have the texture, feel and appearance of leather are made of leather.

PAR. 6. Said statements and representations are false, misleading and deceptive. In truth and in fact:

1. The said products bearing the markings "Top grain genuine leather", "Top grain genuine cowhide", "Cowhide split leather", and other similar terms and expressions are not made entirely of leather with the exception of the necessary fittings and trimmings. Substantial portions of said products, such as the backing and stays, and other significant portions thereof, are made of non-leather products.

2. Said products made of non-leather materials which simulate leather and marked with the expression "Pig Grain" are not made of leather. Said products are made of a non-leather materials.

3. Said products made of non-leather materials which simulate in texture, feel and appearance leather materials, mislead and deceive the purchasing public. The degree of simulation is such that the general public is unable by a reasonably prudent examination of the product to determine that said product of a non-leather material.

PAR. 7. By the aforesaid acts and practices, respondents place in the hands of retailers and dealers the means and instrumentalities by which they may mislead the public as to the quality and composition of said products.

PAR. 8. There is a preference on the part of a substantial portion of the purchasing public for billfolds and wallets made of leather.

PAR. 9. In the course and conduct of their business, at all times mentioned herein, respondents have been in substantial competition, in commerce, with corporations, firms and individuals in the sale of billfolds and wallets of the same general kind and nature as those sold by respondents.

PAR. 10. The use by respondents of the aforesaid false, misleading and deceptive statements, representations and practices, has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were and are true, and into the purchase of substantial quantities of respondents' products by reason of such erroneous and mistaken belief. As a consequence thereof, substantial trade in said commerce has been, and is being unfairly diverted to respondents from their competitors and substantial injury has thereby been, and is being, done to competition in commerce.

PAR. 11. The aforesaid acts and practices of the respondents, as herein alleged, were and are all to the prejudice and injury of the public and of respondents' competitors, and constituted, and now constitute, unfair and deceptive acts and practices and unfair methods of competition in commerce, within the intent and meaning of the Federal Trade Commission Act.

*Mr. Terral A. Jordan* for the Commission.  
Respondents, *pro se*.

INITIAL DECISION BY EDWARD CREEL, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondents on November 29, 1960, charging them with misrepresenting the materials contained in leather and simulated leather products in violation of the Federal Trade Commission Act.

On February 1, 1961, there was submitted to the undersigned hearing examiner an agreement between respondents and counsel supporting the complaint providing for the entry of a consent order.

Under the terms of the agreement, the respondents admit the jurisdictional facts alleged in the complaint. The parties agree, among other things, that the cease and desist order there set forth may be entered without further notice and have the same force and effect as if entered after a full hearing, and the document includes a waiver by the respondents of all rights to challenge or contest the validity of the order issuing in accordance therewith. The agreement further recites that it is for settlement purposes only and does not constitute an admission by the respondents that they have violated the law as alleged in the complaint.

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

The hearing examiner having considered the agreement and proposed order, and being of the opinion that they provide an appropriate basis for settlement and disposition of this proceeding, hereby accepts the agreement, and it is ordered that said agreement shall not become a part of the official record 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. Respondent Chelsea Leather Goods Co., Inc., is a New York corporation with its office and principal place of business located at 109-11 Spring Street, New York, New York.

Respondent Joseph Weiss is an individual and is an officer of the corporate respondent. He formulates, directs and controls the acts and practices of the corporate respondent and has the same address.<sup>1</sup>

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

<sup>1</sup> On Feb. 21, 1961 the hearing examiner amended the initial decision by adding this paragraph to Finding 1.

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## Decision

## ORDER

*It is ordered*, That respondents, Chelsea Leather Goods Co., Inc., a corporation, and its officers, and Joseph Weiss, 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 offering for sale, sale or distribution of billfolds or wallets, or any other articles of merchandise, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. (a) Using the expressions, "Top grain genuine leather", "Top grain genuine cowhide", "Cowhide split leather" or any other words or terms of similar import or meaning to describe any of said products not made wholly of the kind of leather so stated, without conspicuously identifying the parts thereof simulating leather or made of leather other than the kind so represented and disclosing that such parts are made of other materials or other kinds of leather.

(b) Using the expression "Pig Grain" or any other words, terms or expressions which, directly or indirectly, represent that the product is leather to describe a product made of non-leather material.

(c) Offering for sale or selling said products made of non-leather material which simulates leather unless said products have attached thereto or affixed thereon in such manner that it cannot readily be removed, and of such nature as to remain on the product until it reaches the ultimate purchaser, a mark, tag or label, which clearly and conspicuously discloses that the product is not made of leather.

2. Furnishing or otherwise placing in the hands of retailers or dealers in said products the means and instrumentalities by and through which they may mislead or deceive the public in the manner or as to the things hereinabove inhibited.

## 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 25th day of March 1961, become the decision of the Commission; and, accordingly:

*It is ordered*, That 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  
AMERICAN FUR COAT CO., INC., ET AL.

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

*Docket 7991. Complaint, June 24, 1960—Decision, Mar. 30, 1961*

Consent order requiring New York City furriers to cease violating the Fur Products Labeling Act by failing to set forth the term "Dyed Mouton processed Lamb" as required on labels and invoices, by failing to disclose on invoices when fur products were composed of gills, and by failing to comply with labeling and invoicing requirements in other respects.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that American Fur Coat Co., Inc., a corporation, Benjamin Dretel and Martha Dretel, individually and as officers of said corporation, and Bert Arak, individually and as manager in charge of business operations, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Fur Products Labeling Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. American Fur Coat Co., Inc., is a corporation organized, 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 245 West 27th Street, New York, New York. Benjamin Dretel and Martha Dretel are president and secretary-treasurer, respectively, of the said corporate respondent. Bert Arak is manager in charge of business operations. These individuals control, formulate and direct the acts, practices and policies of the said corporate respondent. Their office and principal place of business is the same as that of the said corporate respondent.

PAR. 2. Subsequent to the effective date of the Fur Products Labeling Act on August 9, 1952, respondents have been and are now engaged in the introduction into commerce, and in the manufacture for introduction into commerce, and in the sale, advertising, and offering for sale, in commerce, and in the transportation and distribution, in commerce, of fur products, and have manufactured for sale, sold, advertised, offered for sale, transported and distributed