

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

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respect thereto in their catalogs. Typical and illustrative thereof, but not all inclusive, are the following:

1. POPE JOHN JEWELRY

On the front disc is the POPE etched in Gold.

2. 10-Commandments Candy Dish Almost 4"—The Ten Commandments in miniature gold print against a Pearl-White background in a Gold color bowl.

3. BIRTHSTONE Cross Necklace Dainty Crosses with varied colored pronged stones.

4. Sweater Guard Assortment Genuine Mother-of-Pearl for all ages.

5. RINGS

BOYS' TURQUOISE RINGS

MEN'S TURQUOISE RINGS

GIRLS' TURQUOISE RINGS.

6. INDIAN GOODS

MINK-TRIM DOLLS

PEWEE TWINS.

7. Boxed Colored Pearls E-N SETS.

PAR. 5. Through the use of the aforesaid statements and others of similar import and meaning not herein specifically set forth, respondents have represented, directly or indirectly:

1. That on the front disc of their Pope John jewelry, a likeness of the Pope of the Roman Catholic Church is etched in gold.

2. That The Ten Commandments are imprinted upon their aforesaid candy dish in gold.

3. Through use of the word "Birthstone", and otherwise, that their Cross necklace contains natural stones.

4. That their sweater guard is composed of genuine Mother-Of-Pearl.

5. That their aforesaid rings designated "Turquoise" contain genuine Turquoise.

6. Through the use of the term "Indian Goods", that their Mink-Trim dolls and Pewee Twins are made by Indians.

7. That their products designated "Boxed Colored Pearl E-N Sets" contain genuine pearls.

PAR. 6. In truth and in fact:

1. The likeness of the Pope on their Pope John jewelry is not etched in gold and does not contain gold.

2. The Ten Commandments on their candy dish are not imprinted in gold and do not contain gold.

3. Their Cross necklace does not contain natural stones, but contains imitation stones.

4. Their sweater guard is not composed of genuine Mother-Of-Pearl, but an imitation thereof.

5. Their aforesaid rings designated "Turquoise" do not contain genuine Turquoise, but contain imitation Turquoise.

6. Said Mink-Trim dolls and Pewee Twins are not made by Indians.

7. Said Boxed Colored Pearl E-N Sets do not contain genuine pearls, but contain imitation pearls.

Therefore, respondents' aforesaid statements and representations referred to in paragraphs 4 and 5, are false, misleading and deceptive.

PAR. 7. By the aforesaid acts and practices, respondents have placed in the hands of retailers and dealers the means and instrumentalities by and through which they may mislead the public as to the materials, composition, workmanship and origin of said products.

PAR. 8. In the conduct of their business and at all times mentioned herein, respondents have been in substantial competition, in commerce, with corporations, firms and individuals in the sale of articles of merchandise of the same general kind and nature as that sold by respondents.

PAR. 9. 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. 10. 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.

Mr. Marvin G. Rosenbaum supporting the complaint.

No appearance filed for respondents.

INITIAL DECISION BY JOSEPH W. KAUFMAN, HEARING EXAMINER

The complaint herein, charging respondents with violation of Section 5 of the Federal Trade Commission Act by the making of false and misleading representations in their catalogs for the purpose of inducing the sale of merchandise, was issued on October 10, 1962, and was duly served upon respondents by registered mail on October 16, 1962. The respondents have not filed their answers to this complaint within the time required (nor did they appear at the time and place set for hearing) and are now in default. Pursuant to the provisions of Rule 4.5(2c) of the Commission's Rules of Practice for Adjudicative Proceedings, the hearing examiner hereby declares the respondents in

default and now finds the facts to be as alleged in the complaint, and issues his initial decision containing such findings, appropriate conclusions drawn therefrom and order to cease and desist, as follows:

FINDINGS OF FACT

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.

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.

3. In the course and conduct of their business respondents now cause, and for some 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.

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 respect thereto in their catalogs. Typical and illustrative thereof, but not all inclusive, are the following:

1. POPE JOHN JEWELRY—On the front disc is the POPE etched in Gold.
2. 10-Commandments Candy Dish Almost 4"—The Ten Commandments in miniature gold print against a Pearl-White background in a Gold color bowl.
3. BIRTHSTONE Cross Necklace Dainty Crosses with varied colored pronged stones.
4. Sweater Guard Assortment Genuine Mother-of-Pearl for all ages.
5. RINGS
BOYS' TURQUOISE RINGS
MEN'S TURQUOISE RINGS
GIRLS' TURQUOISE RINGS.
6. INDIAN GOODS
MINK-TRIM DOLLS
PEWEE TWINS.
7. Boxed Colored Pearls E-N SETS.

5. Through the use of the aforesaid statements and others of similar import and meaning not herein specifically set forth, respondents have represented, directly or indirectly:

1. That on the front discs of their Pope John jewelry, a likeness of the Pope of the Roman Catholic Church is etched in gold.

2. That The Ten Commandments are imprinted upon their aforesaid candy dish in gold.

3. Through use of the word "Birthstone", and otherwise, that their Cross necklace contains natural stones.

4. That their sweater guard is composed of genuine Mother-Of-Pearl.

5. That their aforesaid rings designated "Turquoise" contain genuine Turquoise.

6. Through the use of the term "Indian Goods", that their Mink-Trim dolls and Pewee Twins are made by Indians.

7. That their products designated "Boxed Colored Pearl E-N Sets" contain genuine pearls.

6. In truth and in fact:

1. The likeness of the Pope on their Pope John jewelry is not etched in gold and does not contain gold.

2. The Ten Commandments on their candy dish are not imprinted in gold and do not contain gold.

3. Their Cross necklace does not contain natural stones, but contains imitation stones.

4. Their sweater guard is not composed of genuine Mother-Of-Pearl but an imitation thereof.

5. Their aforesaid rings designated "Turquoise" do not contain genuine Turquoise, but contain imitation Turquoise.

6. Said Mink-Trim dolls and Pewee Twins are not made by Indians.

7. Said Boxed Colored Pearl E-N Sets do not contain genuine pearls, but contain imitation pearls.

Therefore, respondents' aforesaid statements and representations referred to in paragraphs 4 and 5, are false, misleading and deceptive.

7. By the aforesaid acts and practices, respondents have placed in the hands of retailers and dealers the means and instrumentalities by and through which they may mislead the public as to the materials, composition, workmanship and origin of said products.

8. In the conduct of their business and at all times mentioned herein, respondents have been in substantial competition, in commerce, with corporations, firms and individuals in the sale of articles of merchandise of the same general kind and nature as that sold by respondents.

9. 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 sub-

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stantial quantities of respondents' articles of merchandise by reason of said erroneous and mistaken belief.

CONCLUSION

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.

ORDER

It is ordered, That respondents Sidney J. Greenblat and Marvin J. Greenblat, individually and trading as copartners under the name of G & G Mfg. & Souvenir Company, or under any other name, 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, souvenir items, 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. Representing directly or indirectly:
 - (a) That the likeness of Pope John on respondents' POPE JOHN jewelry is etched in gold or that The Ten Commandments appearing on respondents' candy dishes are imprinted in gold;
 - (b) That respondents' Cross necklaces contain natural stones; that respondents' sweater guards are made of genuine Mother-Of-Pearl; or that their rings heretofore designated "Turquoise" contain natural Turquoise;
 - (c) Through the use of the word "Pearl" or any other word or words of similar import or meaning, that imitation pearls are genuine pearls; provided however, that the foregoing shall not be construed to prohibit the use of the word "Pearl" to describe the appearance of said imitation pearls if, whenever used, the word "Pearl" is immediately preceded, in equally conspicuous type, by the word "imitation" or the word "simulated", or other words of similar import or meaning, so as to clearly indicate that said imitation pearls are not genuine pearls but imitations thereof.
2. Representing directly or indirectly that:
 - (a) Pictures, characters, symbols or designs are imprinted, etched, or otherwise placed on products in gold, or in any

other material or by any manner or means unless such is the fact;

(b) Products contain or are made or composed in whole or in part of gold, natural stones, Mother-of-Pearl, Turquoise or any other material or substance not actually used or contained therein;

(c) Any of respondents' products not actually made or produced by Indians or any other race or group have been so made or produced;

(d) Imitation pearls are genuine pearls.

3. Furnishing or otherwise placing in the hands of retailers or dealers the means and instrumentalities by and through which they may mislead or deceive the public in the manner or as to the things hereinbefore prohibited.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF
COMPLIANCE

Pursuant to Section 4.19 of the Commission's Rules of Practice, effective June 1, 1962, the initial decision of the hearing examiner shall on the 19th day of February 1963, become the decision of the Commission; and accordingly:

It is ordered, That 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 the order to cease and desist.

IN THE MATTER OF

JACK B. STEIN TRADING AS