

Complaint

IN THE MATTER OF

KAISER INDUSTRIES CORPORATION ET AL.

ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF SEC. 7 OF THE
CLAYTON ACT

Docket 8341. Complaint, Mar. 16, 1961—Decision, Aug. 2, 1963*

Order dismissing, as lacking public interest, complaint charging the second largest producer of steel in the Western States with violation of Sec. 7 of the Clayton Act by its acquisition of the largest independent fabricator and erector of structural steel in Arizona.

COMPLAINT

The Federal Trade Commission, having reason to believe that the above-named respondents have violated, and are now violating, the provisions of Section 7 of the amended Clayton Act (U.S.C. Title 15, Sec. 18), hereby issues its complaint pursuant to Section 11 of the aforesaid Act (U.S.C. Title 15, Sec. 21), charging as follows:

PARAGRAPH 1. Respondent Kaiser Industries Corporation, hereinafter sometimes referred to as "Kaiser Industries", is a corporation organized and existing under the laws of the State of Nevada. It was incorporated on August 9, 1945, and has since undergone several name changes, its present name having been adopted on March 14, 1956. Its main office and principal place of business is located in the Kaiser Center, 300 Lakeside Drive, Oakland, California.

Respondent Henry J. Kaiser Company, hereinafter sometimes referred to as "Kaiser Company", is a corporation organized and existing under the laws of the State of Nevada. It was incorporated on December 30, 1941. Its main office and principal place of business is located in the Kaiser Center, 300 Lakeside Drive, Oakland, California.

Respondent Kaiser Aluminum & Chemical Corporation, hereinafter sometimes referred to as "Kaiser Aluminum" is a corporation organized and existing under the laws of the State of Delaware. It was incorporated on December 9, 1940, and has since undergone several name changes, its present name having been adopted on November 28, 1949. Its main office and principal place of business is located in the Kaiser Center, 300 Lakeside Drive, Oakland, California.

Respondent Kaiser Steel Corporation, hereinafter sometimes referred to as "Kaiser Steel", is a corporation organized and existing under the laws of the State of Nevada. It was incorporated December 1,

*As amended Jan. 9, 1962.

Complaint

63 F.T.C.

1941. Its main office and principal place of business is located in the Kaiser Center, 300 Lakeside Drive, Oakland, California.

PAR. 2. Kaiser Industries conducts its business both through direct operations and through ownership of stock in certain subsidiary and affiliated corporations. Those subsidiary and affiliated corporations include, among others, the respondents Kaiser Company, Kaiser Aluminum and Kaiser Steel. Kaiser Industries directs, controls, and for the purposes of this proceeding is responsible and liable for the acts, practices and policies of these subsidiary and affiliated companies.

PAR. 3. Kaiser Company, a wholly owned subsidiary of Kaiser Industries, conducts business both through direct operation and through ownership of stock in certain subsidiary and affiliated corporations. These subsidiary and affiliated corporations include, among others, the respondents Kaiser Aluminum and Kaiser Steel. In the conduct of its business, Kaiser Company acts for and on behalf of Kaiser Industries.

PAR. 4. Kaiser Aluminum is engaged in the production, manufacture, fabrication, erection, sale and distribution of aluminum and aluminum products. It is the third largest producer of primary aluminum in the United States. Its 1959 primary aluminum capacity of 609,000 tons, represented an increase of 325% since 1950 and constituted over 30% of the total national capacity. It is also a substantial producer of fabricated aluminum products, consisting of, among others, aluminum sheet, electrical conductor, rod and bar, extrusions, foil, foil food containers and forgings. Its products are marketed in major cities throughout the United States.

Kaiser Aluminum first entered the aluminum business in 1946 through the acquisition of three plants from the Federal government. In 1956 Kaiser Aluminum acquired Foil-Kraft, Inc., of Los Angeles, California, a fabricator of aluminum containers for frozen food, and Hokin Aluminum Co., of Chicago, Illinois, a fabricator of aluminum sheet and other products. Since 1946 Kaiser Aluminum has followed a consistent pattern of growth due in part to acquisition and mergers.

For the year ending December 31, 1959, Kaiser Aluminum had a net income of \$22,328,000 based on net sales of \$435,550,000, and the corporation's assets totaled \$785,976,000. Approximately 37% of the voting securities of Kaiser Aluminum are owned by Kaiser Company, and approximately 8% are owned by Kaiser Industries.

PAR. 5. Kaiser Steel is engaged in the production, manufacture, fabrication, erection, sale and distribution of steel and steel products. It is the second largest producer of steel in the Western States and ranks ninth among steel producers in the United States. Its facilities located at Fontana, California, constitute the only fully integrated

steel plant on the Pacific Coast. The Fontana plant is served by large iron ore and coal reserves, owned in fee, and produces a diversified line of steel products, including plates, tubular products, carbon and alloy bars, hot and cold rolled strips, hot rolled sheets and structural shapes. These products are sold to various purchasers, including fabricators, throughout the western part of the United States. Since its incorporation, Kaiser Steel, both through acquisitions and internal growth, has consistently expanded its production, manufacture, fabrication, sale and distribution of steel and steel products in its various marketing areas.

In March 1951 Kaiser Steel merged with Utah Fuel Company and Book Cliffs Coal Corporation. In February 1955 it purchased from Union Steel Company facilities for fabricating finished steel products located at Montebello, California. As a result of this acquisition, Kaiser Steel became engaged, for the first time, in the fabrication and erection of structural steel and the manufacture of associated steel products. In May 1955 it purchased the Steel Division of Basalt Rock Company, consisting of two fabricating plants located at Napa and Fontana, California, and certain pipe mills.

For the year ending December 31, 1958, Kaiser Steel had a net profit of \$5,422,000 based on net sales of \$181,179,000, and the corporation's assets totaled \$481,950,000. In 1957 Kaiser Steel's net sales of fabricated steel products exceeded \$20,000,000. Approximately 80% of the voting securities of Kaiser Steel are owned by Kaiser Company.

PAR. 6. Each of the respondents named herein is engaged in commerce as "commerce" is defined in the Clayton Act.

PAR. 7. Allison Steel Manufacturing Company, hereinafter referred to as "Allison", is a corporation organized and existing under the laws of the State of Arizona. Its main office and principal place of business is located at 19th Avenue and Southern Pacific Tracks, Phoenix, Arizona.

Allison is engaged in the manufacture, fabrication, erection, sale and distribution of steel and aluminum products in commerce, as "commerce" is defined in the Clayton Act. It operates a completely modern manufacturing and fabricating plant which covers approximately 35 acres and includes over 400,000 square feet under roof. It has complete facilities for the fabrication and erection of structural steel and structural aluminum. Most of its business is done by special contract whereby Allison is awarded contracts on the basis of public or private bids submitted to customers which include, among others, general contractors, mining companies, engineering companies and Federal, state and city agencies.

Complaint

63 F.T.C.

Allison is also a jobber and warehouser for certain types of manufactured metal products. In addition it does miscellaneous other work, including, among others, the manufacturing of derricks, cranes, heavy truck and bus bodies; fabrication of reinforcing steel; and work on special government contracts.

Prior to May 1958 Allison was the largest independent fabricator and erector of structural steel in the State of Arizona and had accounted for approximately 40% of such business in that State. In Maricopa County, Arizona (which includes the City of Phoenix), it has accounted for as much as 50% of such business. Early in 1957 Allison diversified its activities by entering the field of fabrication of Aluminum along heavy and structural lines. Within six months Allison's product line was constituted as follows: fabrication and erection of structural steel, 56%, and of structural aluminum, 19%; and fabrication of other steel products, 19%, and of other aluminum products, 6%. By July 1957 Allison was one of the largest independent fabricators of structural aluminum and other aluminum products in the State of Arizona and in Maricopa County, Arizona. Allison has also performed contracts for the fabrication and erection of steel and aluminum in, among others, the States of New Mexico, Colorado, Nevada, and California.

The basic raw materials which are purchased for the fabrication and erection of structural steel and structural aluminum and the manufacture of associated steel and aluminum products are obtained primarily from steel and aluminum producers located in the western part of the United States, including Kaiser Steel and Kaiser Aluminum.

For the year 1958 Allison had a net income of \$236,932 based on total sales of \$10,006,626 and its total assets were \$4,822,148.

PAR. 8. On or about May 15, 1958, Kaiser Steel acquired approximately 45% of the outstanding capital stock, which is the voting stock, of Allison for a total consideration of \$1,112,960. Subsequent to the date of this acquisition, at least two executives of the Kaiser interests were elected to the Board of Directors of Allison.

PAR. 9. The fabrication and erection of structural steel and structural aluminum and the manufacture of associated steel and aluminum products by independent non-integrated fabricators are industries of great importance to the economy of the United States. In recent years a substantial number of acquisitions and mergers of non-integrated fabricators by integrated producers of primary steel and aluminum has led to a serious trend toward concentration in a few large companies tending to lessen competition and develop monopolistic industry conditions.

PAR. 10. Prior to the acquisition of the Allison stock, as set forth in Paragraph 8, the Kaiser interests, particularly Kaiser Steel and Kaiser Aluminum, were actual and potential competitors with others in supplying primary steel and aluminum to Allison, and were actual or potential competitors with Allison in the fabrication and erection of structural steel and structural aluminum and in the manufacture of other steel and aluminum products.

PAR. 11. The respondents have violated, and are now violating, Section 7 of the amended Clayton Act in that the acquisition of a substantial portion of the voting stock of Allison, as hereinbefore described, may have the effect of substantially lessening competition or tending to create a monopoly in the sale of primary steel and aluminum and in the fabrication and erection of structural steel and structural aluminum and in the manufacture of other steel and aluminum products in Maricopa County, Arizona, the State of Arizona, or in other sections of the country, in the following ways, among others:

1. Actual and potential competition in the supply of primary steel and aluminum to Allison has been, or may be, substantially lessened.
2. Actual and potential competition in the fabrication and erection of structural steel and structural aluminum and in the manufacture of other steel and aluminum products has been or may be substantially lessened.
3. Actual and potential competition between the respondents and Allison in the fabrication and erection of structural steel and structural aluminum and the manufacture of other steel and aluminum products has been or may be eliminated.
4. The respondents' competitive advantage over other fabricators and erectors of structural steel and structural aluminum and manufacturers of other steel and aluminum products has been or may be enhanced to the detriment of actual and potential competition.
5. Mergers and acquisitions on the part of other producers of primary steel and aluminum, and on the part of other fabricators and erectors of structural steel and structural aluminum and manufacturers of other steel and aluminum products, have been or may be fostered, with a consequent increase in concentration and tendency toward monopoly, to the detriment of actual and potential competition.
6. The respondents' competitive advantage as integrated producers, manufacturers, fabricators, and erectors of structural steel and structural aluminum and other steel and aluminum products, and as suppliers of materials to non-integrated fabricators and erectors has

been or may be enhanced to the detriment of actual and potential competition.

7. Allison has been eliminated as the largest independent fabricator and erector of structural steel in the State of Arizona.

8. Allison has been eliminated as one of the largest independent fabricators and erectors of structural aluminum in the State of Arizona.

PAR. 12. The foregoing acquisitions, acts and practices of the respondents, as hereinbefore alleged and set out, constitute a violation of Section 7 of the Clayton Act (U.S.C. Title 15, Sec. 18), as amended and approved December 30, 1950.

ORDER DISMISSING COMPLAINT

Complaint counsel having filed on July 26, 1963, a motion to dismiss the complaint in this matter; and

It appearing that this matter is now before the Commission, having been removed from the jurisdiction of the hearing examiner and placed on suspense by the Commission's orders of February 7 and June 21, 1963; and

It further appearing, for the reasons set out in the motion of complaint counsel, that further proceedings in this matter would not be in the public interest;

It is ordered, That the complaint be, and it hereby is, dismissed.

IN THE MATTER OF

JONAS BROTHERS OF SEATTLE, 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-533. Complaint, Aug. 2, 1963—Decision, Aug. 2, 1963

Consent order requiring manufacturing furriers with principal place of business in Seattle, Wash., and two branch stores in Anchorage and Fairbanks, Alaska, to cease violating the Fur Products Labeling Act by failing, in labeling, invoicing and advertising, to show the true animal name of fur in fur products and when fur was artificially colored, and to use the terms "Dyed Mouton Lamb" and "natural" as required; failing, in invoicing and advertising, to show the country of origin of imported furs; representing falsely, in newspaper advertising, that prices of fur products were reduced from so-called "regular" prices which were fictitious; failing to maintain adequate records disclosing the facts on which pricing claims

were based; substituting nonconforming labels for those affixed by the manufacturer or distributor; 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 Jonas Brothers of Seattle, Inc., a corporation and Jonas Brothers of Alaska, Inc., a corporation, and A. C. Bert Klineburger, Peter Bading and Chris Klineburger, individually and as officers of the said corporations, 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 Jonas Brothers of Seattle, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Washington.

Respondent Jonas Brothers of Alaska, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Alaska.

Respondents A. C. Bert Klineburger, Peter Bading and Chris Klineburger are officers of the corporate respondent and formulate, direct and control the acts, practices and policies of the said corporate respondents including those hereinafter set forth.

The respondents are manufacturers, distributors and retailers of fur products with their office and principal place of business located at 1507 Twelfth Avenue, Seattle, Washington.

Respondent Jonas Brothers of Alaska, Inc., operates two branch stores; one located at Fifth and G Streets, in Anchorage, Alaska, and the other at 203 Cushman Street, in Fairbanks, Alaska.

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 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 furs which have 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 with labels which failed:

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

PAR. 4. Certain of said fur products were misbranded in that labels attached thereto, set forth the name of an animal other than the name of the animal that produced the fur from which the said fur products had been manufactured, in violation of Section 4(3) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder.

PAR. 5. Certain of said fur 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 term "Dyed Mouton Lamb" was not set forth on labels in the manner required by law, in violation of Rule 9 of said Rules and Regulations.

(b) The term "natural" was not used on labels to describe 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.

(c) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was not completely set out on one side of labels, in violation of Rule 29(a) 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 set forth in handwriting on labels, in violation of Rule 29(b) of said Rules and Regulations.

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

(f) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was not set forth separately on labels 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. 6. Certain of said fur products were falsely and deceptively invoiced by the respondent 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 fur products covered by invoices which failed:

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

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 on invoices in abbreviated form, in violation of Rule 4 of said Rules and Regulations.

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

(c) The term "natural" was not used on invoices to describe 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.

(d) 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.

(e) Required item numbers were not set forth on invoices, in violation of Rule 40 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 certain advertisements intended to aid, promote and assist, directly or indirectly, in the sale and offering for sale of such fur products were not in accordance with the provisions of Section 5(a) of the said Act.

Among and included in the aforesaid advertisements but not limited thereto, were advertisements of respondents which appeared in issues of the Daily News Miner and Anchorage Times, newspapers published in the cities of Fairbanks and Anchorage, respectively, in the State of Alaska.

Among such false and deceptive advertisements, but not limited thereto, were advertisements which failed:

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

PAR. 9. By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein, respondents falsely and deceptively advertised fur products in violation of the Fur Products Labeling Act in that the said fur products were not advertised in accordance with the Rules and Regulations promulgated thereunder in the following respects:

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

(b) The term "natural" was not used to describe fur products which were not pointed, bleached, dyed, tip-dyed or otherwise artificially colored, in violation of Rule 19(g) of the said Rules and Regulations.

(c) Information required under Section 5(a) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder 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 the aforesaid Rules and Regulations.

(d) All parts of the information required under Section 5(a) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder were not set forth in type of equal size and conspicuousness and in close proximity with each other in violation of Rule 38(a) of the aforesaid Rules and Regulations.

PAR. 10. By means of the aforesaid advertisements and other advertisements of similar import and meaning not specifically referred to herein, respondents falsely and deceptively advertised fur products in that said advertisements represented that the prices of fur products were reduced from regular or usual retail prices and that the amount of such price reductions afforded savings to the purchasers of respondents' products, when the so-called regular or usual retail prices were in fact fictitious in that they were not the prices at which said merchandise was usually sold by respondents in the recent regular

course of business and the represented savings were not thereby afforded to the purchasers, in violation of Section 5(a)(5) of the Fur Products Labeling Act and Rule 44(a) of the Rules and Regulations promulgated under the said Act.

PAR. 11. By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein respondents falsely and deceptively advertised fur products in that the said advertisements contained representations, either directly or by implication, that the prices of such fur products were reduced from the prices at which the respondents regularly and usually sold such fur products in the recent regular course of business and the amount of such purported reduction constituted savings to the purchasers of respondents' products, when in fact such fur products were not reduced in price from the price at which the respondents regularly and usually sold such fur products and savings were not afforded purchasers of respondents' products as represented.

PAR. 12. In advertising fur products for sale, as aforesaid, respondents made pricing claims and representations of the types covered by subsections (a), (b), (c) and (d) of Rule 44 of the Regulations 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 pricing claims and representations were based, in violation of Rule 44(e) of the said Rules and Regulations.

PAR. 13. Respondents in introducing, selling, advertising, and offering for sale, in commerce, and in processing for commerce, fur products; and 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 said Act, in violation of Section 3(e) of said Act.

PAR. 14. 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, Jonas Brothers of Seattle, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Washington.

Respondent, Jonas Brothers of Alaska, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Alaska.

Respondents, A. C. Bert Klineburger, Peter Bading and Chris Klineburger, are officers of said corporation.

All respondents have their office and principal place of business located at 1507 Twelfth Avenue, Seattle, Washington.

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 respondents Jonas Brothers of Seattle, Inc., a corporation, and its officers, and Jonas Brothers of Alaska, Inc., a corporation, and its officers, and A. C. Bert Klineburger, Peter Bading and Chris Klineburger, 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 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, offering for sale, transportation or distribution, of any fur product which is made in whole or 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:

A. Misbranding fur products by:

1. Failing to affix labels to fur products showing in words and in figures plainly legible all of the information required to be disclosed by each of the subsections of Section 4(2) of the Fur Products Labeling Act.

2. Setting forth on labels attached 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 by the Rules and Regulations.

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

4. Failing to set forth the term "Natural" as part of the information required to be disclosed on labels under the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe fur products which are not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

5. Failing to completely set out information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations thereunder on one side of the labels affixed to fur products.

6. Setting forth information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in handwriting on labels affixed to fur products.

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

8. Failing to set forth separately on labels attached to fur products composed of two or more sections containing different animal fur the information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder with respect to the fur comprising each section.

B. Falsely or deceptively invoicing fur products by:

1. Failing to furnish invoices to purchasers of fur prod-

Decision and Order

63 F.T.C.

ucts showing in words and figures plainly legible all the information required to be disclosed in each of the subsections of Section 5(b)(1) of the Fur Products Labeling Act.

2. 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. 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 words "Dyed Lamb".

4. Failing to set forth the term "Natural" as part of the information required to be disclosed on invoices under the Fur Products Labeling Act and Rules and Regulations promulgated thereunder to describe fur products which are not pointed, bleached, dyed, tip-dyed or otherwise artificially colored.

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

6. Failing to set forth on invoices the item number or mark assigned to fur products.

C. 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 any fur product, and which:

1. Fails to set forth in words and figures plainly legible all the information required to be disclosed by each of the subsections of Section 5(a) of the Fur Products Labeling Act.

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

3. Fails to set forth the term "Natural" as part of the information required to be disclosed in advertisements under the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe fur products which are not pointed, bleached, dyed, tip-dyed or otherwise artificially colored.

4. Fails to separately set forth 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.

5. Fails to set forth all parts of the information required under Section 5(a) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in type of equal size and conspicuousness and in close proximity with each other.

6. Represents, directly or by implication, that any price, when accompanied or unaccompanied by any descriptive language, was the price at which the merchandise advertised was usually and customarily sold (at retail) by the respondents unless such advertised merchandise was in fact usually and customarily sold at such price by respondents in the recent past.

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

8. Falsely or deceptively represents in any manner that prices of respondents' fur products are reduced.

9. Makes 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 respondents, Jonas Brothers of Seattle, Inc., a corporation and Jonas Brothers of Alaska, Inc., a corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, sale, advertising or offering for sale, in commerce, or the processing for commerce, of fur products; or in connection with the selling, advertising, offering for sale, or processing of fur products which have been shipped and received in commerce, do forthwith cease and desist from misbranding fur products by substituting for the labels affixed to such fur products pursuant to Section 4 of the Fur Products Labeling Act labels which do not conform to the requirements of the aforesaid Act and the Rules and Regulations promulgated thereunder.

It is further ordered, That each of 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

63 F.T.C.

IN THE MATTER OF
BERLEKAMP CORPORATION ET AL.

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

Docket C-534. Complaint, Aug. 2, 1963—Decision, Aug. 2, 1963

Consent order requiring Fremont, Ohio, distributors of advertising signs and advertising specialties, to cease representing falsely, by affixing union labels thereto, that such products were manufactured by union labor.

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 Berlekamp Corporation, a corporation, and Kenneth I. Berlekamp, 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 Berlekamp Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of Ohio, with its principal office and place of business located at 1304 Sycamore Street, in the city of Fremont, State of Ohio.

Respondent Kenneth I. Berlekamp is president of the corporate respondent. He formulates, directs and controls the acts and practices of the corporate respondent, including the acts and practices hereinafter 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 advertising signs and advertising specialties.

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 Ohio to purchasers thereof located in 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.