
IN THE MATTER OF

LUCIEN PICCARD WATCH CORP. ET AL.

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

Docket C-762. Complaint, June 17, 1964—Decision, June 17, 1964

Consent order requiring New York City distributors to retailers of watches which they assembled from Swiss movements and domestic cases, to cease representing falsely in brochures disseminated to retailers and in advertisements in magazines and newspapers that certain of its watches were "shock-proof"; and representing falsely on letterheads, watch boxes and inserts

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therein, advertisements, brochures, advertising mats and promotional material furnished retailers, that it was a Swiss company, founded in Switzerland, owned a factor in Switzerland and had been in business there since 1837, and that its watches were designed and created in Switzerland.

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 Lucien Piccard Watch Corp., a corporation, and Abraham Blumstein and Stanley Blumstein, 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 thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Lucien Piccard Watch Corp. 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 550 Fifth Avenue in the City of New York, State of New York.

Respondents Abraham Blumstein and Stanley Blumstein 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 watches 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 watches, 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 said watches in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business, respondents have engaged in the practice of disseminating to retailers and others brochures, and have placed advertisements in newspapers and magazines, in which certain of their watches are described as being "shockproof".

Through the use of the aforesaid statement and representation, respondents represent, directly or by implication, that the entire watch is protected against damage from any type or amount of shock.

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PAR. 5. In truth and in fact, the entire watch is not protected against damage from any type or amount of shock. Therefore, the statement and representation as set forth in Paragraph Four hereof was and is false, misleading and deceptive.

PAR. 6. In the course and conduct of their business, respondents have made statements and representations regarding the origin of their business and watches and the scope and age of their business, on letter-heads, watch boxes and watch box inserts, in advertisements inserted in newspapers and magazines, and in brochures, advertising mats and other advertising and promotional material furnished to retailers and others.

Typical and illustrative of such statements and representations, but not all inclusive thereof, are the following:

Lucien Piccard FONDEE 1837 SUISSE

* * * * *
Suisse Lucien Piccard A Most Distinguished Name in Watchmaking Since 1837
Leader in Fashion Horlogerie D'Art Et De Precision 109 Rue De Leopold Robert
La Chaux De Fonds (Suisse) Fondee 1837

* * * * *
Only the internationally-known genius of Lucien Piccard could create the world's
thinnest automatic watch with sweep second hand! Since 1837, Lucien Piccard
Originals have been recognized throughout the world for creative originality and
technical achievement.

[Illustration of a large building on which appears a sign reading "LUCIEN
PICCARD"; under this illustration appears the word "Switzerland"]

* * * * *
Lucien Piccard Watch Corp. 550 Fifth Avenue New York 36, New York Factories
in New Jersey and Switzerland

* * * * *
Lucien Piccard Since 1837 Horlogerie D'Art Et De Precision Leader in Fashion

* * * * *
Without question today—and since 1837—Lucien Piccard is renowned as one of
the world's finest timepieces!

* * * * *
Lucien Piccard Since 1837 the most distinguished name in watchmaking.

PAR. 7. By and through the use of the aforesaid statements and representations, and others of similar import not expressly set forth herein, respondents have represented and now represent, directly or by implication, that:

(a) The Lucien Piccard Watch Corp. or its predecessor in interest was founded or established in Switzerland.

(b) The Lucien Piccard Watch Corp. is a Swiss company or is a branch of or is otherwise affiliated with a Swiss company.

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(c) The Lucien Piccard Watch Corp. owns or controls a factory in Switzerland.

(d) The Lucien Piccard Watch Corp. or its predecessor in interest has been in business since 1837.

(e) Lucien Piccard watches are designed, created and manufactured in Switzerland.

PAR. 8. In truth and in fact:

(a) Neither the Lucien Piccard Watch Corp. nor its predecessor in interest was founded or established in Switzerland.

(b) The Lucien Piccard Watch Corp. is not a Swiss company nor is it a branch of or otherwise affiliated with a Swiss company.

(c) The Lucien Piccard Watch Corp. does not own or control a factory in Switzerland.

(d) Neither the Lucien Piccard Watch Corp. nor its predecessor in interest has been in business since 1837.

(e) Lucien Piccard watches are not designed, created or manufactured in Switzerland.

The Lucien Piccard Watch Corp. was chartered in the State of New York in 1945 as A. Blumstein, Inc., and its present name was adopted in 1955. Its predecessor in interest was established by Abraham Blumstein and another as a partnership in the State of New York in 1926. Respondents import their watch movements from Switzerland and assemble them in domestic cases at their places of business in the United States. Although some of these imported movements are purchased by respondents from a Swiss company which was founded in 1837, this company is wholly unrelated to and independent from respondents.

Therefore, the statements and representations as set forth in Paragraphs Six and Seven hereof were and are false, misleading and deceptive.

PAR. 9. By and through the use of the aforesaid practices, respondents place in the hands of retailers and others the means and instrumentalities by and through which they may mislead and deceive the public as to the shock resistant character of their watches and as to the origin of their business and watches and the scope and age of their business.

PAR. 10. 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 watches of the same general kind and nature as those sold by respondents.

PAR. 11. The use by respondents of the aforesaid false, misleading and deceptive statements, representations and practices has had, and

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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' watches by reason of said erroneous and mistaken belief.

PAR. 12. 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.

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 no 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 Lucien Piccard Watch Corp., 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 550 Fifth Avenue, in the city of New York, State of New York.

Respondents Abraham Blumstein and Stanley Blumstein 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.

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ORDER

It is ordered, That respondents Lucien Piccard Watch Corp., a corporation, and its officers, and Abraham Blumstein and Stanley Blumstein, individually and as officers of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of watches, or any other products, 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:

- (a) Their watches are "shockproof".
- (b) The Lucien Piccard Watch Corp. or its predecessor in interest was founded or established in Switzerland.
- (c) The Lucien Piccard Watch Corp. is a Swiss company or is a branch of or is otherwise affiliated with a Swiss company.
- (d) The Lucien Piccard Watch Corp. owns or controls a factory in Switzerland.
- (e) The Lucien Piccard Watch Corp. or its predecessor in interest has been in business since 1837.
- (f) Respondents' watches or parts thereof are designed, created or manufactured in Switzerland, or any other foreign country; *Provided, however*, That it shall be a defense in any enforcement proceeding instituted for violation hereof for respondents to affirmatively establish that such watches or parts were in fact designed, created or manufactured in Switzerland or such other foreign country as may have been represented by respondents.

2. Misrepresenting, in any manner, the shock resistant characteristics of respondents' watches; the date or place of organization or foundation of respondents' business; the length of time respondents have been in business; the factories or other business facilities owned, operated or controlled by respondents; the nationality or affiliations of respondents' business; or the place of design, creation or manufacture of respondents' watches.

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

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.

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IN THE MATTER OF

HUNECK'S, 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-763. Complaint, June 17, 1964—Decision, June 17, 1964

Consent order requiring retail furriers in San Diego, Calif., to cease violating the Fur Products Labeling Act by labeling fur products with fictitious prices; failing in advertising, invoicing and labeling, to show the true animal name of fur, and when fur was "natural"; failing to disclose in advertising and labeling when fur was artificially colored, and to show the country of origin of imported furs in advertising; invoicing mink as "Ermine"; failing to keep proper records as a basis for pricing claims; substituting non-conforming labels for those originally affixed to fur products; 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 Huneck's, Inc., a corporation, and Frank A. Huneck, 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 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 Huneck's, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of California.

Respondent Frank A. Huneck is an officer of the corporate respondent and formulates, directs and controls the acts, practices and policies of the said corporate respondent including those hereinafter set forth.

Respondents are retailers of fur products with their office and principal place of business located at 8th Avenue and C Street, city of San Diego, State of California.

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 sale, advertising, and offering for sale in commerce, and in the transportation and distribu-