

Complaint

IN THE MATTER OF

MAX KANDLER TRADING AS ART CRAFT LEATHER
GOODS

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

Docket C-125. Complaint, Apr. 26, 1962—Decision, Apr. 26, 1962

Consent order requiring a New York City manufacturer of leather goods to cease describing his wallets and billfolds in promotional literature as "Genuine Top Grain Leather", "Hand Boarded English Morocco", and "Top Grain Cowhide" and stamping such legends on them when the interior sections were made of non-leather materials or of other leather than that claimed; and to cease giving with such wallets a deceptive statement of warranty.

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 Max Kandler, an individual trading as Art Craft Leather Goods, hereinafter referred to as respondent, has 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 Max Kandler is an individual trading as Art Craft Leather Goods, with his principal office and place of business located at 57 Prince Street, in the city of New York, State of New York. His former place of business was located at 47 Great Jones Street, New York, N.Y.

PAR. 2. Respondent is now, and for some time last past has been, engaged in the manufacturing, advertising, offering for sale, sale and distribution of wallets and other leather goods to distributors and jobbers who sell to retailers for resale to the public.

PAR. 3. In the course and conduct of his business, respondent now causes, and for some time last past has caused, his said products, when sold, to be shipped from his 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 maintains, and at all times mentioned herein has maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

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

1. In promotional literature distributed by respondent, wallets and other leather goods are pictured. Immediately under said pictures are descriptive words such as, "Genuine Top Grain Leather Men's Wallet", "Genuine Hand Boarded English Morocco Men's Wallet", "Top Grain Cowhide Ladies Billfold", etc.

2. Respondent's said wallets are conspicuously stamped with various legends which purport to be descriptive of the materials from which such wallets are made, such as, "Genuine Top Grain Leather", "Hand Boarded English Morocco", "Top Grain Cowhide", etc. Loosely inserted in one of the inner pockets of said wallets is a card which reads in part, "For the outside body—selected top grain leather of the type stamped on this article. For the partitions and linings—high quality material different from that used for the outside body, and not necessarily leather." Said cards are concealed from the purchaser's view, are not in close proximity to the aforesaid legends and may be seen by the purchaser, if at all, only with considerable effort.

3. The aforesaid cards also bear the words, "WARRANTY. This product is Warranted to be made of high quality materials chosen for their appropriate durability and appearance".

PAR. 5. Through the use of the aforesaid statements and representations and materials in the manner aforesaid, respondent represents, directly or indirectly:

1. Through the use of the aforesaid statements in advertising, that said wallets are made in their entirety of the kind of leather so stated.

2. Through the use of the aforesaid statements imprinted on said wallets, that said wallets are made in their entirety of the kind of leather stamped thereon.

3. Through the use of the aforesaid alleged statement of warranty that said wallets are guaranteed or warranted.

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

1. Said wallets are not made in their entirety of the kind of leather stated in said advertising. The dividers, interliners and various other interior sections of said wallets are made of non-leather materials or of leather other than the kind so stated.

2. Said wallets are not made in their entirety of the kind of leather stamped thereon as aforesaid. The dividers, interliners and various other interior sections of said wallets are made of non-leather materials or of leather other than the kind so stated. Not only is the afore-

said card inserted in such a manner as to be inadequate to advise or apprise purchasers of the fact that the dividers, interliners and various other interior sections of said wallets are not made of the kind of leather stamped thereon but said cards affirmatively imply that the said non-leather interior sections are leather. Moreover, said cards, loosely inserted as aforesaid, may also be removed, destroyed, or otherwise mutilated so as to be ineffective to advise or apprise purchasers at retail of the disclosures purported to be revealed thereon.

3. Said purported warranty or guarantee is wholly deficient in that it does not clearly and conspicuously disclose the nature and extent of the guarantee, the manner in which the guarantor will perform thereunder and the identity of the guarantor.

PAR. 7. By the aforesaid practices, respondent places in the hands of retailers and dealers the means and instrumentalities by and through which they may mislead and deceive the public as to the quality, leather content and the extent of the guarantee of said wallets.

PAR. 8. In the conduct of his business, at all times mentioned herein, respondent has been in substantial competition, in commerce, with corporations, firms and individuals in the sale of wallets and other leather goods of the same general kind and nature as those sold by respondent.

PAR. 9. The use by respondent 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 respondent's products by reason of said erroneous and mistaken belief.

PAR. 10. The aforesaid acts and practices of respondent, as herein alleged, were and are all to the prejudice and injury of the public and of respondent's competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce, in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondent named in the caption hereof with violation of the Federal Trade Commission Act, and the respondent 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 respondent and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent that the law has been violated as set forth in such 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. Respondent Max Kandler is an individual trading as Art Craft Leather Goods, with his principal office and place of business located at 57 Prince Street, in the city of New York, State of New York.

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

ORDER

It is ordered, That respondent, Max Kandler, an individual trading and doing business as Art Craft Leather Goods, or under any other name or names, and respondent's representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of wallets, leather goods, 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. Using the terms "Genuine Top Grain Leather", "Hand Boarded English Morocco", "Top Grain Cowhide", or any other words or terms of similar import or meaning to describe any of said products which are not made wholly of the kind of leather so stated and which contain non-leather parts having the appearance of leather or parts of leather other than the kind so stated without identifying such parts and revealing that such parts are not leather or are of a different kind of leather from that so stated. Said disclosure shall be clearly and conspicuously made in advertising and on or in immediate connection with such goods so as to remain affixed thereto until said products reach the ultimate purchaser.

2. Representing, directly or indirectly, that said products are guaranteed unless the nature and extent of the guarantee, the manner in which the guarantor will perform thereunder and the name and ad-

dress of the guarantor are clearly and conspicuously disclosed and respondent does in fact fulfill all of his requirements under the terms of said guarantee.

3. 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 prohibited.

It is further ordered, That the respondent herein shall, within sixty (60) days after service upon him of this order, file with the Commis-