

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

ELGIN NATIONAL WATCH COMPANY

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

Docket C-1494. Complaint, Feb. 20, 1969—Decision, Feb. 20, 1969

Consent order requiring a watch manufacturer in Elgin, Ill., to cease making fictitious pricing claims in the sale of its products.

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 Elgin National Watch Company, a corporation, also trading as Helbros Watches, hereinafter referred to as respondent, has 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. Elgin National Watch Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its principal office and place of business located at 25 East Washington Street, in the city of Elgin, State of Illinois. It also trades as Helbros Watches, 2 Park Avenue, in the city of New York, State of New York.

PAR. 2. Respondent is now, and for sometime last past has been, engaged in manufacturing, assembling, advertising, offering for sale, selling and distributing watches to catalog houses, dealers and retailers for resale to the public.

PAR. 3. In the course and conduct of its business as aforesaid, respondent now causes, and for sometime last past has caused, its said products, when sold, to be shipped from its places of businesses in the States of Illinois and New York to purchasers thereof located in various other States of the United States other than the State of origination and maintains, and at all times

mentioned herein has maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of its aforesaid business, and for the purpose of inducing the purchase of the watches offered by its Helbros Watches Division, respondent has made, and is now making numerous statements and representations and price amounts in list price schedules, catalog inserts and other promotional material with respect to the retail selling prices of its Helbros watches and has engaged in the practice of attaching, or causing to be attached, price tickets to said Helbros watches upon which certain amounts are printed.

Respondent thereby represents, and has represented, directly or by implication, that said price amounts are the respondent's good faith estimate of the actual retail prices of said watches and do not appreciably exceed the highest prices at which substantial sales are made in respondent's trade area.

PAR. 5. In truth and in fact, said prices appearing on respondent's said list price schedules, catalog inserts and other promotional material and on respondent's price tags are not its good faith estimate of the actual retail prices of said watches and appreciably exceed the prices at which substantial sales of said Helbros watches are made and have been made in its trade area.

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

PAR. 6. By the aforesaid acts and practices, respondent has placed, and now places, in the hands of catalog houses, retailers, dealers and others the means and instrumentalities by and through which they may mislead and deceive the public in the manner and as to the things hereinabove alleged.

PAR. 7. In the course and conduct of its aforesaid business, and at all times mentioned herein respondent has been, and now is, in substantial competition, in commerce, with corporations, firms and individuals in the sale of watches of the same general kind and nature as that sold by respondent.

PAR. 8. The use by respondent 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 respondent's products by reason of said erroneous and mistaken belief.

PAR. 9. The aforesaid acts and practices of respondent, as herein alleged, were, and are, all to the prejudice and injury of the public and of respondent's 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 Federal Trade Commission having initiated an investigation of certain acts and practices of the respondent named in the caption hereof, and the respondent having been furnished thereafter with a copy of a draft of complaint which the Bureau of Deceptive Practices proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondent with violation of the Federal Trade Commission Act; and

The respondent and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondent has violated the said Act, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in § 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Elgin National Watch Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located in the city of Elgin, State of Illinois. It also trades as Helbros Watches, 2 Park Avenue, 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 respondent, and the proceeding is in the public interest.

ORDER

It is ordered, That respondent Elgin National Watch Company, a corporation, trading as Helbros Watches or under any other trade name or names, and its officers, and respondent's agents, representatives and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or 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, by preticketing, list price schedules, catalog inserts or in any other manner, that any amount is the retail selling price of any product, unless said amount is respondent's good faith estimate of the said product's retail selling price and said amount does not appreciably exceed the highest price at which substantial sales of said product are made in respondent's trade area.

2. Misrepresenting, in any manner, the prices at which respondent's products are sold at retail.

3. Placing in the hands of catalog houses, retailers, dealers or others, the means or instrumentalities by or through which they may mislead or deceive the purchasing public in the manner or as to the things hereinabove prohibited.

It is further ordered, That the respondent corporation shall forthwith distribute a copy of this order to each of its operating divisions.

It is further ordered, That the respondent herein shall, within sixty (60) days after service upon it of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which it has complied with this order.

Complaint

IN THE MATTER OF

JOHN C. HAMILTON ET AL. TRADING AS
CHINCHILLA BREEDERS OF NEW ENGLAND

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

Docket C-1495. Complaint, Feb. 20, 1969—Decision, Feb. 20, 1969

Consent order requiring two Portland, Conn., sellers of chinchilla breeding stock to cease making exaggerated earning claims, misrepresenting the quality of their stock, deceptively guaranteeing the fertility of the stock, and misrepresenting services to their customers.

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 John C. Hamilton and William Nathaniel, individuals trading and doing business as Chinchilla Breeders of New England, hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondents John C. Hamilton and William Nathaniel are individuals trading and doing business under the name Chinchilla Breeders of New England, with their principal place of business located at Penfield Hill Road, Portland, Connecticut 06480.

Respondent John C. Hamilton's address is Box 335, Penfield Hill Road, Portland, Connecticut 06480. The address of respondent William Nathaniel is 20 Oakland Street, Plainville, Connecticut 06062.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale, sale and distribution of chinchilla breeding stock to the public.

PAR. 3. In the course and conduct of their aforesaid business, respondents now cause, and for some time last past have caused, their said chinchillas, when sold, to be shipped from their place of business in the State of Connecticut to purchasers thereof located in various other States of the United States, and maintain,