

Complaint

IN THE MATTER OF

DERMAN-HELFAND, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION AND THE FUR PRODUCTS
LABELING ACTS*Docket C-1736. Complaint, May 4, 1970—Decision, May 4, 1970*

Consent order requiring a New York City manufacturing furrier to cease falsely invoicing its fur products by misrepresenting artificially colored furs as natural.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and 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 Derman-Helfand, Inc., a corporation, and Leon Derman and Nat Helfand, individually and as officers 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 it complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Derman-Helfand, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Individual respondents Leon Derman and Nat Helfand are officers of said corporation. They formulate, direct and control the policies, acts and practices of the corporate respondent, including the acts and practices hereinafter referred to.

Respondents are manufacturers of fur products with their office and principal place of business located at 350 Seventh Avenue, 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 sale, advertising, and offering for sale in commerce, and in the transportation and distribution in commerce, of fur products; and have manufactured for sale, and sold, advertised, offered for sale, transported and distributed fur products which have been made in whole or in part of

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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 products 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 but not limited thereto, were fur products covered by invoices which failed:

1. To disclose that the fur contained in the fur products was bleached, dyed, or otherwise artificially colored, when such was the fact.

2. To show the country of origin of imported furs contained in the fur products.

PAR. 4. Certain of said fur products were falsely and deceptively invoiced to show that the fur contained therein was natural when in fact, such fur was pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Section 5(b)(2) of the Fur Products Labeling Act.

PAR. 5. Certain of said fur products were falsely and deceptively invoiced with respect to the name of the country of origin of imported furs contained in said fur products, in violation of Section 5(b)(2) of the Fur Products Labeling Act.

Among such falsely and deceptively invoiced fur products, but not limited thereto, were fur products containing imported fur covered by invoices which failed to show the country of origin of such imported furs. The omission of the required material fact as to the country of origin of the imported furs implied that the said furs were of domestic origin when in truth and in fact the said furs were of foreign origin, in violation of Section 5(b)(2) of the Fur Products Labeling Act.

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.

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 Textiles and Furs 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 Fur Products Labeling 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 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 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 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 Derman-Helfand, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondents Leon Derman and Nat Helfand are officers of said corporation, and they formulate, direct, and control the acts, practices and policies of said firm.

Respondents are manufacturers of fur products with their office and place of business located at 350 Seventh Avenue, New York, New York.

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 Derman-Helfand, Inc., a corporation, and its officers, and Leon Derman and Nat Helfand, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction or the 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 manufacture for sale, 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 invoicing any fur product by:

1. Failing to furnish an invoice, 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. Representing directly or by implication on an invoice that the fur contained in such fur product is natural when such fur is pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

3. Misrepresenting in any manner on an invoice, directly or by implication, the country of origin of any imported fur.

It is further ordered, That respondents notify the Commission at least 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 of dissolution or 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 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.

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IN THE MATTER OF

RICCAR AMERICA COMPANY, ET AL.

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

Docket C-1737. Complaint, May 4, 1970—Decision, May 4, 1970

Consent order requiring a Carlstadt, N.J., marketer of Japanese-made sewing machines to cease using bait and switch tactics, misrepresenting that its offers to sell are limited in time or to a limited number of persons, using deceptive discount schemes, misrepresenting that any article is "free," and furnishing others with means to deceive the public.

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 Riccar America Company, a corporation, and Harutoshi Yoshida and Kensaku Ogawa, individually and as officers of said corporation, and Leonard Trachtman, individually, 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 Riccar America Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of California, with its principal office and place of business located at 191 Broad Street, in the city of Carlstadt, State of New Jersey.

Respondents Harutoshi Yoshida and Kensaku Ogawa are individuals and officers of the corporate respondent. They formulate direct and control the acts and practices of said respondent corporation, including the acts and practices hereinafter set forth. Their address is the same as that of the corporate respondent.

Respondent Leonard Trachtman is an individual and prior to March 31, 1967, was sales manager of the said corporate respondent. He participated with the said corporate officers in formulating, directing and controlling the acts and practices of the said respondent corporation, including the acts and practices hereinafter set forth. His address is 800 Boulevard East in the city of Weehawken, State of New Jersey.