

other manner, the savings available to purchasers of respondent's merchandise.

It is further ordered, That the respondent herein shall, within sixty (60) days after service upon it of this order, file with the Commission a report in writing setting forth in detail the manner and form in which it has complied with this order.

IN THE MATTER OF
PEARLS BY DELTAH, INC., ET AL.

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

Docket C-314. Complaint, Feb. 13, 1963—Decision Feb. 13, 1963

Consent order requiring a Pawtucket, R. I., distributor of imitation pearls to cease using the coined term "Cultique" and the word "cultured" in advertisements and on containers in which the pearls were offered for sale.

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 Pearls by Delata, Inc., a corporation, and Gilbert Sachs, individually and as an officer 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 Pearls by Delata, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Rhode Island, with its principal office and place of business located at 560 Mineral Spring Avenue, in the city of Pawtucket, State of Rhode Island.

Gilbert Sachs is an individual and is an officer of said corporate respondent. He formulates, directs and controls the acts and practices of the corporate respondent, including the acts and practices here-

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inafter 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 imitation pearls to wholesalers, retailers for resale to the public, and 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 Rhode Island to purchasers thereof located in various other States of the United States, and in the District of Columbia, 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, respondents have made numerous statements and representations concerning the composition and characteristics of their said imitation pearls. Said statements and representations have been made in advertisements appearing in magazines, periodicals, and other publications, and on the containers in which said imitation pearls are offered for sale. Typical and illustrative of the foregoing but not all inclusive thereof as set forth in attached copy of respondents' advertising, which is incorporated herein as Exhibit A,* and made a part hereof, are the following:

Presenting the Cultique
ROYAL TREASURE NECKLACE
Deltah's fabulous simulated pearl creation
with the priceless look
of precious cultured pearls!

Cultique is presented in this Royal Treasure Chest, which has
lift-out tray and jewelry compartment.

Compare costly
oyster grown
cultured pearls with
Cultique
the amazing simulated
pearl copy by Deltah.

Now—the precious look of expensive cultured pearls is yours to
enjoy when you possess a Cultique strand of luminous, iridescent
simulated pearls! The resemblance is amazing—an exclusive
exciting creation by Deltah!

Cultique
SIMULATED PEARLS
By Deltah
Pearls by Deltah Inc.

*Exhibit A omitted in printing.

(Pictured in connection therewith are strings of beads having the appearance of pearls and a jewelry case bearing words of which only "Cultique" and "Deltah" are legible.)

PAR. 5. By means of the foregoing statements and depictions, and others similar thereto but not specifically set out herein, respondents have represented, directly or indirectly, through the use of the coined term "Cultique" alone, and in connection with the aforesaid statements and depictions, that said beads and earrings are made of cultured pearls.

PAR. 6. In truth and in fact, said beads and earrings are not composed of cultured pearls, but are made of imitation pearls, which are made from beads coated and finished to have the appearance of cultured pearls. Therefore, the statements and representations referred to in Paragraphs 4 and 5 were, and now are, false, misleading and deceptive, and have, and have had, the capacity and tendency to mislead the purchasing public into a belief that said beads and earrings are made of cultured pearls.

PAR. 7. In the course and conduct of their business, and at all times mentioned herein, respondents have been in substantial competition, in commerce, with corporations, firms, and individuals engaged 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' articles of merchandise by reason of said erroneous and mistaken belief.

PAR. 9. The aforesaid acts and practices of the 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(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 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 Pearls by Deltah, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Rhode Island, with its office and principal place of business located at 560 Mineral Spring Avenue, in the city of Pawtucket, State of Rhode Island.

Respondent Gilbert Sachs 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 respondent Pearls by Deltah, Inc., a corporation, and its officers, and Gilbert Sachs, 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 imitation pearls or any other articles of merchandise, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using the term "Cultique", the term "cultured" or any other words phonetically similar to the word "cultured" to describe, identify or refer to imitation pearls; provided, however, that nothing herein shall prohibit the use by respondents of statements truthfully and nondeceptively comparing the appearance of respondents' imitation pearls to the appearance of cultured pearls.

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

IN THE MATTER OF

SIDNEY J. GREENBLAT ET AL. TRADING AS G & G
MFG. & SOUVENIR COMPANYORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE
COMMISSION ACT*Docket 8535. Complaint, Oct. 10, 1962—Decision, Feb. 19, 1963*

Order requiring Minneapolis, Minn., distributors of inexpensive jewelry and souvenirs to cease misrepresenting in their catalogs the materials, composition, quality, and origin of their merchandise, as in the order below in detail set forth.

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 Sidney J. Greenblat and Marvin J. Greenblat, individually and as copartners trading as G & G Mfg. & Souvenir Company, 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. Respondents Sidney J. Greenblat and Marvin J. Greenblat are individuals trading as a copartnership under the name of G & G Mfg. & Souvenir Company. Their office and principal place of business is located at 20 North Fourth Street, in the city of Minneapolis, State of Minnesota.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the manufacturing, advertising, offering for sale, sale and distribution of inexpensive jewelry and souvenir items to retail stores for resale to the purchasing public.

PAR. 3. In the course and conduct of their business respondents now cause, and for some time last past have caused, their said articles of merchandise, when sold, to be shipped from their place of business in the State of Minnesota to purchasers thereof located in various other States of the United States and the District of Columbia, 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 said articles of merchandise, respondents have made certain statements and representations with