
IN THE MATTER OF
NORMAN M. MORRIS CORPORATION, ET AL.

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

Docket C-1636. Complaint, Nov. 19, 1969—Decision, Nov. 19, 1969

Consent order requiring a New York City manufacturer, importer and distributor of wristwatches and other timepieces to cease misrepresenting that its watches have been used to time sporting events at the Pan American games, Olympics, or other sporting events, and falsely claiming endorsement or use of any nature.

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 Norman M. Morris Corporation, a corporation, and Norman M. Morris, individually and as an officer 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 Norman M. Morris Corporation 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 301 East 57th Street, in the city of New York, State of New York 10021.

Respondent Norman M. Morris is an individual and an officer of the corporate respondent. He formulates, directs and controls the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. His 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 business of manufacturing, importing, advertising, offering for sale, sale or distribution of wrist watches and other timepieces to retailers for resale to the public.

PAR. 3. In the course and conduct of their business as aforesaid, respondents cause, and for some time last past have caused their products, when sold, to be shipped and transported 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 products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the conduct of their business at all times mentioned herein, respondents have been and are now 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. 5. In the course and conduct of their aforesaid business, and for the purpose of inducing others to purchase their watches, respondents have made, and are now making, directly or by implication, in advertisements which they have caused and cause to

be placed in brochures, newspapers and magazines, various statements and representations with respect to the use of Omega watches for timing sporting events in the 1967 Pan American Games in Canada and the 1968 Olympic Games in Mexico.

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

A depiction of the Omega Constellation and in immediate conjunction therewith the statement:

Official Watch of the 1968 Olympic Games, Mexico.

* * * * *

A depiction of the Omega Seamaster De Ville and in immediate conjunction therewith the statement:

As official watch for the Olympic Games (Mexico 1968) Omega decides the winners.

* * * * *

A depiction of the Omega Constellation and in immediate conjunction therewith the statement:

It is also the official watch for the 1967 Pan American Games, Canada and the 1968 Olympics, Mexico.

Typical and illustrative of the advertisements in which said statements and representations have appeared and appear, but not all inclusive thereof, are Exhibits A, B, and C, attached hereto.*

PAR. 6. By and through the use of the aforesaid statements and representations, and others of similar import and meaning but not specifically set out herein, respondents have represented, and now are representing, directly or by implication, that watches identical to those hereinabove described were used to time sporting events at the 1967 Pan American Games, Canada and at the 1968 Olympic Games, Mexico.

PAR. 7. In truth and in fact, watches identical to those hereinabove described were not used in timing sporting events at the 1967 Pan American Games or the 1968 Olympic Games.

PAR. 8. The use by the respondents of the aforesaid false, 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 said statements and representations were true and into the purchase of substantial quantities of respondents' watches by reason of said mistaken and erroneous belief, and by reason of said misleading and deceptive acts and practices.

* Exhibits A, B, and C omitted in printing.

PAR. 9. 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 a 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, an admission by the respondents of all the jurisdictional fact 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 the respondents that the law has been violated as alleged in said complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having reason to believe that the respondents have violated the Federal Trade Commission Act, and having determined that complaint should issue stating its charges in that respect, hereby issues its complaint, accepts said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Norman M. Morris Corporation 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 301 East 57th Street, in the city of New York, State of New York.

Respondent Norman M. Morris is an officer of said corporation and his business address is the same as that of the corporate respondent.

2. The Federal Trade Commission has jurisdiction of the sub-

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ject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That respondents Norman M. Morris Corporation, a corporation, and its officers, and Norman M. Morris, individually and as an officer of said corporation, and respondents' 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 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 watches or other timepieces have been used to time sporting events at the Pan American Games, Olympics, or other special events unless watches identical to those so referred to have in fact been used as represented.

2. Misrepresenting, in any manner, the nature, extent, or circumstances of use or endorsement of its watches or timepieces.

It is further ordered, That respondents notify the Commission at least thirty (30) days prior to any proposed change in the corporate respondent such as dissolution, assignment, or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries, or any other change in the corporation which may affect compliance obligations arising out of the order.

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 each of 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.

IN THE MATTER OF

HOLIDAY CARPETS, INC., ET AL.

ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION AND THE TEXTILE FIBER PRODUCTS
IDENTIFICATION ACTS*Docket 8784. Complaint, June 25, 1969—Decision, November 20, 1969*

Order requiring a Wheaton, Md., seller and installer of custom-fitted home carpeting to cease misbranding and falsely advertising its textile fiber products, using bait tactics, false pricing and savings claims, failing to maintain adequate records, using deceptive guarantees, misrepresenting that it usually negotiates its sales contracts to a bank, misrepresenting the terms and conditions of its sales, and failing to include the right to cancel the sale within 3 days in its sales contracts.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Textile Fiber Products Identification Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Holiday Carpets, Inc., a corporation, and Robert M. Siegel, 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 Textile Fiber Products Identification 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 Holiday Carpets, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Maryland, with its principal office and place of business located at 11035 Viers Mill Road in the city of Wheaton, State of Maryland.

Respondent Robert M. Siegel is an individual and is an officer of the corporate respondent. He formulates, directs and controls the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. His 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 introduction, delivery for introduction, sale, advertising, and offering for sale, in commerce, and in the trans-