

IN THE MATTER OF
SEIDENBACH'S INC., ET AL.

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

Docket C-295. Complaint, Jan. 8, 1963—Decision, Jan. 8, 1963

Consent order requiring a retail furrier in Tulsa, Okla., to cease violating the Fur Products Labeling Act by failing to show on labels and invoices the true animal name of fur; failing to show on labels when a product contained used fur, the name of the manufacturer, etc., and the country of origin of imported furs; failing to use the term "natural" in advertising in newspapers when fur was not artificially colored and to give a designated time of a

Complaint

bona fide compared price on window display cards which used comparative prices; failing to maintain adequate records as a basis for price and value claims; and 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 Seidenbach's Inc., a corporation, and J. L. Seidenbach and Clare Seidenbach, individually and as officers of Seidenbach's, Inc., 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 Seidenbach's Inc., is a corporation organized, existing and doing business by virtue of and under the laws of the State of Oklahoma.

Respondents J. L. Seidenbach and Clare Seidenbach are officers of the corporate respondent and formulate, direct and control the acts and practices hereinafter set forth.

Respondents are retailers of fur products and have their office and principal place of business at 413 Main Street, Tulsa, Okla.

PAR. 2. Subsequent to the effective date of the Fur Products Labeling Act on August 9, 1952, respondents have been and are now engaged in the 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 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, as the terms "commerce", "fur", and "fur product" are defined in the Fur Products Labeling Act.

PAR. 3. Certain of said fur products were misbranded in that they were not labeled as required under the provisions of Section 4(2) of the Fur Products Labeling Act and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

Among such misbranded fur products, but not limited thereto, were fur products without labels and fur products with labels which failed:

1. To show the true animal name of the fur used in the fur product.
2. To show that the fur product contained or was composed of used fur, when such was the fact.
3. To show the name, or other identification issued and registered by the Commission of one or more of the persons who manufactured

Complaint

62 F.T.C.

such fur product for introduction into commerce, introduced it into commerce, sold it in commerce, advertised or offered it for sale, in commerce, or transported or distributed it in commerce.

4. To show the country of origin of the imported furs used in the fur product.

PAR. 4. Certain of said products were misbranded in violation of the Fur Products Labeling Act in that they were not labeled in accordance with the Rules and Regulations promulgated thereunder in the following respects:

(a) The disclosure "secondhand" where required, was not set forth on labels, in violation of Rule 23 of said Rules and Regulations.

(b) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was set forth in handwriting on labels, in violation of Rule 29(b) of said Rules and Regulations.

(c) Required item numbers were not set forth on labels, in violation of Rule 40 of said Rules and Regulations.

(d) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was not set forth in required sequence, in violation of Rule 30 of said Rules and Regulations.

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 to show the true animal name of the fur used in the fur product.

PAR. 6. 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 that 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.

PAR. 7. Certain of said fur products were falsely or deceptively advertised in that said fur products were not advertised as required under the provisions of the Fur Products Labeling Act and in the manner and form prescribed by 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 issues of the Tulsa World, a newspaper published in the city of Tulsa, State of Oklahoma.

Among such false and deceptive advertisements of fur products, but not limited thereto, were advertisements referred to herein, which failed to use the term "natural" to describe fur products which were not bleached, dyed or otherwise artificially colored in violation of Rule 19(g) of the Rules and Regulations promulgated under the Fur Products Labeling Act.

PAR. 8. Certain of said fur products were further falsely or deceptively advertised in that said fur products were not advertised as required under the provisions of Section 5(a) of the Fur Products Labeling Act and in the manner and form prescribed by 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 fur products by means of window display cards or placards which used comparative prices and which failed to give a designated time of a bona fide compared price, in violation of Section 5(a)(5) of the Fur Products Labeling Act and Rule 44(b) of the Rules and Regulations promulgated under the aforesaid Act.

PAR. 9. Respondents in advertising fur products for sale as aforesaid, made claims and representations respecting prices and values of fur products. Said representations were of the types covered by subsections (a), (b), (c) and (d) of Rule 44 of the Rules and Regulations promulgated under the Fur Products Labeling Act. Respondents in making such claims and representations failed to maintain full and adequate records disclosing the facts upon which such claims and representations were based in violation of Rule 44(e) of said Rules and Regulations.

PAR. 10. 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

Order

62 F.T.C.

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 Seidenbach's Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Oklahoma, with its office and principal place of business located at 413 Main Street, in the city of Tulsa, State of Oklahoma.

Respondents J. L. Seidenbach and Clare Seidenbach 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 respondent Seidenbach's Inc., a corporation, and its officers, and J. L. Seidenbach and Clare Seidenbach, 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 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 sale, advertising, 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, 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. Failing to affix labels to fur products showing in words and figures plainly legible all the information required to be disclosed by each of the subsections of Section 4(2) of the Fur Products Labeling Act.

B. Setting forth on labels affixed to fur products information required under Section 4(2) of the Fur Products Label-

ing Act and the Rules and Regulations thereunder in hand-writing.

C. Failing to disclose that fur products are "second-hand", when such is the fact.

D. Failing to set forth on labels the item number or mark assigned to a fur product.

E. Failing to set forth the information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in the sequence required by Rule 30 of the aforesaid Regulations.

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

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) Makes use of comparative prices of the fur product unless a bona fide compared price at a designated time is given.

(b) Misrepresents in any manner the savings available to purchasers of respondents' products.

(c) Fails to use the term "natural" to describe fur products which were not bleached, dyed or otherwise artificially colored.

4. Making claims and representations of the types covered by subsections (a), (b), (c) and (d) of Rule 44 of the Rules and Regulations promulgated under the Fur Products Labeling Act unless there are maintained by respondents full and adequate records disclosing the facts upon which such claims and representations are based.

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.

Complaint

62 F.T.C.

IN THE MATTER OF

AUTO-EUROPE, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT*Docket C-296. Complaint, Jan. 10, 1963—Decision, Jan. 10, 1963*

Consent order requiring New York City solicitors of orders for European automobiles to be delivered in Europe, to cease making deceptive pricing and savings claims and misrepresenting the cost of transportation to foreign countries in newspaper, magazine, and other advertising.

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 Auto-Europe, Inc., a corporation and Alex T. Cecil, Jr., David Mungavin and Lloyd DeMause, 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 Auto-Europe, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its main office and principal place of business located at 25 West 58th Street, New York, N.Y.

Respondents Alex T. Cecil, Jr., David Mungavin and Lloyd DeMause are individuals and officers of said corporate respondent. They formulate, direct and control the policies, acts and practices of said corporate respondent, including those hereinafter set out. The address of each individual respondent is the same as that of the main office of the corporate respondent.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the business of soliciting orders from members of the public in the United States for the purchase of automobiles manufactured in Europe. Said orders are transmitted by respondents to representatives of the manufacturers of said automobiles located in the United States or in Europe, which representatives arrange for the delivery of the automobiles to the purchasers in Europe. Respondents also arrange with shipping agencies for the shipment of said automobiles to the United States upon return of the purchaser to the United States.