

Docket C-1811. Complaint, Oct. 21, 1970—Decision, Oct. 21, 1970

Consent order requiring a New York City individual engaged in the watch repair business to cease misrepresenting that his repair work is fully guaranteed, that his charge includes insurance, making charges higher than the amounts specified in the guarantee, and placing in the hands of others means to deceive the consuming 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 Murray Glick, an individual doing business as Raynard Watch Company, hereinafter referred to as respondent, has 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 Murray Glick is an individual doing business as Raynard Watch Company. Respondent's office and principal place of business is located at 37 West 47th Street, New York, New York.

PAR. 2. Respondent is engaged in the watch repair business. In the course and conduct of his business, respondent has entered into agreements with retail sellers of watches. Under these agreements, the sellers furnish watch purchasers with a "service certificate" designating respondent as the sellers' authorized repair service. The "service certificate" is a written guarantee which provides that respondent will, for a stated handling charge and for a stated period of time, make watch repairs necessitated by defects in workmanship or materials.

PAR. 3. Respondent causes his "service certificates" to be disseminated to watch purchasers in the U.S. Virgin Islands and, through the U.S. mails, has received for repair numerous watches owned by persons located in various States of the United States. Respondent maintains, and at all times mentioned herein has maintained, a substantial course of trade in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of his business as aforesaid, respondent has caused the dissemination of a "service certificate" containing various statements and representations of which the following are typical:

This SWISS MOVEMENT is guaranteed against defective workmanship and materials for a period of one year from date of purchase.

Any SWISS MOVEMENT watch developing defects during this period, will be repaired, provided it is returned to us, with \$1.75 to cover cost of handling.

Do not return to store where purchased, but direct to us for adjustment by skilled factory experts.

... fill in this guarantee and mail it back together with your watch, enclosing \$1.75 to cover handling, shipping, postage, insurance, etc. (Please allow 4 to 6 weeks for your repair to be returned (including travel time).)

PAR. 5. By and through the use of the statements and representations quoted in Paragraph Four, and others of similar import and

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meaning not specifically set forth herein, respondent represents, directly or by implication:

1. That respondent will make watch repairs in accordance with the terms of his guarantee;
2. That such repairs will be made by skilled factory experts;
3. That the only charge for such repairs is \$1.75;
4. That the \$1.75 charge includes the cost of insurance on the watch; and
5. That a watch will be repaired and returned within four to six weeks of its receipt by respondent.

PAR. 6. In truth and in fact:

1. Respondent has in many cases been unable or unwilling to make watch repairs in accordance with the terms of his guarantee;
2. Repairs are not made by skilled factory experts, but by respondent himself who has no factory and whose business is watch repair as opposed to watchmaking;
3. The \$1.75 charge is not the only charge for repairs; in many cases, respondent makes additional charges for parts and labor although such parts and labor are covered by the terms of the guarantee;
4. The \$1.75 charge does not include the cost of insurance on the watch; in many cases, respondent returns watches to their owners by uninsured parcel post; and
5. Respondent does not generally repair and return a watch within four to six weeks; on the contrary, respondent usually takes several times longer and in many cases has taken several months to repair and return a watch to its owner.

Therefore, the statements and representations as set forth in Paragraphs Four and Five hereof were, and are, false, misleading, and deceptive.

PAR. 7. By and through the use of the aforesaid statements, representations, and practices respondent places in the hands of retailers the means and instrumentalities by and through which such retailers may mislead the public as to the manner in which respondent meets obligations under the terms of his guarantee.

PAR. 8. In the course and conduct of his business as aforesaid, and at all times mentioned herein, respondent has been in substantial competition in commerce with corporations, firms, and individuals in the sale of services of the same general kind and type as those provided by respondent.

PAR. 9. The use by respondent of the aforesaid false, misleading, and deceptive statements, representations, 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, and are, true and into the purchase of substantial quantities of watches and of respondent's repair services, by reason of said mistaken and erroneous belief.

PAR. 10. The aforesaid acts and practices of respondent, as herein alleged, were, and are, all to the prejudice and injury of the public and of respondent's 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 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 Consumer Protection 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 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 agreement is for settlement purposes only and does not constitute an admission by the respondent that the law has been violated as alleged in said 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 Act, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and having placed said agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in Section 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Murray Glick is an individual doing business as Raynard Watch Company. The office and principal place of business

of Raynard Watch Company is located at 37 West 47th Street, New York, New York.

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 Murray Glick, an individual doing business as Raynard Watch Company, or under any other name or names, and respondent's representatives, agents, and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, or sale of watch repair services or the dissemination by any means of guarantees on 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:
 - a. That a product is guaranteed when any provision of the guarantee is not fully complied with;
 - b. That repair work will be performed by skilled factory experts or otherwise misrepresenting in any manner the nature and scope of respondent's business;
 - c. That a charge for repair work includes the cost of insurance or any other item of cost, when such insurance or other item of cost is not provided;
 - d. That repair work will be performed within a stated period of time, when such is not the case.
2. Making a charge for repair work which is more than the amount specified for such work under the terms of a guarantee.
3. Placing in the hands of retailers or others the means and instrumentalities by and through which they may deceive or mislead the purchasing public as to the things hereinabove prohibited.

It is further ordered. That respondent shall deliver a copy of this order to cease and desist to all corporations, firms, or individuals who now or in the future are parties to any agreement under which respondent performs repair work for their customers.

It is further ordered. That 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 of his compliance with this order.