

Complaint

76 F.T.C.

In THE MATTER OF

WALKER SCOTT CORPORATION DOING BUSINESS AS WALKER
SCOTT COMPANYCONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION
OF THE FEDERAL TRADE COMMISSION AND THE FUR PRODUCTS
LABELING ACTS*Docket C-1552. Complaint, July 2, 1969—Decision, July 2, 1969*

Consent order requiring a San Diego, Calif., department store operator to cease falsely advertising its fur products.

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 Walker Scott Corporation, a corporation, doing business as Walker Scott Company, hereinafter referred to as respondent, has 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 Walker Scott Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of California.

Respondent operates a department store and retails various commodities including fur products. The office and principal place of business is located at Fifth Avenue at Broadway, San Diego, California.

PAR. 2. Respondent is now and for some time last past has been engaged in the 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 has 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 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 advertising flyers of respondent which were circulated in the State of California and other States of the United States.

By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein, respondent falsely and deceptively advertised fur products, in violation of Section 5(a)(5) of the Fur Products Labeling Act and Rule 44(a) of the Rules and Regulations. In the aforesaid advertisements, fur products were offered for sale by the respondent at prices designated as being "Below Wholesale Cost." By means of the aforesaid respondent represented that the fur products were being offered to the consuming public at prices which were less than the prices paid by the respondent in acquiring the said fur products and that savings were afforded to the purchasers of said fur products. In truth and in fact, the designated prices were not "Below Wholesale Cost" but, in fact, were in excess of the prices paid for the fur products by the respondent and savings were not afforded to the purchasers thereof, as represented.

PAR. 4. The aforesaid acts and practices of respondent as herein alleged, are in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder and constitute unfair methods of competition and unfair and deceptive acts and practices in commerce under 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 Textiles and Furs 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 Fur Products Labeling 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 Acts, 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 Walker Scott Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of California with its office and principal place of business located at Fifth Avenue at Broadway, San Diego, California.

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 Walker Scott Corporation, a corporation, trading as Walker Scott Company or under any other name, and respondent's officers, representatives, agents and employees, directly or through any corporate or other device, in connection with the 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 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 falsely or deceptively advertising any fur product 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 such fur product, and which:

1. Falsely or deceptively represents, directly or by implication, by means of the phrase "Below Wholesale Cost" or any other phrase, term or word of similar import or meaning that such fur product is being offered for sale at less than the price paid for the product by the respondent so offering the product for sale.

2. Falsely or deceptively represents that savings are afforded to the purchaser of such fur product or misrepresents in any manner the amount of savings afforded to the purchaser of such fur product.

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 him of this order, file with the Commission a report in writing setting forth in detail the manner and form in which he has complied with this order.
