

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
MILFUR, INC., ET AL.

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

Docket C-142. Complaint, May 29, 1962—Decision, May 29, 1962

Consent order requiring Milwaukee, Wis., manufacturers of garments, gloves, moccasins, and other leather products to order from hides furnished by hunters and others, to cease representing falsely in magazines of national circulation and in their catalog that they custom-tanned raw hides sent in by customers and made the leather products ordered by the customers from the raw hides so furnished; to cease representing falsely in their catalog and order blank that their leather products and services were of highest quality when actually many were defective, that adjustments would be made when they were found unsatisfactory, and that they were unconditionally guaranteed; and to make deliveries within periods specified.

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 Milfur, Inc., a cor-

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poration, and Sidney Krasno, alias W. L. Hudson, and Marion Krasno, individually and as officers 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 Milfur, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Wisconsin, with its principal office and place of business located at 106 North Water Street, in the city of Milwaukee, State of Wisconsin.

Respondents Sidney Krasno, alias W. L. Hudson, and Marion Krasno are officers of the corporate respondent. They formulate the policies and direct and control the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. Their 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, sale and distribution of various items of leather apparel and leather accessories, and in the performance, advertising and sale of cleaning and alteration and repair services for leather garments. A substantial part of respondents' business consists of manufacturing garments, gloves, moccasins and other leather products to order from hides furnished by hunters and others.

PAR. 3. In the course and conduct of their business, respondents now cause, and for some time last past have caused, their products, when sold, or garments upon which said services have been performed, to be shipped from their place of business in the State of Wisconsin 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 the aforesaid products and services in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business and for the purpose of soliciting the sale of their said products and services, respondents have made statements regarding the nature of their business and their services in magazines of national circulation and in their catalog, of which the following are typical.

DEER HUNTERS

Send us your **DEERHIDES**

We are specialists in deerskin tanning and manufacturing of garments, gloves, hats, bags, moccasins, etc.

Leather garment cleaning, repairing, alterations

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BIG new FREE catalog

SEND RAW SKINS FOR CUSTOM-TANNING

We tan raw hides of Deer, Elk, Antelope, Moose, Cow and Calf and custom fashion them for you into any item in this catalog. Or if you wish we will tan and return them to you for future use.

MILFUR'S custom tanning and manufacturing

Meticulously tanned by our expert craftsmen

If you wish to have hides tanned and are not ready to order merchandise to be made, send the hides to us. They will be tanned and returned to you

PAR. 5. Through the use of the aforesaid statements respondents represented, directly or indirectly:

1. That they tan raw hides.
2. That they own and operate tanning facilities wherein raw hides are tanned by their own expert craftsmen.
3. That raw hides sent in by customers are custom-tanned.
4. That raw hides sent in by customers are tanned and returned to them if so requested.
5. That the raw hides furnished to respondents by customers are made into the leather products ordered by such customers.

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

1. Respondents do not tan raw hides.
2. Respondents do not own and operate tanning facilities, and tanning is not done by respondents' employees.
3. Raw hides sent in by customers are not custom-tanned.
4. The raw hides sent in by customers are not tanned and returned to them, even when requested, but are retained by respondents and customers are given "credit certificates" instead.
5. Leather products ordered by customers are not made from the raw hides which are furnished respondents by such customers.

PAR. 7. There is a preference on the part of a substantial portion of the purchasing public sending in raw hides for tanning to do business directly with the tannery processing such hides.

PAR. 8. In their catalog and order blank respondents used such statements as: "If for any reason any item you buy does not give you 100% satisfaction we will either repair or replace it for you or refund your money in cash. You can order with confidence from Milfur"; "Our aim is to give you the greatest variety of quality products and services at the lowest prices consistent with top quality"; "Order with assurance—Milfur's manufacturing facilities are the finest available"; "Guarantee—Milfur offers only quality leathers, Quality Craftsmanship, Quality Merchandise"; "Deal with Confidence—highest standard of workmanship . . . quality materials, fine

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Craftsmanship"; "Satisfaction Guaranteed"; thereby representing directly or indirectly:

1. That all of the leather products sold and services performed by respondents are of the highest quality.
2. That unless respondents' products and services are satisfactory to purchasers, adjustments will be made.
3. That respondents' products and services are unconditionally guaranteed.

PAR. 9. Said statements and representations referred to in paragraph 8 were false, misleading and deceptive. In truth and in fact:

1. All leather products sold and services performed by respondents are not of the highest quality. Many of the products and services performed by respondents are defective in material, workmanship or in other respects.
2. In many instances when purchasers find respondents' products or services unsatisfactory and request adjustments, respondents ignore such requests or arbitrarily refuse to make any adjustment.
3. Respondents' products and services are not unconditionally guaranteed. Their guarantees are subject to limitations and conditions not set forth in the advertisements.

PAR. 10. Respondents have engaged in the practice of failing to make deliveries of products and of failing to perform services within the period of time specified in their catalog.

PAR. 11. In the 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 leather products and services of the same general kind and nature as those sold by respondents.

PAR. 12. 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 and services by reason of said erroneous and mistaken belief.

PAR. 13. The aforesaid acts and practices of 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 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 respondents named in the caption hereof with violation of the Federal Trade Commission 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 to issue herein, 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 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, Milfur, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Wisconsin with its office and principal place of business located at 106 North Water Street, in the city of Milwaukee, State of Wisconsin.

Respondents Sidney Krasno, alias W. L. Hudson, and Marion Krasno are officers of said corporation and their address is the same as that of said corporation.

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

ORDER

It is ordered, That Milfur, Inc., a corporation, and its officers, and Sidney Krasno, alias W. L. Hudson, or any other name, and Marion Krasno, individually and as officers 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 leather products or services in connection therewith, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing directly or indirectly that respondents tan raw hides.

2. Representing directly or indirectly that they own and operate facilities for tanning raw hides unless and until respondents own and operate or directly and absolutely control the plant wherein said hides are tanned.

3. Representing directly or indirectly that raw hides sent in by customers are custom-tanned or that such hides will be tanned and returned to customers if requested.

4. Representing directly or indirectly that leather products ordered by customers are made from the raw hides furnished by such customers.

5. Representing directly or indirectly that respondents' products or services which are defective in material, workmanship or in other respects are of high quality.

6. Representing directly or indirectly that purchasers will be satisfied with respondents' products or services unless respondents make satisfactory adjustment, voluntarily and promptly when apprised by a purchaser that said products or services are not satisfactory.

7. Representing directly or indirectly that said products or services are guaranteed unless the nature and extent of the guarantee and the manner in which the guarantor will perform thereunder are clearly and conspicuously disclosed, and respondents do in fact fulfill all of their requirements under the terms of the said guarantee.

8. Failing to make deliveries of products or perform services within the period of time specified by respondents.

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

CAMERA SPECIALTY COMPANY, INC., DOING BUSINESS
AS EXAKTA CAMERA COMPANY

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

Docket C-143. Complaint, May 29, 1962—Decision, May 29, 1962

Consent order requiring Bronxville, N.Y., distributors to retailers of cameras manufactured in Russian-occupied Germany to cease selling the cameras without conspicuous disclosure on containers of the fact of manufacture in U.S.S.R. territory, and to cease advertising falsely that every major hospital in the U.S. used the cameras.

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 Camera Specialty Company, Inc., a corporation, doing business as Exakta Camera Company, and Max Wirgin and Wolf Wirgin, individually and as officers 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 Camera Specialty Company, 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 705 Bronx River Road, in the city of Bronxville, State of New York.

Respondents Max Wirgin and Wolf Wirgin are officers of the corporate respondent. They formulate, direct, and control the acts and practices hereinafter set forth. Their 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 advertising, offering for sale, sale and distribution of cameras 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 cameras, 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. When merchandise, including cameras, is offered for sale to the purchasing public and such merchandise is not marked, or is not adequately marked showing that it is of foreign origin, such purchasing public understands and believes that such merchandise is of domestic origin.

PAR. 5. Certain of the cameras sold by respondents are imported into the United States from that part of Germany occupied by the U.S.S.R. Respondents have failed to so mark these said cameras, or the containers in which they are sold, as to adequately and clearly disclose the country of origin of said cameras.

PAR. 6. A substantial portion of the purchasing public prefers products, including cameras, which are not manufactured in the U.S.S.R., or in territory occupied by the U.S.S.R., or in countries which are a part of the Soviet Bloc.

PAR. 7. By the aforesaid practice, respondents place in the hands of retailers a means and instrumentality by and through which the retailers may mislead the public as to the origin of said cameras.

PAR. 8. In addition, in the course and conduct of their business, and for the purpose of inducing the sale of their cameras, respondents have made certain statements in magazines of national circulation, of which the following is typical:

Every major hospital in the United States uses the Exakta because of its performance and reliability.

PAR. 9. Through the use of the aforesaid statement, respondents represented that their said camera was used in every major hospital in the United States.

PAR. 10. Said statement and representation was false, misleading and deceptive. In truth and in fact, said camera was not used in every major hospital in the United States.

PAR. 11. In the 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 cameras of the same general nature as those sold by respondents.

PAR. 12. The use by respondents of the aforesaid acts 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 cameras, manufactured in territory occupied by U.S.S.R., are manufactured in a territory not so occupied and that the aforesaid statement and representation was, and is, true and into the purchase of substantial quantities of said cameras by reason of such erroneous and mistaken belief.

PAR. 13. The aforesaid acts and practices, 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 violation of Section 5(a)(1) of 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 violation of the Federal Trade Commission Act, and the respondents

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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 respondents 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 respondents 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, Camera Specialty Company, Inc., doing business as Exakta Camera Company, 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 705 Bronx River Road, in the city of Bronxville, State of New York.

Respondents Max Wirgin and Wolf Wirgin are officers of said corporation and their address is the same as that of said corporation.

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, Camera Specialty Company, Inc., a corporation trading and doing business as Exakta Camera Company, and its officers, and Max Wirgin and Wolf Wirgin, individually and as officers 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 cameras or other products in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Offering for sale, selling or distributing products which are in whole, or in substantial part, manufactured in the U.S.S.R. or in territory occupied by the U.S.S.R. or in countries which are a part of the Soviet Bloc, without clearly and conspicuously disclosing on such products and on any packages or containers in which the said products may be enclosed for display purposes, and in such manner that the words cannot readily be obliterated, that such products are manu-

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factured in whole or in part in the U.S.S.R. or in territory occupied by the U.S.S.R., or in countries which are a part of the Soviet Bloc.

2. Representing directly or indirectly, that all major hospitals use respondents' cameras.

3. Misrepresenting in any manner the number or identity of users of their products.

4. 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