

mission a report in writing setting forth in detail the manner and form in which he has complied with this order.

IN THE MATTER OF
GEORGE FROST COMPANY ET AL.

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

Docket C-229. Complaint, Sept. 11, 1962—Decision, Sept. 11, 1962

Consent order requiring Shirley, Mass., distributors of men's belts, wallets, and related products to wholesalers and retailers, to cease stamping the words "genuine cowhide" on split leather belts, describing such belts in catalogs as "Solid Finished Cowhide Belts", and failing to disclose that the belts, which resembled top grain leather, were in fact made of split leather.

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 George Frost Company, a corporation and Kenneth Chase, individually and as an officer of said corporation, hereinafter referred to as respondents, have

Complaint

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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 George Frost Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Massachusetts, with its principal office and place of business located on Leominster Road, in the city of Shirley, State of Massachusetts.

Respondent Kenneth Chase is an officer of the corporate respondent. He, in conjunction with a Board of Directors, formulates, directs and controls the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. His 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 men's belts, wallets and related products to wholesalers and 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 Massachusetts 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 certain of their belts, have engaged in the practice of misrepresenting the material of which certain of their belts are made or composed and also by failing to disclose the facts relative thereto by the following methods and means:

(a) The respondents mark or stamp on their said belts the words "genuine cowhide", thereby representing, directly and by implication, that their belts are made of top grain leather. In truth and in fact, said belts are not made of top grain leather but are made of split leather. Top grain leather is that portion of the hide which includes and is composed of the outer surface or hair side. Split leather consists of a cut or under layer of the hide which remains after the top grain or surface portion has been removed or separated from the hide. Split leather is inferior in many respects to top grain leather and commands a lower price on the market than top grain leather. There is a preference in the trade and among the purchasing public for belts

composed of top grain leather, as compared with belts composed of split leather.

(b) In catalogs used by respondents in promoting the sale of their said split leather belts said belts are described as "Solid Finished Cowhide Belts," thereby representing, contrary to the facts, that said belts were made of top grain leather.

(c) Respondents' aforesaid split leather belts resemble in appearance belts made of top grain leather and no disclosure is made on or in connection with said belts that they are made of split leather.

PAR. 5. By the aforesaid practices, respondents place in the hands of others means and instrumentalities by and through which they may mislead the public as to the quality and composition of their aforesaid belts.

PAR. 6. 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 belts of the same general kind and nature as those sold by respondents.

PAR. 7. 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 wholesalers, retailers and 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' said belts by reason of said erroneous and mistaken belief.

PAR. 8. 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 respondents of all the jurisdictional facts set forth in the complaint

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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 George Frost Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Massachusetts with its office and principal place of business located on Leominster Road, in the city of Shirley, State of Massachusetts.

Respondent Kenneth Chase is an officer of said corporation, and his 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, George Frost Company, a corporation, and its officers, and Kenneth Chase, individually and as an officer 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 split leather belts or any other leather product, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using the expression "genuine cowhide" or the expression "Solid Finished Cowhide Belts", or any other expression or word of similar import, in connection with leather products made of split leather or misrepresenting in any manner the kind or quality of the materials of which their leather products are composed.

2. Offering for sale or selling leather products made wholly or in part of the under layer or flesh side of hides, known as split leather, without affirmatively disclosing such fact on or in immediate connection with such product and in the advertising of such product in a clear and conspicuous manner.

3. Furnishing means or instrumentalities to others by and through which they may mislead the public as to any of the matters and things prohibited in paragraphs 1 and 2 hereof.

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