

not 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
TIMELY CLOTHES, INC., ET AL.

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

Docket C-701. Complaint, Jan. 31, 1964—Decision, Jan. 31, 1964

Consent order requiring Rochester, N.Y., manufacturers to cease violating the Wool Products Labeling Act and the Federal Trade Commission Act by falsely representing the fabric in men's suits as imported from England by such statements on labels as "Imported Fabric Pound Sterling" together with a depiction of the symbol for the British pound sterling; and by making similar representations in magazine and other advertising.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939 and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Timely Clothes Inc., a corporation and John P. Keane, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Wool Products Labeling Act of 1939 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 Timely Clothes Inc., 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 1415 North Clinton Avenue, in the city of Rochester, State of New York.

Respondent John P. Keane is an individual and an officer of respondent corporation. He formulates, directs and controls the acts and practices of the respondent corporation hereinafter set forth. His address is the same as that of the respondent corporation.

PAR. 2. Subsequent to the effective date of the Wool Products Labeling Act of 1939 and more especially since 1961, respondents have introduced into commerce, manufactured for introduction into commerce, sold, transported, distributed, delivered for shipment, shipped and offered for sale, in commerce, wool products, as the terms "commerce" and "wool product" are defined in said Act.

PAR. 3. Certain of said wool products were misbranded by the respondents within the intent and meaning of Section 4(a) (1) of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, in that they were tagged or labeled with tags which represented, directly or by implication, that the fabrics were imported from Great Britain whereas in truth and in fact said fabrics were not of British origin.

Among such misbranded wool products, but not limited thereto, were men's suits with labels on which the words "Imported Fabric Pound Sterling" appeared in conjunction with the name of the corporate respondent Timely Clothes together with the depiction of a symbol (£) commonly recognized as the symbol of the British pound sterling.

PAR. 4. The acts and practices of the respondents as set forth above were, and are, in violation of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, and constituted, and now constitute, unfair and deceptive acts and practices and unfair methods of competition in commerce within the intent and meaning of the Federal Trade Commission Act.

PAR. 5. Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale, sale and distribution of men's suits to retailers who in turn sell to the general public.

PAR. 6. 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 New York to purchasers 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.

PAR. 7. In the course and conduct of their business respondents have engaged in disseminating and causing to be disseminated in magazines and newspapers of interstate circulation, advertising designed and intended to induce the sale of certain of their men's suits.

PAR. 8. In the course and conduct of their business and for the purpose of inducing the sale of men's suits offered for sale and sold by them, respondents have made and are now making statements and representations directly or by implication with respect to the origin of the fabric in said men's suits. Said statements and representations have been made in magazine and newspaper advertisements of interstate circulation and other kinds of advertising promotional material distributed to customers. Among and typical of the statements and representations contained in the aforesaid newspaper and magazine advertisements, but not all inclusive thereof, are the following:

* * * Wear a Pound Sterling suit by Timely Clothes from an exclusive group of wool fabrics. * * *

Pound Sterling Timely Clothes the pure wool suit with permanently creased trousers.

* * * Timely Clothes' Pound Sterling pure wool suit that's blessed with The Permanent Trouser Crease. * * *

WOOL ACHIEVES NEW GREATNESS IN SUITS BY "TIMELY CLOTHES" OF * * *.

IMPORTED FABRICS * * *.

Among the typical of the statements and representations made in the aforesaid advertising promotional material are the following:

* * * Pound Sterling By TIMELY CLOTHES.

* * * And no fiber matches the comfort of today's new wool-light, superb in absorbency, texture color * * *.

* * * Come In And See This Luxuriant Pound Sterling * * *.

PAR. 9. By and through the use of the aforementioned statements and representations of respondents and by other written statements of similar import and meaning not specifically set out herein, respondents represented, directly or by implication, that the aforesaid suits were made of British woolen fabric, whereas in truth and in fact the fabric used in the aforesaid suits is not of British origin.

Therefore, the statements and representations as set forth in Paragraph 8, were and are false, misleading and deceptive.

PAR. 10. In the course and conduct of their business respondents have advertised woolen products, namely men's suits by means of labels or tags attached to the outer side of the sleeve of said suits. On said labels the words "Imported Fabric Pound Sterling" appeared in conjunction with the name of the corporate respondent

Timely Clothes together with the depiction of a symbol commonly recognized as the symbol of the British pound sterling.

PAR. 11. By and through the use of the aforementioned statements, representations and symbols on the aforesaid labels respondents have represented directly or by implication, that said suits were made of British woolen fabric, whereas in truth and in fact the fabric used in said suits is not of British origin.

Therefore, the representations and depictions on labels are false, misleading and deceptive.

PAR. 12. By and through the use of the aforesaid misrepresentations in advertising promotional materials and on labels respondents placed in the hands of others the means and instrumentalities by and through which they may mislead and deceive the public as to the origin of said fabrics.

PAR. 13. There is a preference by a substantial segment of the purchasing public for British woolen fabrics over woolen fabrics imported from other foreign countries.

PAR. 14. The use by the 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' products by reason of said erroneous and mistaken belief.

PAR. 15. 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 within the intent and meaning of the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of Textiles and Furs proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the afore-

499

Order

said draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by the respondents that the law has been violated as alleged in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having reason to believe that the respondents have violated the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, and having determined that complaint should issue stating its charges in that respect, hereby issues its complaint, accepts said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Timely Clothes, Inc., 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 1415 North Clinton Avenue, in the city of Rochester, State of New York.

Respondent John P. Keane 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 respondents Timely Clothes, Inc., a corporation, and its officers, and John P. Keane, 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 introduction or manufacture for introduction into commerce, sale, transportation, distribution, delivery for shipment, shipment or offering for sale in commerce of wool products, as the terms "commerce" and "wool product" are defined in the Wool Products Labeling Act of 1939 do forthwith cease and desist from:

Misbranding such wool products by:

A. Falsely or deceptively stamping, tagging, labeling or otherwise identifying any such woollen product by representing contrary to fact that such products or the fabrics contained therein are of British origin.

B. Representing on labels affixed to wool products through the use of the term "Pound Sterling" or the symbol of the British Pound Sterling or any words, terms, depictions, or symbols of similar import that the fabric contained in such products are of British origin when such fabric was not woven and manufactured in Great Britain.

It is further ordered, That respondents Timely Clothes, Inc., a corporation, and its officers, and John P. Keane, 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 men's suits or any other product, in commerce, as "commerce" is defined in the Federal Trade Commission Act do forthwith cease and desist from:

A. Representing contrary to fact that any of such products or the fabrics contained therein are of British origin.

B. Representing through the use of the term "Pound Sterling" or the symbol of the British Pound Sterling or through the use of any words, terms, depictions or symbols of similar import that the fabrics contained in its men's suits or other products are of British origin when such fabrics were not woven and manufactured in Great Britain.

C. Furnishing means and instrumentalities to others by and through which they may mislead the public in the manner or through the practices prohibited by this order.

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

FEUER FUR COMPANY ET AL.

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

Docket C-703. Complaint, Feb. 4, 1964—Decision, Feb. 4, 1964

Consent order requiring manufacturing and retailing furriers in Chicago to cease violating the Fur Products Labeling Act by falsely representing prices of fur products as reduced in labeling and advertising; failing to give the true name of the animal producing certain furs and the country of origin of imported furs and to use the term "Natural" for furs that were not artificially colored on invoices and in advertising; invoicing furs deceptively as to the name of the producing animal and invoicing imported furs as products of the United States; failing to maintain adequate records as a basis for pricing claims; and failing in other respects 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 Feuer Fur Company, a corporation and Sue Feuer, Harry Feuer and Igor Soble, individually and as officers of the said corporation, 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 Feuer Fur Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois.

Respondents Sue Feuer, Harry Feuer and Igor Soble are officers of the corporate respondent and formulate, direct and control the acts, practices and policies of the said corporate respondent including those hereinafter set forth.

Respondents are manufacturers and retailers of fur products with their office and principal place of business located at Seven West Madison Street, Chicago, Illinois.

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 violation of Section 4(1) of the Fur Products Labeling Act in that they were falsely and deceptively labeled or otherwise falsely and deceptively identified in that labels affixed to fur products, contained representations, either directly or by implication that the prices of such fur products were reduced from the prices at which respondents regularly and usually sold such fur products in the recent regular course

Complaint

64 F.T.C.

of business and the amount of such purported reduction constituted savings to purchasers of respondents' products when in fact such fur products were not reduced in price from the prices at which respondents regularly and usually sold such fur products and savings were not afforded purchasers of respondents' products as represented.

PAR. 4. 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 fur products covered by invoices which failed:

1. To show the true animal name of the fur used in the fur product.
2. To show the country of origin of imported furs used in fur products.

PAR. 5. Certain of said fur products were falsely and deceptively invoiced with respect to the name or designation of the animal or animals that produced the fur from which the said fur products had been manufactured, in violation of Section 5(b)(2) of the Fur Products Labeling Act.

Among such falsely and deceptively invoiced fur products, but not limited thereto, were fur products which were invoiced as "Mink" when in fact the fur contained in such products was "Japanese Mink".

Also among such falsely and deceptively invoiced fur products, but not limited thereto, were fur products which were invoiced as "Broadtail" thereby implying that the furs contained therein were entitled to the designation "Broadtail Lamb" when in truth and in fact they were not entitled to such designation.

PAR. 6. Certain of said fur products were falsely and deceptively invoiced in that respondents set forth on invoices pertaining to fur products 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 5(b)(2) of the Fur Products Labeling Act.

Among such falsely and deceptively invoiced fur products, but not limited thereto, were fur products invoiced as "rabbit chinchilla".

PAR. 7. Certain of said fur products were falsely and deceptively invoiced with respect to the name of the country of origin of imported furs used in such fur products, in violation of Section 5(b)(2) of the Fur Products Labeling Act.

Among such falsely and deceptively invoiced fur products, but not limited thereto, were fur products invoiced to show the name of the country of origin of furs contained in such products as the United States when the furs contained in such fur products were imported.

PAR. 8. 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 inasmuch as 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 the said Rules and Regulations.

PAR. 9. 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 Chicago Sun Times, a newspaper published in the city of Chicago, State of Illinois.

Among such false and deceptive advertisements but not limited thereto were advertisements which failed to show the true animal name of the fur used in the fur product.

PAR. 10. 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 certain of said fur products were falsely or deceptively identified with respect to the name or designation of the animal or animals that produced the fur from which the said fur products had been manufactured, in violation of Section 5(a)(5) of the Fur Products Labeling Act.

Among such falsely and deceptively advertised fur products, but not limited thereto, were fur products advertised as "Broadtail" thereby implying that the furs contained therein were entitled to the designation "Broadtail Lamb" when in truth and in fact they were not entitled to such designation.

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 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 inasmuch as 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.

PAR. 12. 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 Section 5(a)(5) of the Fur Products Labeling Act in that the said advertisements represented through statements such as "If you ever wanted to give her Mink save now—as never before" 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. 13. Certain of said fur products were falsely and deceptively advertised in violation of Section 5(a)(5) of the Fur Products Labeling Act in that labels affixed to fur products, contained representations, either directly or by implication that the prices of such fur products were reduced from the prices at which 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 purchasers of respondents' products when in fact such fur products were not reduced in price from the prices at which respondents regularly and usually sold such fur products and savings were not afforded purchasers of respondents' products as represented.

PAR. 14. 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. 15. 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 Feuer Fur Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois, with its office and principal place of business located at Seven West Madison Street, Chicago, Illinois.

Respondents Sue Feuer, Harry Feuer and Igor Soble 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 respondents Feuer Fur Company, a corporation and its officers and Sue Feuer, Harry Feuer and Igor Soble, 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 and 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 in part of fur which has been shipped and received in commerce, as the terms "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. Misrepresenting in any manner on labels or other means of identification the savings available to purchasers of respondents' products.

2. Falsely or deceptively representing in any manner, directly or by implication, on labels or other means of identification that prices of respondents' fur products are reduced.

B. Falsely or deceptively invoicing fur products by:

1. Failing to furnish invoices to purchasers of fur products 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 on invoices pertaining to fur products any false or deceptive information with respect to the name or designation of the animal or animals that produced the fur contained in such fur product.

3. Setting forth on the invoices pertaining 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.

4. Misrepresenting in any manner, directly or by implication, the country of origin of the fur contained in fur products.

5. 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 the Rules and Regulations promulgated thereunder to describe fur products which were not pointed, bleached, dyed, tip-dyed or otherwise artificially colored.

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. Falsely or deceptively identifies any such fur product as to the name or designation of the animal or animals that produced the fur contained in the fur product.

3. Fails to set forth the term "Natural" as part of the information required to be disclosed in advertisements under

Complaint

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

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

D. 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.

 IN THE MATTER OF

WATCHBANDS, INC., ET AL.

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

*Docket 8596. Complaint, Sept. 20, 1963—Decision, Feb. 5, 1964**

Order requiring North Attleboro, Mass., distributors of metal expansion watchbands to manufacturers and distributors of watches and to retailers for resale, to cease selling watchbands manufactured in whole or in part in Hong Kong or Japan with no disclosure of their foreign origin or with such statements imprinted on the packages as "Made in USA"; and to cease preticketing their watchbands with fictitious prices.

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 Watchbands, Inc., a corporation, and Charles H. Dolansky and John I. Mushey, 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

* Order of May 21, 1964, denied respondents' motion to vacate default and reinstate case for trial on the merits.

Complaint

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

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

D. 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.

IN THE MATTER OF

WATCHBANDS, INC., ET AL.

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

*Docket 8596. Complaint, Sept. 20, 1963—Decision, Feb. 5, 1964**

Order requiring North Attleboro, Mass., distributors of metal expansion watchbands to manufacturers and distributors of watches and to retailers for resale, to cease selling watchbands manufactured in whole or in part in Hong Kong or Japan with no disclosure of their foreign origin or with such statements imprinted on the packages as "Made in USA"; and to cease preticketing their watchbands with fictitious prices.

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 Watchbands, Inc., a corporation, and Charles H. Dolansky and John I. Mushey, 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

* Order of May 21, 1964, denied respondents' motion to vacate default and reinstate case for trial on the merits.

Complaint

64 F.T.C.

thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Watchbands, Inc., is a corporation organized, existing and doing business under and by virtue of the State of Massachusetts, with its office and principal place of business located at 380 East Washington Street in the city of North Attleboro, State of Massachusetts.

Respondents Charles H. Dolansky and John I. Mushey are officers of the corporate respondent. They formulate, direct and control the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. Their 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 metal expansion watchbands to manufacturers and distributors of watches as well as to retailers for resale 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 product, when sold, to be shipped from their place of business in the State of Massachusetts to purchasers thereof located in various other States of the United States and in the District of Columbia, and maintain, and at all times herein mentioned have maintained, a substantial course of trade in said product in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. Said watchbands consist in whole or in substantial part of components which were manufactured in, and imported from Hong Kong or Japan. When offered for sale or sold by respondents, said watchbands do not bear disclosure showing that they are substantially of foreign origin. In some instances respondents also affirmatively represent, directly or by implication on the packages of said watchbands that said watchbands are made in the United States of America by imprinting thereon certain representations, of which the following is typical:

Made in USA.

Such affirmative representations are false, misleading and deceptive, as substantial portions of said products are manufactured in and imported from Hong Kong or Japan.

PAR. 5. In the absence of an adequate disclosure that a product, including metal expansion watchbands, is of foreign origin, the public believes and understands that it is of domestic origin, a fact of which the Commission takes official notice.

As to the aforesaid articles of merchandise, a substantial portion of the purchasing public has a preference for said articles which are of domestic origin, of which fact the Commission also takes official notice. Respondents' failure to clearly and conspicuously disclose the country of origin of said articles of merchandise, or substantial components thereof, is, therefore, to the prejudice of the purchasing public.

PAR. 6. Respondents, for the purpose of inducing the purchase of their watchbands, have engaged in the practice of using fictitious prices by attaching or causing to be attached to their watchbands, tickets or tags upon which certain amounts are printed, thereby representing, directly or by implication, that said amounts are the usual and regular retail prices of said watchbands. In truth and in fact, said amounts are not the usual and regular retail prices of said watchbands, but are in excess of prices at which said watchbands generally sell at retail in some of the trade areas where the representations are made.

PAR. 7. By the aforesaid practices, respondents place in the hands of watch manufacturers, distributors and retailers, means and instrumentalities by and through which they may mislead the public as to the usual and regular price of said watchbands and the place of origin of said watchbands or the substantial components thereof.

PAR. 8. In the 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 metal expansion watchbands of the same general kind and nature as that sold by the respondents.

PAR. 9. The use by respondents of the false, misleading and deceptive representations and practices hereinabove set forth, and the failure to disclose the foreign origin of their watchbands or of substantial components of their watchbands, have had, and now have, the capacity and tendency to mislead and deceive purchasers or members of the buying public in the manner aforesaid, and thereby to induce them to purchase respondents' watchbands.

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. Herbert L. Blume supporting the complaint.

No appearance filed for respondents.

INITIAL DECISION BY JOSEPH W. KAUFMAN, HEARING EXAMINER

NOVEMBER 26, 1963

The complaint herein, charging respondents with violation of Section 5 of the Federal Trade Commission Act by the making of false and misleading representations, and the failure to disclose the foreign origin of their watchbands or of substantial components thereof, for the purpose of inducing the sale of merchandise, was issued September 20, 1963, and was duly served upon respondents by registered mail on October 10, 1963. The respondents have not filed their answers to this complaint within the time required and are now in default. Pursuant to the provisions of Rule 3.5(c) of the Commission's Rules of Practice for Adjudicative Proceedings, and on complaint counsel's motion, 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. Respondent Watchbands, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Massachusetts, with its office and principal place of business located at 380 East Washington Street in the city of North Attleboro, State of Massachusetts.

Respondents Charles H. Dolansky and John I. Mushey are officers of the corporate respondent. They formulate, direct and control the acts and practices of the corporate respondents, including the acts and practices hereinafter set forth. Their address is the same as that of the corporate respondent.

2. Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale, sale and distribution of metal expansion watchbands to manufacturers and distributors of watches as well as to retailers for resale to the public.

3. In the course and conduct of their business, respondents now cause, and for some time last past have caused, their said product, when sold, to be shipped from their place of business in the State of Massachusetts to purchasers thereof located in various other States of the United States and in the District of Columbia, and maintain, and at all times herein mentioned have maintained, a substantial course of trade in said product in commerce, as "commerce" is defined in the Federal Trade Commission Act.

4. Said watchbands consist in whole or in substantial part of components which were manufactured in, and imported from Hong Kong or Japan. When offered for sale or sold by respondents, said watchbands do not bear disclosure showing that they are substantially of foreign origin. In some instances respondents also affirmatively represent, directly or by implication on the packages of said watchbands that said watchbands are made in the United States of America by imprinting thereon certain representations, of which the following is typical:

Made in USA.

Such affirmative representations are false, misleading and deceptive, as substantial portion of said products are manufactured in and imported from Hong Kong or Japan.

5. In the absence of an adequate disclosure that a product, including metal expansion watchbands, is of foreign origin, the public believes and understands that it is of domestic origin, a fact of which the Commission takes official notice.

As to the aforesaid articles of merchandise, a substantial portion of the purchasing public has a preference for said articles which are of domestic origin, of which fact the Commission also takes official notice. Respondents' failure to clearly and conspicuously disclose the country of origin of said articles of merchandise, or substantial components thereof, is, therefore, to the prejudice of the purchasing public.

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6. Respondents, for the purpose of inducing the purchase of their watchbands, have engaged in the practice of using fictitious prices by attaching or causing to be attached to their watchbands, tickets or tags upon which certain amounts are printed, thereby representing, directly or by implication, that said amounts are the usual and regular retail prices of said watchbands. In truth and in fact, said amounts are not the usual and regular retail prices of said watchbands, but are in excess of prices at which said watchbands generally sell at retail in some of the trade areas where the representations are made.

7. By the aforesaid practices, respondents place in the hands of watch manufacturers, distributors and retailers, means and instrumentalities by and through which they may mislead the public as to the usual and regular price of said watchbands and the place of origin of said watchbands or the substantial components thereof.

Order

64 F.T.C.

8. In the 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 metal expansion watchbands of the same general kind and nature as that sold by the respondents.

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9. The use by respondents of the false, misleading and deceptive representations and practices hereinabove set forth, and the failure to disclose the foreign origin of their watchbands or of substantial components of their watchbands, have had, and now have, the capacity and tendency to mislead and deceive purchasers or members of the buying public in the manner aforesaid, and thereby to induce them to purchase respondents' watchbands.

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 Watchbands, Inc., a corporation, and its officers, and Charles H. Dolansky and John I. Mushey, 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 offering for sale, sale or distribution of watchbands or any other products, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Offering for sale, selling or distributing any such products which are substantially, or which contain a substantial part or parts, of foreign origin or fabrication without affirmatively disclosing the country or place of foreign origin or fabrication thereof on the products themselves, by marking or stamping on an exposed surface, or on a label or tag affixed thereto, of such degree of permanency as to remain thereon until consummation of consumer sale of the products, and of such conspicuousness as to be likely observed and read by purchasers and prospective purchasers making casual inspection of the products.

2. Offering for sale, selling, or distributing any such product packaged, or mounted in a container, or on a display card, without disclosing the country or place of foreign origin of the prod-

uct, or substantial part or parts thereof, on the front or face of such packaging, container, or display card, so positioned as to clearly have application to the product so packaged or mounted, and of such degree of permanency as to remain thereon until consummation of consumer sale of the product, and of such conspicuousness as to be likely observed and read by purchasers and prospective purchasers making casual inspection of the product as so packaged or mounted.

3. Representing, directly or indirectly, in any manner or by any means, that their products are of domestic origin when said products or substantial portions thereof are of foreign origin.

4. The act or practice of preticketing merchandise at an indicated retail price when the indicated retail price is in excess of the generally prevailing retail price for such merchandise in the trade area or when there is no generally prevailing retail price for such merchandise in the trade area.

5. Placing in the hands of jobbers, retailers, dealers, and others, means and instrumentalities by and through which they may deceive and mislead the purchasing public concerning any merchandise in the respects set out above.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, effective August 1, 1963, the initial decision of the hearing examiner shall on the 5th day of February, 1964, 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.
