

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.

IN THE MATTER OF
BETTER RHINESTONE JEWELRY CORPORATION ET AL.

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

Docket C-620. Complaint, Nov. 12, 1963—Decision, Nov. 12, 1963

Consent order requiring assemblers of jewelry which they sold to distributors, jobbers and retailers, to cease representing falsely that certain of their jewelry was sterling silver of the established and accepted standard by placing it in individual boxes having the words "Sterling Silver" or "Sterling Silver Pendette" printed thereon or on tags inserted therein.

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 Better Rhinestone Jewelry Corporation, a corporation, and Lee Better, individually, as an officer of said corporation and trading and doing business as Masco, 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 Better Rhinestone Jewelry Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York with its principal office and place of business located at 115 West 29th Street, in the City of New York, State of New York.

Respondent Lee Better is an officer of the corporate respondent. He formulates, directs and controls the acts and practices of the cor-

porate respondent, including the acts and practices hereinafter set forth. His address is the same as that of the corporate respondent. Respondent Lee Better trades and does business under the name Masco with his principal place of business also located at 115 West 29th Street in the City of New York, State of New York.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the assembly, offering for sale, sale and distribution of jewelry to distributors, jobbers and to retailers for resale to the public. Respondents' business is conducted in the following manner. Respondents' jewelry is assembled by respondent Better Rhinestone Jewelry Corporation and certain of the jewelry so assembled is sold to distributors, jobbers and retailers by Better Rhinestone Jewelry Corporation. Respondent Lee Better causes the remainder of said jewelry to be sold to himself, trading and doing business as Masco, and thereafter sells such jewelry to distributors, jobbers and retailers under the name Masco. Respondents cooperate and act together in carrying out their business.

PAR. 3. In the course and conduct of their business, respondents now cause, and for some time last past have caused, their jewelry, when sold, to be shipped from their place of business in the State of New York 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 commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. For the purpose of inducing the purchase of their jewelry, respondents engage, and have engaged, in the practice of placing certain of their jewelry in individual boxes having the words "Sterling Silver" or "Sterling Silver Pendette" imprinted therein or in individual boxes having tags or labels inserted therein bearing the words "Sterling Silver" or "Sterling Silver Pendette". Respondents thereby represent, directly or by implication, that the jewelry packaged in said boxes or the pendants of the jewelry packaged in said other boxes is made of sterling silver having a silver content meeting the established and accepted standard for sterling silver.

The established and accepted standard for sterling silver is that any article or part thereof which is marked, described or otherwise represented to be "Sterling Silver" must be 925/1000ths pure silver a fact of which the Commission takes official notice.

In truth and in fact, the jewelry packaged in said boxes is not made of sterling silver of at least 925/1000ths pure silver and the pendants of the jewelry packaged in said other boxes are not made of sterling silver of at least 925/1000ths pure silver.

Therefore, the aforesaid statements and representations were, and are, false, misleading and deceptive.

PAR. 5. By the aforesaid practices, respondents place in the hands of distributors, jobbers and retailers, means and instrumentalities whereby they may mislead and deceive the public as to the composition of respondents' jewelry.

PAR. 6. In the course and conduct of their business, at all times mentioned herein, respondents have been in substantial competition, in commerce, with corporations, firms and individuals in the sale of jewelry of the same general kind and nature as that sold by respondents.

PAR. 7. 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' jewelry by reason of said erroneous and mistaken belief.

PAR. 8. 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 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 Better Rhinestone Jewelry Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 115 West 29th Street in the city of New York, State of New York.

Respondent Lee Better is an officer of said corporation, and his address is the same as that of said corporation. He also trades and does business as Masco with his principal place of business also located at 115 West 29th Street, in the City of New York, State of New York.

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 Better Rhinestone Jewelry Corporation, a corporation, and its officers, and Lee Better, individually, as an officer of said corporation and trading and doing business as Masco or under any other name or names, 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 or other merchandise, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

(1) Representing, directly or by implication, that an article or any part thereof is made of sterling silver when such article or part is not made of sterling silver containing at least 925/1000ths pure silver, or otherwise misrepresenting the composition of respondents' merchandise.

(2) Placing in the hands of others the means and instrumentalities whereby they may mislead and deceive the public as to any of the matters set forth above.

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

63 F.T.C.

IN THE MATTER OF

JOSEPH A. KAPLAN & SONS, INC.

ORDER, OPINION, ETC., IN REGARD TO THE ALLEGED VIOLATION OF SECS.
2 (a), (d) AND (e) OF THE CLAYTON ACT

Docket 7813. Complaint, Mar. 10, 1960—Decision, Nov. 15, 1963

Order requiring a Yonkers, N. Y., manufacturer of shower curtains, shower curtain sets and accessories under the trade name of "Jakson", to cease discriminating in price in various ways in its favored treatment of, among others, some 26 large retail customers which were the stockholders of a corporate wholesaler they organized in 1946—soon after the Commission issued a desist order against their knowingly inducing and receiving discriminations in price through a corporate agency created by them for such purpose, *Associated Merchandising Corp. (AMC) et al.*, Docket 5027, 40 F.T.C. 578—for the purpose of providing special prices to them; respondent's price discriminations including charging differences in cost of as much as 18 percent in favor of AMC stores and regularly favoring the AMC stores with markdown allowances resulting in lower net prices which were not made to AMC's competitors, in violation of Sec. 2(a) of the Clayton Act; negotiating with AMC and other customers on an individual basis in granting advertising allowances on close-out sales while not making such allowances to competing stores, in violation of Sec. 2(d); and accepting the return of merchandise from some of its customers but not all, thus providing those favored with a service not provided others, in violation of Sec. 2(e).

COMPLAINT

The Federal Trade Commission, having reason to believe that the party respondent named in the caption hereof and hereinafter more particularly designated and described, has violated and is now violating the provisions of subsections (a), (d) and (e) of Section 2 of the Clayton Act, as amended (U.S.C., Title 15, Sec. 13) hereby issues its complaint, stating its charges with respect thereto as follows:

COUNT I

PARAGRAPH 1. Respondent Joseph A. Kaplan & Sons, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with office and place of business located at 1 Jakson Place, Yonkers, New York.

PAR. 2. Respondent Joseph A. Kaplan & Sons, Inc., is now, and for many years has been, engaged in the business of manufacturing, selling and distributing shower curtains, shower curtain sets and accessories under the trade name "Jakson".