

It is further 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 this order.

IN THE MATTER OF
BENNO KARPUS ET AL. TRADING AS WESTERN
EUROPEAN IMPORT CO.

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

Docket 8427. Complaint, June 15, 1961—Decision, Sept. 15, 1961

Consent order requiring New York City distributors of porcelain figurines to cease representing falsely that figurines actually made in West Germany came from Dresden in East Germany, by means of such markings as "Dresden Art" and "Dresden Dec." and advertising plaques furnished retailers bearing the words "Dresden Figures", and by use on the figurines and plaques of a hallmark closely resembling that of the porcelain manufacturers of Dresden.

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 Benno Karpus and

Aron Weintraub, individually and as copartners trading as Western European Import Co., 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. Respondents Benno Karpus and Aron Weintraub are individuals and copartners trading and doing business under the firm name of Western European Import Co., with their office and principal place of business located at 290 Fifth Avenue, New York, New York. Said individual respondents formulate, direct and control the acts, practices and policies of the said business.

PAR. 2. Respondents are now, and for some time last past have been, engaged, among other things, in the offering for sale, sale and distribution of porcelain figurines 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 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. Respondents, for the purpose of inducing the purchase of their products, have engaged in the practice of misrepresenting the source of their products by the following methods and means:

Some of the figurines offered for sale and sold by respondents have such markings as "Dresden Art" and "Dresden Dec.", with the further notation that they are made in Germany, and plaques provided by respondents to retailers for advertising purposes have the words "Dresden Figures". Such words serve as a representation that the figurines are made in the City of Dresden in East Germany, when, in truth and in fact, they are made in West Germany.

Some of the figurines offered for sale and sold by respondents and the plaques provided by respondents to retailers have a hallmark comprised of crossed lines and the initials "A R" or "W R". This hallmark is made to closely resemble crossed swords and the initials "A R" which have been the traditional hallmark of the porcelain manufacturers of Dresden for many years.

PAR. 5. Porcelain figurines made in Dresden are noted for their beauty and quality and there is a preference among many members of the purchasing public for such products over those made elsewhere.

PAR. 6. By the aforesaid practices respondents place in the hands of retailers the means by which they mislead the public as to place of origin of said figurines.

PAR. 7. In the conduct of their business, respondents are, and have been, in substantial competition, in commerce, with corporations, firms and individuals in the sale of figurines of the same general kind as those sold by respondents.

PAR. 8. The use by respondents of the aforesaid false, misleading and deceptive 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 figurines were made in the City of Dresden, and into the purchase of substantial quantities of respondents' products by reason of said erroneous and mistaken belief. As a consequence thereof, substantial trade in 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. 9. The aforesaid acts and practices of respondents, as herein alleged, are all to the prejudice and injury of the public and of respondents' competitors, and 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.

DECISION AND ORDER

This matter having come on to be heard by the Commission upon a record consisting of the Commission's complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act and an agreement by and between respondents and counsel supporting the complaint, which agreement contains an order to cease and desist, and admission by the respondents of all the jurisdictional facts alleged in the complaint, a statement that the signing of said 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, and waivers and provisions as required by the Commission's rules; and

The Commission having considered the agreement and order contained therein and being of the opinion that the agreement provides an adequate basis for appropriate disposition of the proceeding, the agreement is hereby accepted, the following jurisdictional findings are made, and the following order is entered:

1. Respondents Benno Karpus and Aron Weintraub are individuals and copartners trading and doing business under the firm name of Western European Import Co., with their office and principal place of business located at 290 Fifth Avenue, in the City of New York, State of New York.

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Complaint

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.

ORDER

It is ordered, That respondents Benno Karpus and Aron Weintraub, individually and trading under the name of Western European Import Co., or under any other name, and their agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of porcelain figurines and other products in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using the word "Dresden", either independently or in connection or conjunction with any other words or symbols, to designate or describe figurines or other china or porcelain ware which was not made or manufactured in Dresden, Germany.

2. Misrepresenting in any manner, directly or indirectly, the place of manufacture or origin of products sold by them.

It is further 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 this order.