
IN THE MATTER OF
LACONIA SHOE COMPANY, ET AL.

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

Docket C-1622. Complaint, Nov. 12, 1969—Decision, Nov. 12, 1969

Consent order requiring a Laconia, N.H., manufacturer and distributor of shoes to cease selling shoes made of simulated leather material without conspicuously disclosing by stamp, tag or label affixed to the shoes the true nature of the material.

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 Laconia Shoe Company, a corporation, and Eugene Brindis and Robert J. Selig, 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 Laconia Shoe Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Hampshire, with its principal office and place of business located at 59 Water Street, in the city of Laconia, State of New Hampshire, 03246.

Respondents Eugene Brindis and Robert J. Selig 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 business 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 manufacturing, offering for sale, sale and distribution of shoes 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 products, when sold to be shipped and transported from their place of business in the State of New Hampshire 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 products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their aforesaid business, some of respondents' shoes which are offered for sale, sold and distributed to retailers for resale to the public have the appearance of being composed either in whole or in part of leather or split leather, when in fact one or more of the visible or partly visible parts of such shoes are composed of non-leather materials processed to simulate the appearance of leather or split leather. The fact that such material is nonleather is not clearly and conspicuously disclosed on such shoes by a stamp, tag or label embed-

ded in or attached thereto and so affixed as to remain thereon until completion of the sale to retail customers.

Respondents' practice of offering for sale, selling and distributing shoes containing one or more visible or partly visible parts composed of non-leather material processed to simulate the appearance of leather or split leather, without clear and conspicuous disclosure of such fact on a stamp, tag or label embedded in or attached to such shoes is misleading and deceptive and has the capacity and tendency to lead members of the purchasing public to believe that the parts of shoes so composed, other than heels, are made of leather or split leather.

PAR. 5. In the conduct of their business at all times mentioned herein, respondents have been, and now are, in substantial competition, in commerce, with corporations, firms and individuals in the sale of shoes of the same general kind and nature as that sold by respondents.

PAR. 6. The use by respondents of the aforesaid misleading and deceptive acts and practices has had, and now has, the capacity and tendency to mislead members of the purchasing public into the mistaken and erroneous belief that visible or partly visible parts of shoes composed of non-leather materials processed to resemble leather or split leather are, in fact, leather or split leather, and into the purchase of substantial quantities of respondents' shoes by reason of said mistaken and erroneous belief, and by reason of said misleading and deceptive acts and practices.

PAR. 7. 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 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 that draft of complaint which the Bureau of Industry Guidance 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 respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, and admission by the respondents of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the agreement is for settlement purposes only and does not constitute an admission by respondents 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 respondents have 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 described 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 Laconia Shoe Company is a corporation, organized, existing and doing business under and by virtue of the laws of the State of New Hampshire, with its principal office and place of business located at 59 Water Street, in the city of Laconia, State of New Hampshire.

Respondent Eugene Brindis is an individual and an officer of said corporation and his business address is the same as that of said corporation.

Respondent Robert J. Selig is an individual and an officer of said corporation and his business 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 Laconia Shoe Company, a corporation and its officers, and Eugene Brindis and Robert J. Selig, 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 manufacturing, offering for sale, sale or distribution of shoes or other footwear, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Offering for sale, selling, distributing or placing in the hands of others for distribution or sale purposes, footwear products containing one or more visible or partly visible parts, other than heels, which are composed of non-leather material having the appearance of leather or split leather, without clearly and conspicuously disclosing (1) the identity of the part or parts of such products so composed and (2) either that the material is simulated or imitation leather or the general nature of the material in such manner as will show it is not leather or split leather; such disclosures to appear on a stamp, tag or label embedded in or attached to such products, 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. Misrepresenting, in any manner, or by any means, directly or indirectly, the kind or type of leather or other materials used in the manufacture of respondents' products or any part thereof.

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 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.
