

Cease and Desist Order against Sogo Co., Ltd. and the Seibu Department Stores, Ltd.
(Tentative Translation)

May 13, 2008
Japan Fair Trade Commission

The Japan Fair Trade Commission (JFTC) had investigated representations about a product consisting of two bottles of caviar named “Russia Fresh Caviar” (hereafter referred to as “Bottled Caviar Set”) sold by Sogo Co., Ltd. and the Seibu Department Stores, Ltd. (hereafter referred to as “the two companies”), and found that the two companies were in breach of Article 4, Section 1, Paragraph 1 (Misleading representation about quality) and Paragraph 3 (Misleading representation about country of origin of a product) under the Act against Unjustifiable Premiums and Misleading Representations. The JFTC issued a cease and desist order to the two companies today in accordance with Article 6, Section 1 under the Act.

1. Outline of the Parties Concerned

Company	Address	Representative
Sogo Co., Ltd	8-3, Shinsaibashisuji 1-chome, Chuo-ku, Osaka-shi, Osaka	Kunio Yamashita Representative Director
The Seibu Department Stores, Ltd.	28-1, Minami Ikebukuro 1-chome, Toshima-ku, Tokyo	Yorio Ishii Representative Director

2. Outline of the Cease and Desist Order

(1) Outline of the Violation

When selling the Bottled Caviar Set to consumers in general from around November to around December in 2007 as an item recommended as a year-end gift, the two companies used the words “Russia Fresh Caviar” from around October to around December in the same year on catalogs distributed to consumers in general, on panels with photographs and order cards displayed at the stores of the companies, and on the companies’ website pages on the Internet. The said words could be interpreted to indicate that the said caviar was produced in the Russian Federation and falls under the category of “fresh caviar,” when, in reality, it was produced in People’s Republic of China and falls under the category of “pasteurized caviar.”

(Note) Caviar is divided into two classes -- “pasteurized caviar” that is pasteurized to improve the shelf life and “fresh caviar” that is not pasteurized. Because the freshness, flavor, texture, etc. of caviar change when it is pasteurized, fresh caviar is deemed superior in quality to pasteurized caviar, and therefore the former tends to be preferred to the latter.

(2) Outline of the Cease and Desist Measures

- a. The two companies shall publicly announce that the above representations misled consumers in general about the country of origin of the product in question and gave them the impression that the product is much better in quality than it actually is.

- b. The two companies shall take measures to prevent recurrence and ensure that its officers and employees are fully informed of these measures.
- c. The two companies shall not make similar representations in the future.