
IN THE MATTER OF
ARCTIC FUR CO., INC., TRADING AS
ALASKA-ARCTIC FURS ET AL.

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

Docket C-287. Complaint, Dec. 20, 1962—Decision, Dec. 20, 1962

Consent order requiring manufacturing furriers in Seattle, Wash., to cease violating the Fur Products Labeling Act by labeling with fictitious prices; failing to show on invoices and in advertising the true animal name of fur, when fur was artificially colored, and when it was natural; failing to show on invoices the country of origin of imported furs, and when fur products were composed of cheap or waste fur, and to use the term "Dyed Mouton Lamb" as required; setting forth on invoices the name of another animal than that which produced the fur and of another country than the true country of

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origin; by newspaper advertising which represented prices falsely as reduced from prices which were in fact fictitious, and as "reduced up to ½ or more"; and by failing in other respects to comply with requirements of the Act.

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 Arctic Fur Co., Inc., a corporation trading as Alaska-Arctic Furs, and Melville P. Steil, Vincent P. McNally and John H. Willers, individually and as officers of said corporate respondent, and Frank G. Holmstrom, individually and as auditor and manager of said corporation, 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. Respondent Arctic Fur Co., Inc., is a corporation organized, existing and trading as Alaska-Arctic Furs, under and by virtue of the laws of the State of Washington.

Individual respondents Melville P. Steil, Vincent P. McNally and John H. Willers are officers of the corporate respondent and individual respondent Frank G. Holmstrom is auditor and manager of the corporate respondent. Said individual respondents cooperate in formulating, directing and controlling the acts, policies and practices of the corporate respondent including the acts and practices hereinafter referred to.

Respondents are engaged in the business of manufacturing, wholesaling and retailing fur products. All respondents have their offices and principal place of business at 1517 Fifth Avenue, Seattle, Wash.

PAR. 2. Subsequent to the effective date of the Fur Products Labeling Act on August 9, 1952 and more especially since 1959, 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; and have sold, advertised, offered for sale and processed fur products which have been shipped and received in commerce and upon which fur prod-

ucts substitute labels have been placed by respondents, as the terms "commerce", "fur" and "fur product" are defined in the Fur Products Labeling Act.

PAR. 3. Respondents in selling, advertising, offering for sale and processing fur products which have been shipped and received in commerce, have misbranded such fur products by substituting thereon, labels which did not conform to the requirements of Section 4 of the Fur Products Labeling Act, for the labels affixed to said fur products by the manufacturer or distributor pursuant to Section 4 of the said Act, in violation of Section 3(e) of the said Act.

Among such misbranded products, but not limited thereto, were fur products which were misbranded within the meaning of Section 4(1) of the Fur Products Labeling Act, in that labels affixed thereto, contained fictitious prices and misrepresented the regular retail selling prices of such fur products in that the prices represented on such labels as the regular prices of the fur products were in excess of the retail prices at which respondents usually and regularly sold such fur products in the recent regular course of its business.

PAR. 4. Certain of said fur products were misbranded in that labels affixed thereto contained fictitious prices and misrepresented the regular retail selling prices of such fur products in that the prices represented on such labels as the regular prices of the fur products were in excess of the retail prices at which the respondents usually and regularly sold such fur products in the recent regular course of its business, in violation of Section 4(1) of the Fur Products Labeling Act.

PAR. 5. Certain of said fur products were falsely and deceptively invoiced by the respondents in that they were not invoiced as required by Section 5(b) (1) of the Fur Products Labeling Act and the Rules and Regulations promulgated under such Act.

Among such falsely and deceptively invoiced fur products, but not limited thereto, were invoices pertaining to such fur products which failed:

1. To show the true animal name or names of the fur used in the fur product.
2. To disclose that the fur contained in the fur products was bleached, dyed, or otherwise artificially colored when such was the fact.
3. To show the country of origin of the imported furs used in the fur product.

PAR. 6. Certain of said fur products were falsely and deceptively invoiced in violation of Section 5(b) (2) in the following respects:

1. The name of an animal other than the name of the animal that

produced the fur contained in said fur products was set forth on invoices.

2. The name of a country other than the name of the country wherein the furs actually originated was set forth on invoices as the country of origin.

PAR. 7. Certain of said fur products were falsely and deceptively invoiced in violation of the Fur Products Labeling Act in that they were not invoiced in accordance with the Rules and Regulations promulgated thereunder in the following respects:

(a) Information required under Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was set forth in abbreviated form, in violation of Rule 4 of said Rules and Regulations.

(b) The term "Dyed Mouton Lamb" was not set forth in the manner required by law, in violation of Rule 9 of said Rules and Regulations.

(c) Fur products which were not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored were not described as natural, in violation of Rule 19(g) of the said Rules and Regulations.

(d) The disclosure that fur products were composed in whole or in substantial part of paws, tails, bellies, sides, flanks, gills, ears, throats, heads, scrap pieces, or waste fur was not set forth on invoices, in violation of Rule 20 of the said Rules and Regulations.

(e) Information required under Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was not set forth separately on invoices with respect to each section of fur products composed of two or more sections containing different animal furs, in violation of Rule 36 of said Rules and Regulations.

PAR. 8. Certain of said fur products were falsely and deceptively advertised in violation of the Fur Products Labeling Act in that said products were not advertised in accordance with the provisions of Section 5(a) of the said Act and the Rules and Regulations promulgated thereunder.

Said advertisements were intended to aid, promote and assist, directly or indirectly, in the sale and offering for sale of said products.

Among and included in the advertisements as aforesaid, but not limited thereto, were advertisements of respondents, which appeared in the Seattle Times, a newspaper published in the city of Seattle, State of Washington and having a wide circulation in said State and various other States of the United States.

By means of said advertisements and others of similar import and meaning not specifically referred to herein, respondents falsely

and deceptively advertised fur products in that said advertisements:

(a) Failed to disclose the name or names of the animal or animals that produced the fur contained in the fur products as set forth in the Fur Products Name Guide.

(b) Failed to disclose that fur products contained or were composed of bleached, dyed or otherwise artificially colored fur, when such was the fact.

PAR. 9. Respondents, by the means hereinbefore alleged, falsely and deceptively advertised fur products in that said advertisements:

1. Contained terms set forth in abbreviated form, which implied, directly or indirectly, that the fur products contained the fur of a particular animal when such was not the case, in violation of Section 5(a)(5) of the Fur Products Labeling Act.

2. Represented prices of fur products as having been reduced from regular or usual prices where the so-called regular or usual prices were in fact fictitious in that they were not the prices at which said merchandise was usually sold by the respondent in the recent regular course of business, in violation of Section 5(a)(5) of the Fur Products Labeling Act and Rule 44(a) of the said Rules and Regulations.

3. Represented through the use of terms such as, among others, "reduced up to 1/2 and more" that prices of fur products were reduced when such was not the case and the reduction was in fact fictitious, in violation of Section 5(a)(5) and Rule 44(a) of the said Rules and Regulations.

PAR. 10. Respondents by the means hereinbefore alleged, falsely and deceptively advertised fur products in violation of the Fur Products Labeling Act, in that said fur products were not advertised in accordance with the Rules and Regulations promulgated thereunder.

Among such advertisements, but not limited thereto, were advertisements which:

(a) Contained information required under Section 5(a) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder set forth in abbreviated form, in violation of Rule 4 of said Rules and Regulations.

(b) Used the term "blended" as part of the information required under Section 5(a) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe the pointing, bleaching, dyeing, tip-dyeing, or otherwise artificially coloring of furs, in violation of Rule 19(f) of said Rules and Regulations.

(c) Failed to describe as natural fur products which were not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Rule 19(g) of said Rules and Regulations.

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(d) Contained information required under Section 5(a) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder which was not set forth separately with respect to each section of fur products composed of two or more sections containing different animal furs, in violation of Rule 36 of said Rules and Regulations.

PAR. 11. 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 and unfair methods of competition in commerce under 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 Fur Products Labeling 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, Arctic Fur Co., Inc., is a corporation organized, existing and trading as Alaska-Arctic Furs, under and by virtue of the laws of the State of Washington, with its office and principal place of business located at 1517 Fifth Avenue, in the city of Seattle, State of Washington.

Respondents Melville P. Steil, Vincent P. McNally and John H. Willers are officers of said corporation, and Frank G. Holmstrom is the auditor of said corporation. 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 respondent Arctic Fur Co., Inc., a corporation trading under its own name or as Alaska-Arctic Furs or under any other trade names, and its officers and Melville P. Steil, Vincent P. McNally and John H. Willers, individually and as officers of said corporation, and Frank G. Holmstrom individually and as auditor of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, or manufacture for introduction, into commerce, or the sale, advertising, or offering for sale in commerce, or the transportation or distribution in commerce, of any fur product; or in connection with the manufacture for sale, sale, advertising or offering for sale, transportation or distribution, of any fur product which is made in whole or in part of fur which has been shipped and received in commerce; or in connection with the sale, advertising, offering for sale or processing of any fur product which has been shipped and received in commerce and upon which fur product a substitute label has been placed by the respondents, as "commerce", "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

1. Misbranding fur products by:

A. Substituting labels for labels affixed to such fur products pursuant to Section 4 of the Fur Products Labeling Act which substitute labels do not conform to the requirements of Section 4 of the said Act.

B. Falsely and deceptively labeling or otherwise indentifying such products as to the regular prices or values thereof by any representation that the regular or usual prices of such products are any amount in excess of the prices at which respondents have usually and customarily sold such products in the recent regular course of their business.

2. Falsely or deceptively invoicing fur products by:

A. Failing to furnish invoices to purchasers of fur products showing in words and figures plainly legible 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.

C. Misrepresenting the country of origin of the furs contained in fur products.

D. Setting forth information required under Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in abbreviated form.

E. Failing to set forth the term "Dyed Mouton Lamb" in the manner required where an election is made to use that term instead of the term "Dyed Lamb".

F. Failing to describe fur products which are not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, as natural.

G. Failing to disclose that fur products are composed in whole or in substantial part of paws, tails, bellies, sides, flanks, gills, ears, throats, heads, scrap pieces or waste fur.

H. Failing to set forth information required under Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder with respect to each section of fur products composed of two or more sections containing different animal furs.

3. Falsely or deceptively advertising fur products through the use of any advertisement, representation, public announcement, or notice which is intended to aid, promote or assist, directly or indirectly, in the sale or offering for sale of fur products, and which:

A. Fails to set forth all the information required to be disclosed by each of the subsections of Section 5(a) of the Fur Products Labeling Act.

B. Represents in any manner, directly or by implication, that fur products contain the fur of a particular animal when such is not the case.

C. Sets forth information required under Section 5(a) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in abbreviated form.

D. Sets forth the term "blended" as part of the information required under Section 5(a) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe the pointing, bleaching, dyeing, tip-dyeing, or otherwise artificial coloring of furs.

E. Fails to disclose fur products which are not pointed, bleached, dyed, tip-dyed or otherwise artificially colored, as natural.

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F. Fails to set forth separately in advertisements relating to fur products composed of two or more sections containing different animal furs the information required under Section 5(a) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder with respect to the fur comprising each section.

G. Represents directly or by implication that the regular or usual prices of any fur product is any amount which is in excess of the prices at which respondent has usually and customarily sold such products in the recent and regular course of its business.

H. Represents directly or by implication that the prices of fur products have been reduced when such is not the case.

I. Misrepresents in any manner the savings available to purchasers of respondents' fur products.

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.