
IN THE MATTER OF
MARKET FUR DRESSING CORP., ET AL.

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

Docket 8772. Complaint, Dec. 17, 1968—Decision, July 24, 1969

Order requiring a New York City manufacturer of fur garments to cease falsely invoicing 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 Market Fur Dressing Corp., a corporation, and Milton Mainwold, 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 Market Fur Dressing Corp. is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

* Published as amended by Hearing Examiner's order to May 29, 1969, by amending Pars. 2 and 3 to clarify the issues of the proceeding.

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Respondent Milton Mainwold is an officer of the corporate respondent. He formulates, directs and controls the acts, practices and policies of the said corporate respondent including those hereinafter set forth.

Respondents are dressers of fur products with their office and principal place of business located at 153-159 West 27th Street, New York, New York.

PAR. 2. Respondents are now and for some time last past have been engaged in the introduction into commerce, and in the manufacture for introduction into commerce, and in the transportation and distribution in commerce, of fur products; and have manufactured 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, and have introduced into commerce, and transported and distributed in commerce, furs, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act.

PAR. 3. Certain of said fur products or furs 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 or furs, but not limited thereto, were fur products or furs covered by invoices which failed to disclose that the fur contained in the fur products or furs was bleached, dyed, or otherwise artificially colored, when such was the fact.

PAR. 4. Respondents processed and distributed fur products or furs which were bleached, dyed or artificially colored. Certain of these furs or fur products were falsely and deceptively invoiced in violation of Section 5(b) (2) of the Fur Products Labeling Act in that the said fur products were described on invoices as "Mink" without disclosing that said fur products or furs were bleached, dyed or otherwise artificially colored. The respondents' description of the said furs or fur products as "Mink" without a disclosure that the said furs or fur products were bleached, dyed or artificially colored had the tendency and capacity to mislead respondents' customers and others into the erroneous belief that the fur products or furs were not bleached, dyed or otherwise artificially colored. Such failure to disclose a material fact was to the prejudice of respondents' customers or principals and the

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purchasing public and constituted false and deceptive invoicing under Section 5(b) (2) of the Fur Products Labeling Act.

PAR. 5. Certain of said fur products or furs were falsely and deceptively invoiced in violation of the Fur Products Labeling Act for the reason that they were not invoiced in accordance with the Rules and Regulations promulgated thereunder in the following respects:

(a) The fact that furs or fur products were composed of bleached, dyed or otherwise artificially colored fur was not disclosed in the required information on invoices covering the said furs or fur products in violation of Rule 19(a) of said Rules and Regulations.

(b) The term "natural" was not used on invoices to describe furs or fur products which were not pointed, bleached, dyed, tipped or otherwise artificially colored, in violation of Rule 19(g) of said Rules and Regulations.

PAR. 6. 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 methods of competition and unfair and deceptive acts and practices in commerce under the Federal Trade Commission Act.

Mr. Frank W. Vanderheyden and Mr. Edward B. Finch for the Commission.

Mr. Samuel C. Borzilleri, Borzilleri & Dostert, Washington, D.C., for respondents.

INITIAL DECISION BY JOHN B. POINDEXTER, HEARING EXAMINER
JUNE 12, 1969

The complaint in this proceeding, issued on December 17, 1968, alleges that Market Fur Dressing Corp., a corporation, and Milton Mainwold, individually and as an officer of said corporation, hereinafter called respondents, violated the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder.

On January 29, 1969, through their counsel, respondents answered the complaint and denied most of the material allegations thereof.

Thereafter, on May 16, 1969, complaint counsel filed a motion to amend paragraphs two and three of the complaint so as to more accurately reflect the acts and practices which complaint

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counsel contend constitute the violations of the Act and Regulations by respondents, and to clarify the issues and facilitate the disposition of the proceeding. Simultaneously, on said date, May 16, 1969, respondents filed an amended answer, withdrawing their previous answer, and (1) admitted the material allegations of the complaint, as amended, (2) waived a formal hearing and the filing of proposed findings of fact and conclusions of law, and (3) agreed to the issuance of the order attached to the complaint, as amended. By order dated May 29, 1969, the hearing examiner granted the motion to amend complaint filed by complaint counsel on May 16, 1969.

Pursuant to Section 3.12(b) (2) of the Rules of Practice for Adjudicative Proceedings, the matter is now before the hearing examiner for initial decision based upon the facts as alleged in the complaint, as amended.

FINDINGS OF FACT

1. The respondent, Market Fur Dressing Corp., a dresser of fur products, is a corporation organized and doing business under the laws of the State of New York, with an office located at 153-159 West 27th Street, New York, N.Y. The respondent, Milton Mainwold, is an officer of the corporate respondent and formulates, directs and controls the acts, practices and policies of said corporate respondent, including those hereinafter found. His office is the same as that of the corporate respondent.

2. Respondents are now and for some time last past have been engaged in the introduction into commerce, and in the manufacture for introduction into commerce, and in the transportation and distribution in commerce, of fur products; and have manufactured 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, and have introduced into commerce, and transported and distributed in commerce, furs, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act.

3. Certain of said fur products or furs 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 or

furs, but not limited thereto, were fur products or furs covered by invoices which failed to disclose that the fur contained in the fur products or furs was bleached, dyed, or otherwise artificially colored, when such was the fact.

4. Respondents processed and distributed fur products or furs which were bleached, dyed or artificially colored. Certain of these furs or fur products were falsely and deceptively invoiced in violation of Section 5(b) (2) of the Fur Products Labeling Act in that the said fur products were described on invoices as "Mink" without disclosing that said fur products or furs were bleached, dyed or otherwise artificially colored. The respondents' description of the said furs or fur products as "Mink" without a disclosure that the said furs or fur products were bleached, dyed or artificially colored had the tendency and capacity to mislead respondents' customers and others into the erroneous belief that the fur products or furs were not bleached, dyed or otherwise artificially colored. Such failure to disclose a material fact was to the prejudice of respondents' customers or principals and the purchasing public and constituted false and deceptive invoicing under Section 5(b) (2) of the Fur Products Labeling Act.

5. Certain of said fur products or furs were falsely and deceptively invoiced in violation of the Fur Products Labeling Act for the reason that they were not invoiced in accordance with the Rules and Regulations promulgated thereunder in the following respects:

(a) The fact that furs or fur products were composed of bleached, dyed or otherwise artificially colored fur was not disclosed in the required information on invoices covering the said furs or fur products in violation of Rule 19(a) of said Rules and Regulations.

(b) The term "natural" was not used on invoices to describe furs or fur products which were not pointed, bleached, dyed, tipped or otherwise artificially colored, in violation of Rule 19(g) of said Rules and Regulations.

CONCLUSIONS

The aforesaid acts and practices of respondents, as herein found, are in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder, and constitute

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unfair methods of competition and unfair and deceptive acts and practices in commerce, in violation of the Federal Trade Commission Act. This proceeding is in the public interest.

ORDER

It is ordered, That respondents Market Fur Dressing Corp., a corporation, and its officers, and Milton Mainwold, 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, 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 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; or in connection with the introduction into commerce, or the sale, advertising or offering for sale in commerce, or the transportation and distribution in commerce of furs, 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 invoicing fur products or furs by:

1. Failing to furnish invoices, as the term "invoice" is defined in the Fur Products Labeling Act, showing in words and figures plainly legible all the information required to be disclosed by each of the subsections of Section 5(b)(1) of the Fur Products Labeling Act.
2. Describing fur products or furs which have been bleached, dyed or otherwise artificially colored by the name mink or by any other animal name or names without disclosing that the said fur products or furs were bleached, dyed or otherwise artificially colored.
3. Failing when a fur or fur product is pointed or contains or is composed of bleached, dyed or otherwise artificially colored fur, to disclose such facts as a part of the required information on invoices pertaining thereto.
4. 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

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promulgated thereunder to describe such fur products or furs which are not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

FINAL ORDER

No appeal from the initial decision of the hearing examiner having been filed, and the Commission having determined that the case should not be placed on its own docket for review and that pursuant to Section 3.51 of the Commission's Rules of Practice (effective July 1, 1967), the initial decision should be adopted and issued as the decision of the Commission:

It is ordered, That the initial decision of the hearing examiner be, and it hereby is, adopted as the decision of the Commission.

It is further ordered, That respondents, Market Fur Dressing Corp., a corporation, and Milton Mainwold, individually and as an officer of said corporation, shall, within sixty (60) days after service of this order upon them, file with the Commission a report in writing, signed by such respondents, setting forth in detail the manner and form of their compliance with the order to cease and desist.
