

Complaint

IN THE MATTER OF

PACIFIC COAST FUR COMPANY ET AL.

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

Docket C-85. Complaint, Nov. 30, 1961—Decision, Nov. 30, 1961

Consent order requiring associated furriers in Los Angeles, Calif., to cease violating the Fur Products Labeling Act by failing, on invoices and labels, to show the true animal name of the fur used in fur products and to disclose when fur was dyed; failing to show the country of origin of imported furs and when fur products contained flanks, and falsely representing mink as from the Aleutian Islands, on invoices; by newspaper advertising which failed to disclose the names of the fur-producing animals, represented prices as reduced without giving the time of compared higher prices, and falsely represented "\$200,000 worth of precious furs" offered for sale; failing to keep adequate records for price and value claims; and failing in other respects to comply with labeling and invoicing requirement.

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 Pacific Coast Fur Company, a corporation, and Venus Furs, a corporation, and Ralph J. Nymer, and Moe Basner, individually and as officers of the said corporations, and Milton Corb, individually and as general manager of the said corporations, 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. Pacific Coast Fur Company and Venus Furs are corporations organized, existing and doing business under and by virtue of the laws of the State of California with their office and principal place of business located at 706 South Hill Street, Los Angeles, California.

Ralph J. Nymer and Moe Basner are president and vice president, respectively, of the said corporate respondents. Milton Corb is general manager of the said corporate respondents. These individuals including the general manager control, formulate, and direct the acts, practices and policies of the said corporate respondents.

Their office and principal place of business is the same as that of the said corporate respondents.

PAR. 2. Subsequent to the effective date of the Fur Products Labeling Act on August 9, 1952 respondents acting in cooperation and conjunction with Lion Clothing Company, Inc., a corporation located in San Diego, California, Korrick's, Inc., a corporation located in Phoenix, Arizona, E. Gotschalk & Company, Inc., a corporation, located in Fresno, California, L. Hart & Son Company, Inc., a corporation located in San Jose, California, and Florence Richards, an individual trading as Magic Eye, a proprietorship located in Las Vegas, Nevada, have been and are now engaged in the 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 sold, advertised, offered for sale, transported and distributed fur products which have been made in whole or in part of fur which had been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act.

PAR. 3. Certain of said fur products were misbranded in that they were not labeled as required under the provisions of Section 4(2) of the Fur Products Labeling Act and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

Among such misbranded fur products but not limited thereto were fur products with labels which failed:

1. To show the true animal name of the fur used in the fur product.
2. To disclose that the fur contained in the fur products was dyed when such was the fact.

PAR. 4. Certain of said fur products were misbranded in violation of the Fur Products Labeling Act in that they were not labeled in accordance with the Rules and Regulations promulgated thereunder in the following respects:

(a) The term "blended" was used as part of the information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe the pointing, bleaching, dyeing or tip-dyeing of furs in violation of Rule 19(f) of said Rules and Regulations.

(b) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was mingled with non-required information in violation of Rule 29(a) of said Rules and Regulations.

(c) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereun-

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der was not set forth in the required sequence in violation of Rule 30 of said Rules and Regulations.

PAR. 5. Certain of said fur products were falsely and deceptively invoiced by respondents in that they were not invoiced as required by Section 5(b) (1) of the Fur Products Labeling Act and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

Among such falsely and deceptively invoiced fur products but not limited thereto were invoices pertaining to such fur products which failed:

1. To show the true animal name of the fur used in the fur product.
2. To disclose that the fur contained in the fur products was dyed when such was the fact.
3. To show the country of origin of imported furs used in the fur product.

PAR. 6. Certain of said fur products were falsely and deceptively invoiced in that said invoices connoted a false geographic origin of Mink by representing that such Mink was from the Aleutian Islands when such was not the fact in violation of Section 5(b) (2) of the Fur Products Labeling Act and Rule 7 of said Rules and Regulations.

PAR. 7. Certain of said fur products were falsely and deceptively invoiced in violation of the Fur Products Labeling Act in that they were not invoiced in accordance with the Rules and Regulations promulgated thereunder in the following respects:

(a) Information required under Section 5(b) (1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was set forth in abbreviated form in violation of Rule 4 of said Rules and Regulations.

(b) Invoices failed to show that fur products were composed in whole or in substantial part of flanks, when such was the fact, in violation of Rule 20 of said Rules and Regulations.

PAR. 8. Certain of said fur products were falsely and deceptively advertised in violation of the Fur Products Labeling Act in that respondents caused the dissemination in commerce, as "commerce" is defined in said Act, of certain newspaper advertisements, concerning said products, which were not in accordance with the provisions of Section 5(a) of said Act and the Rules and Regulations promulgated thereunder; and which advertisements were intended to aid, promote and assist, directly or indirectly in the sale and offering for sale of said fur products.

PAR. 9. Among and included in the advertisements as aforesaid, but not limited thereto, were advertisements of respondents which appeared in issues of the Fresno Bee, a newspaper published in the

City of Fresno, State of California, The San Jose Mercury, a newspaper published in the City of San Jose, State of California, The San Diego Evening Tribune and the San Diego Union, newspapers published in the City of San Diego, State of California, Las Vegas Review Journal, a newspaper published in the City of Las Vegas, State of Nevada, and the Arizona Republic, a newspaper published in the City of Phoenix, State of Arizona, and all the aforesaid newspapers having a wide circulation in said States and various other States of the United States.

By means of said advertisements and others of similar import and meaning, not specifically referred to herein, respondents falsely and deceptively advertised fur products in that said advertisements:

(a) Failed to disclose the name or names of the animal or animals that produced the fur contained in the fur product as set forth in the Fur Products Name Guide in violation of Section 5(a)(1) of the Fur Products Labeling Act.

(b) Represented prices of fur products as having been reduced from the previous higher prices without giving the time of such compared higher prices in violation of Rule 44(b) of said Rules and Regulations.

(c) Represented the volume of merchandise offered for sale to be \$200,000 worth of precious furs when in truth and in fact the merchandise to be offered for sale was worth substantially less than \$200,000 in violation of Section 5(a)(5) of the Fur Products Labeling Act.

PAR. 10. Respondents in advertising fur products for sale as aforesaid made claims and representations respecting prices and values of fur products. Said representations were of the types covered by subsections (a), (b), (c) and (d) of Rule 44 of the Rules and Regulations promulgated under the Fur Products Labeling Act.

Respondents in making such claims and representations failed to maintain full and adequate records disclosing the facts upon which such claims and representations were based in violation of Rule 44(e) of said Rules and Regulations.

PAR. 11. The aforesaid acts and practices of respondents, as herein alleged, are in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder and constitute unfair and deceptive acts and practices in commerce under the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with

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violation of the Federal Trade Commission Act and the Fur Products Labeling Act, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth 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 the law has been violated as set forth in the complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondents Pacific Coast Fur Company and Venus Furs are corporations organized, existing and doing business under and by virtue of the laws of the State of California with their office and principal place of business located at 706 South Hill Street, Los Angeles, California.

Respondents Ralph J. Nymer and Moe Basner are president and vice president, respectively, of the said corporate respondents, and respondent Milton Corb is general manager of the said corporate respondents. Their address is the same as that of the said corporate respondents.

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 Pacific Coast Fur Company, a corporation, and Venus Furs, a corporation, and Ralph J. Nymer and Moe Basner, individually and as officers of the said corporations and Milton Corb, individually and as general manager of the said corporations, 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, 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 the information required to be disclosed by each of the subsections of Section 4(2) of the Fur Products Labeling Act.

B. Setting forth on labels affixed to fur products:

(1) The term "blended" as part of the information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe the pointing, bleaching, dyeing or tip-dyeing of furs.

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

C. Failing to set forth the information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in the required sequence.

2. Falsely or deceptively invoicing fur products by:

A. Failing to furnish to purchasers of fur products an invoice showing all the information required to be disclosed by each of the subsections of Section 5(b) (1) of the Fur Products Labeling Act.

B. Setting forth on invoices a false geographic origin of the animal that produced the fur.

C. Setting forth information required under Section 5(b) (1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in abbreviated form.

D. Failing to disclose that fur products are composed in whole or in substantial part of flanks, when such is the fact.

3. 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 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. Uses previous higher prices as comparatives without giving the time of such higher compared prices.

C. Represents, directly or by implication, that the volume of merchandise offered for sale is higher than is the fact.

4. Making claims and representations of the types covered by subsections (a), (b), (c), and (d) of Rule 44 of the Rules and Regula-

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tions promulgated under the Fur Products Labeling Act unless there