

respondents maintain full and adequate records disclosing the facts upon which such claims or representations are based.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall on the 29th day of August, 1959, become the decision of the Commission; and, accordingly:

It is 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 the order to cease and desist.

IN THE MATTER OF

LINK SALES COMPANY, INC., ET AL.

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

Docket 7400. Complaint, Feb. 6, 1959—Decision, Sept. 1, 1959

Consent order requiring Washington, D.C., suppliers of watches, jewelry, cutlery, etc., to retailers for resale, to cease selling merchandise with attached tags printed with fictitious prices represented thereby as the regular retail prices, and to cease supplying to their customers unattached tags printed with fictitious retail prices.

Mr. Frederick McManus for the Commission.

Mr. Irving Turner, of Washington, D.C., for respondents.

INITIAL DECISION BY LOREN H. LAUGHLIN, HEARING EXAMINER

The Federal Trade Commission (sometimes also hereinafter referred to as the Commission) issued its complaint herein on February 6, 1959, charging the above-named respondents with having violated the provisions of the Federal Trade Commission Act in certain particulars.

On July 8, 1959, there was submitted to the undersigned hearing examiner of the Commission for his consideration and approval an "Agreement Containing Consent Order To Cease And Desist," which had been entered into by and between all respondents, except Selma Link, and the attorneys for both parties, under date of July 2, 1959, subject to the approval of the Bureau of Litigation of the Commission, which had subsequently duly approved the same.

On due consideration of such agreement, the hearing examiner finds that said agreement, both in form and in content, is in accord with § 3.25 of the Commission's Rules of Practice for Adjudicative Proceedings, and that by said agreement the parties have specifically agreed to the following matters:

1. Respondent Link Sales Company, 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 location at 1126 North Capitol Street, Washington, D.C. Its former address was 811 Third Street, South East, Washington, D.C.

Individual respondent Victor Link is president of the corporate respondent and formulates, directs, and controls the acts, practices, and policies of the corporate respondent. His address is the same as that of the corporate respondent.

2. Respondents admit all the jurisdictional facts alleged in the complaint and agree that the record may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations.

3. This agreement disposes of all of this proceeding as to all parties. It is recommended that the complaint be dismissed as to Selma Link for the reason that she has had no part in formulating, directing, or controlling the acts, practices, or policies of the corporate respondent as is set forth in affidavit attached hereto and made a part hereof.

4. Respondents waive:

(a) Any further procedural steps before the hearing examiner and the Commission;

(b) The making of findings of fact or conclusions of law; and

(c) All of the rights they may have to challenge or contest the validity of the order to cease and desist entered in accordance with this agreement.

5. The record on which the initial decision and the decision of the Commission shall be based shall consist solely of the complaint and this agreement.

6. This agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Commission.

7. This agreement is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint.

8. The following order to cease and desist may be entered in this proceeding by the Commission without further notice to respondents. When so entered it shall have the same force and effect as if entered after a full hearing. It may be altered, modified, or set aside in the

manner provided for other orders. The complaint may be used on construing the terms of the order.

Upon due consideration of the complaint filed herein and the said "Agreement Containing Consent Order To Cease And Desist," said agreement is hereby approved and accepted and is ordered filed if and when said agreement shall have become a part of the Commission's decision. The hearing examiner finds from the complaint and the said agreement that the Commission has jurisdiction of the subject matter of this proceeding and of the persons of each of the respondents herein; that the complaint states legal causes for complaint under the Federal Trade Commission Act against each of the respondents, both generally and in each of the particulars alleged therein; that this proceeding is in the interest of the public; that the following order as proposed in said agreement is appropriate for the just disposition of all the issues in this proceeding as to all of the parties hereto; and that said order, therefore, should be and hereby is entered as follows:

ORDER

It is ordered, That respondents Link Sale Company, Inc., a corporation, and its officers, and Victor Link, individually, and as an officer of said corporation, and respondents' agents, representatives, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale, or distribution of watches, jewelry, cutlery and other merchandise, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, by preticketing or in any other manner, that any amount is the usual and regular retail price of merchandise when such amount is in excess of the price at which said merchandise is usually and regularly sold at retail;
2. Supplying tags bearing fictitious retail prices to customers, or putting any plan in operation or engaging in any act and practice whereby others may misrepresent the usual and regular retail price of merchandise.

It is further ordered, That the complaint be, and the same hereby is, dismissed as to respondent Selma Link.

DECISION OF THE COMMISSION AND ORDER TO FILE
REPORT OF COMPLIANCE

The Commission having considered the hearing examiner's initial decision herein, filed July 10, 1959, and having now determined that said decision is appropriate to dispose of this proceeding:

It is hereby ordered, That the aforesaid initial decision be, and it hereby is, adopted as the decision of the Commission.

It is further ordered, That the respondents, Link Sales Company, Inc., a corporation, and Victor Link, individually and as an officer of said corporation, 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 the order to cease and desist contained in said initial decision.

IN THE MATTER OF

S. KANN SONS CO.

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

Docket 7398. Complaint, Feb. 6, 1959—Decision, Sept. 2, 1959

Consent order requiring a Washington, D.C., department store to cease violating the Fur Products Labeling Act by failing to set forth on invoices the term "Persian Lamb" as required and otherwise failing to comply with invoicing requirements; by advertising which failed to disclose the names of animals producing certain fur, to reveal that some fur products were composed of artificially colored fur, to use the term "Broadtail-processed Lamb" as required, and represented fictitious prices as usual retail prices; by failing to keep adequate records as a basis for such pricing claims; and by failing in other respects to comply with invoicing and advertising requirements.

Mr. Thomas F. Howder for the Commission.

Mr. Charles W. Mander, of Washington, D.C., for respondent.

INITIAL DECISION BY J. EARL COX, HEARING EXAMINER

The complaint charges respondent with falsely and deceptively invoicing and advertising certain of its fur products, in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder, and of the Federal Trade Commission Act.

After the issuance of the complaint, respondent, its counsel, and counsel supporting the complaint entered into an agreement containing consent order to cease and desist, which was approved by the Director and an Assistant Director of the Commission's Bureau of Litigation, and thereafter transmitted to the Hearing Examiner for consideration.

The agreement states that Respondent S. Kann Sons Co. is a corporation existing and doing business under and by virtue of the

laws of the State of Maryland, with its office and principal place of business located at 8th and Market Space, N.W., in the City of Washington, D.C.

The agreement provides, among other things, that respondent admits all the jurisdictional facts alleged in the complaint, and agrees that the record may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations; that the record on which the initial decision and the decision of the Commission shall be based shall consist solely of the complaint and this agreement; that the agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Commission; that the complaint may be used in construing the terms of the order agreed upon, which may be altered, modified or set aside in the manner provided for other orders; that the agreement is for settlement purposes only and does not constitute an admission by respondent that it has violated the law as alleged in the complaint; and that the order set forth in the agreement and hereinafter included in this decision shall have the same force and effect as if entered after a full hearing.

Respondent waives any further procedural steps before the Hearing Examiner and the Commission, the making of findings of fact or conclusions of law, and all of the rights it may have to challenge or contest the validity of the order to cease and desist entered in accordance with the agreement.

The order agreed upon fully disposes of all the issues raised in the complaint, and adequately prohibits the acts and practices charged therein as being in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder, and of the Federal Trade Commission Act. Accordingly, the Hearing Examiner finds this proceeding to be in the public interest, and accepts the agreement containing consent order to cease and desist as part of the record upon which this decision is based. Therefore,

It is ordered. That respondent S. Kann Sons Co., a corporation, and its officers, 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, offering for sale, transportation or distribution in commerce, of fur products, or in connection with the sale, advertising, offering for sale, transportation, or distribution of fur products which have been made in whole or in part of fur which has been shipped and received in commerce, as "commerce," "fur," and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

Order

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A. Falsely or deceptively invoicing fur products by:

1. Failing to furnish invoices to purchasers of fur products showing:

(a) The name or names of the animal or animals producing the fur or furs contained in the fur product as set forth in the Fur Products Name Guide and as prescribed under the Rules and Regulations;

(b) That the fur product contains or is composed of used fur, when such is the fact;

(c) That the fur product contains or is composed of bleached, dyed or otherwise artificially colored fur, when such is the fact;

(d) That the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is the fact;

(e) The name and address of the person issuing such invoice;

(f) The name of the country of origin of any imported furs contained in the fur product;

(g) The item number or mark assigned to a fur product;

2. Setting forth on invoices the name of an animal other than the name of the animal that produced the fur contained in the fur product;

3. Setting forth on invoices information required under §5(b) (1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in abbreviated form;

4. Failing to use the term "Persian Lamb" as required by Rule 8 of the said Rules and Regulations promulgated under said Act;

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

1. Fails to disclose:

(a) The name or names of the animal or animals which produced the fur or furs contained in the fur products, as set forth in the Fur Products Name Guide and as prescribed under the said Rules and Regulations;

(b) That the fur products contain or are composed of bleached, dyed, or otherwise artificially colored fur, when such is the fact;

2. Fails to use the term "Broadtail-processed Lamb" as required by Rule 10 of the Rules and Regulations promulgated under the Fur Products Labeling Act;

3. Fails to set forth all the information required under §5(a) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in type of equal size and conspicuousness and in close proximity with each other;

4. Represents, directly or by implication, that the retail prices of

fur products are reduced from respondent's usual or regular prices, or that fur products are being offered for sale at prices affording savings, when such is not the fact.

DECISION OF THE COMMISSION AND ORDER TO FILE
REPORT OF COMPLIANCE

Pursuant to section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 2nd day of September, 1959, become the decision of the Commission; and, accordingly:

It is ordered, That respondent S. Kann Sons Co., a corporation, 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.

IN THE MATTER OF
AUDIVOX, INC., ET AL.

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

Docket 7345. Complaint, Jan. 5, 1959—Decision, Sept. 3, 1959

Order requiring Boston, Mass., manufacturers to cease advertising falsely that their air conduction hearing aids—which required use of a plastic tube leading to a button-like ear mold—had no buttons, wires, or cords attached, were invisible, hidden behind the ear or concealed within an eye-glass temple and required nothing in the ear; that their advertising booklet "Hearing Aid Digest" was a public service; and that their hearing aid Model 8750 was invented by one of their own executives.

Mr. Kent P. Kratz for the Commission.

Mr. A. Benjamin Cohen, of Boston, Mass., for respondents.

INITIAL DECISION BY ABNER E. LIPSCOMB, HEARING EXAMINER

On January 5, 1959, the Commission issued its complaint in the above-entitled proceeding, charging the respondents named above with the dissemination in commerce of false, misleading and deceptive statements and representations concerning their hearing aids, in violation of the Federal Trade Commission Act. No answer was submitted by the Respondents, but at a hearing held in Boston, Massachusetts, on May 13, 1959, respondents admitted all of the allegations of the complaint, except as to respondents R. C. Alexander

and W. Walters. As to them, counsel stipulated that these two respondents have no financial interest in the respondent corporation, are nominal officers only, and have not in the past and do not now formulate, direct or control the acts and practices of the corporate respondent. Counsel supporting the complaint stated that he would not oppose the dismissal of the complaint as to those two respondents. Counsel supporting the complaint submitted proposed findings as to the facts, whereas counsel for the respondents submitted only an argument concerning one phase of a proposed order to cease and desist. Each proposed finding has been duly considered, adopted and, in substance, incorporated herein.

The hearing examiner, having considered the entire record herein, make the following findings as to the facts:

Identity of Respondents

Respondent Audivox, 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 123 Worcester Street, Boston, Massachusetts.

Respondents Rolf Stutz and R. R. Wagner are officers of the corporate respondent, and they formulate, direct and control the acts and practices thereof, including the acts and practices hereinafter set forth. Their address is the same as that of the corporate Respondent.

Although Respondents R. C. Alexander and W. Walters are officers of the corporate Respondent, they are nominal officers only. They have no financial interest in the corporate Respondent herein, and have not in the past and do not now formulate, direct or control the acts and practices of said corporate respondent.

Respondents' Business Organization

Respondents, except as stated above, are now, and for some time last past have been, engaged in the manufacture, sale and distribution of hearing aids, which come within the classification of devices as "device" is defined in the Federal Trade Commission Act. Among said devices are those designated as Model 78 Contour, Model 8750 and Model 75 Spec-tacular Hearing Aid Spectacles.

Respondents cause the said hearing aids, when sold, to be transported from their place of business in the State of Massachusetts to purchasers thereof located in various other states of the United States and in the District of Columbia. Respondents maintain, and at all times mentioned herein, have maintained, a course of trade in said hearing aids in commerce, as "commerce" is defined in the

