It is further ordered, That respondents Turan Furs, Inc., a corporation, and its officers, and Sam Turan and Leonard Goldstein, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from furnishing a false guaranty that any fur product is not misbranded, falsely invoiced or falsely advertised when the respondents have reason to believe that such fur product may be introduced, sold, transported, or distributed in commerce.

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.

IN THE MATTER OF

R. & R. BERGER FURS, 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–1364. Complaint, July 9, 1968—Decision, July 9, 1968

Consent order requiring a New York City manufacturing furrier to cease misbranding, furnishing deceptive guarantees, and 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 R. & R. Berger Furs, Inc., a corporation, and Marcus Berger, 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 R. & R. Berger Furs, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondent Marcus Berger 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 manufacturers of fur products with their office and principal place of business located at 145 West 30th 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 sale, advertising, and offering for sale in commerce, and in the transportation and distribution in commerce, of fur products; and have manufactured for sale, sold, advertised, offered 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, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act.

PAR. 3. Certain of said fur products were misbranded in that they were not labeled as required under the provisions of Section 4(2) of the Fur Products Labeling Act and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

Among such misbranded fur products, but not limited thereto, were fur products with labels which failed to disclose that the fur contained in the fur product was bleached, dyed, or otherwise artificially colored, when such was the fact.

PAR. 4. Certain of said fur products were falsely and deceptiely invoiced by the rsspondents 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 to disclose that the fur contained in the fur product was bleached, dyed, or otherwise artificially colored, when such was the fact.

PAR. 6. Respondents furnished false guaranties that certain of their fur products were not misbranded, falsely invoiced or falsely advertised when respondents in furnishing such guaranties had reason to believe that fur products so falsely guarantied would be introduced, sold, transported or distributed in com-

merce, in violation of Section 10(b) of the Fur Products Labeling Act.

PAR. 7. 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 there upon 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 R. & R. Berger Furs, Inc., 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 145 West 30th Street, city of New York, State of New York.

Respondent Marcus Berger is an officer of said corporation and his 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 R. & R. Berger Furs, Inc., a corporation, and its officers, and Marcus Berger 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, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

1. Misbranding fur products by failing to affix labels to fur products showing in words and in figures plainly legible all of the information required to be disclosed by each of the subsections of Section 4(2) of the Fur Products Labeling Act.

2. Falsely or deceptively invoicing fur products by 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.

It is further ordered, That respondents R. & R. Berger Furs, Inc., a corporation, and its officers, and Marcus Berger, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from furnishing a false guaranty that any fur product is not misbranded, falsely invoiced or falsely advertised when the respondents have reason to believe that such fur product may be introduced, sold, transported, or distributed in commerce.

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.

IN THE MATTER OF

MANNY SCHAFFER TRADING AS MANNY SCHAFFER FURS

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

Docket C-1365. Complaint, July 9, 1968—Decision, July 9, 1968

Consent order requiring a New York City manufacturing furrier to cease misbranding and deceptively 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 Manny Schaffer, an individual trading as Manny Schaffer Furs, hereinafter referred to as respondent, has 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 Manny Schaffer is an individual trading as Manny Schaffer Furs. Respondent is a manufacturer of fur products with his office and principal place of business located at 146 West 29th Street, New York, New York.

PAR. 2. Respondent is now and for some time last past has 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 has manufactured for sale, sold, advertised, offered 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, as the terms "commerce," "fur" and "fur product"

are defined in the Fur Products Labeling Act.

PAR. 3. Certain of said fur products were misbranded in that they were falsely and deceptively labeled to show that fur contained therein was natural, when in fact such fur was pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Section 4(1) of the Fur Products Labeling Act.

PAR. 4. Certain of said fur products were misbranded in that they were not labeled as required under the provisions of Section 4(2) of the Fur Products Labeling Act and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

Among such misbranded fur products, but not limited thereto, were fur products with labels which failed to disclose that the fur contained in the fur products was bleached, dyed, or otherwise artificially colored, when such was the fact.

PAR. 5. Certain of said fur products were falsely and deceptively invoiced by the respondent 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 to disclose that the fur contained in the fur products was bleached, dyed, or otherwise artificially colored, when such was the fact.

PAR. 6. Certain of said fur products were falsely and deceptively invoiced in that said fur products were 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. 7. The aforesaid acts and practices of respondent, 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 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

Textiles and Furs 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 Fur Products Labeling 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 signing of said agreement is for settlement purposes only and does not constitute an admission by respondent 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 respondent has 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 Manny Schaffer is an individual trading as Manny Schaffer Furs, with his office and principal place of business located at 146 West 29th 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 Manny Schaffer, an individual trading as Manny Schaffer Furs, or any other name, and respondent's 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, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding fur products by:

1. Representing, directly or by implication, on labels that the fur contained in any fur product is natural when the fur contained therein is pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

2. Failing to affix labels to fur products showing in words and in figures plainly legible all of the information required to be disclosed by each of the subsections of Section 4(2) of the Fur Products Labeling Act.

B. Falsely or deceptively invoicing fur products 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. Representing, directly or by implication, on invoices that the fur contained in the fur products is natural when such fur is pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

It is further ordered, That the 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 in which he has complied with this order.

IN THE MATTER OF
KUPCHIK & GELMAN FURS, 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-1366. Complaint, July 9, 1968—Decision, July 9, 1968

Consent order requiring New York City manufacturing furriers to cease misbranding, deceptively guaranteeing, and falsely invoicing their 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 Kupchik & Gelman Furs, Inc.,

a corporation, and John Kupchik, Bernard R. Greenberg and Sol Gelman, individually and as officers of said corporation, hereinafter referred to a 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 Kupchik & Gelman Furs, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondents John Kupchik, Bernard R. Greenberg and Sol Gelman are officers of the said corporate respondent. They formulae, direct and control the acts, practices and policies of the said corporate respondent including those hereinafter set forth.

Respondents are manufacturers of fur products with their office and principal place of business located at 245 West 29th Street, city of New York, State of 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, sold, advertised, offered 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, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act.

PAR. 3. Certain of said fur products were misbranded in that they were falsely and deceptively labeled to show that fur contained therein was natural, when in fact such fur was pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Section 4(1) of the Fur Products Labeling Act.

PAR 4. Certain of said fur products were misbranded in that they were not labeled as required under the provisions of Section 4(2) of the Fur Products Labeling Act and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

Among such misbranded fur products, but not limited thereto, were fur products with labels which failed to disclose that the fur contained in the fur products was bleached, dyed, or otherwise artificially colored, when such was the fact.

PAR. 5. Certain of said fur products were falsely and decep-

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

PAR. 6. Certain of said fur products were falsely and deceptively invoiced in that said fur products were 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. 7. Respondents furnished false guaranties that certain of their fur products were not misbranded, falsely invoiced or falsely advertised when respondents in furnishing such guaranties had reason to believe that fur products so falsely guarantied would be introduced, sold, transported or distributed in commerce, in violation of Section 10(b) of the Fur Products Labeling Act.

PAR. 8. 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 Kupchik & Gelman Furs, Inc., 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 245 West 29th Street, city of New York, State of New York.

Respondents John Kupchik, Bernard R. Greenberg and Sol Gelman are officers of said corporation and their 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 Kupchik & Gelman Furs, Inc., a corporation, and John Kupchik, Bernard R. Greenberg and Sol Gelman, 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 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, as the terms "commerce" "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding fur products by:

1. Representing, directly or by implication, on labels that the fur contained in any fur product is natural when the fur contained therein is pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

2. Failing to affix labels to fur products showing in words and in figures plainly legible all of the information required to be disclosed by each of the subsections of Section 4(2) of the Fur Products Labeling Act.

B. Falsely or deceptively invoicing fur products 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. Representing, directly or by implication, on invoices that the fur contained in the fur products is natural when such fur is pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

It is further ordered, That respondents Kupchik & Gelman Furs, Inc., a corporation, and its officers, and John Kupchik, Bernard R. Greenberg and Sol Gelman, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from furnishing a false guaranty that any fur product is not misbranded, falsely invoiced or falsely advertised when the respondents have reason to believe that such fur product may be introduced, sold, transported, or distributed in commerce.

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.

IN THE MATTER OF

SAM & LEO BROWN, 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-1367. Complaint, July 9, 1968—Decision, July 9, 1968

Consent order requiring New York City manufacturing furriers to cease misbranding, deceptively guaranteeing, and falsely invoicing their 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 Sam & Leo Brown, Inc., a corporation, and Samuel Brown and Leo Brown, 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 its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Sam & Leo Brown, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondents Samuel Brown and Leo Brown are officers of the corporate respondent. They formulate, direct and control the acts, practices and policies of the said corporate respondent including those hereinafter set forth.

Respondents are manufacturers of fur products with their office and principal place of business located at 330 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, sold, advertised, offered for sale, trans-

ported and distributed fur products which have been made in whole or in part of 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 fur products were misbranded in that they were falsely and deceptively labeled to show that fur contained therein was natural, when in fact such fur was pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Section 4(1) of the Fur Products Labeling Act.

PAR. 4. Certain of said fur products were misbranded in that they were not labeled as required under the provisions of Section 4(2) of the Fur Products Labeling Act and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

Among such misbranded fur products, but not limited thereto, were fur products with labels which failed to disclose that the fur contained in the fur products was bleached, dyed, or otherwise artificially colored, when such was the fact.

PAR. 5. Certain of said fur 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 to disclose that the fur contained in the fur products was bleached, dyed, or otherwise artificially colored, when such was the fact.

PAR. 6. Certain of said fur products were falsely and deceptively invoiced in that said fur products were 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. 7. Respondents furnished false guaranties that certain of their fur products were not misbranded, falsely invoiced or falsely advertised when respondents in furnishing such guaranties had reason to believe that fur poducts so falsely guarantied would be introduced, sold, transported or distributed in commerce, in violation of Section 10(b) of the Fur Products Labeling Act.

PAR 8. 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 Sam & Leo Brown, Inc., 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 330 Seventh Avenue, city of New York, State of New York.

Respondents Samuel Brown and Leo Brown are officers of said corporation and their 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 Sam & Leo Brown, Inc., a corporation, and its officers, and Samuel Brown and Leo Brown, 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 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, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding fur products by:

1. Representing, directly or by implication, on labels that the fur contained in any fur product is natural when the fur contained therein is pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

2. Failing to affix labels to fur products showing in words and in figures plainly legible all of the information required to be disclosed by each of the subsections of Section 4(2) of the Fur Products Labeling Act.

B. Falsely or deceptively invoicing fur products 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. Representing, directly or by implication, on invoices that the fur contained in the fur products is natural when such fur is pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

It is further ordered, That respondents Sam & Leo Brown, Inc., a corporation, and its officers, and Samuel Brown and Leo Brown, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from furnishing a false guaranty that any fur product is not misbranded, falsely invoiced or falsely advertised when the

respondents have reason to believe that such fur product may be introduced, sold, transported, or distributed in commerce.

It is further ordered, That the respondent corporation shall forthwith distribute a copy of this Order to each of its operating devisions.

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.

IN THE MATTER OF

HENRY HABER TRADING AS HENRY HABER FURS

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

Docket C-1368. Complaint, July 9, 1968—Decision, July 9, 1968

Consent order requiring a New York City manufacturing furrier to cease deceptively invoicing his fur products and furnishing false guaranties.

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 Henry Haber, an individual trading as Henry Haber Furs, hereinafter referred to as respondent, has 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 Henry Haber is an individual trading as Henry Haber Furs. Respondent is a manufacturer of fur products with his office and principal place of business located at 134 West 29th Street, New York, New York.

PAR. 2. Respondent is now and for some time last past has 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 has

manufactured for sale, sold, advertised, offered 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, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act.

PAR. 3. Certain of said fur products were falsely and deceptively invoiced by the respondent 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 to disclose that the fur contained in the fur products was bleached, dyed, or otherwise artificially colored, when such was the fact.

PAR. 4. Certain of said fur products were falsely and deceptively invoiced in that said fur products were 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. Respondent furnished false guaranties that certain of his fur products were not misbranded, falsely invoiced or falsely advertised when respondent in furnishing such guaranties had reason to believe that fur products so falsely guarantied would be introduced, sold, transported or distributed in commerce, in violation of Section 10(b) of the Fur Products Labeling Act.

PAR. 6. The aforesaid acts and practices of respondent, 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 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 Textiles and Furs 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 Fur Products Labeling 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 signing of said agreement is for settlement purposes only and does not constitute an admission by respondent 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 respondent has 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 Henry Haber is an individual trading as Henry Haber Furs, with his office and principal place of business located at 134 West 29th 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 Henry Haber, an individual trading as Henry Haber Furs or any other name, and respondent's 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, 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.

It is further ordered, That respondent Henry Haber, an individual trading as Henry Haber Furs or any other name, and respondent's representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from furnishing a false guaranty that any fur product is not misbranded, falsely invoiced or falsely advertised when the respondent has reason to believe that such fur product may be introduced, sold, transported, or distributed in commerce.

It is further ordered, That the 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 in which he has complied with this order.

IN THE MATTER OF

PRINCESS FURS, 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-1369. Complaint, July 9, 1968—Decision, July 9, 1968

Consent order requiring New York City manufacturing furriers to cease misbranding, deceptively guaranteeing, and falsely invoicing their 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 Princess Furs, Inc., a corporation, and Fred Kosak and Sol Horowitz, 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 ap-

pearing 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 Princess Furs, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondents Fred Kosak and Sol Horowitz are officers of the corporate respondent. They formulate, direct and control the acts, practices and policies of the said corporate respondent including those hereinafter set forth.

Respondents are manufacturers of fur products with their office and principal place of business located at 231 West 29th 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 sale, advertising, and offering for sale in commerce, and in the transportation and distribution in commerce, of fur products; and have manufactured for sale, sold, advertised, offered 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, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act.

PAR. 3. Certain of said fur products were misbranded in that they were falsely and deceptively labeled to show that fur contained therein was natural, when in fact such fur was pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Section 4(1) of the Fur Products Labeling Act.

PAR. 4. Certain of said fur products were misbranded in that they were not labeled as required under the provisions of Section 4(2) of the Fur Products Labeling Act and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

Among such misbranded fur products, but not limited thereto, were fur products with labels which failed to disclose that the fur contained in the fur products was bleached, dyed, or otherwise artificially colored, when such was the fact.

PAR. 5. Certain of said fur 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 to disclose that the fur contained in the fur products was bleached, dyed, or otherwise artificially colored, when such was the fact.

PAR. 6. Certain of said fur products were falsely and deceptively invoiced in that said fur products were 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. 7. Respondents furnished false guaranties that certain of their fur products were not misbranded, falsely invoiced or falsely advertised when respondents in furnishing such guaranties had reason to believe that fur products so falsely guarantied would be introduced, sold, transported or distributed in commerce, in violation of Section 10(b) of the Fur Products Labeling Act.

PAR. 8. 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 Princess Furs, Inc., 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 231 West 29th Street, city of New York, State of New York.

Respondents Fred Kosak and Sol Horowitz are officers of said corporation and their 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 Princess Furs, Inc., a corporation, and its officers, and Fred Kosak and Sol Horowitz, 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 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, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding fur products by:

1. Representing, directly or by implication, on labels that the fur contained in any fur product is natural when the fur contained therein is pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

2. Failing to affix labels to fur products showing in words and in figures plainly legible all of the information required to be disclosed by each of the subsections of Section 4(2) of the Fur Products Labeling Act.

B. Falsely or deceptively invoicing fur products 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. Representing, directly or by implication, on invoices that the fur contained in the fur products is natural when such fur is pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

It is further ordered, That respondents Princess Furs, Inc., a corporation, and Fred Kosak and Sol Horowitz, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from furnishing a false guaranty that any fur product is not misbranded, falsely invoiced or falsely advertised when the respondents have reason to believe that such fur product may be introduced, sold, transported, or distributed in commerce.

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.

IN THE MATTER OF

REGENT CORSET CO. ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION AND THE TEXTILE FIBER PRODUCTS IDENTIFICATION ACTS

Docket C-1370. Complaint, July 10, 1968—Decision, July 10, 1968

Consent order requiring a North Bergen, N.J., manufacturer of girdles and other textile products to cease misbranding and falsely guaranteeing its textile fiber products and failing to maintain required records.

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 Regent Corset Co., a corporation, and Irving Kurs and Jerome Bienenfeld, 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 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 Regent Corset Co. is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York. Its office and principal place of business is located at 517 - 74th Street, in the city of North Bergen, State of New Jersey.

Respondents Irving Kurs and Jerome Bienenfeld are officers of said corporate respondent. They formulate, direct and control the acts, practices and policies of said corporation. Their address is the same as that of said corporation.

Respondents are manufacturers of textile fiber products.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the introduction, delivery for introduction, manufacture for introduction, sale, advertising and offering for sale, in commerce, and in the transportation or causing to be transported in commerce, and in the importation into the United States, of textile fiber products; and have sold, offered for sale, advertised, delivered, transported and caused to be transported, textile fiber products, which have been advertised or offered for sale in commerce; and have sold, offered for sale, advertised, delivered, transported and caused to be transported, after shipment in commerce, textile fiber products, either in their original state or contained in other textile fiber products; as the terms "commerce" and "textile fiber product" are defined in the Textile Fiber Products Identification Act.

PAR. 3. Certain of said textile fiber products were misbranded by respondents within the intent and meaning of Section 4(a) of the Textile Fiber Products Identification Act and the Rules and Regulations promulgated thereunder in that they were falsely and deceptively stamped, tagged, labeled, invoiced, advertised, or otherwise identified as to the name or amount of the constituent fibers contained therein.

Among such misbranded textile fiber products, but not limited

thereto, were textile fiber products, namely girdles, with labels on or affixed thereto which set forth the fiber content of such products as "70% nylon, 20% cotton, 10% rubber," whereas, in truth and in fact, said products contained different fibers and amounts of fibers than represented.

PAR. 4. Certain of the textile fiber products were misbranded by respondents in that they were not stamped, tagged, labeled, or otherwise identified to show each element of information required to be disclosed by Section 4(b) of the Textile Fiber Products Identification Act, and in the manner and form prescribed by the Rules and Regulations promulgated under said Act.

Among such misbranded textile fiber products, but not limited thereto, were girdles with labels which failed:

(1) To disclose the true percentage of the fibers present by weight; and

(2) To disclose the true generic name of the fibers present.

PAR. 5. Certain of said textile fiber products were misbranded in violation of the Textile Fiber Products Identification Act in that they were not labeled in accordance with the Rules and Regulations promulgated thereunder in that sectional disclosure of textile fiber products was not used on labels where the products were composed of two or more sections of different fiber composition, and such sectional disclosure was necessary to avoid deception, in violation of Rule 25(b) of the aforesaid Rules and Regulations.

PAR. 6. Respondents have failed to maintain proper records showing the fiber content of the textile fiber products manufactured by them, in violation of Section 6(a) of the Textile Fiber Products Identification Act and Rule 39 of the Regulations promulgated thereunder.

PAR. 7. Respondents furnished false guaranties that certain of their textile fiber products were not misbranded or falsely invoiced in violation of Section 10(b) of the Textile Fiber Products Identification Act.

PAR. 8. The acts and practices of respondents, as set forth above were, and are, in violation of the Textile Fiber Products Identification Act and the Rules and Regulations promulgated thereunder, and constituted, and now constitute, unfair methods of competition and unfair and deceptive acts or practices, in commerce, under the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investiga-

tion 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 Textile Fiber Products Identification 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 Regent Corset Co. 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 517 - 74th Street, city of North Bergen, State of New Jersey.

Respondents Irving Kurs and Jerome Bienenfeld are officers of said corporation and their 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 Regent Corset Co., a corporation, and its officers, and Irving Kurs and Jerome Bienenfeld, 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, de-

livery for introduction, manufacture for introduction, sale, advertising, or offering for sale, in commerce, or the transportation or causing to be transported in commerce, or the importation into the United States of textile fiber products; or in connection with the sale, offering for sale, advertising, delivery, transportation, or causing to be transported, of any textile fiber product, which has been advertised or offered for sale in commerce; or in connection with the sale, offering for sale, advertising, delivery, transportation, or causing to be transported, after shipment in commerce of any textile fiber product, whether in its original state or contained in other textile fiber products, as the terms "commerce" and "textile fiber product" are defined in the Textile Fiber Products Identification Act, do forthwith cease and desist from:

A. Misbranding textile fiber products by:

1. Falsely or deceptively stamping, tagging, labeling, invoicing, advertising or otherwise identifying such products as to the name or amount of constituent fibers contained therein.

2. Failing to affix labels to textile fiber products showing each element of information required to be disclosed by Section 4(b) of the Textile Fiber Products Identification Act.

3. Failing to make a disclosure on the required label on or affixed to textile fiber products composed of two or more sections of different fiber composition, in such a manner as to show the fiber composition of each section in all instances where such disclosure is necessary to avoid deception.

B. Failing to maintain and preserve for at least three years proper records showing the fiber content of textile fiber products manufactured by them, as required by Section 6(a) of the Textile Fiber Products Identification Act and Rule 39 of the Regulations promulgated thereunder.

It is further ordered, That respondents Regent Corset Co., a corporation, and its officers, and Irving Kurs and Jerome Bienenfeld, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from furnishing a false guaranty that any textile fiber product is not misbranded or falsely invoiced.

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.

IN THE MATTER OF

STANDARD OIL COMPANY (INDIANA) ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF SECTION 7 OF THE CLAYTON ACT

Docket C–1371. Complaint, July 10, 1968—Decision, July 10, 1968

Consent order requiring a major oil company and its wholly owned subsidiary to license their polypropylene patent rights for a period of ten years to all financially responsible applicants and furnish such licensees with certain technical information.

COMPLAINT

The Federal Trade Commission, having reason to believe that the above-named respondents have violated the provisions of Section 7 of the Clayton Act (15 U.S.C. § 18), issues this complaint, stating its charges as follows:

I. Definitions

1. For the purposes of this complaint, the following definition is applicable:

"Polypropylene"—normally solid, predominantly crystalline polymers and copolymers (including block copolymers) of propylene, which may contain minor amounts up to ten percent (10%) by weight of other monomeric materials added to the polymerization or copolymerization reaction which do not change the essential nature of the Polypropylene.

II. The Respondents

A. Standard Oil Company (Indiana)

2. Respondent Standard Oil Company (Indiana), hereinafter referred to as "Standard," is a corporation organized and existing under the laws of the State of Indiana, with its principal

office and principal place of business located at 910 South Michigan Avenue, Chicago, Illinois, 60680.

3. Standard, in 1966, was the 15th largest industrial corporation in the United States in terms of sales and the 12th largest in terms of assets. Total revenue from all of Standard's operations during 1966 was $3,351,014,000, while its total assets amounted to $3,848,934,000.

4. Standard, together with its consolidated subsidiaries, is a fully integrated oil company which distributes petroleum products throughout the United States. Its operations include the exploration for and production of crude oil and natural gas; the refining, transporting and marketing of petroleum; and the manufacture and marketing of petrochemical products.

5. Standard is one of the four companies currently involved in Interference No. 89,634, a proceeding before the Board of Patent Interferences, to determine entitlement to a United States patent on polypropylene as a composition of matter.

6. At all times relevant herein, Standard has sold and shipped products in interstate commerce throughout the United States and engaged in "commerce" within the meaning of the Clayton Act.

B. Amoco Chemicals Corporation

7. Respondent Amoco Chemicals Corporation, hereinafter referred to as "Amoco," is a corporation organized and existing under the laws of the State of Delaware, with its principal office and principal place of business located at 130 East Randolph Drive, Chicago, Illinois, 60601.

8. Amoco was formed by Standard in 1957 as its chemical subsidiary. It is a wholly owned, totally integrated subsidiary with marketing, research, manufacturing and staff functions. Its business includes particularly, but is not limited to, the conversion of petroleum-based raw materials to petrochemicals and related products. In 1966, Amoco's sales amounted to $111.9 million and were projected to reach approximately $185 million in 1967.

9. At all times relevant herein, Amoco has sold and shipped products in interstate commerce throughout the United States and engaged in "commerce" within the meaning of the Clayton Act.

III. The Acquired Company

Avisun Corporation

10. Avisun Corporation, hereinafter referred to as "Avisun," is a corporation organized and existing under the laws of the

State of Delaware, with its principal office and principal place of business located at 21 South Twelfth Street, Philadelphia, Pennsylvania, 19107.

11. Avisun, originally formed in 1959 as a joint venture between Sun Oil Company, hereinafter referred to as "Sun," and American Viscose Corporation, became a wholly owned subsidiary of Sun on December 31, 1966. It has been one of the principal domestic producers of polypropylene and polypropylene film. Through its 50% owned subsidiary, Patchogue-Plymouth Company, Avisun has also been a major producer of polypropylene carpet backing.

12. Avisun ranks either first or second among all domestic producers of polypropylene. Plant expansions have increased Avisun's annual productive capacity from 100 million pounds in 1966 to a projected 190 million pounds in 1968, when total domestic capacity is estimated to be 950 million pounds. In 1966, Avisun produced almost 90 million pounds of polypropylene, accounting for approximately 16.2% of total domestic production during that year. As of December 31, 1966, Avisun and Patchogue had combined assets of almost $61.5 million and sales of over $32 million.

13. Avisun was the second company to produce polypropylene commercially in the United States. It has maintained a strong research and development program which has enabled it to develop the first true polypropylene copolymers; to introduce modified-filled resins; to be the first to produce cast polypropylene film; and to pioneer the development of polypropylene woven fabrics.

14. Avisun has developed one of the best processes for producing polypropylene now available. It has consistently followed a policy of openly licensing its process and technical information. Furthermore, it has entered into at least one arrangement whereby it sells polypropylene, at a discount, to a nonproducing company, which in turn resells the polypropylene on the merchant market. Such arrangements enable nonproducing companies to develop marketing skills prior to commiting themselves to building their own production facilities.

15. At all times relevant herein, Avisun has sold and shipped products in interstate commerce throughout the United States and engaged in "commerce" within the meaning of the Clayton Act.

IV. The Nature Of Trade And Commerce

Polypropylene

16. Polypropylene was commercially introduced into the United States in 1957. It is the newest of the group of large volume thermoplastics which includes polystyrene, polyethylene and polyvinyl chloride.

17. Domestic production of polypropylene in significant commercial quantities did not begin until 1960. Since then, its rate of growth has exceeded that of all other large volume plastics. Production increased from 35 million pounds in 1960 to 544 million pounds in 1966, was estimated to have been in excess of 620 million pounds in 1967, and is projected to reach 950 million pounds in 1968.

18. Nine companies produced polypropylene during 1967. However, one of the producers, which had an annual productive capacity of 30 million pounds, announced its intention to discontinue polypropylene production by the end of 1967. In 1965, the four largest producers accounted for over 70% of total domestic production of polypropylene.

19. Capital investment represents a substantial barrier to entry into the production of polypropylene. An investment of from $20 to $30 million would be required to construct and bring on stream a plant of minimum efficient size.

20. Technological requirements present another substantial barrier to entry into the production of polypropylene. Very few companies are able to develop independently the technical skills and know-how required to enter successfully the commercial production of polypropylene. Most prospective entrants find it necessary to purchase the requisite technology from existing producers.

21. At the present time, Standard and three other companies are involved in an interference proceeding to determine entitlement to a United States patent on polypropylene as a composition of matter. Barriers to entry into the production of polypropylene will be substantially heightened upon completion of this proceeding since no prospective producer will be able to manufacture polypropylene unless a license can be obtained under the composition of matter patent.

V. The Acquisition

22. On October 18, 1967, Standard and Sun announced that Amoco had agreed to purchase all the issued and outstanding stock of Avisun, including the latter's partnership interest in

Patchogue, from The Claymont Investment Company, hereinafter referred to as "Claymont." Claymont, a Delaware corporation, is a wholly owned subsidiary of Sun and was the lawful owner of record of all the outstanding shares of stock of Avisun. The announced purchase price was $80 million. The acquisition was consummated on January 29, 1968.

VI. Violations

23. The effect of the acquisition of Avisun by Standard, through its wholly owned subsidiary Amoco, may be substantially to lessen competition or to tend to create a monopoly in the manufacture and sale of polypropylene in the United States in the following ways, among others:

(a) Actual and potential competition generally in the manufacture and sale of polypropylene may be substantially lessened;

(b) Substitution of Standard for Avisun as a participant in the polypropylene industry may result in a substantial heightening of barriers to entry into the manufacture and sale of polypropylene, thereby resulting in a substantial lessening of actual and potential competition; and

(c) Concentration in the manufacture and sale of polypropylene, which is already high, may be further increased.

24. The acquisition by respondents, as alleged above, constitutes a violation of Section 7 of the Clayton Act (15 U.S.C. § 18).

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 Restraint of Trade proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of Section 7 of the Clayton Act, as amended; 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 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 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 Standard Oil Company (Indiana) is a corporation organized, existing and doing business under and by virtue of the laws of the State of Indiana, with its office and principal place of business located at 910 South Michigan Avenue, Chicago, Illinois 60680.

Respondent Amoco Chemicals Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 130 East Randolph Drive, Chicago, Illinois 60601.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents.

ORDER

I

It is ordered, That:

(A) Respondents, for a period of ten (10) years from the effective date of this Order, shall grant to all financially responsible applicants making written request therefor: (1) a license to the United States patent rights and technical information relating to the production of polypropylene covered by the form of license agreement attached to this Order as License Agreement Form No. 1* on reasonable terms and conditions which are no less favorable to licensee than those contained in said form of license agreement; and (2) a license to the United States patent rights and technical information relating to the production of polypropylene film covered by the form of license agreement attached to this Order as License Agreement Form No. 2* on reasonable terms and conditions which are no less favorable to licensee than those contained in said form of license agreement; and

(B) Respondent Standard Oil Company (Indiana), should it obtain any United States patent or patents containing a claim or claims corresponding substantially to any count of Inter-

* License Agreement Form Nos. 1 and 2 omitted in printing.

ference No. 89,634, which contains a claim to polypropylene as a composition of matter, shall grant to all financially responsible applicants making written application therefor a license under such patent or patents on reasonable terms and conditions which are no less favorable to licensee than those contained in the form of license agreement attached to this Order as License Agreement Form No. 3.**

II

It is further ordered, That:

(A) The taking of a license pursuant to Paragraph I of this Order shall not be construed as preventing any person from attacking, at any time, the validity or scope of any patent or patents covered by Paragraph I of this Order nor shall this Order be construed as imputing any validity or value to any of the patents or technical information covered by Paragraph I of this Order;

(B) Neither respondent shall dispose of any patent or patents, or right thereunder, so as to deprive either respondent of the power to grant licenses in accordance with Paragraph I of this Order without the prior approval of the Federal Trade Commission; and

(C) Neither respondent shall acquire, directly or indirectly, for a period of ten (10) years from the effective date of this Order, title to, or any interest in, or any license under any United States Letters Patent or any technical information directed to or primarily useful in connection with the production of polypropylene or polypropylene film, except from employees, agents or independent contractors who shall have developed such patents or technical information pursuant to a contract with or while employed by such respondent, without the prior approval of the Federal Trade Commission unless: (1) such respondent also obtains the right to issue licenses under such technical information or patents on terms and conditions no less favorable to licensee than those contained in the forms of license agreement attached to this Order as License Agreement Form No. 1 or License Agreement Form No. 2; or (2) such respondent shall have acquired a nonexclusive right or license under such technical information or patents and shall have made a *bona fide* effort (not including additional monetary consideration) to persuade the licensor to make available to any third person requesting the same a right or license equivalent to that required of such respondent by

** License Agreement Form No. 3 omitted in printing.

Paragraph I(A) of this Order and on terms and conditions at least as favorable as those accorded to such respondents.

III

It is further ordered, That for a period of ten (10) years from the effective date of this Order respondents shall, upon written request from the first four licensees granted a license relating to the manufacture of polypropylene covered by License Agreement Form No. 1 referred to in Paragraph I(A) of this Order which shall not be engaged in the manufacture of polypropylene, but shall desire to purchase polypropylene for resale in the United States, supply such licensee with a quantity of polypropylene not to exceed ten million (10,000,000) pounds per year at a price and on terms and conditions which are reasonable and in no event less favorable to such licensee than those granted by either respondent to any other domestic purchaser for resale: *Provided*, That such licensee shall give respondents at least one (1) year's notice of its intention to purchase such polypropylene and shall enter into a contract for the purchase of not less than two million (2,000,000) pounds annually of such polypropylene and for a term of at least one (1) year's duration: *Provided further*, That the quantity of colored and filled polypropylene to be supplied pursuant to this paragraph shall not exceed twenty percent (20%) of the total polypropylene so supplied: *And provided further*, That respondents shall not be obligated to supply polypropylene under this paragraph to more than two (2) such licensees if, because of their own requirements and contractual commitments with other customers, respondents do not have available the quantity of polypropylene requested by such licensee.

IV

It is further ordered, That for a period of ten (10) years from the effective date of this Order, neither respondent shall acquire without the prior approval of the Federal Trade Commission, directly or indirectly, through subsidiaries, joint ventures or otherwise, the whole or any part of the stock, share capital or assets (other than products, machinery or equipment purchased in the ordinary course of business) of any domestic concern engaged in the production, processing, conversion or sale of polypropylene or of any polypropylene products, nor shall either respondent enter into any arrangement with such domestic concern, having the same economic effect as would result from any such acquisition, pursuant to which such respondent obtains

the market share, in whole or in part, of such domestic concern: *Provided,* That this Paragraph shall not apply to any acquisition of a domestic concern which shall have total sales of polypropylene of less than five million (5,000,000) pounds or of products the polypropylene content of which shall not exceed five million (5,000,000) pounds in the year prior to acquisition: *And provided further,* That nothing in this Order shall prevent either respondent from acquiring the whole or any part of the stock, share capital or assets of Avisun Corporation or Patchogue-Plymouth Company.

V

It is further ordered, That:

(A) within sixty (60) days from the effective date of this Order and every six (6) months thereafter, each respondent shall report in writing to the Federal Trade Commission the steps it has taken to comply with Paragraphs I, II and III of this Order and any steps taken to inform possible interested parties; and

(B) within sixty (60) days from the effective date of this Order and annually thereafter, each respondent shall report in writing to the Federal Trade Commission the manner and form in which it intends to comply, is complying or has complied with Paragraph IV of this Order.

It is further ordered, That each respondent shall forthwith distribute a copy of this Order to each of their operating divisions and subsidiaries.

IN THE MATTER OF

CHICAGO GIRL COAT CO. ET AL.

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

Docket C-1372. Complaint, July 10, 1968—Decision, July 10, 1968

Consent order requiring two affiliated coat manufacturers to cease misbranding and falsely guaranteeing its wool products.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939 and by virtue

of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that the Chicago Girl Coat Co., a corporation, and Cadillac Girl Coat Co., a corporation, and Roy M. Levine, Ernest A. Walter and Louis R. Siegel individually and as officers of the aforesaid corporations, sometimes hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Wool Products Labeling Act of 1939 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 Chicago Girl Coat Co. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois.

Respondent Cadillac Girl Coat Co. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Michigan.

Respondents Roy M. Levine, Ernest A. Walter and Louis R. Siegel are officers of the corporate respondents. They formulate, direct and control the acts, practices and policies of the corporate respondents, including the acts, and practices and policies hereinafter set forth. Roy M. Levine and Louis R. Siegel have their offices and principal place of business at 9-115 Merchandise Mart, Chicago, Illinois. Ernest A. Walter has his office and principal place of business at 607 South Mitchell Street, Cadillac, Michigan.

The Chicago Girl Coat Co. is engaged in the manufacture and sale of coats with its principal office and place of business located at Merchandise Mart, Room 9-115, Chicago, Illinois.

The Cadillac Girl Coat Co. is engaged in the manufacture and sale of coats with its principal office and place of business located at 607 South Mitchell Street, Cadillac, Michigan.

PAR. 2. Respondents, now and for some time last past, have manufactured for introduction into commerce, introduced into commerce, sold, transported, distributed, delivered for shipment, shipped, and offered for sale, in commerce, as "commerce" is defined in the Wool Products Labeling Act of 1939, wool products as "wool product" is defined therein.

PAR. 3. Certain of said wool products were misbranded by the respondents within the intent and meaning of Section 4(a)(1) of the Wool Products Labeling Act of 1939 and Rules and Regulations promulgated thereunder, in that they were falsely and deceptively stamped, tagged, labeled, or otherwise identified with respect to the character and amount of the constituent fibers con-

tained therein.

Among such misbranded wool products, but not limited thereto were wool products which were stamped, tagged, labeled, or otherwise identified by respondents as 40% Wool, 40% Reprocessed Wool, 10% Unknown Reprocessed Fibers, 10% Other Fibers, whereas in truth and in fact, said products contained substantially different fibers and amounts of fibers than represented.

PAR. 4. Certain of said wool products were further misbranded by respondents in that they were not stamped, tagged, labeled, or otherwise identified as required under the provisions of Section 4(a)(2) of the Wool Products Labeling Act of 1939 and in the manner and form as prescribed by the Rules and Regulations promulgated under said Act.

Among such misbranded wool products, but not limited thereto, were wool coats with labels on or affixed thereto which failed to disclose the percentage of the total weight of the said wool product, exclusive of ornamentation not exceeding 5 per centum of the total fiber weight, of (1) wool; (2) reprocessed wool; (3) reused wool; (4) each fiber other than wool, when said percentage by weight of such was 5 per centum or more; and (5) the aggregate of all other fibers.

PAR. 5. Respondents furnished false guaranties under Section 9(b) of the Wool Products Labeling Act of 1939 with respect to certain of their wool products when respondents, in furnishing such guaranties, had reason to believe that the wool products so falsely guaranteed would be introduced, sold, transported and distributed in commerce, in violation of Rule 33(d) of the Rules and Regulations under the Wool Products Labeling Act of 1939 and Section 9(b) of said Act.

PAR. 6. The acts and practices of the respondents as set forth above were and are in violation of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, and constituted and now constitute unfair methods of competition and unfair and deceptive acts and practices, in commerce, within the intent and meaning 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 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 Wool Products Labeling Act of 1939; 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 Chicago Girl Coat Co. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois, with its office and principal place of business located at 9-115 Merchandise Mart, Chicago, Illinois.

Respondent Cadillac Girl Coat Co. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Michigan, with its office and principal place of business located at 607 South Mitchell Street, Cadillac, Michigan.

Respondents Roy M. Levine, Ernest A. Walter and Louis R. Siegel are officers of said corporations. The office and principal place of business of Roy M. Levine and Louis R. Siegel is located at 9-115 Merchandise Mart, Chicago, Illinois. The office and principal place of business of Ernest A. Walter is located at 607 South Mitchell Street, Cadillac, Michigan.

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 Chicago Girl Coat Co., a corporation, and its officers, Cadillac Girl Coat Co., a corporation, and its officers, and Roy M. Levine, Ernest A. Walter and Louis R. Siegel,

individually and as offiecrs of said corporations, 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 offering for sale, sale, transportation, distribution, delivery for shipment, or shipment, in commerce, of wool products as "commerce" and "wool product" are defined in the Wool Products Labeling Act of 1939, do forthwith cease and desist from misbranding such products by:

1. Falsely and deceptively stamping, tagging, labeling, or otherwise identifying such products as to the character or amount of the constituent fibers contained therein.

2. Failing to securely affix to, or place on, each such product a stamp, tag, label, or other means of identification showing in a clear and conspicuous manner each element of information required to be disclosed by Section 4(a)(2) of the Wool Products Labeling Act of 1939.

It is further ordered, That respondents Chicago Girl Coat Co., a corporation, and its officers, and Cadillac Girl Coat Co., a corporation, and its officers, and Roy M. Levine, Ernest A. Walter and Louis R. Siegel, individually and as officers of said corporations, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from furnishing a false guaranty that any wool product is not misbranded, when the respondent has reason to believe that such wool product may be introduced, sold, transported or distributed in commerce.

It is further ordered, That the respondent corporations shall forthwith distribute a copy of this Order to each of their 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.

IN THE MATTER OF

AMERICAN FOODS, INC., ET AL.

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

Docket C-1377. Complaint, July 10, 1968—Decision, July 10, 1968

Consent order requiring five affiliated sellers of freezer-food plans to cease delaying or failing to deliver purchasers' orders, substituting inferior quality merchandise, and failing to disclose that sales contracts might be sold to finance companies.

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 American Foods, Inc., a corporation (formerly American Food Plan of Minnesota, Inc.), American Food Plan of Iowa, Inc., a corporation, American Foods of Nebraska, Inc., a corporation, American Foods, Inc., of South Dakota, a corporation, American Foods of North Dakota, Inc., a corporation, and Walter L. Lange, individually and as an officer of said corporations, trading and doing business as American Foods, Inc., American Foods, American Food Plan, American Food Plan, Inc., and American Foods Service, Inc., 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 American Foods, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Minnesota, with its principal office and place of business located at 1255 East Highway 36, St. Paul, Minnesota, which corporation was formerly known as American Food Plan of Minnesota, Inc.

Respondent American Food Plan of Iowa, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Iowa, with its principal place of business located at 337 University Avenue, Des Moines, Iowa.

Respondent American Foods of Nebraska, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Nebraska, with its office and principal place

of business located at Post Office Box 307, South Sioux City, Nebraska.

Respondent American Foods, Inc., of South Dakota is a corporation organized, existing and doing business under and by virtue of the laws of the State of South Dakota, with its office and principal place of business located at 1815 East 10th Street, Sioux Falls, South Dakota.

Respondent American Foods of North Dakota, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of North Dakota, with its office and and place of business located at 737 20th Street, N., Fargo, North Dakota.

Respondent Walter L. Lange is the chief executive officer of all the corporate respondents and he formulates, directs and controls the acts and practices of said respondents including the acts and practices hereinafter set forth. In addition, in his individual capacity from time to time, he has traded and done business as American Foods, Inc., American Foods, American Food Plan, American Food Plan, Inc., and American Foods Service, Inc. His business address is the same as that of the corporate address of American Foods, Inc., of St. Paul, Minnesota, described above. His home address is 1282 Sherburne Avenue, St. Paul 4, Minnesota.

PAR. 2. Respondents are now and for some time last past, have been engaged in the advertising, offering for sale, sale and distribution of freezers and foods, as "food" is defined in the Federal Trade Commission Act, by means of a so-called freezer food plan.

PAR. 3. In the course and conduct of their business, respondents now cause, and for some time last past have caused, their freezers and food when sold, to be shipped from their places of business respectively in the States of Minnesota, Iowa, Nebraska, South Dakota, and North Dakota 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 freezers and food in commerce as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business, at all times mentioned herein, respondents have been in substantial competition, in commerce with corporations, firms and individuals in the sale of freezers, food and freezer food plans.

PAR. 5. In the course and conduct of their business, respond-

ents have disseminated, and caused the dissemination of, certain advertisements concerning the said food and freezer food plan by the United States mails, and by various means in commerce, as "commerce" is defined in the Federal Trade Commission Act, including but not limited to, advertisements by means of circulars, brochures, and by radio broadcasts, by stations having sufficient power to carry such broadcasts across State lines, for the purpose of inducing, and which were likely to induce, directly or indirectly, the purchase of food, as the term "food" is defined in the Federal Trade Commission Act; and have disseminated and caused the dissemination of advertisements by various means, including those aforesaid, for the purpose of inducing, and which were likely to induce, directly or indirectly, the purchase of food and freezers in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 6. By means of advertisements disseminated, as aforesaid, and by oral statements of sales representatives, respondents have represented, directly or by implication:

1. That food order forms and current price lists will be forwarded to purchasers of freezer food plans or memberships in response to telephone or post card requests promptly or by return mail;

2. That food and grocery orders received from purchasers of freezer food plans or memberships will be filled promptly, placed on trucks and normally delivered within a week, ten days, or two-week period after receipt of order by respondents;

3. That food or other merchandise will be delivered to properly enrolled, nondefaulting purchasers of freezer food plans or memberships;

4. That name brand, high quality food and graded meats will be delivered to purchasers of freezer food plans or memberships in response to their orders;

5. That freezer, membership, and food contract payments, as well as related promissory note payments by purchasers of freezer food plans or memberships will be paid only to respondents.

PAR. 7. In truth and in fact:

1. Food order forms and current price lists were not forwarded promptly in response to requests by purchasers of freezer food plans or memberships. Such requests were frequently ignored or were not answered until one or two months after requests were mailed;

2. Food and grocery orders received from purchasers of freez-

er food plans or memberships were not filled promptly by respondents. Deliveries of such orders by respondents were frequently delayed as much as two to three months from the date the order was requested:

3. Food or other merchandise was not delivered to properly enrolled, nondefaulting purchasers of freezer food plans or memberships in response to orders made by such purchasers;

4. Name brand, high quality food and graded meats were not delivered as requested to purchasers of freezer food plans or memberships in response to their orders. Substitutions of different or lesser quality food or other merchandise were delivered to purchasers without prior acceptance by such purchasers;

5. Payments for memberships, freezers or food by purchasers of freezer food plans or memberships are not necessarily made only to respondents but are frequently required to be made to finance companies to which respondents have assigned contracts or negotiated promissory notes.

Therefore, the advertisements referred to in Paragraph Five were, and are misleading in material respects and constituted, and now constitute "false advertisements" as that term is defined in the Federal Trade Commission Act, and the statements and representations referred to in Paragraph Six were, and now are, false, misleading and deceptive.

PAR. 8. In the course and conduct of their business respondents have caused, and do cause, purchasers to sign promissory notes in blank or in such other form that does not set forth the full purchase price and all of the terms and conditions connected with the purchase. Such acts and practices by respondents have the capacity and tendency to mislead and deceive purchasers in regard to the total purchase price and in regard to the terms and conditions connected therewith.

PAR. 9. The use by respondents 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 erroneous and mistaken belief that said statements and representations were and are true and into the purchase of substantial quantities of freezers, food and freezer food plans from respondents by reason of said erroneous and mistaken belief.

PAR. 10. The aforesaid acts and practices of respondents, as herein alleged, including the dissemination by respondents of false advertisements as aforesaid, were and are, all to the prejudice and injury of the public and of respondents' competitors and con-

stituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices, in commerce within the intent and meaning of the Federal Trade Commission Act, and in violation of Sections 5 and 12 of said 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 Deceptive Practices 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 facts sets forth in the aforesaid draft of complaint, a statement that the signing 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 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 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 American Foods, Inc., which corporation was formerly known as American Food Plan of Minnesota, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Minnesota, with its office and principal place of business located at 1255 East Highway 36, St. Paul, Minnesota.

Respondent American Food Plan of Iowa, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Iowa, with its office and principal place of business located at 337 University Avenue, Des Moines, Iowa.

Respondent American Foods of Nebraska, Inc., is a corpora-

tion organized, existing and doing business under and by virtue of the laws of the State of Nebraska, with its office and principal place of business located at Post Office Box 307, South Sioux City, Nebraska.

Respondent American Foods, Inc., of South Dakota is a corporation organized, existing and doing business under and by virtue of the laws of the State of South Dakota, with its office and principal place of business located at 1815 East 10th Street, Sioux Falls, South Dakota.

Respondent American Foods of North Dakota, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of North Dakota, with its principal place of business located at 737 20th Street, N., Fargo, North Dakota.

Respondent Walter L. Lange is an officer of said corporations; his business address is the same as the corporate address of American Foods, Inc.; and his home address is 1282 Sherburne Avenue, St. Paul 4, Minnesota.

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

PART I

It is ordered, That respondents American Foods, Inc., a corporation, American Food Plan of Iowa, Inc., a corporation, American Foods of Nebraska, Inc., a corporation, American Foods, Inc. of South Dakota, a corporation, American Foods of North Dakota, Inc., a corporation, and their officers, and Walter L. Lange, individually and as an officer of said corporations, and respondents' agents, representatives and employees, directly or through any corporate or other device, in or in connection with the offering for sale, sale or distribution of freezers, food or freezer food plans, or other merchandise, 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 food order forms and current price lists will be forwarded in response to telephone or post card requests to purchasers of freezer food plans or memberships promptly or by return mail: *Provided however*, That it shall be a defense in any enforcement procedure instituted hereunder for respondents to establish that such order forms and price lists were in fact forwarded promptly upon request or by return mail;

2. Representing, directly or by implication that if a freezer food plan or membership is purchased, food and grocery orders received from purchasers of food plans or memberships will be filled promptly, or normally delivered within a week (or any other stated brief period of time) after being placed: *Provided however,* That it shall be a defense in any enforcement procedure instituted hereunder for respondents to establish that such orders were filled and delivered within the time, or times represented;

3. Failing or refusing to deliver food or other merchandise ordered by properly enrolled, nondefaulting purchasers of freezer food plans or memberships;

4. Delivering or substituting food or other merchandise of different or lesser quality (a) than that represented as being available to prospective purchasers at the time they were induced to become purchasers of freezer food plans or memberships; or (b) than food or other merchandise actually ordered by purchasers of freezer food plans or memberships;

5. Failing to disclose orally at the time of the sale and in writing on any conditional sales contract, promissory note or other instrument executed by the purchaser, with such conspicuousness and clarity as is likely to be read and observed by the purchaser that:

(a) Such conditional sales contract, promissory note or other instrument may, at the option of the seller and without notice to the purchaser, be negotiated or assigned to a finance company or other third party;

(b) If such negotiation or assignment is effected, the purchaser will then owe the amount due under the contract to the finance company or third party and may have to pay this amount in full whether or not he has claims against the seller under the contract for defects in the merchandise, nondelivery or the like;

6. Inducing purchasers of a freezer food plan, food, freezers or other merchandise to sign any promissory note or instrument of like nature unless said instrument contains all of the terms and conditions of the promise and unless purchasers are fully apprised of the nature and contents thereof.

PART II

It is further ordered, That respondents American Foods, Inc., a corporation, American Food Plan of Iowa, Inc., a corporation, American Foods of Nebraska, Inc., a corporation, American

Foods, Inc., of South Dakota, a corporation, American Foods of North Dakota, Inc., a corporation, and their officers, and Walter L. Lange, individually and as an officer of said corporations, and respondents' agents, representatives and employees, directly or through any corporate or any other device, in or in connection with the offering for sale, sale or distribution of any food or purchasing plan involving food, do forthwith cease and desist from:

1. Disseminating or causing to be disseminated, any advertisement by means of the United States mails or by any means in commerce, as "commerce" is defined in the Federal Trade Commission Act, which advertisement contains any representation or misrepresentation prohibited in Part I of this order.

2. Disseminating or causing the dissemination of any advertisement by any means for the purpose of inducing or which is likely to induce, directly or indirectly, the purchase of any food, or any purchasing plan involving food in commerce, as "commerce" is defined in the Federal Trade Commission Act, which advertisement contains any of the representations or misrepresentations prohibited in Part I of this order.

3. Failing to deliver a copy of this Order to Cease and Desist to all operating divisions of each corporate respondent, and to all officers, managers and salesmen, both present and future, of each franchized dealer, distributor and licensee; and to any other person now engaged or who becomes engaged in the sale of meat or other food products as respondents' agent, representative or employee; and to secure a signed statement from each of said persons acknowledging receipt of a copy thereof.

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.

IN THE MATTER OF

ALLIED-KANTOR TEXTILE & NOTIONS, INC., ET AL.

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

Docket C-1373. Complaint, July 12, 1968—Decision, July 12, 1968

Consent order requiring a New York City converter of wool products to cease misrepresenting the fiber content of its merchandise.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Allied-Kantor Textile & Notions, Inc., a corporation, and Harry Rosenshein and Morris Kantor, 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 Wool Products Labeling Act of 1939, 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 as follows:

PARAGRAPH 1. Respondent Allied-Kantor Textile & Notions, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York. Its office and principal place of business is located at 535 Eighth Avenue, New York, New York.

Individual respondents Harry Rosenshein, and Morris Kantor are officers of said corporation. They formulate, direct and control the acts, practices and policies of said corporation. Their office and principal place of business is the same as that of said corporation.

The respondents are converters of wool products which include, among other items, woolen interlinings.

PAR. 2. Respondents, now and for some time last past, have introduced into commerce, sold, transported, distributed, delivered for shipment, shipped and offered for sale in commerce, as "commerce" is defined in said Wool Products Labeling Act of 1939, wool products as "wool product" is defined therein.

PAR. 3. Certain of said wool products were misbranded by the respondents within the intent and meaning of Section 4(a)(1) of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, in that they were falsely and deceptively stamped, tagged, labeled, or otherwise identified with respect to the character and amount of the constituent fibers contained herein.

Among such misbranded wool products, but not limited thereto, were interlinings stamped, tagged, labeled, or otherwise identified by respondents as "80% Reprocessed, 20% Other Fibers," whereas in truth and in fact, such products contained substantially different fibers and amounts of fibers than as represented.

PAR. 4. Certain of said wool products were further misbranded by respondents in that they were not stamped, tagged, labeled, or otherwise identified as required under the provisions of Section 4(a)(2) of the Wool Products Labeling Act of 1939 and in the manner and form as prescribed by the Rules and Regulations promulgated under said Act.

Among such misbranded wool products, but not limited thereto, were certain wool products, namely, interlinings with labels on or affixed thereto, which failed to disclose the percentage of the total fiber weight of the said wool products, exclusive of ornamentation not exceeding 5 per centum of said total fiber weight, of (1) wool; (2) reprocessed wool; (3) reused wool; (4) each fiber other than wool, when said percentage by weight of such fiber was 5 per centum or more; and (5) the aggregate of all other fibers.

PAR. 5. The acts and practices of the respondents as set forth above were, and are, in violation of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, and constituted, and now constitute, unfair and deceptive acts and practices and unfair methods of competition in commerce, within the intent and meaning of the Federal Trade Commission Act.

PAR. 6. Respondents are now, and for some time last past, have been engaged in the offering for sale, sale, and distribution of certain products, namely interlinings, to customers engaged in the manufacture and distribution of wearing apparel. In the course of their business, respondents now cause, and for some time last past have caused, their said products, when sold, to be shipped from their place of business in the State of New York to purchasers located in various States of the United States, and maintain, and at all times mentioned herein, have main-

tained, a substantial course of trade in said products, in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 7. Respondents in the course and conduct of their business, as aforesaid, have made statements on invoices and shipping memoranda to their customers misrepresenting the character and fiber content of certain of their said products.

Among such misrepresentations, but not limited thereto, were statements representing certain products to be composed of "quilted 80/20 Wool," thereby representing the product to be composed of 80% Wool, 20% other fibers, whereas said products contained substantially different fibers and quantities of fibers than represented.

PAR. 8. The acts and practices set out in Paragraph Seven had and now have the tendency and capacity to mislead and deceive the purchasers of said products as to the true content thereof and to cause said purchasers to misbrand products, manufactured by them, in which said materials were used.

PAR. 9. The acts and practices of the respondent set out in Paragraphs Seven and Eight were, and are, all to the prejudice and injury of the public and of respondents' competitors, and constituted, and now constitute, unfair and deceptive acts and practices, in commerce, within the intent and meaning 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 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 Wool Products Labeling Act of 1939; 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 Allied–Kantor Textile & Notions, Inc., 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 535 Eighth Avenue, New York, New York.

Respondents Harry Rosenshein and Morris Kantor are officers of said corporation and their 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 Allied–Kantor Textile & Notions, Inc., a corporation, and its officers, and Harry Rosenshein and Morris Kantor, 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 into commerce, or the offering for sale, sale, transportation, distribution, delivery for shipment or shipment in commerce, of wool products, as "commerce" and "wool product" are defined in the Wool Products Labeling Act of 1939, do forthwith cease and desist from misbranding such products by:

1. Falsely or deceptively stamping, tagging, labeling, or otherwise identifying such products as to the character or amount of constituent fibers included therein.

2. Failing to securely affix to, or place on, each such product a stamp, tag, label, or other means of identification showing in a clear and conspicuous manner each element of information required to be disclosed by Section 4(a)(2) of the Wool Products Labeling Act of 1939.

It is further ordered, That respondents Allied–Kantor Textile & Notions, Inc., a corporation, and its officers, and Harry Rosenshein and Morris Kantor, 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 offering for sale, sale, or distribution of interlinings, or other products in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from misrepresenting the character or amounts of constituent fibers contained in such products on invoices or shipping memoranda applicable thereto, or in any other manner.

It is further ordered, That the respondent corporation 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.

IN THE MATTER OF

MADISON NEWS AGENCY ET AL.

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

Docket C–1374. Complaint, July 12, 1968—Decision, July 12, 1968

Consent order requiring wholesalers of books and magazines located in Madison, Wis., and Rockford, Ill., to cease illegally restraining competition by threatening and coercing their supplier publishers.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act (15 U.S.C. § 41 *et seq.*), and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that Madison News Agency, a corporation, Seidler News Agency, Inc., a corporation, and Harry J. Tobias, individually and as an officer of each of the above corporations, have violated the provisions of Section 5 of the Federal Trade Commission 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 as follows:

PARAGRAPH 1. Respondent Madison News Agency is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Wisconsin, with its principal office and place of business located at 446 W. Gilman Street, Madison, Wisconsin.

Respondent Seidler News Agency, Inc., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Illinois, with its principal office and place of business located at 123 South Third Street, Rockford, Illinois.

Respondent Harry J. Tobias is a principal managing officer of each of the corporate respondents, Madison News Agency and Seidler News Agency, Inc. He formulates, directs and controls the policies, acts and practices of corporate respondents.

PAR. 2. Respondents are now, and for many years last past have been, engaged in the purchase, distribution, offering for sale, and resale of books, magazines, and other publications to various customers such as grocery stores, drugstores, book stores, newsstands, and other retailers. The volume of sales of each of the corporate respondents was substantially in excess of three-quarters of a million dollars in the year 1965.

PAR. 3. In the course and conduct of their businesses, as above described, respondents are now, and have been at all times referred to herein, engaged in commerce, as "commerce" is defined in the Federal Trade Commission Act. They cause the products which they purchase to be shipped from sellers located in States other than the States in which respondents offer such products for distribution and resale, and they cause extra copies of many of such publications to be reshipped to the publishers or other sellers from whom shipment was obtained. There is a constant flow of such publications to and from respondents in commerce.

PAR. 4. Except to the extent that competition has been hindered, frustrated, lessened, and eliminated by the acts and the practices alleged hereinafter, corporate respondents are and have been in substantial competition with other corporations, firms, or individuals engaged in the purchase, distribution, and resale of newspapers, books, magazines, and other publications in commerce.

PAR. 5. Respondents have entered into dealer agreements with publishers or vendors of the products which they distribute that assign to each of the corporate respondents a restricted sales territory.

PAR. 6. Respondents have entered into agreements, understandings, combinations, and conspiracies with publishers and ven-

dors, unnamed coconspirators herein, according to which said publishers and vendors have recognized respondents as the sole, exclusive wholesalers for the books, magazines, and other publications of these publishers and vendors within the areas assigned to or served by the respondents.

PAR. 7. Respondents Madison News Agency and Seidler News Agency, Inc., have by reason of the practices aforesaid achieved a dominant economic position in the wholesale of books, magazines, and other publications within their respective trade areas.

PAR. 8. Respondents, during the period from about August 1963 to date, have prevented publishers and vendors of books, magazines, and other publications from selling such products to existing and potential wholesale competitors of respondents through the use of threats of economic retaliation and coercive means, including, among others:

1. Express or implied threats to reduce the amount of their purchases from publishers or vendors who should sell to wholesale competitors.

2. Reducing the standing order for copies of new editions of publishers or vendors who began to sell to wholesale competitors.

3. Discontinuing purchases of all products from publishers or vendors who continued to sell to wholesale competitors.

PAR. 9. As a result of the acts and practices and the methods of competition aforesaid:

1. Publishers and vendors of books, magazines, and other publications have refused to sell to existing and potential wholesale competitors of respondents.

2. Publishers and vendors of books, magazines, and other publications have discontinued sales to wholesale competitors of respondents.

3. Publishers and vendors of books, magazines, and other publications have recognized respondents as the sole, exclusive wholesalers for said publications within the areas assigned to or served by respondents.

PAR. 10. The aforesaid acts, practices, agreements, understandings, combinations, conspiracies, and planned courses of action are to the prejudice of the public; they have hindered, lessened, restrained, and eliminated competition in commerce in the purchase, distribution, offering for sale, and resale of books, magazines, and other publications; they have the tendency unduly to create in respondents a monopoly within the areas served by the respondents; and they are in violation of Section 5 of the Federal Trade Commission Act which declares unlawful unfair

acts or practices in commerce and unfair methods of competition in commerce.

DECISION AND ORDER

The Federal Trade Commission having initiated and 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 Restraint of Trade 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 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 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 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 Madison News Agency is a corporation organized, existing and doing business under and by virtue of the laws of the State of Wisconsin, with its office and principal place of business located at 446 W. Gilman Street, Madison, Wisconsin.

Respondent Seidler News Agency, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois, with its office and principal place of business located at 123 South Third Street, Rockford, Illinois.

Respondent Harry J. Tobias is an officer of each of said corporations, and his address is 446 W. Gilman Street, Madison, Wisconsin.

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 Madison News Agency and Seidler News Agency, Inc., corporations, and their officers, and Harry J. Tobias, both individually and as an officer of said corporations, respondents' agents, employees, or representatives, directly or through any corporate or other device, in connection with the purchase, distribution, offering for sale, or resale of books, magazines, or other publications in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from engaging in the following acts or practices:

1. Reducing the quantity of publications ordered from or threatening to refuse to deal with any publisher or vendor for the purpose of inducing said publisher or vendor to refuse to sell his products to a potential or existing wholesale competitor in the distribution of such publications.

2. Agreeing, combining, or conspiring with any competitor or other distributor of books, magazines, or other publications for the purpose or with the effect of allocating, dividing, or assigning exclusive sales territories, customers, or potential customers among or to any distributor of said publications.

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.

IN THE MATTER OF

KINGSLEY COATS, INC., DOING BUSINESS AS KINGSLEY-PARKMOOR ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION, THE WOOL PRODUCTS LABELING, THE FUR PRODUCTS LABELING, AND THE TEXTILE FIBER PRODUCTS IDENTIFICATION ACTS

Docket C-1375. Complaint, July 12, 1968—Decision, July 12, 1968

Consent order requiring two affiliated manufacturers of ladies' wool and fur trimmed coats and suits to cease misbranding, improperly invoicing, and falsely guaranteeing their wool, fur, and textile fiber products.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, the Fur Products Labeling 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 Kingsley Coats, Inc., a corporation, doing business as Kingsley-Parkmoor, and Charles Goldberg, individually and as an officer of the said corporation and Frank De Vito individually and as factory manager of the said corporation and Parkmoor, Inc., a corporation doing business under its own name and as Kingsley-Parkmoor, hereinafter referred to as respondents, have violated the provisions of the Wool Products Labeling Act of 1939, the Fur Products Labeling Act and the Textile Fiber Products Identification Act and the Rules and Regulations promulgated under the said Acts, and it appears 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. Proposed respondent Kingsley Coats, Inc., 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 512 Seventh Avenue, New York, New York.

Proposed respondent Parkmoor, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware with its office and principal place of business

located at 238 Lewis Street, Paterson, New Jersey.

Proposed respondent Charles Goldberg, is an officer of Kingsley Coats, Inc. He formulates, directs and controls the acts and practices and policies of the said corporation. His office and principal place of business is the same as that of Kingsley Coats, Inc.

Proposed respondent Frank De Vito is the factory manager of Kingsley Coats, Inc. He is responsible for all factory operations. His office and principal place of business is located at 238 Lewis Street, Paterson, New Jersey.

Proposed respondents manufacture and sell ladies' wool and fur trimmed coats and suits.

PAR. 2. Respondents, now and for some time last past, have manufactured for introduction into commerce, introduced into commerce, sold, transported, distributed, delivered for shipment, shipped and offered for sale in commerce, wool products, as the terms "commerce" and "wool product" are defined in the Wool Products Labeling Act of 1939.

PAR. 3. Certain of said wool products were misbranded by the respondents within the intent and meaning of Section 4(a) (1) of the Wool Products Labeling Act and the Rules and Regulations promulgated thereunder, in that they were falsely and deceptively stamped, tagged, labeled, or otherwise identified with respect to the character and amount of the constituent fibers contained therein.

Among such misbranded wool products, but not limited thereto, were ladies' woolen coats stamped, tagged, labeled, or otherwise identified as containing "100% Wool" whereas in truth and in fact, such coats contained substantially different amounts and types of fibers than as represented.

Also, among such misbranded wool products, but not limited thereto, were ladies' woolen coats containing interlining material stamped, tagged, labeled or otherwise identified as "100% Wool," whereas in truth and in fact, such interlining material contained substantially different amounts and types of fibers than as represented.

PAR. 4. Certain of said wool products were further misbranded by respondents in that they were not stamped, tagged, labeled, or otherwise identified as required under the provisions of Section 4(a) (2) of the Wool Products Labeling Act of 1939 and in the manner and form as prescribed by the Rules and Regulations promulgated under said Act.

Among said misbranded wool products, but not limited thereto, were certain ladies' coats with labels on or affixed thereto which failed to disclose the percentage of the total fiber weight of the wool product, exclusive of ornamentation not exceeding 5 per centum of said total fiber weight of (1) wool; (2) reprocessed wool; (3) reused wool; (4) each fiber other than wool when said percentage by weight of such fiber was 5 per centum or more; and (5) the aggregate of all other fibers.

PAR. 5. Certain of said wool products were misbranded in violation of the Wool Products Labeling Act of 1939 in that they were not stamped, tagged, labeled, or otherwise identified in accordance with the Rules and Regulations promulgated thereunder in that samples of wool products, namely ladies' coats, used to promote or effect the sales of such wool products in commerce were not labeled or marked to show the information required under Section 4(a)(2) of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, in violation of Rule 22 of the aforesaid Rules and Regulations.

PAR. 6. The acts and practices of the respondents as set forth above were, and are, in violation of the Wool Products Labeling Act of 1939 and the Rules and Regulations thereunder, and constituted, and now constitute, unfair and deceptive acts and practices and unfair methods of competition in commerce, within the intent and meaning of the Federal Trade Commission Act.

PAR. 7. 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 sale, advertising, and offering for sale in commerce, and in the transportation and distribution in commerce, of fur products; and have manufactured for sale, sold, advertised, offered 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, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act.

PAR. 8. Certain of said fur products were misbranded in that they were not labeled as required under the provisions of Section 4(2) of the Fur Products Labeling Act and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

Among such misbranded fur products but not limited thereto, were fur products, namely ladies' fur trimmed coats, with labels

affixed thereto which failed to show the true animal name of the fur used in the fur products.

PAR. 9. Certain of said fur 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 to show the country of origin of the imported furs used in the fur products.

PAR. 10. Respondents furnished false guaranties that certain of their fur products were not misbranded, falsely invoiced or falsely advertised when respondents in furnishing such guaranties had reason to believe that fur products so falsely guaranteed would be introduced, sold, transported or distributed in commerce, in violation of Section 10(b) of the Fur Products Labeling Act.

PAR. 11. The aforesaid acts and practices of respondents, as set forth in Paragraph Eight, Nine and Ten 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.

PAR. 12. Respondents have furnished their customers with false guaranties that certain of the textile fiber products were not misbranded or falsely invoiced by falsely representing in writing that respondents had a continuing guaranty under the Textile Fiber Products Identification Act on file with the Federal Trade Commission in violation of Rule 38(d) of the Rules and Regulations under said Act and Section 10(b) of said Act.

PAR. 13. The acts and practices of respondents as set forth in Paragraph Twelve, were, and are, in violation of the Textile Fiber Products Identification Act and the Rules and Regulations thereunder, and constituted, and now constitute, unfair and deceptive acts and practices and unfair methods of competition in commerce within the intent and meaning 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 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, the Wool Products Labeling Act of 1939, the Fur Products Labeling Act and the Textile Fiber Products Identification 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 Kingsley Coats, Inc., 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 512 Seventh Avenue, New York, New York.

Respondent Parkmoor, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 238 Lewis Street, Paterson, New Jersey.

Respondent Charles Goldberg is an officer of Kingsley Coats, Inc., and his address is the same as that of Kingsley Coats, Inc.

Respondent Frank De Vito is the factory manager of Kingsley Coats, Inc., and his address is 238 Lewis Street, Paterson, New Jersey.

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 Kingsley Coats, Inc., a corpora-

tion, doing business as Kingsley-Parkmoor or under any other name, and its officers, and Charles Goldberg, individually and as an officer of said corporation, and Frank De Vito individually and as factory manager of the aforesaid corporation and Parkmoor, Inc., a corporation, doing business as Kingsley-Parkmoor and under any other name, 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 offering for sale, sale, transportation, distribution, delivery for shipment or shipment, in commerce, of wool products, as "commerce" and "wool product" are defined in the Wool Products Labeling Act of 1939, do forthwith cease and desist from misbranding wool products by:

A. Falsely or deceptively stamping, tagging, labeling, or otherwise identifying any such wool product as to the character or amount of constituent fibers included therein.

B. Failing to securely affix to, or place on, each such wool product a stamp, tag, label, or other means of identification showing in a clear and conspicuous manner each element of information required to be disclosed by Section 4(a) (2) of the Wool Products Labeling Act of 1939.

C. Failing to affix labels to samples, swatches, or specimens of wool products used to promote or effect the sale of wool products, showing in words and figures plainly legible all of the information required to be disclosed by each of the subsections of Section 4(a) (2) of the Wool Products Labeling Act of 1939.

It is further ordered, That respondents Kingsley Coats, Inc., a corporation, doing business as Kingsley-Parkmoor or under any other name, and its officers, and Charles Goldberg, individually and as an officer of said corporation and Frank De Vito individually and as factory manager of said corporation, and Parkmoor, Inc., a corporation, doing business as Kingsley-Parkmoor and under any other name, 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, of any fur product; or in connection with the manufacture for sale, sale, advertising, offering for sale, transportation or distribution, of any fur products which are 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:

A. Misbranding fur products by failing to affix labels to fur products showing in words and in figures plainly legible all of the information required to be disclosed by each of the subsections of Section 4(2) of the Fur Products Labeling Act.

B. Falsely or deceptively invoicing any such fur product by 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 said Act.

It is further ordered, That respondents Kingsley Coats, Inc., a corporation, doing business as Kingsley-Parkmoor or under any other name, and its officers, and Charles Goldberg, individually and as an officer of said corporation, and Frank De Vito, individually and as factory manager of said corporation and Parkmoor, Inc., a corporation, doing business as Kingsley-Parkmoor and under any other name, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from furnishing a false guaranty that any fur product is not misbranded, falsely invoiced or falsely advertised when the respondents have reason to believe that such fur product may be introduced, sold, transported or distributed in commerce.

It is further ordered, That respondents Kingsley Coats, Inc., a corporation, doing business as Kingsley-Parkmoor or under any other name, and its officers, and Charles Goldberg, individually and as an officer of said corporation, and Frank De Vito, individually and as factory manager of said corporation, and Parkmoor, Inc., a corporation, doing business as Kingsley-Parkmoor and under any other name, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from furnishing a false guaranty that any textile fiber product is not misbranded or falsely invoiced under the provisions of the Textile Fiber Products Identification Act.

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.

IN THE MATTER OF

JOSEPH SCHULMAN

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

Docket C-1376. Complaint, July 12, 1968—Decision, July 12, 1968

Consent order requiring a Dallas, Tex., salesman of fur products to cease falsely invoicing and deceptively advertising his 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 Joseph Schulman, an individual, hereinafter referred to as respondent, has 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 Joseph Schulman is an individual with his office and principal place of business located at 7238 Northaven Road, Dallas, Tex.

Respondent is a salesman of fur products.

PAR. 2. Respondent is now, and for some time last past has been, engaged in the 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 has sold, advertised, offered 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, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act.

PAR. 3. Certain of said fur products were falsely and deceptively invoiced by the respondent 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 show the true animal name of the fur used in any such fur product.

2. To show the country of origin of imported fur used in any such fur product.

PAR. 4. Certain of said fur products were falsely and deceptively invoiced with respect to the name or designation of the animal or animals that produced the fur from which the said fur products had been manufactured, 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 which were invoiced as "Broadtail" thereby implying that the furs contained therein were entitled to the designation "Broadtail Lamb" when in truth and in fact the furs contained therein were not entitled to such designation.

PAR. 5. Certain of said fur products were falsely and deceptively invoiced, as the term "invoice" is defined in Section 2 of the Fur Products Labeling Act, in violation of Section 5(b)(2) of the said Act, in that an inventory list relating to the said fur products was supplied to The Advance Shop. The inventory list contained comparative prices which represented, and, were used by the respondent and The Advanced Shop to represent, directly or by implication, that the higher amounts were the former retail prices at which the said fur products had been offered for sale by retail establishments including The Advance Shop and that the said fur products were reduced from such former prices and the amounts of such reductions constituted savings to the consumer-purchasers of the said fur products.

In truth and in fact, the alleged former prices were fictitious in that they were not actual bona fide prices at which The Advance Shop had offered the products to the public on a regular basis for a reasonably substantial period of time in the recent regular course of business and the said fur products were not reduced in price as represented and savings were not afforded purchasers of respondent's said fur products, as represented.

PAR. 6. Certain of said fur products were falsely and deceptively invoiced in violation of the Fur Products Labeling Act in

that they were not invoiced in accordance with the Rules and Regulations promulgated thereunder in the following respects:

(a) Information required under Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was set forth on invoices in abbreviated form, in violation of Rule 4 of said Rules and Regulations.

(b) The term "Dyed Broadtail-processed Lamb" was not set forth on invoices in the manner required by law, in violation of Rule 10 of said Rules and Regulations.

PAR. 7. Certain of said fur products were falsely and deceptively advertised in violation of the Fur Products Labeling Act in that certain advertisements intended to aid, promote and assist, directly or indirectly, in the sale and offering for sale of such fur products were not in accordance with the provisions of Section 5(a) of the said Act.

Among and included in the aforesaid advertisements, but not limited thereto, was an advertisement of respondent's, namely a written inventory list furnished to retailers which failed:

1. To show the true animal name of the fur used in any such fur product.

2. To show the country of origin of imported furs contained in any such fur product.

PAR. 8. By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein, respondent falsely and deceptively advertised fur products in that certain of said fur products were falsely or deceptively identified with respect to the name or designation of the animal or animals that produced the fur from which said fur products had been manufactured, in violation of Section 5(a)(5) of the Fur Products Labeling Act.

Among such falsely and deceptively advertised fur products, but not limited thereto, were fur products advertised as "Broadtail" thereby implying that the furs contained therein were entitled to the designation "Broadtail Lamb" when in truth and in fact they were not entitled to such designation.

PAR. 9. By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein respondent falsely and deceptively advertised fur products in violation of Section 5(a)(5) of the Fur Products Labeling Act in that the said advertisement, namely an inventory list, contained comparative prices which represented, and were used by the respondent and The Advance Shop to represent, directly or by implication, that the higher amounts were the former retail prices

at which the said fur products had been offered for sale by retail establishments including The Advance Shop and that the said fur products were reduced from such former prices and the amounts of such reductions constituted savings to the consumer-purchasers of the said fur products.

In truth and in fact, the alleged former prices were fictitious in that they were not actual bona fide prices at which The Advance Shop had offered the products to the public on a regular basis for a reasonably substantial period of time in the recent regular course of business and the said fur products were not reduced in price as represented and savings were not afforded purchasers of respondent's said fur products, as represented.

PAR. 10. By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein, respondent falsely and deceptively advertised fur products in violation of the Fur Products Labeling Act in that the said fur products were not advertised in accordance with the Rules and Regulations promulgated thereunder in the following respects:

(a) Information required under Section 5(a) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was set forth in abbreviated form, in violation of Rule 4 of the said Rules and Regulations.

(b) The term "Dyed Broadtail-processed Lamb" was not set forth in the manner required, in violation of Rule 10 of the said Rules and Regulations.

PAR. 11. In advertising fur products for sale, as aforesaid, respondent made pricing claims and representations of the types covered by subsections (a), (b), (c), and (d) of Rule 44 of the Regulations under the Fur Products Labeling Act. Respondent in making such claims and representations failed to maintain full and adequate records disclosing the facts upon which such claims and representations were based, in violation of Rule 44(e) of said Rules and Regulations.

PAR. 12. The aforesaid acts and practices of respondent, 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 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 Textiles and Furs 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 Fur Products Labeling 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 signing of said agreement is for settlement purposes only and does not constitute an admission by respondent 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 respondent has 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 Joseph Schulman is an individual with his office and principal place of business located at 7238 Northaven Road, Dallas, Texas.

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 Joseph Schulman, an individual, and respondent's representatives, agents and employees, directly or through any corporate or other device, in connection with the 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 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:

A. 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. Setting forth on an invoice pertaining to any fur product any false or deceptive information with respect to the name or designation of the animal or animals that produced the fur contained in such fur product.

3. Representing, directly or by implication on an invoice, that any price whether accompanied or not by descriptive terminology is the former retail price of such fur product when such price is in excess of the price at which such fur product has been sold or offered for sale in good faith at retail in the recent regular course of business, or otherwise misrepresenting the retail price at which such fur product had been sold or offered for sale.

4. Falsely or deceptively representing, that savings are afforded to the purchaser of any such fur product or misrepresenting in any manner the amount of savings afforded to the purchaser of such fur product.

5. Misrepresenting in any manner that the price of any such fur product is reduced.

6. Setting forth information required under Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in abbreviated form.

7. Failing to set forth the term "Dyed Broadtail-processed Lamb" in the manner required where an election is made to use that term instead of the words "Dyed Lamb."

B. Falsely or deceptively advertising any fur product through the use of any advertisement, representation, public announcement or notice which is intended to aid, promote or assist, directly or indirectly, in the sale, or offering for sale of any such fur product, and which:

1. Fails to set forth in words and figures plainly legible all the information required to be disclosed by each of the subsections of Section 5(a) of the Fur Products Labeling Act.

2. Falsely or deceptively identifies any fur product as

to the name or designation of the animal or animals that produced the fur contained in the fur product.

3. Represents, directly or by implication, that any price whether accompanied or not by descriptive terminology is the former retail price of such fur product when such price is in excess of the price at which such fur product has been sold or offered for sale in good faith at retail in the recent regular course of business, or otherwise misrepresents the retail price at which such fur product had been sold or offered for sale.

4. Falsely or deceptively represents, that savings are afforded to the purchaser of any such fur product or misrepresents in any manner the amount of savings afforded to the purchaser of such fur product.

5. Falsely or deceptively represents in any manner that the price of any such fur product is reduced.

6. Sets forth information required under Section 5(a) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in abbreviated form.

7. Fails to set forth the term "Dyed Broadtail–processed Lamb" in the manner required where an election is made to use that term instead of the words "Dyed Lamb."

C. Failing to maintain full and adequate records disclosing the facts upon which pricing claims and representations of the types described in subsections (a), (b), (c) and (d) of Rule 44 of the Rules and Regulations promulgated under the Fur Products Labeling Act are based.

It is further ordered, That the 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 in which he has complied with this order.

IN THE MATTER OF

SPIEGEL, INC.

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

*Docket 8708. Complaint, Sept. 7, 1966—Decision, July 15, 1968**

Order requiring a large Chicago, Ill., catalog retailer to cease making fictitious pricing and savings claims in the sale of its merchandise.

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 Spiegel, Inc., a corporation, 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, Spiegel, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its principal office and place of business located at 2511 West 23rd Street, in the city of Chicago, State of Illinois.

PAR. 2. Respondent is a catalog house selling merchandise by mail order and is now, and for some time last past has been, engaged in the advertising, offering for sale, sale and distribution of bedspreads, quilts, blankets and various other articles of merchandise.

PAR. 3. In the course and conduct of its business, respondent now causes, and for some time last past has caused, its said products, when sold, to be shipped from its place of business in the State of Illinois to purchasers thereof located in various other States of the United States and the District of Columbia, and maintains, and at all times mentioned herein has maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. For the purpose of inducing the purchase of said prod-

* Modified by Commission's order of Sept. 29, 1969, by deleting numbered Paragraph 3 of the order.

ucts respondent has made various statements in its catalogs respecting their established price and the savings afforded purchasers of said products.

Among and typical, but not all inclusive, of said statements are the following:

SPIEGEL
SAVE MORE BUYER'S OK
SALE
"WILLIAMSTOWN" HEIRLOOM BEDSPREAD
AN OUTSTANDING VALUE—YOU GET ALL
THE FEATURES OF HIGHER PRICED BEDSPREADS,
PLUS $8.98 SAVINGS WHEN YOU BUY
TWO OF THESE HEIRLOOM SPREADS

. . . SUPER TWIN SIZE: ABOUT 80 X 110 in. . . . EA.9.98
2 for 10.98
GET THIS SECOND SPREAD FOR ONLY $1 MORE
ONLY 9.98 EACH ANY 2 FOR 10.98

* * * * * * *

FAMOUS FRUIT OF THE LOOM QUILTS
GET THIS SECOND
QUILT FOR
ONLY
$1
MORE
SAVE 7.98 WHEN YOU BUY TWO
OF THESE QUALITY BRAND QUILTS!
8.98 each 2 for 9.98

* * * * * * *

SPIEGEL
SAVE MORE
SALE
GET THIS THIRD BLANKET FOR
ONLY $1 MORE
WHEN YOU BUY 2 FOR 11.96
SAVE NOW ON ST. MARYS BLANKETS
TAKE ADVANTAGE OF THIS AMAZING SPIEGEL VALUE!
DURING THIS SALE YOU CAN GET THREE NATIONALLY
KNOWN ST. MARYS BLANKETS FOR ONLY $1 MORE
THAN THE LOW PRICE OF TWO!
2 for 11.96
3 for 12.96

PAR. 5. Through the use of said statements and others of similar import not specifically set out herein, respondent has represented and now represents directly or by implication:

1. That the aforestated articles of merchandise have been openly and actively offered for sale, honestly and in good faith for a reasonably substantial period of time in the recent, regular course of its business at prices of $9.98 for a single bedspread, $8.98 for a single quilt and $11.96 for a pair of blankets.

2. That purchasers of said merchandise at respondent's represented regular price of $9.98 for the bedspread, $8.98 for the quilt and $11.96 for the pair of blankets plus $1.00 for an additional article of the same merchandise save $8.98 on two bedspreads, $7.98 on two quilts and $4.98 on three blankets.

PAR. 6. In truth and in fact:

1. The aforestated articles of merchandise have not been openly and actively offered for sale, honestly and in good faith for a reasonably substantial period of time in the recent, regular course of its business at prices of $9.98 for a single bedspread, $8.98 for a single quilt and $11.96 for a pair of blankets.

2. Purchasers of said merchandise at respondent's represented regular prices do not save $8.98 on two bedspreads, $7.98 on two quilts and $4.98 on three blankets because, as stated in subparagraph 1 hereof, said represented regular prices are fictitious and savings based thereon are likewise fictitious.

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

PAR. 7. In the conduct of its business, at all times mentioned herein, respondent has been in substantial competiton, in commerce, with corporations, firms and individuals in the sale of bedspreads, quilts, blankets and other merchandise of the same general kind and nature as that sold by respondent.

PAR. 8. 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 erroneous and mistaken belief that said statements and representations were and are true and into the purchase of substantial quantities of respondent's product by reason of said erroneous and mistaken belief.

PAR. 9. 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.

Mr. Charles W. O'Connell for the Commission.

Mayer, Friedlich, Spiess, Tierney, Brown & Platt, Chicago, Illinois, by *Mr. Charles L. Stewart, Jr., Mr. Patrick W. O'Brien,* and *Mr. James W. Gladden* for the respondents.

INITIAL DECISION BY RAYMOND J. LYNCH, HEARING EXAMINER

MARCH 15, 1967

STATEMENT OF PROCEEDINGS

The Federal Trade Commission issued its Complaint in the above-entitled proceeding on September 7, 1966, alleging that the respondent engaged in unfair methods of competition and unfair and deceptive acts and practices in commerce, in violation of Section 5 of the Federal Trade Commission Act, by the use of false, misleading and deceptive statements, representations and practices in the advertising and sale of certain products sold by them. The respondent was served with a copy of the complaint, counsel for the respondent filed an answer thereto, wherein he both admitted and denied certain of the allegations of the complaint, and denied in general having engaged in the illegal practices charged.

Pursuant to notice, a prehearing conference was held in Washington, D.C., on October 24, 1966. The matter came on for formal hearing in Chicago, Illinois, on November 29 and 30, 1966. The record was closed for the reception of evidence by order issued by the examiner dated December 15, 1966. Proposed findings of fact and conclusions of law were filed on January 31 and February 2, 1967, and replies thereto were filed on February 10 and February 15, 1967. Proposed findings not adopted, either in the form proposed or in substance, are rejected as not supported by the evidence or as involving immaterial matters.

After carefully reviewing the entire record in this proceeding, together with the proposed findings and conclusions filed by the parties, the hearing examiner finds that the proceeding is in the interest of the public and, on the basis of such review and his observation of the witnesses, makes findings of fact and conclusions and issues an appropriate order.

FINDINGS OF FACT

1. Respondent Spiegel, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its principal office and place of business

located at 2511 West 23rd Street, in the city of Chicago, State of Illinois. (Admitted Answer Par. 1.)

2. Respondent is a catalog house selling merchandise by mail and is now, and for some time last past has been, engaged in the advertising, offering for sale, sale and distribution of bedspreads, quilts, blankets and various other articles of merchandise. (Admitted Par. 2 of Answer.)

The respondent Spiegel has no retail store outlets and since 1956 has sold its merchandise only through its catalogs (Tr. 32, L. 14–15).*

3. In the course and conduct of its business, respondent now causes, and for some time last past has caused, its said products, when sold, to be shipped from its place of business in the State of Illinois to purchasers thereof located in various other States of the United States and the District of Columbia, and maintains, and at all times mentioned herein has maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act. (Admitted Par. 3 of Answer.) The record discloses that respondent Spiegel's gross sales during the period covered by the complaint were as follows:

1962	$275,600,000
1963	295,000,000
1964	304,670,233
1965	338,316,883

4. Counsel supporting the complaint in Paragraph Four thereof refers to only three items of merchandise and three methods of advertising said merchandise as being typical, but not all inclusive, of statements made by the respondent and these items were expanded and for the purpose of this proceeding are referred to in the Commission Exhibit List attached to Commission Exhibit A as follows:

A. *Williamstown Heirloom Bedspreads* (#690 & 691):

1962	$ 792,000
1963	1,088,000
1964	777,000

*All of Spiegel's sale catalogs for sales ending between January 1, 1962, and December 31, 1964, and the two regular yearly catalogs (Spring and Summer, Fall and Winter) for years 1962 to 1965 inclusive, are in evidence, and are listed in the Commission Exhibit List attached to the Stipulation marked "Commission Exhibit A."

The articles of merchandise which were the subject of the hearing in this matter were advertised from time to time in the Sale Catalogs and the catalog and page in which the article appeared are tabulated in the Commission Exhibit List referred to above.

B. *Fruit of the Loom Quilts* (#1840):

1962	$ 65,000
1963	115,000
1964	90,000

C. *St. Marys Blankets* (#1324):

1962	$ 131,000
1963	177,000
1964	112,000

D. *Acrilan Comforter* (#1698):

1962	$ 312,000
1963	107,000
1964	45,000

E. *Pacific Percale Sheets* (#8470):

1962	None
1963	$ 473,000
1964	168,000

F. *Beacon Blankets* (#1212):

1962	$ 102,000
1963	118,000
1964	64,000

G. *Ladies Pumps* (various numbers):

1962	$ 701,000
1963	459,956
1964	411,705

Stipulation Commission Exhibit A pp. 2–6.

5. For the purpose of inducing the purchase of its merchandise the respondent has made various statements in its catalogs respecting their established prices and the savings afforded purchasers of said products.

Among and typical, but not all inclusive, of said statements are the following:

THE "WILLIAMSTOWN" BREADSPREAD
(Catalog nos. 690 & 691)
"WILLIAMSTOWN" HEIRLOOM SPREADS
(Photograph of bedspreads)
GET THIS BEDSPREAD for only ONE DOLLAR
with purchase of this regular $9.98 bedspread
Save to $8.98 on special purchase!
Two of these luxurious Williamstown
spreads are yours for only $1
more than the $9.98 each or 2 for $10.98 regular price of one.
(CX 1 p. 8, CX 1a.)
(Photograph of bedspreads)
GET THIS BEDSPREAD FOR ONLY $1 MORE
with purchase of this regular $9.98 spread

REVERSIBLE HEIRLOOM BEDSPREADS
Special purchase offers you this once-in-a-lifetime chance to save $8.98 on these two beautiful spreads.
9.98 each or 2 for $10.98
(CX 4, p. 45, CX 4a.) *

THE PATCHWORK PRINT QUILTS:
(Catalog No. 1840)
(Photograph of Quilts)
GET THIS QUILT FOR ONLY $1 MORE
PATCHWORK PRINT QUILTS
Each $8.98 2 for $9.98

Buy now—take advantage of this offer, for you save to $7.98 when you buy two of these colorful quilts during our Buyer's O.K. Sale!
(CX 4, p. 46, CX 4b, S.E., 7/15/62.)

SAVE ON FRUIT OF THE LOOM QUILTS
(Photograph of quilts)

GET THIS 100% COTTON QUILT
FOR ONLY $1 MORE
with the purchase of one Regular $8.98 Quilt
$8.98 each—or 2 for $9.98

Exceptionally low priced at $8.98 each . . . but now you can enjoy two colorful cotton quilts for just $1 more than the regular price for one!

. . . SAVE! 2 for $9.98
(CX 10, back cover, CX 10b, S.E., 12/25/62.)

FINE FRUIT OF THE LOOM QUILT
GET SECOND QUILT FOR ONLY $1 MORE
with 1 regular $8.98 quilt
(Photograph of quilts)
only $8.98 each—2 for $9.98
(CX 20, p. 159, CX 20b, S.E., 10/31/63.)

COMPARE THESE WONDERFUL VALUES . . . SEE HOW MUCH MORE YOUR DOLLAR BUYS AT SPIEGEL
(Photograph of quilts)

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* Additional offerings of the Williamstown Bedspreads were made by the respondent and are set forth in the following list of exhibits: CX 10 p. 3; CX 10a; CX 12 p. 9; CX 12a; CX 14 back cover; CX 14a; CX 15 p. 57; CX 15a; CX 16 p. 70; CX 16a; CX 17 p. 244; CX 17a; CX 19 p. 11; CX 19a; CX 20 p. 81; CX 20a; CX 22 p. 2; CX 22a; CX 24 back cover; CX 24a; CX 26 p. 93; CX 26a; CX 27 p. 47; CX 27a; CX 28 p. 59; CX 28a; CX 29 p. 149; CX 29a; CX 30 p. 217; CX 30a; CX 31 p. 8; CX 31a; CX 32 p. 43; CX 32a; CX 33 p. 69; CX 33a; CX 35 p. 107; CX 35a.

GET THIS SECOND QUILT-COVERLET FOR ONLY $1 MORE
when you buy one at $8.98
gay patchwork quilts by Fruit of the Loom
$8.98 each—2 for $9.98

An amazing offer from Spiegel—your second nationally famous brand quilt for only $1 more than the low price of one
(CX 30, p. 216, CX 30b, S.E., 8/15/64.) *

THE ST. MARYS BLANKETS
(Catalog no. 1324)

GET THIS ST. MARYS BLANKET ONLY $1 MORE
with these regular 2 for $11.96 blankets
(Photograph of blankets)
NOW 3 for $12.96

ONLY AT SPIEGEL—SAVINGS TO $4.98 YES, IT'S TRUE . . .

now you can get famous St. Mary's blankets in one of the greatest offers we've ever made! . . . For this Sale only, you can buy 3 blankets for only $1 more than the low price for 2

. . . 2 for $11.96 . . . SAVE! . . . 3 for $12.96
(CX 9, back cover, CX 9a, S.E., 11/15/62.)

GET THIS ST. MARYS BLANKET ONLY $1 MORE
with purchase of these REGULAR 2 for $11.96 BLANKETS
(Photograph of blankets)

SAVE MORE!

Heavy St. Marys Blankets of Luxurious 15% Virgin Acrylic

3 for $12.96
Only at Spiegel—famous St. Marys blankets, known for warmth, beauty and superior quality—now at unsurpassed savings! You can get three of these luxury blankets for only $1 more than Spiegel's already low price for 2.
(CX 10, p. 7, CX 10C, S.E. 12/25/62.) **

The Comforter
Catalog No. 1698

Get This Comforter For Only $1 More
(Photograph of comforters)
Acrilan Filled Comforters

Only $12.98 each . . . or 2 for $13.98 save $11.98

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* Additional offerings of Fruit of the Loom Quilts were made by the respondent and are set forth in the following list of exhibits: CX 22 p. 2; CX 22b; CX 24 p. 32; CX 24b; CX 28 p. 57; CX 28b; CX 29 p. 148; CX 29b; CX 32 p. 42; CX 32b.

** Additional offerings of St. Marys Blankets were made by the respondent and are set forth in the following list of exhibits: CX 21 back cover; CX 21A; CX 24 p. 36; CX 24C; CX 33 p. 137; CX 33b; CX 34 p. 4; CX 34A; CX 35 p. 4; CX 35B.

An exceptional value at $12.98 each—but now you can enjoy the double luxury of two comforters for only $1 more than the regular price of one.

(CX 8, back cover, CX 8A, S.E., 10/15/62; CX 10, p. 5, CX 10D, S.E., 12/25/62; CX 12, p. 8, CX 12B.)

Get This Comforter For Only $1 more with regular $12.98 comforter
(Photograph of comforters)

Acrilan Filled Comforters
$12.98 each—2 for $13.98

A terrific value at $12.98 each . . . and now you get another comforter for only $1 more!

(CX 20, p. 157, CX 20C, S.E., 10/31/63; CX 22, p. 3, CX 22D.)

Get Second Comforter For Only $1 more
When you buy one at $12.98
Acrilan filled comforters . . . each $12.98—2 for $13.98

(CX 25, p. 12, CX 25A, S.E., 3/15/64; CX 34, p. 4, CX 34B.)

The Sheets
(Catalog No. 8470)

Get This Sheet For Only $1 more
Pacific Percale Sheets—Twin Size
Sale Flat or Contour $2.99 each . . . or 2 for $3.99

Imagine—a Pacific printed percale sheet for only $1 when you buy 2—you save to $2.99. Only Spiegel could make such an outstanding offer! But hurry—Sale ends March 15

(CX 12, back cover, CX 12C, S.E., 3/15/63.)

Save now on Pacific sheets at Spiegel
Pacific Floral Print Percale Sheets at terrific savings when you buy two

$2.99 each with 2 for $3.99
(same as CX 12 above)

(CX 16, p. 131, CX 16B, S.E., 8/15/63.)

Get This Sheet for Only $1 more
With one regular $2.99 sheet

Pacific Percale Sheets

Twin size $2.99 each—2 for $3.99

Buy one Pacific printed percale sheet at Spiegel's low, low sale price—and get a second sheet for only $1 more! You save up to $2.99. Only Spiegel could make such an outstanding offer!

(CX 20 p. 150, CX 20D, S.E., 10/31/63.)

The Beacon Blankets
(Catalog No. 1212)

Get This Blanket For Only $1 More with these regularly
3 for $9.96 Blankets
(Photograph of blankets)
now all 4 for $10.96

Enjoy warmth and smartness in plaid, blankets at low, low prices!
Regularly 3 for $9.96—now you get four for just $1 more.
Save more! . . . 4 for $10.96

(CX 1 p. 23, CX 1B, S.E., 3/15/62.)

* * * * * * *

Sale all 4 for $10.96
Now—choose woven plaid or solid color blankets and save to $2.32
when you buy in lots of four!

* * * * * * *

Save more on any four . . . 4 for $10.96
(CX 12 p. 55, CX 12D, S.E., 3/15/63.)

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3 for $9.96—4 for $10.96
Get Fourth Blanket For Only $1 more
Plaid or Solid Blankets—Save $2.32 on 4

* * * * * * *

Any four blankets—Save $2.32 . . . Any 4 for $10.96

(CX 31 p. 9, CX 31B, S.E., 9/15/64.)

6. Through the use of said statements and others of similar import not specifically set out herein, respondent has represented and now represents directly or by implication:

1. That the aforestated articles of merchandise have been openly and actively offered for sale, honestly and in good faith for a reasonably substantial period of time in the recent, regular course of its business at prices of:

(a) $9.98 for a single "Williamstown" bedspread.
(b) $8.98 for a single "Fruit of the Loom" quilt.
(c) $11.96 for a pair of "St. Marys" blankets.
(d) $12.98 for a single acrilan filled comforter.
(e) $2.99 for a single Pacific Percale sheet, and
(f) $9.96 for 3 "Beacon" blankets.

2. That purchasers of said merchandise at respondent's repre-

sented regular price of $9.98 for the bedspread, $8.98 for the quilt, $11.96 for the pair of St. Marys blankets, $12.98 for the comforter, $2.99 for the sheet and $9.96 for the three Beacon blankets plus $1.00 for an additional article of the same merchandise save $8.98 on the two bedspreads, $7.98 on the two quilts, $4.98 on the three "St. Marys" blankets, $11.98 on the two comforters, $1.99 on the two sheets, and $2.32 on the Beacon blankets.

7. The advertisements in Spiegel's sale catalogs (CX 1 to 35 incl.) represent that the single article of merchandise, or in the case of the blankets, a group of articles of merchandise, had been offered and sold in the regular course of business at the stated unit price. While in truth and in fact the articles, during the period involved, were never offered as single items but only in the course of the sales effort.

8. Spiegel's offerings of merchandise in the regular course of its business are made in the two regular catalogs called the "Spring & Summer" catalog and the "Fall & Winter" catalog. The sale catalogs represent special events or sales not in the regular course of business (Tr. 93, 96). The prices designated as the "regular" prices in the sale catalogs would have reference to the prices in the regular catalogs.

9. The Williamstown bedspread, catalog number 690 and 691, was offered in combination at $9.98 for one and $10.98 for two in 21 sale catalogs from March 15, 1962, to December 25, 1964, as shown by sale catalogs in evidence (CX 1 to 35 incl.). This item had been offered in the same manner for the first time in a sale catalog in 1960 and in 1961 in three separate sale catalogs according to other evidence in the record (CX 47, RX 2, p. 2).

10. Examination of regular catalogs from 1962 to 1964 inclusive (CX 36 to 43) disclosed that bedspread number 690 had not appeared in a regular catalog until the Fall and Winter catalog of 1964 (see RX 10), after the respondent was apprised of the Commission's field investigation, initiated in January 1964 (Tr. 66 L. 12). It then later appeared in Spiegel Christmas Book, 1965, CX 44 (RX 11).

11. Evidence was offered by respondent through witness Albert Paul to show that a Williamstown bedspread was advertised in the Spiegel 1958 Spring and Summer catalog and the 1959 Fall and Winter catalog (RX 8, 9; Tr. 111–13). However, the bedspread described in RX 8 and 9 bears the catalog number 70 Z 500A, whereas the Williamstown bedspread which has ap-

peared in respondent's catalogs since 1962 is identified by catalog number 691. Mr. Paul stated he had been actively connected with the bedspread department only since about 1962 (Tr. 111).

12. It is clear that the Williamstown bedspread, catalog 691, had never been offered in the recent regular course of respondent's business at the price of $9.98 for a single bedspread.

13. The quilt identified as catalog number 1840 was advertised in sale catalogs ten times between July 1962 and October 1964 (CX 4b, 10b, 20b, 22b, 24b, 28b, 29b, 30b, 32b, 33b). This item had never been offered in respondent's regular catalog. It had never been offered as a single item. It had been offered only in respondent's sale catalogs in the dollar sale context. Therefore, this article of merchandise had neither been offered in Spiegel's recent regular course of business nor at the single item price of $8.98.

14. The St. Marys blankets, catalog number 1324, were featured in seven Spiegel sale catalogs in the period July 15, 1962, to December 25, 1964 (CX 9a, 10c, 21a, 22c, 24c, 34a, 35b). This merchandise could not be found in respondent's regular catalogs covering this period. Therefore, it had not been offered in the regular course of business at the price of $11.96 for a pair of blankets as alleged in the complaint. Respondent attempted to show by RX 14 and 15 that the blanket advertised in 1961 and 1962 as catalog #1350 was the same as #1324. Respondent's witness Paul testified they were similar. He was not able to say they were the same (Tr. 119–122).

15. The acrilan comforter was offered in sale catalogs seven times in the period October 15, 1962, to November 30, 1964 (CX 8a, 10d, 12b, 20c, 22d, 25a, 34b). It was never offered in Spiegel's regular catalog as a single item. Therefore, it had not been offered in the regular course of respondent's business at the price of $12.98 for a single comforter. Respondent in an attempt to show a previous offering of this article of merchandise, produced a page from Spiegel's 1961 Fall and Winter catalog (RX 17) advertising a comforter identified as catalog number 1453M. The witness was asked to compare it with the comforter offered in CX 20c which appeared in the sale catalog in October 1963. The witness said they were comparable (Tr. 132). They were not the same.

16. The Pacific percale sheets catalog number 8470 were offered in three sale catalogs between March 15, 1963, and October 31, 1963 (CX 12c, 16b, 20d). This product had not been offered in Spiegel's regular Spring and Summer, Fall and Winter catalogs

before or during the period stated and had not been offered as a single item as the complaint alleges. Respondent offered in evidence an advertisement from the 1963 Spiegel Christmas book which lists sheets identified by catalog number 8470. The offering in the Christmas book was made after the last offering in the sale catalogs hence it would have no bearing on those previous offerings.

17. The Beacon blankets, catalog number 1212, appeared in four sale catalogs between March 15, 1962, and September 15, 1964 (CX 1b, 12d, 13a, 31b). The three Beacon blankets had not been offered in Spiegel's regular catalog and had never been offered previously at a price of $9.96 for a single unit of three substantiating the allegation of the complaint.

18. Respondent has not confined the $1 sales to the items discussed herein. This sales technique was also used in the sale of some 35 items during the period involved in this case (Tr. 92).

19. In the conduct of its business, at all times mentioned herein, respondent has been in substantial competition, in commerce, with corporations, firms and individuals in the sale of bedspreads, quilts, blankets and other merchandise of the same general kind and nature as that sold by respondent (Admitted Answer Par. 7).

20. The use by respondent of the false, misleading and deceptive statements, representations and practices as herein found has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were and are true and into the purchase of substantial quantities of respondent's products by reason of said erroneous and mistaken belief.

21. The aforesaid acts and practices of respondent, as herein found, 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.

CONCLUSIONS

The complaint in this matter charges respondent with using fictitious regular prices for various articles of merchandise and with making false savings claims based on those prices. The truth is that the articles of merchandise discussed in this decision were offered only in respondent's sale catalogs in combination, that is, at a stated price for one article, or, as in the case of the blankets, for a group of articles, with an additional article for

$1 more. These items of merchandise had never been offered singly either in Spiegel's sale catalogs or in its regular catalogs at the represented price for each unit. Hence, the represented regular single price of each of these items, as well as the represented savings based on that price, was a fiction. In effect, respondent has represented through these "dollar sale" advertisements that two of the bedspreads would have regularly sold for $19.96. Indeed, the repeated offering of these products only in combination would establish the combination price as the regular price and no savings could be available to purchasers since this price is always the same.

The use of the word "regular" in reference to Spiegel's unit prices in the advertisements quoted, conveys the impression that these were respondent's customary and usual prices for single items of such merchandise in the regular course of its business. *Gimbels Brothers, Inc.*, Docket 7834, 61 F.T.C. 1051 (1962); *Arnold Constable Corporation*, Docket 7657, 58 F.T.C. 49 (1961); *Main Street Furniture, Inc.*, Docket 7786, 57 F.T.C. 1119, 1123 (1960); *Lasky Enterprises, Inc.*, Docket 7408, 56 F.T.C. 1303 (1960). It is common understanding that the business of mail order houses in regular course is done through their regular catalogs. A purchaser might well believe, therefore, when "regular" is used in connection with a price in a Spiegel sale catalog that the item had been offered singly at that price in Spiegel's recent or current regular catalog.

The question presented in this case is not novel. The theory of the violation here is the same as that in *Mary Carter Paint Company, Inc.*, Docket No. 8290. Here Spiegel offers the second item for $1 while Mary Carter Paint Co. offered a second can of paint free. The deception in both cases is the same. The two articles of merchandise are always offered in combination and the buyer is misled as to the usual price at which one item is usually sold.

Respondent contends that the sales of these items singly establish a regular price which would justify the representation in subsequent advertisements that each item had sold regularly at a stated price.

In the first place these sales took place after the advertisement appeared in the sale catalog and therefore could not serve as precedent for the representations in that catalog. Secondly, the mere fact that some purchasers bought a single item and failed to take advantage of the "2 for" offer does not perforce make the price they paid the regular single price of the item. This

could not cure the deception inherent in the Dollar Sale offering. Despite these single purchases respondent still had not offered or sold the item in the regular course of business singly at the represented regular price.

Moreover, it is apparent that persons who bought only one of the items must have believed that the represented regular price was actually the true single price of the merchandise in the regular course of business. They were more sorely misled than the persons who bought the combination in reliance on the purported regular price plus one dollar.

CONCLUSIONS OF LAW

1. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent.

2. The complaint herein states a cause of action, and this proceeding is in the public interest.

3. The use by the respondent of the false, misleading, and deceptive statements, representations, and practices, as found herein, has had and now has the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that such statements and representations were and are true and into the purchase of substantial quantities of respondent's merchandise by reason of such erroneous and mistaken belief.

4. The acts and practices of the respondent, as herein found, 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.

5. Having found the facts to be as alleged in the complaint, the examiner has entered an order the same as that appended to the complaint. This represents the form of order that the Commission had reason to believe should issue if the allegations of the complaint were proved.

ORDER

It is ordered, That respondent Spiegel, Inc., a corporation, and its officers, and respondent's agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of bedspreads, quilts, blankets or any other product 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 any price is respondent's former or usual price for said products when such amount is in excess of the actual, bona fide price at which respondent offered or sold the said products to the public for a reasonably substantial period of time in the recent, regular course of business.

2. Representing, directly or by implication, through the device of a one dollar sale, or in any other manner, that a stated number of units of respondent's merchandise may be purchased for the price of one or more units, plus one dollar, or any other amount, when the price of the unit or units required to be purchased is in excess of the actual, bona fide price at which respondent offered or sold the said merchandise to the public for a reasonably substantial period of time in the recent, regular course of its business.

3. Misrepresenting, in any manner, the savings available to purchasers of respondent's merchandise.

OPINION OF THE COMMISSION
JULY 15, 1968

BY DIXON, *Commissioner:*

I

This matter is before the Commission upon the appeal of respondent from an initial decision of the hearing examiner, holding that respondent engaged in unfair methods of competition and unfair and deceptive acts and practices in commerce which violated Section 5 of the Federal Trade Commission Act [1] and ordering respondent to cease and desist from the practices found to be unlawful.

Respondent frequently promoted its merchandise through the use of "dollar sale" advertisements in various sale catalogs. The following advertisement is an example of this technique:

[Photograph of bedspreads]
GET THIS BEDSPREAD FOR ONLY $1 MORE
with purchase of this regular $9.98 spread
REVERSIBLE HEIRLOOM BEDSPREADS
$9.98 each or 2 for $10.98
Special purchase offers you this once-in-a-lifetime chance to save $8.98 on these two beautiful bedspreads.[2]

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[1] 66 Stat. 631 (1952); 15 U.S.C. 45 (1964).

[2] CX 4, p. 45 (sale ending July 15, 1962). Over the next two years, this *same* "special purchase," "once-in-a-lifetime" occurred 19 more times. Initial decisions, pp. 191, 195.

All of the advertisements challenged in this proceeding use the same technique and make similar representations as to the regular price and the savings resulting from purchasing an additional article for "ONLY $1 MORE." Many of the advertisements also make similar representations as to the very limited time available in which to take advantage of the offer.[3]

The central question in this appeal is simply whether Spiegel misrepresented the regular price at which the featured items were previously and customarily sold in the recent regular course of business. If, as the complaint alleges and the examiner found, respondent had neither offered nor sold the advertised items in the recent past at the alleged "regular" price, then the "regular" prices used in dollar sales were fictitious and any represented savings based upon these "regular" prices would also be fictitious. Additionally, if respondent repeated the dollar sale offers of the same items with great frequency, the continued savings claims made would be false and misleading since the "regular" price for the advertised items would, by lapse of time, become the price of both items in combination. The second item would therefore no longer be "only $1 more."

II

The facts are adequately set out in the initial decision and need not be repeated at length here. To the extent they are not inconsistent with findings made in this opinion, the examiner's findings are hereby adopted as those of the Commission.

Respondent Spiegel, Inc., is a large catalog retailer. Its 1965 gross sales were $338,316,883.[4] Since 1956, it has sold its merchandise only through its catalogs.

In the normal course of its business, Spiegel annually issues its "regular" or "Big" (13 x 9 inches, 500 to 700 pages) Fall-Winter and Spring-Summer catalogs.[5] These catalogs present the full range of merchandise offered for sale by respondent. The 11 to 13 supplementary sales and seasonal catalogs [6] issued each year are much smaller (under 200 pages) and necessarily present a more limited range of merchandise. These catalogs are all issued in the regular and ordinary course of respond-

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[3] *E.g.*, CX 9, back cover; CX 12, back cover.

[4] Initial decision, p. 189.

[5] CX 36–43. Respondent repeatedly refers to these catalogs in its sale catalogs either specifically (*e.g.*, "at $1 less than Fall Catalog price," CX 12, p. 42) or as its "Big" catalog (*e.g.*, "SAVE TO $7 FROM OUR BIG CATALOG," CX 12, p. 37).

[6] CX 1–35; Tr. 95.

ent's business.[7] Since 1960, respondent has used the "dollar sale" merchandising technique in its sale catalogs.[8] Approximately 35 items of merchandise are used in "dollar sales" during a given year. Some of these items may be used as often as ten separate times during the same year.[9]

The evidence in this proceeding, for the most part, consists of all or respondent's Fall-Winter, Spring-Summer, sale, and supplementary catalogs for the years 1962 through 1965. Complaint counsel compared various dollar sale advertisements and the relevant representations made therein with the prior regular, sale, and supplementary catalogs, in order to determine whether alleged "regular" prices, in fact, had been established previously by recent offers of the particular items at the alleged "regular" price. Complaint counsel focused his efforts on seven items selected to illustrate respondent's practices. The examiner found that as to six of the illustrative items, complaint counsel satisfactorily proved the charges contained in the complaint.[10]

Respondent's appeal contends that the initial decision is incorrect in three major respects:

1. The examiner should have found that all but one of the seven illustrative items offered in "dollar sales" were first offered as single items, thus previously establishing the regular prices and savings represented in the challenged advertisements.

2. The examiner should have found that all items offered in "dollar sales" were contemporaneously offered, and accepted by the public, as single items, with the result that each of the challenged advertisements individually established the regular prices and savings represented.

3. Even assuming, *arguendo*, that an order should have issued, the examiner should have promulgated a much narrower order.

III

In advancing their various contentions to the Commission, opposing counsel have argued that one or more sections of the 1964 *Guides Against Deceptive Pricing* [11] are controlling, and that the decision in *Mary Carter Paint Co.*,[12] either is, or is not, control-

[7] The examiner apparently accepted complaint counsel's theory that since the various sale catalogs announce on their face that they are special events for a limited time only, they could not be in the regular course of respondent's business. The importance and necessity for this conclusion escapes us. This finding is irrelevant to the question of whether respondent misrepresented its regular prices and the savings based upon those prices.

[8] Tr. 36.

[9] Tr.88.

[10] Initial decision, pp. 195–197.

[11] 16 CFR. § 14.10 (1967).

[12] 382 U.S. 46 (1965).

ling. We cannot entirely agree with either counsel. As we have stated before,[13] the Guides are not intended to serve as comprehensive or precise statements of law. They are designed to highlight some of the important problems in the field of price advertising. In short, they are to be considered *guides*, and not as fixed rules of "do's" and "don'ts." The *Guides* are relevant to this proceeding—they are not controlling. Similarly, *Mary Carter Paint* offers *guidance* to our disposition of this case because there are some similarities between this matter and *Mary Carter Paint*. However, it should be clear that we decide this case solely upon the record before us. *Mary Carter Paint* is relevant—it is not controlling.

The Commission has given careful consideration to respondent's objections to the hearing examiner's initial decision. After a thorough examination of the record, we find that, with the exceptions noted in this opinion, the record substantiates the examiner's findings as to the facts and conclusions and the order issued.

IV

A regular price is the price at which an article or service is openly and actively sold by the advertiser to the public on a regular basis for a reasonably substantial period of time in the recent and regular course of business. A price which (1) is not the advertiser's actual selling price, (2) is a price which was not used as a selling price in the recent past but at some remote period in the past, or (3) is a price which has been used only for a short period of time, is not a regular price. Consequently, use in advertising of any price or amount, other than the advertiser's own *bona fide* regular price, as a representation of savings in connection with a combination sale, is deceptive.

Use of the word *"regular"* in reference to Spiegel's unit prices in the challenged advertisements clearly conveys the impression that these were respondent's customary and usual prices for single items of the merchandise referred to. Not only did the examiner find that this is the consumer's common understanding,[14] but also, judged within the context of each sale catalog, it appears to be the only logical conclusion one could reach.

Mail order purchasers cannot physically view the merchandise in adjudging the representations made in catalog offers and hence are extremely vulnerable to the printed word. Consequently, the

[13] See *John Surrey, Ltd.*, Docket 8605, order issued March 16, 1965 (67 F.T.C. 299); *Mary Carter Paint, supra*, at 48.

[14] See initial decision, p. 198.

prospective purchaser's decision to buy must be based largely on the logical inferences drawn from the wording of the advertisement.[15] When a catalog advertisement states that a bedspread, "regularly $9.98 is now reduced $2," or that "another of these regular $9.98 bedspreads can be purchased for only $1 more," it is reasonable for a consumer to conclude that the individual bedspreads must have been sold recently at $9.98. Quite obviously, if the bedspread was never individually offered in the recent regular course of business at its alleged "regular" price, the advertiser is making a false representation which, in most mail order buying instances, is a material influence on the consumer's decision to purchase. Hence, in this particular case, opposing counsel have devoted considerable effort to demonstrating whether or not respondent had previously offered the individual items at the "regular" price later used in dollar sale advertisements.

Respondent does not dispute that one of the seven illustrative items, the Fruit of the Loom quilt, was *never* previously offered as a single item.[16] It had been offered only in dollar sales, ten times between July 1962 and October 1964.[17] The examiner found that during this same period five other items also were never previously offered as single items.[18] We have read the record and find that the evidence amply supports the examiner's findings in this regard.

The St. Marys blankets, catalog number 1324, were featured in dollar sales in seven Spiegel sales catalogs during the period July 15, 1962, to November 30, 1964.[19]

Typical of these advertisements was the following:

GET THIS
St. Marys Blanket
Only $1 More
With these *regular* 2 for $11.96 blankets
(photograph of blankets)
NOW 3 for $12.96
ONLY AT SPIEGEL—*savings to $4.98* . . .

Yes, IT'S TRUE . . . now you can get famous St. Marys blankets in one of the greatest offers we've ever made! . . . *For this Sale only*,[20] you

[15] For instance, one of the continued inferences of respondent's dollar sale practice is to falsely imply that each offer was for that sale only and thus for a very limited time, thereby inducing consumers to purchase quickly. *E.g.*, p. 200, n. 2 *supra*, p. 204, n. 20, *infra*. *Cf. S. W. Pike, Seedsman, Inc.*, 18 F.T.C. 82 (1933); *Perfolastic, Incorporated*, 16 F.T.C. 157 (1932).

[16] Respondent's Appeal Brief, p 8.

[17] Initial decision, p. 196.

[18] Initial decision, pp. 195–197.

[19] CX 9a, 10c, 21a, 22c, 34a, 35b.

[20] Only one month later, in its "Save More Sale" ending December 25, 1962, respondent again made a substantially similar dollar sale offering of this item. CX 10, p. 7; CX 10c. See n. 15, *supra*.

can buy 3 blankets for only $1 more than the low price for 2.

. . . 2 for $11.96 . . . SAVE! . . . 3 for $12.96 [21]

This advertisement constituted an obvious representation that these blankets were formerly offered and sold at 2 for $11.96 ($5.98 each) and that for the limited time of this sale, an additional blanket could be purchased for one dollar more. Thus, the consumer who buys all three would save $4.98. These representations were not true. The offer was not limited to the one sale, but repeated frequently. The blankets were not regularly 2 for $11.96, nor $5.98 each. They had never been offered or sold at these represented prices in any of the Spiegel regular catalogs in evidence. A purchaser of all three blankets did not save $4.98. He was buying blankets which, during the relevant time period, had been offered and sold only in combination offers at the regular price, established through frequent offers and sales, of 3 for $12.96 ($4.32 each). Whether or not the blankets were offered and/or sold at 2 for $11.96 before July 15, 1962, was not established.[22] However, even if the blankets ever were offered and/or sold at this price, and if this ever was the "regular" price for them, this price was lost with the repeated advertisements covering a period of twenty-eight months, offering 3 for $12.96, which as a result of such advertisements became the regular price.

Respondent asserts that two of its exhibits demonstrate that the same blanket was previously offered as a single item in 1961, hence the regular price and other representations challenged were previously and legitimately established. Respondent attempted to show that the blanket advertised in 1961 as catalog number 1350 was the same as number 1324.[23]

An examination of the exhibits in evidence makes it clear that the earlier advertised blanket is substantially different from the blanket described in the challenged advertisement. Catalog number 1350 is of Thermal-Weave construction with a six-inch nylon binding. It is made by Beacon Mills.[24] Number 1324 is not of Thermal-Weave construction, and it has a five-inch nylon binding.[25] Each blanket is available in six colors. The two blankets

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[21] CX 9, back cover; CX 9a (emphasis added).

[22] The examiner overstated the extent of the proof in this case when he concluded that the relevant items of merchandise "had *never* been offered singly either in Spiegel's sale catalogs or in its regular catalogs at the represented price for each unit." (Initial decision, p. 198.) Complaint counsel's proof was limited to the years 1962 through 1965.

[23] RX 14, 15.

[24] *Id.*

[25] CX 9a, 10c, 21a, 33c, 24c, 34a, 35b.

only have two colors in common. Furthermore, number 1324 may have been made by a different manufacturer.[26]

Absent any explicit qualification that a comparison was being made between the advertised blankets and previous "comparable" blankets, the plain meaning of these challenged advertisements is that two of the *identical* blankets usually and customarily sell for 2 for $11.96. The record demonstrates that neither the same nor similar blankets were previously offered in the recent, regular course of business at 2 for $11.96, or at 2 for any price.

Similarly, the acrilan comforter, catalog number 1698M, was offered in dollar sales in seven Spiegel sale catalogs during the period October 15, 1962, to November 30, 1964.[27]

Typical of these advertisements is the following:

GET THIS COMFORTER FOR ONLY $1 MORE
(photograph of comforters)

ACRILAN FILLED FOR EXTRA WARMTH
$12.98 each—or 2 for $13.98

An outstanding value at $12.98 each—but now you can enjoy two luxurious comforters for only $1 more than the regular price of one! . . .[28]

Spiegel was here representing that the same comforter formerly sold for $12.98 (the "regular" price). The alleged savings offered by this advertisement are implicit. Respondent attempted to prove that the same or a comparable comforter previously had been offered as a single item,[29] by producing a page from the 1961 Fall–Winter catalog illustrating a comforter identified as catalog number 1453M.[30] The examiner found that catalog number 1698M (the challenged item) was not previously offered in any of the catalogs in evidence.[31] Further, a comparison of the exhibits in evidence shows that the number 1698M comforter was not the same as the number 1453M comforter. It is doubtful that number 1453M was comparable in any meaningful sense with number 1698M. Number 1698M was a 74 x 86 inch, floral print on acetate crepe, available in four colors at $12.98 each or two for $13.98.[32] Number 1453 was a 68 x 86 inch multi-color stripe on acetate taffeta, available only in two entirely different color combinations at $8.97 each.[33] Even more importantly, an

[26] Tr. 123.
[27] CX 8a, 10d, 12b, 22d, 25a, 34b.
[28] CX 10, p. 5; CX 10d.
[29] Tr. 132; RX 17.
[30] RX 17.
[31] Initial decision, p. 196.
[32] CX 8a, 10d, 12b, 20c, 22d, 25a, 34b.
[33] RX 17.

examination of CX 10, the Spiegel *Save More Sale* catalog (sale ending December 25, 1962) reveals a challenged dollar sale advertisement of the catalog number 1698M comforter on page 5, and an advertisement of respondent's alleged "same" catalog number 1453M comforter on page 9.

The most charitable inference we can draw from the appearance of these two comforters within the limited space of this sale catalog is simply that, at the time the catalog was assembled and published, not even respondent believed they were the same.

We find, as did the examiner, that of the six illustrative items discussed at length in the initial decision, not one ever appeared in any one of the previous regular, sale, or supplementary catalogs in evidence. Thus, during the relevant period, the advertised items were never individually sold at the quoted "regular" price, or at any price, prior to their appearance in the dollar sale advertisements. The frequent combination offers of this merchandise at "only $1 more" were false and misleading since Spiegel's advertised "regular" price, however well-established it may have been originally, had been replaced through repetition of the so-called "sale" price and lapse of time. Consequently, the claimed "regular" price was a fiction and any alleged "savings" based upon such price were also fictions.

V

Spiegel suggests an alternative argument to prove that it had, in fact, established the existence of the represented "regular" price. In a dollar sale advertisement, a bedspread, for example, would be represented as regularly $9.98 each or 2 for $10.98. Since some consumers purchased only one bedspread at $9.98, respondent contends that each dollar sale advertisement was an offer of the single item for the stated price and also a second offer of the items in combination for one more dollar. Counsel stipulated to a tabulation which indicates that in 1963, from six to eighteen percent of Spiegel's sales in response to the challenged advertisements were sales of single items only.[34] Thus, respondent argues that the dollar sales were *bona fide* offers of the single items and were accepted as such by the consuming public. Further, respondent asserts that these purchases of single items show that the regular and usual price is not the combination price but, rather, the single item price as set out in the individual dollar sale advertisement.

This is but another example of the classic "bootstrap" argu-

[34] RX 1a–c.

ment. Respondent is asking us to conclude that since a number of consumers accepted its representations of "regular" price, that proves the truth of the representation. If a sale is to result in specified savings made by offering a second item for an additional dollar, or penny, etc., the claims must relate to the prices applicable prior to the sale.[35] The fact is, as we have stated, that from 1962 through 1964, respondent never sold these items singly before at any price. Thus, it did not establish any foundation on which to base the quoted "regular" price. Respondent's evidence does not establish that the stated single price was at the time of the representation the regular price. The fact that the consumer is misled into believing the existence of a price which is in fact fictitious can never be justification for deception. The real value of respondent's evidence of single sales is that it demonstrates the deceptive effect on the consumer created by the dollar sale advertisements. We cannot accept an assumption that respondent's customers would knowingly purchase a single item for the purported regular price if they had known that during the years in question the item was *always* offered in combination and never *previously* offered alone at the advertised single price. The only reasonable assumption is that the purchasers *believed* they were paying the true regular single price. This belief was induced by Spiegel's misrepresentations.

VI

Normally the representation which is relevant in determining the legality of an advertisement is the general impression given by the advertisement read as a whole.[36]

In this matter, we cannot simply consider each challenged advertisement standing alone and without reference to its surrounding context. Each of the challenged advertisements appeared in a Spiegel Sale Book. Many of these sale books consisted of one hundred or more pages. On almost every page, the consumer was confronted with specific claims of price reductions and bargains.

[35] This would most certainly be the consumer's understanding upon viewing page after page of each sale catalog, comparing the sale price to a price purportedly appearing in the prior Spring-Summer or Fall-Winter catalog. (See pp. 209, 210, *infra*.) Respondent repeatedly uses references to its large Spring or Fall catalogs, such as:

"GREAT VALUES! BUY ONE ITEM AT OUR REGULAR CATALOG PRICE . . . GET SECOND ITEM FOR ONLY HALF ITS REGULAR PRICE—SAVE 25% (CX 9, pp. 22–23).

"Big Fall Catalog prices slashed for our pre-Christmas sale (CX 10, p. 97).

". . . save $5.05 from last spring Catalog! (CX 12, p. 25."

See G. Alexander, *Honesty and Competition* 147 (1967).

[36] See, *e.g.*, *Charles of the Ritz Dist. Corp.* v. *Federal Trade Commission*, 143 F.2d 676, 679 (2d Cir. 1944); Developments in the Law—Deceptive Advertising, 80 *Harv. L. Rev.* 1006, 1043–1051 (1967).

For instance, the Save More Sale catalog [37] (for the period ending December 25, 1962) consisted of one hundred pages, five of which contained challenged dollar sale advertisements. Almost every page repeated the theme that the consumer was being offered price reductions, "bargains," and "big savings." In making specific price comparisons, four techniques were repeatedly used by Spiegel to let the consumer evaluate the extent of the reductions offered: (1) an assertion of a specific percentage reduction from former prices, (2) an assertion of a specific monetary reduction from former prices, (3) a former price with a line drawn through it and the sale price next to it, and (4) specific references to the source of the former price used in the comparison. For example, the front cover of the Save More Sale catalog for the period ending December 25, 1962, contained an advertisement using three of these techniques.

(picture of men's slippers)
Was ~~3.88~~ 3.44 pair
MEN'S ROMEO LOUNGERS at 11% savings for Fall Catalog

Twenty pages asserted specific percentage reductions,[38] twenty-four pages contained comparisons to former prices with lines drawn through the old prices,[39] five pages asserted specific amounts reduced,[40] and eleven pages made reference to the specific source of the stated former price.[41]

Similarly, the Spiegel Sale of Sales catalog [42] (sale ending March 15, 1963) consisted of one hundred sixty-eight pages (seven of which were devoted entirely to index and order information). Four challenged advertisements were contained in this catalog.[43] Sixty-three pages asserted specific percentage reductions,[44] ninety pages contained comparisons to former prices with lines drawn through the old prices,[45] twenty-two pages asserted specific

[37] CX 10.
[38] *E.g.*, "BIG SALE BARGAINS—SAVE TO 40%." CX 10, p. 4.
[39] *E.g.*, "Were ~~9.97~~ to ~~24.97~~ Your Choice 7.88." CX 10, p. 14.
[40] *E.g.*, "REDUCED! SAVE TO $15 . . ." CX 10, p. 97.
[41] *E.g.*, "Save $2.07 . . .Was $14.95 in Big Fall Catalog." CX 10, p. 38.
[42] CX 12.
[43] CX 12a–d.
[44] *E.g.*, "Blanket Sale—SAVINGS TO 25%." CX 12, p. 10.
[45] *E.g.*, "Was ~~10.97~~ Sale 8.97." CX 12, p. 6.

amounts reduced,[46] and thirty-eight pages made reference to the specific source of the former price.[47] We have examined thirty-three of respondent's sale catalogs for the years 1962 through 1964.[48] A similar showing could be made for each of them.

VII

We are not here concerned with the general truthfulness of the constant repetitions of savings comparisons and price reductions contained in each sale catalog. For purposes of this proceeding, we assume that, with the exception of the dollar sale advertisements, respondent's claims are based upon established facts. The importance of these constant savings and price reduction claims to this proceeding is that they provide the only logical context within which the challenged advertisements must be interpreted.

Spiegel constantly made savings claims based upon specific references to the immediately preceding regular catalog[49] (or, where seasonal merchandise was involved, to the immediately preceding regular catalog normally carrying such merchandise). It is conceivable that a consumer might save the catalogs from the preceding season or year and thus, if so inclined, tediously leaf through these catalogs to check the representations made in the dollar sale advertisements. It is ridiculous, however, to expect a consumer to engage in such efforts in the context of this proceeding. With all of the references made by Spiegel to the preceding regular catalog, the consumer is entitled to rely upon an assumption that the regular prices and savings claims made in dollar sales have reference to the prices at which the individual items were sold in the previous regular catalog.[50]

VIII

The examiner issued an order to cease and desist, prohibiting respondent from engaging in further misrepresentations similar

[46] *E.g.*, "ALL PRICES CUT! Save to $20." CX 12, p. 28.

[47] *E.g.*, "FALL CATALOG PRICES REDUCED—BUY NOW AND SAVE TO 22%." CX 12, pp. 90–91 (across center).

[48] CX 1–10, 12–22, 24–25.

[49] See n. 5, *supra*.

[50] This is reinforced by Spiegel's frequent practice of also stating the specific catalog when a comparison is made to a catalog other than the immediately preceding appropriate catalog. *E.g.*, the *Sale of Sales Book* (sale ending March 15, 1963):

"Sold for $107.50 in Summer Savings Sale Book . . . buy it now during this sale and save $7.55!" CX 12, p. 56.

". . . reduced from Christmas book." CX 12, pp. 136–137.

"Were $4.75 each in lots of 2 in last year's spring catalog. New low price makes them only $3.45 each when you buy two." CX 12, p. 137.

"Save to 25% from Spring '62 Catalog!" CX 12, p. 163.

to those found in the dollar sale advertisements. Additionally, in paragraph 3 of the order, respondent would be prohibited from "misrepresenting, in any manner, the savings available to purchasers of respondent's merchandise."

It is well settled that the Commission has wide discretion in its choice of a remedy which it deems necessary to prevent the future use of practices which it has found to be unlawful. Commission orders "may prohibit not only the future use of the precise practice found to have existed in the past, but also the future use of related and similar practices." [51] It is our opinion that the prohibition objected to by respondents is fully warranted by the facts of this case. Accordingly, respondent's appeal on this issue is denied.

We have considered the other objections raised by respondent and find them to be without merit. The findings and conclusions of the hearing examiner, except to the extent they are inconsistent with this opinion, are adopted as the findings and conclusions of the Commission. The examiner's order is adopted and an appropriate order will be entered in accordance with this opinion.

Commissioner Nicholson did not participate for the reason that oral argument was heard prior to his appointment to the Commission.

Commissioner Elman dissented and has filed a dissenting statement.

DISSENTING STATEMENT

BY ELMAN, *Commissioner:*

I find the majority opinion unclear and unconvincing, especially in rejecting respondent's alternative argument (point V). While I agree that the "dollar sale" advertisements were ambiguous and might conceivably have misled some consumers, I do not think a cease and desist order is required. Apart from the absence of any substantial showing of deception, respondent completely discontinued this form of advertising more than a year before the complaint issued. In any event, there is no justification for the imprecisely drawn, excessively broad order entered by the Commission. This is the kind of case which the Commission routinely closes upon the filing of adequate assurances of voluntary compliance under Section 2.21 of the Rules of Practice. This case

[51] *Niresk Industries, Inc.* v. *Federal Trade Commission*, 278 F.2d 337 (7th Cir.), *cert. denied*, 364 U.S. 883 (1960). See also *Federal Trade Commission* v. *Ruberoid Co.*, 343 U.S. 470 (1952); *Federal Trade Commission* v. *National Lead Co.*, 352 U.S. 419 (1957); *Federal Trade Commission* v. *Colgate Palmolive Co.*, 380 U.S. 374 (1965).

involves only advertisements issued by respondent between January 1962 and December 1964, all prior to the Supreme Court's decision in the *Mary Carter* case in November 1965. Since there is not the slightest likelihood that they will ever be resumed, the issuance of a cease and desist order now serves no public purpose.*

FINAL ORDER

This matter has been heard by the Commission upon respondent's appeal from the hearing examiner's initial decision. The Commission has considered the entire record, including the briefs and oral arguments of counsel for respondent and counsel supporting the complaint, and has rendered its decision denying respondent's appeal, and adopting the findings of the hearing examiner to the extent they are consistent with the opinion accompanying this order. Other findings of fact and conclusions of law made by the Commission are contained in that opinion. For the reasons therein stated, the Commission has determined that the order entered by the hearing examiner should be adopted and issued by the Commission as its final order. Accordingly,

It is ordered, That the hearing examiner's initial decision, as modified in the accompanying opinion, be, and it hereby is, adopted as the decision of the Commission.

It is further ordered, That respondent Spiegel, Inc., shall, within sixty (60) days after service upon it of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which it has complied with the order to cease and desist.

By the Commission, with Commissioner Nicholson not participating for the reason that oral argument was heard prior to his appointment to the Commission.

Commissioner Elman dissented and has filed a dissenting statement.

* I feel constrained, also, to note an objection to the process of "deliberation" by which the decision in this case was adopted by the Commission. I shall not, however, spread the details on the public record since it is my hope that voicing this protest will suffice to prevent any future repetition.