

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.

IN THE MATTER OF
HANS BROS., INC., ET AL.

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

Docket 8444. Complaint, Oct. 3, 1961—Decision, Mar. 14, 1962

Order requiring New York City furriers to cease violating the Fur Products Labeling Act by failing to disclose on labels and invoices the names of animals producing the fur in certain fur products; failing to disclose on invoices the country of origin of imported furs; setting forth on invoices the name of an animal other than that which produced a fur, such as "lynx-dyed fox"; and furnishing false guaranties that certain of their fur products were not misbranded, falsely invoiced, or falsely advertised.

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 Hans Bros., Inc., a corporation, and Max Hans and Harry Hans, individually and as officers of said corporation, and Jack Hans, individually, 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. Hans Bros., 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 333 Seventh Avenue, New York, N.Y.

Max Hans and Harry Hans are officers and Jack Hans is office manager of the said corporate respondent and 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 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 to disclose the name or names (as set forth in the Fur Products Name Guide) of the animal or animals that produced the fur.

PAR. 4. 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 disclose the name or names (as set forth in the Fur Products Name Guide) of the animal or animals that produced the fur;
2. To disclose the name of the country of origin of imported furs used in the fur products.

PAR. 5. Certain of said fur products were falsely and deceptively invoiced in that respondents set forth on invoices pertaining to fur products the name of an animal other than the name of the animal that produced the fur in violation of Section 5(b)(2) of the Fur Products Labeling Act. Among such invoices, but not limited thereto, were fur products invoiced as "lynx-dyed fox".

PAR. 6. The respondents furnished false guaranties that certain of their fur products were not misbranded, falsely invoiced, or falsely advertised, when respondents in furnishing such guaranties had reason to believe the fur products so falsely guaranteed would be introduced, sold, transported and distributed in commerce, in violation of Section 10(b) of the Fur Products Labeling Act.

PAR. 7. 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.

Mr. Robert W. Lowthian supporting the complaint.

Mr. Max Hans, Mr. Harry Hans, and Mr. Jack Hans, of New York, N.Y., *pro se*.

INITIAL DECISION BY WILLIAM K. JACKSON, HEARING EXAMINER

This proceeding was brought pursuant to the provisions of the Federal Trade Commission Act, the Fur Products Labeling Act and Rules and Regulations promulgated thereunder by the issuance of a complaint on October 3, 1961, charging the above-named corporate respondent and the individual respondents with violations of both acts by misbranding, falsely and deceptively invoicing and furnishing false guarantees of their fur products.

By amended answer filed November 28, 1961, the corporate and individual respondents admitted the truth of all the material allegations of the complaint and waived any hearings in the matter. By order dated November 30, 1961, the examiner afforded the parties an opportunity to file proposed findings of fact and conclusions of law by January 2, 1962. Counsel in support of the complaint filed proposed findings of fact and conclusions on December 12, 1961. Respondents did not avail themselves of the opportunity.

Based upon the allegations of the complaint, the amended answer admitting the material allegations of the complaint, and after giving consideration to the proposed findings and conclusions submitted by counsel in support of the complaint; the hearing examiner makes the following findings as to the facts, conclusions drawn therefrom and order.

FINDINGS OF FACT

1. Respondent Hans Bros., 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 333 Seventh Avenue, New York, N.Y.

2. The individual respondents Max Hans and Harry Hans are officers, and Jack Hans is office manager of the said corporate respondent and they 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.

3. 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 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.

4. 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 were fur products with labels which failed to disclose the name or names (as set forth in the Fur Products Name Guide) of the animal or animals that produced the fur.

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 were invoices pertaining to such fur products which failed:

(a) To disclose the name or names (as set forth in the Fur Products Name Guide) of the animal or animals that produced the fur;

(b) To disclose the name of the country of origin of imported furs used in the fur products.

6. Certain of said fur products were falsely and deceptively invoiced in that respondents set forth on invoices pertaining to fur products the name of an animal other than the name of the animal that produced the fur in violation of Section 5(b)(2) of the Fur Products Labeling Act. Among such invoices were fur products invoiced as "lynx-dyed fox".

7. The respondents furnished false guarantees that certain of their fur products were not misbranded, falsely invoiced, or falsely advertised, when respondents, in furnishing such guarantees, had reason to believe the fur products so falsely guaranteed would be introduced, sold, transported and distributed in commerce, in violation of Section 10(b) of the Fur Products Labeling Act.

CONCLUSIONS

1. The Federal Trade Commission has jurisdiction of and over respondents and the subject matter of this proceeding.

2. The complaint herein states a cause of action, and this proceeding is in the public interest.

3. The aforesaid acts and practices of the respondents in misbranding, falsely and deceptively invoicing and furnishing false guarantees of their fur products, as hereinabove found, were in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder and constituted unfair and deceptive acts and practices in commerce, within the intent and meaning of the Federal Trade Commission Act.

ORDER

It is ordered, That Hans Bros., Inc., a corporation, and Max Hans and Harry Hans, individually and as officers of said corporation, and Jack Hans, individually and as office manager of the said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, manufacture for introduction, 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, manufacture for sale, advertising, offering for sale, transportation or distribution of fur products which have been made in whole or in part of fur which has been shipped and received in commerce as "commerce", "fur" and "fur products" 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.

2. Falsely or deceptively invoicing fur products by :

A. Failing to furnish to purchasers of fur products invoices 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 pertaining to fur products the name or names of any animal or animals other than the name of the animal producing the fur contained in the fur product as specified in the Fur Products Name Guide and as prescribed under the Rules and Regulations.

3. Furnishing false guarantees that fur or fur products are not misbranded, falsely advertised or falsely invoiced under the provisions of the Fur Products Labeling Act, when there is reason to believe that such fur or fur products so falsely guaranteed may be introduced into or sold, transported or distributed in commerce.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF
COMPLIANCE

Pursuant to Section 4.19 of the Commission's Rules of Practice, effective July 21, 1961, the initial decision of the hearing examiner shall on the 14th day of March 1962, become the decision of the Commission; and, accordingly :

It is 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 the order to cease and desist.