

Complaint

spondents have usually and customarily sold such products in the recent regular course of business.

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

CRESTMARK MANUFACTURING COMPANY, INC.,
ET AL.

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

Docket C-243. Complaint, Sept. 21, 1962—Decision, Sept. 21, 1962

Consent order requiring Paterson, N.J., manufacturers of jewelry and jewelry findings, including bell caps, to cease representing falsely in advertising that such products were "finished in the heaviest of 18 Karat gold plate or rhodium plate", when in fact they had only a thin coating of gold or gold alloy applied by electrolysis and none were plated with any rhodium.

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 Crestmark Manufacturing Company, Inc., a corporation, and Stanley H. Lieberman and Naomi Lieberman, 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 Crestmark Manufacturing Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey with its office and principal place of business located at 567 East 23d Street, Paterson, N.J.

Respondents Stanley H. Lieberman and Naomi Lieberman are officers of said corporate respondent. They formulate, direct and control the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. Their business 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, offering, for sale and sale of jewelry and jewelry "findings", including "bell caps", 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 and transported from their place of business in the State of New Jersey to purchasers thereof located in the 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. In the course and conduct of their business, as aforesaid, and for the purpose of inducing the sale of their jewelry findings, and particularly bell caps, respondents in their advertising have made certain statements and representations. Typical, but not all inclusive of said statements and representations, are the following:

All of our products are finished in the heaviest of 18 Karat gold plate or rhodium plate on hot nickel, to give the maximum wearing qualities and the longest non-tarnishing life.

All of Crestmark's material is available in both 18 Karat Hamilton Gold and Rhodium Plate.

Here are Crestmark's catalog prices on brass bell caps plated in 18 Karat Gold or Rhodium.

These are our standard brass bell caps coated in 18 Karat Gold or Rhodium.

PAR. 5. By means of aforesaid statements and representations, and others of similar import not specifically set forth herein, respondents represented, and now represent, directly or by implication, that their products, and particularly the bell caps, are plated with a substantial surface of gold alloy applied by a mechanical process or that said products are plated with rhodium applied by a mechanical process.

PAR. 6. In truth and in fact, none of respondents' products are plated with gold or gold alloy applied by a mechanical process but, on the contrary, there is a thin coating of gold or gold alloy placed thereon by electrolysis. Further, none of respondents' products contain or are plated with any rhodium.

Therefore, the statements and representations set forth in paragraph 4 were, and are, false, misleading and deceptive.

PAR. 7. In the conduct of their business, at all times mentioned herein, respondents have been in substantial competition, in commerce, with other corporations, firms and individuals in the sale of products of the same general kind and nature as those sold by respondents.

PAR. 8. 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 by reason of said erroneous and mistaken belief.

PAR. 9. 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 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, Crestmark Manufacturing Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey, with its office and principal place of business located at 567 East 23rd Street in the city of Paterson, State of New Jersey.

Respondents Stanley H. Lieberman and Naomi Lieberman 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 the respondent Crestmark Manufacturing Company, Inc., a corporation, its officers, and the respondents Stanley H. Lieberman and Naomi Lieberman, individually and as officers of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of jewelry and jewelry findings, including bell caps, or any other products, in commerce as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from, directly or indirectly:

1. Using the term "gold plate", or "gold plated" or any other word or words of similar import or meaning to designate, describe or refer to any article which does not have a surface plating of gold or gold alloy applied by a mechanical process; provided, however, that any product or part thereof, on which a substantial coating of gold or gold alloy has been affixed by an electrolytic process may be marked or described as "gold electroplate" or "gold electroplated".

2. Using the term "rhodium plate", "rhodium plated" or any other word or words of similar import or meaning, to designate, describe or refer to any article which does not have a surface plating of rhodium or rhodium alloy applied by a mechanical process; provided, however, that any product or part thereof, on which a substantial coating of rhodium or rhodium alloy has been affixed by an electrolytic process may be marked or described as "rhodium electroplate" or "rhodium electroplated".

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

HILTON WATCH & CLOCK CO., INC., ET AL.

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