

Syllabus

IN THE MATTER OF

W. R. MAXWELL, TRADING UNDER THE NAME OF
INTERNATIONAL PUBLISHING COMPANY

COMPLAINT (SYNOPSIS), FINDINGS, AND ORDER IN REGARD TO THE ALLEGED
VIOLATION OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914

Docket 1331. Complaint, July 10, 1925—Decision, Jan. 19, 1927

Where a company long published, extensively advertised, and sold throughout the United States an encyclopedia under the name "The New International Encyclopedia," and said publication acquired a good reputation and came to be in considerable demand; and thereafter an individual engaged in the sale, under contract with the owner thereof, of a work theretofore long published and extensively sold throughout the United States under the name "The Teachers' and Pupils' Cyclopedia" and "The New Teachers' and Pupils' Encyclopedia," to be sold, pursuant to said contract, under a different name, and in ten instead of eight volumes, contemporaneously with the sale of the same work under its old name, to a different class of purchasers, and to be sold, with loose-leaf binder, for \$49; and neither owning nor operating any printing establishment, nor collecting any matter for publication in the aforesaid work, nor editing any of the matter published therein, and with no branch offices,

- (a) Published said cyclopedia under the name "International Reference Work," and also falsely represented the same as "The New International Encyclopedia," with the result that many persons were induced to subscribe for such publication as and for said last named work and many persons already possessing "The New Teachers' and Pupils' Cyclopedia" purchased said "International Reference Work" as and for a different publication, the fact being that the two were the same;
- (b) Adopted and used the name "International Publishing Company," with the effect of deceiving many of the purchasing public into believing that they were dealing with a publishing concern, thereby saving a middleman's profit, and obtaining an advantage in the price paid for the publication;
- (c) Falsely represented on the title page of his said work and also upon letterheads and circulars that he maintained branch places of business in many of the principal cities of the United States, such as New York, Chicago, San Francisco, Cleveland, Detroit, Minneapolis, St. Paul, Kansas City, and St. Louis;
- (d) Falsely represented in his advertising matter and through his agents that said work was a new and recent compilation and publication;
- (e) Gave the names of two individuals as "Associate Editors" on the page immediately preceding the preface in said work and on the page following and in advertisements and circulars included under the caption "Partial list of contributors and assistants" the names of 48 persons, together with titles and prominent positions held by them as educators and authors, the fact being that neither of the individuals named as associate editors had

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anything to do with said work and that none of the others listed as contributors and assistants had ever assisted in the preparation of said work nor contributed any matter thereto;

- (f) Printed, circulated and used many letters recommending said work, falsely purporting to have been written by certain persons of prominence, and falsely represented in soliciting the sale thereof, that the same had been officially indorsed by superintendents of public education of more than 24 States, was used in more than 300 colleges and normal schools, and in the public schools in all the principal cities of the United States;
- (g) Falsely represented in his advertising and through his agents that said work was bound in "full library buckram" and in other cases in "full crome Levant";
- (h) Represented that he would present said "International Reference Work," free of charge, upon the condition that the customer would subscribe for and purchase his "Loose-Leaf Revision Service" for \$49, or that said price for such work and service was a greatly reduced one and that the usual and customary price therefor was \$165 or some other sum greatly in excess of said actual and usual price of \$49 for the two; and
- (i) Pretended, in connection with the advertisement, offer for sale, and sale of his said publication, to offer to enroll purchasers as members of the "International Research Bureau," represented as one that would answer questions propounded by its members, the fact being that inquiries submitted were sent by him to his contractee who answered the same upon consulting encyclopedias and other sources of information, and that the aforesaid research bureau was fictitious;

With the effect of deceiving the purchasing public and inducing the purchase of his publication in reliance upon the truth of the aforesaid representations:

Held, That such practices, under the circumstances set forth, constituted unfair methods of competition.

Mr. Morgan J. Doyle and Mr. Alfred M. Craven for the Commission.

Langworthy, Stevens & McKeag, of Chicago, Ill., for respondent.

SYNOPSIS OF COMPLAINT

Reciting its action in the public interest, pursuant to the provisions of the Federal Trade Commission Act, the Commission charged respondent, an individual engaged in the sale and distribution of certain subscription books or publications entitled "International Reference Work," through agents and employees to persons in various States, and with principal office and place of business in Chicago, with misrepresenting business status, advantages or size, in its advertising and otherwise, misrepresenting product or services offered, simulating trade name of competitor, misrepresenting prices, offering falsely as free, services or products charged for, using as testimonials forged, faked, fraudulent and counterfeit statements, claiming falsely official indorsements, agreeing to maintain resale

prices, securing orders and promissory notes by trickery and fraud, and enforcing wrongfully payments of moneys alleged due, in violation of the provisions of section 5 of such act, prohibiting the use of unfair methods of competition in interstate commerce, in the following acts and practices:

(a) False pretense of being a publisher, publishing the aforesaid work, the fact being that respondent purchases the same from the Holst Publishing Co., of Boone, Iowa, at \$9.25 per set of 10 books, and resells same to the public at \$49 a set.

(b) False representation of having branch places of business in New York, Los Angeles, Cleveland, Detroit, Minneapolis, St. Paul, Kansas City, New Orleans, and Omaha;

(c) False representation in advertising matter that many prominent educators, authors, writers, scientists, executives, and public officials, as specified, were assistant editors or contributors to, or otherwise connected with said "International Reference Work," the fact being that said educators, etc., were in nowise so connected, associated, or otherwise affiliated with respondent nor said work, and had not authorized the use of their names in connection therewith; respondent also in this general connection listing fictitious names as editors and contributors, and further representing the aforesaid educators, etc., as holders of titles and positions or offices, or as officials of organizations, not in accordance with the facts;

(d) Representing the aforesaid work in his advertising matter and through agents, etc., as a new and recent compilation, the fact being that it had been printed and sold under various names to the public for more than 20 years, without change, except for occasional minor revisions or additions and was antiquated;

(e) Representing said work as bound in "full library buckram" and taking orders therefor on such basis, the fact being that the volumes were bound in a cloth binding known as "fabrikoid" and were so delivered;

(f) Agreeing with the aforesaid Holst to sell the compilation or publication under the title "International Reference Work," said Holst to sell a compilation from the same plates, bound into 8 volumes instead of 10, under the title "The New Teachers' and Pupils' Cyclopedia," with the result that purchasers already possessing the books under the said last-named title purchased the same as "International Reference Work," believing them to be a new and different compilation and publication;

(g) Misleading and deceiving many persons, through the adoption and use of the trade name "International Publishing Company" and the name "International Reference Work," into buying the books so

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captioned as and for "that certain well known and reputable compilation, publication and set of books sold and distributed by one of respondent's competitors and entitled 'New International Encyclopedia'";

(h) Pretending, by means of "raised contracts" and otherwise, that the regular price of said work was \$165, but that a special offer, at a greatly reduced price of \$49, was being made, the fact being that said last-named price was respondent's regular price;

(i) Representing that said \$49 entitled the customer to certain revision extension and research service, without further charge, the fact being that respondent did not expect to and did not furnish any such service without the payment of additional money;

(j) Representing that respondent had set aside a limited number of sets of said work to be given free of charge to prospective customers agreeing to subscribe and pay for a certain alleged loose-leaf extension service, the fact being that in any such arrangement entered into respondent charged the regular price of \$49 for its said work, plus the regular amount charged for the so-called "extension service," in the amount collected;

(k) Contracting to and pretending to enroll purchasers in and make them members and beneficiaries of a fictitious nonexistent "International Research Bureau";

(l) Using in the advertisement, offer, and sale of said work alleged copies of testimonials or letters purporting to have been sent to respondent by purchasers of said work and expressing their pleasure therewith, the fact being that said copies were, and were known to be by respondent, forged, faked, fraudulent, and counterfeit;

(m) Falsely representing that said work was officially indorsed by superintendents of public education in more than twenty-four States, was used in more than 300 colleges and normal schools and in the public schools in all the principal cities of the United States, and that it had been officially adopted and approved by Government officers, public bodies, libraries, and well known and prominent educators;

(n) Contracting with said Holst to maintain the resale price of said work at \$49 a set and so maintaining the same;

(o) Inducing customers and prospective customers by trickery, chicanery, and ruse to sign orders for said work and to sign and give negotiable promissory notes in payment therefor;

(p) Sending such orders and notes, or memoranda thereof, to said Holst who, for a consideration and as respondent's secret agent sought to collect from the makers the amounts named therein; said

Holst upon receipt of said notes or memoranda, advising the makers thereof that the said Holst Publishing Co. had possession thereof and that payments thereon were to be made to it; all for the purpose of collecting payment on said notes, and deceiving the makers thereof and/or their legal counsel into believing that said Holst had become the bona fide purchaser of the notes, for value, and for the purpose of discouraging the makers and their legal counsel from interposing the defense of "fraud in the inception" to said notes;

Such acts and practices were, as charged, all to the prejudice of the public and respondent's competitors, and had the capacity and tendency to and did deceive, mislead, and defraud the purchasing public and had the capacity and tendency to and did unfairly divert business from and otherwise prejudice and injure said competitors, many of whom did not in advertising, offering, and selling their respective publications and reference works do the acts and things, nor use the means and methods adopted and used by respondent as above set forth.

Upon the foregoing complaint, the Commission made the following

REPORT, FINDINGS AS TO THE FACTS, AND ORDER

Pursuant to the provisions of an act of Congress approved September 26, 1914, the Federal Trade Commission issued and served a complaint upon the respondent, W. R. Maxwell, trading under the name of International Publishing Co., charging him with the use of unfair methods of competition in commerce in violation of the provisions of section 5 of said act of Congress.

Respondent having entered his appearance and filed no answer herein, hearings were had and evidence was thereupon introduced on behalf of the Commission and the respondent, before William W. Sheppard, an examiner of the Federal Trade Commission theretofore duly appointed.

Thereupon this proceeding came on for decision and the Commission having considered the record and being now fully advised in the premises, makes this its findings as to the facts and its conclusion, drawn therefrom:

FINDINGS AS TO THE FACTS

PARAGRAPH 1. Respondent, W. R. Maxwell, is now, and since March, 1923, has been, engaged in the business of selling a set of books in ten volumes entitled "International Reference Work," with his principal office and place of business in Chicago, Ill., and in causing said books to be transported on orders received therefor,

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from the place where same are printed in the State of Indiana, into and through States other than the State of Indiana, in interstate commerce. Respondent sells said books through agents who solicit orders and subscriptions therefor directly from purchasers and prospective purchasers. Books sold through agents by such solicitations are known in the trade and by the public as "subscription books."

PAR. 2. In the course of his business respondent has been and now is in competition with many other persons, firms, and corporations engaged in the sale and distribution of similar subscription books throughout the various States of the United States in interstate commerce.

PAR. 3. Respondent engaged in the business described in paragraph 1 hereof in pursuance of a contract entered into on the 12th day of February, 1923, between one B. P. Holst, of Boone, Iowa, doing business under the name of Holst Publishing Co., as party of the first part, and respondent, as party of the second part. Said contract provides among other things, as follows:

Party of the first part declares he is the sole owner of the plates and copyright of the publication now being sold on the market and known under the trade name of THE NEW TEACHERS' AND PUPILS' CYCLOPEDIA in eight volumes.

It is understood and mutually agreed by the parties hereto that the aforesaid publication beginning on or before the 15th day of March, 1923, will also be published and placed on the market under the trade made of INTERNATIONAL REFERENCE WORK and is to consist of TEN VOLUMES to be bound in Fancy Interlaken with the addition of one loose-leaf binder to be uniform in size with original volumes and bound in the identical binding as original volumes, to hold the loose-leaf revision service.

Party of the first part does hereby assign the United States to party of the second part as a territory for himself and representatives to solicit orders for the above publication, that is, the exclusive right to the sale of the above reference work to business and professional people at their respective places of business only, is hereby granted by party of the first part to party of the second part, provided that an occasional sale made by party of the second part, or his representatives to such professional or business people at their homes shall not be considered a violation of this contract.

Party of the first part reserves the right to sell the above reference work to parents in their homes, to teachers in school, to all classes of schools, and at wholesale, and it shall not be considered a violation of this contract if party of the first part or his representatives shall make an occasional sale to business or professional people at their respective places of business.

Party of the second part agrees to sell the above mentioned INTERNATIONAL REFERENCE WORK in ten volumes with one binder at a retail price of \$49 per set, and the retail purchasers are to pay additional the sum of 20 cents per year for the cost of the loose-leaf service as per coupons attached to coupon certificate. It being agreed by the parties hereto that this price is to remain in effect throughout the period of this contract, and can not be changed or modified, except by mutual agreement of both parties hereto in writing, with the

single exception that where subscribers pay the entire amount within thirty days after delivery of the books the parties thereto may allow cash subscriber a discount of TEN PER CENT.

Party of the first part agrees to ship by PREPAID EXPRESS with reasonable promptness, all sets of the above stated INTERNATIONAL REFERENCE WORK ordered shipped by party of the second part, to subscribers sold by party of the second part or his representatives, shipments made direct to the party of the second part shall be F. O. B. Hammond, Ind. It is understood that the wholesale price of said reference work as stated above is for delivery F. O. B. Hammond, Ind. Party of the second part hereby agrees to reimburse party of the first part the actual delivery charges on all sets of the above mentioned INTERNATIONAL REFERENCE WORK that are shipped prepaid, settlement to be cash the 10th day of each month following delivery.

PAR. 4. The publication mentioned in said contract as "The New Teachers' and Pupils' Cyclopedia," was first published by the said Holst in the year 1895, in three volumes, under the title "The Teachers' and Pupils' Cyclopedia." Later it was published in four volumes, and still later in eight volumes under a different name, to wit: "The New Teachers' and Pupils' Cyclopedia." Prior to the execution of the contract mentioned in paragraph 3 hereof, said B. P. Holst had through his agents thoroughly canvassed the entire United States in the selling of his publication under its two titles "The Teachers' and Pupils' Cyclopedia" and "The New Teachers' and Pupils' Cyclopedia," and had sold over 350,000 sets of said publication. After the execution of said contract, the work was printed, published, and sold under two titles, "The New Teachers' and Pupils' Cyclopedia" and the "International Reference Work." The subject matter of both titles is the same and is printed from the same plates—"The New Teachers' and Pupils' Cyclopedia" in eight volumes, and the "International Reference Work," on account of there being a lesser number of pages per volume, in ten volumes. There is the necessary difference as to the respective title pages and also the difference in color of the binding.

PAR. 5. The "International Reference Work" and "The New Teachers' and Pupils' Cyclopedia" have been printed for many years by W. B. Conkey Co., printers, of Hammond, Ind. Respondent does not own or operate a printing establishment and does not collect any matter for publication in said work, nor edit any of the matter published therein. His business consists solely of the purchase and sale of said books through his own sales organization as provided for in the contract mentioned in paragraph 3 hereof. The name adopted and used by respondent, "International Publishing Co.", has the tendency and capacity to deceive and has deceived many of the purchasing public into the belief that they were dealing with a

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publishing concern, thereby saving a middleman's profit and obtaining an advantage in the price paid for the publication.

PAR. 6. Respondent in the course of his business represented on the title page of the "International Reference Work," and also upon letterheads and circulars mailed and distributed to customers and prospective customers, that he maintained branch places of business in many of the principal cities of the United States, such as New York, Chicago, San Francisco, Cleveland, Detroit, Minneapolis, St. Paul, Kansas City, and St. Louis. Whereas, in truth and in fact, respondent does not now and at no time has maintained a branch office or any office at any of said cities.

PAR. 7. During the time that the respondent has been engaged in the sale of the "International Reference Work," and for many years prior thereto, there was and had been sold by subscription an encyclopedia published by Dodd, Mead & Co., entitled "The New International Encyclopedia," which encyclopedia has been extensively advertised and sold throughout the United States and has acquired a good reputation, and there is a considerable demand therefor. In the course and conduct of his said business respondent has represented and now represents the "International Reference Work" to be the "New International Encyclopedia," and thereby has induced many persons to subscribe for the "International Reference Work" in the belief that they were subscribing for "The New International Encyclopedia."

The similarity in the titles of these two works tends to and does confuse the purchasing public and has induced many of the purchasing public to purchase respondent's work in the belief that it was "The New International Encyclopedia," such belief being induced solely by the similarity in the two titles.

PAR. 8. The said "International Reference Work," on the page immediately preceding the preface, in the first volume, give as "Associate Editors" the names of Hill M. Bell and Rurie Neval Roark. Neither of these persons had anything to do with preparing the "International Reference Work." The latter died in April, 1909, some fourteen years before the "International Reference Work" was published.

Respondent on the page following the preface in the first volume of the "International Reference Work," and in advertisements and circulars distributed by its salesmen to customers and prospective customers, includes under the caption "Partial List of Contributors and Assistants" the names of forty-eight persons, together with their respective titles and the prominent positions held by them as educators and authors. None of said persons ever assisted in the

preparation of the "International Reference Work," nor contributed any matter therefor. Some of them had contributed articles for the early editions of "The New Teachers' and Pupils' Cyclopedia." Others had, in response to letters of inquiry from the editor of "The New Teachers' and Pupils' Cyclopedia," merely given information on sundry subjects. Many of said persons had been dead for many years prior to the first publication of the "International Reference Work," others have never heard of respondent Maxwell nor of the "International Reference Work," and still others, not having been informed prior to the hearing in this case that respondent was making use of their names as editors and contributors, vigorously protested at the hearing against such unauthorized use of their names.

PAR. 9. Respondent, in his advertising matter and through his agents, has represented and does represent and pretend that said "International Reference Work" is a new and recent compilation and publication, whereas, in truth and in fact, said publication is antiquated and has been sold to the public under sundry and divers names and titles for more than twenty years last past, and for the past twenty years said publication has remained unchanged except for an occasional minor revision or addition.

PAR. 10. That by reason of the sale by respondent and by said Holst of the same publication under different titles, many purchasers were confused, misled and deceived, and many persons already possessing said books published under the title "The New Teachers' and Pupils' Cyclopedia," purchased said "International Reference Work" from respondent, in the belief that it was a publication different from the said "The New Teachers' and Pupils' Cyclopedia."

PAR. 11. Respondent, in advertising, offering for sale, and selling the "International Reference Work," has caused to be printed, circulated, and used by his agents who solicit the orders for said work, many letters of recommendation purporting to have been made by persons of prominence, whereas, in truth and in fact, such letters were not written by the persons named as having written them.

PAR. 12. Respondent, through his agents, in offering for sale and selling "International Reference Work," represents and pretends that said work has been officially indorsed by superintendents of public education of more than twenty-four States, and that said work is used in more than three hundred colleges and normal schools and in the public schools of all the principal cities of the United States. These representations, and each of them, are false.

PAR. 13. Respondent, in advertising and through his agents, represents in some cases that said "International Reference Work" is

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bound in "full library buckram," and in other cases in "full chrome Levant"; whereas, in truth and in fact, said books have never been bound in Levant or leather of any kind, or in buckram, but are bound in cloth.

PAR. 14. In the course and conduct of his said business, respondent, through his agents, represented and still represents to prospective customers that respondent will present, free of charge, the "International Reference Work," upon the condition that such customer will subscribe for and purchase, for the price of \$49, respondent's "Loose-leaf Revision Service."

Aforesaid representations are false, in that the price asked for the "Loose-leaf Revision Service" is the usual and customary price obtained by respondent for both the "Loose-leaf Revision Service" and the pretended gift, "International Reference Work." The respondent was, by the terms of the contract mentioned in paragraph 3 hereof, obligated to sell the "International Reference Work," including the "Loose-leaf Revision Service," for the sum of \$49, and such has been the actual selling price of the "International Reference Work" and the "Loose-leaf Revision Service" from the time respondent engaged in business down to the present time.

In other instances respondent has falsely represented, and continues to falsely represent, that the price of \$49 for the "International Reference Work" and "Loose-leaf Revision Service" is a greatly reduced price, and that the usual and customary price received is \$165, or some other sum greatly in excess of the actual price.

PAR. 15. In the course and conduct of his said business, respondent, in advertising, offering for sale, and selling his said publication, offers to and pretends to enroll purchasers in, and make them members of, an association or bureau designated as the "International Research Bureau," which bureau is represented to be one that will answer questions propounded by its members. In truth and in fact, any inquiry submitted was sent by the respondent to the said B. P. Holst, who, upon consulting encyclopedias and other sources of information, answered the same. The "International Research Bureau" is fictitious and mythical.

PAR. 16. The various representations in these findings set forth were and are false and misleading, and each of them had and has the tendency and capacity to deceive and induce, and has deceived and induced, the purchasing public to purchase respondent's publications in the belief of and in reliance upon such representation.

CONCLUSION

The practices of the said respondent, under the conditions and circumstances described in the foregoing findings, are to the prejudice

of the public and respondent's competitors, and are unfair methods of competition in commerce, and constitute a violation of the act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes."

ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission, and evidence introduced on behalf of the Commission and the respondent, briefs and argument of counsel, and the Commission having made its findings as to the facts and its conclusion that respondent had violated the provisions of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes",

It is now ordered, That the respondent W. R. Maxwell, his agents and employees, cease and desist from:

(1) Advertising, offering for sale, or selling the set of books heretofore advertised, offered for sale and sold by him under the title "International Reference Work," under any other title than "The New Teachers' and Pupils' Cyclopedia."

(2) Doing business under the name "International Publishing Co."

(3) Advertising or in any manner representing that respondent maintains branch offices.

(4) Representing any person to be an editor or assistant editor of any set of books or publication who has not performed services in the editing of such book or publication and consented that he may be represented as an editor or assistant editor, as the case may be.

(5) Advertising or in any manner representing any person to be a contributor to any publication who has not furnished matter inserted in such publication.

(6) Advertising or in any manner representing that any person has given a testimonial or recommendation of any publication who has not, as a matter of fact, given such testimonial or recommendation applicable to the publication as actually offered for sale.

(7) Representing that any book or set of books has received the indorsement of persons who have not in fact indorsed same.

(8) Representing any book or set of books as being bound in full Levant or any other leather, when such is not the fact.

(9) Representing that any book or set of books offered for sale is bound in buckram, when such is not the fact,

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(10) Representing that any research service to be furnished subscribers for "The New Teachers' and Pupils' Cyclopedia," or any other publication, is supplied by the "International Research Bureau," or any other pretended bureau, society, or association having no existence in fact.

(11) Representing to customers or prospective customers that the usual selling price of any book or set of books is greater than the price at which such books are actually sold.

(12) Representing that customers or prospective customers are to receive books or publications free of charge, when such is not the fact.

(13) Representing that any book or set of books offered for sale by him has been indorsed by superintendents of public education to a number in excess of the number of such superintendents who have in fact indorsed same.

(14) Representing that any book or set of books offered for sale by him is used in colleges and normal schools to a manner in excess of the number of colleges and normal schools in fact using same.

It is further ordered, That the respondent, W. R. Maxwell, shall within 60 days after the service upon him of a copy 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 the order to cease and desist hereinbefore set forth.

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IN THE MATTER OF

JACQUES E. GREENBERGER, AND CARRIE GREENBERGER, INDIVIDUALLY AND AS COPARTNERS, TRADING AS BIG G FURNITURE WORKS, AND BIG G FURNITURE WORKS, A CORPORATION

COMPLAINT (SYNOPSIS), FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914

Docket 1242. Complaint, Oct. 31, 1924—Decision, Feb. 10, 1927

Where a firm and a corporation engaged in the sale of furniture at retail, operated as one business by the principal and controlling party in interest in both, and neither manufacturing any furniture, nor owning, controlling or operating any furniture factory, nor factory representatives, agents or branches of the manufacturers of the furniture dealt in by them, which they purchased as middlemen in the usual course of commerce from manufacturers or others and sold to the public at prices fixed and determined by them as dealers; by means of large signs at their place of business, and by their newspaper advertisements and business correspondence represented that they manufactured the furniture dealt in by them and sold the same at manufacturers' prices directly to their customer purchasers to the exclusion of middlemen, thereby saving the former the costs and profits of the latter; with the effect of misleading and deceiving the purchasing public and thereby causing many to purchase their furniture, and of unfairly diverting trade from competitors who manufacture and sell their furniture directly to the consuming public to the exclusion of middlemen, and from competitors who neither manufacture the furniture dealt in by them nor falsely hold themselves out as so doing, and distributing the same directly from manufacturer to consumer to the exclusion of middlemen; to the prejudice and injury of said competitors and the public:

Held, That such practices, under the circumstances set forth, constituted unfair methods of competition.

Mr. Morgan J. Doyle and Mr. Henry Miller for the Commission.

Mr. Jesse I. Miller, of Washington, D. C., for respondents.

SYNOPSIS OF COMPLAINT

Reciting its action in the public interest, pursuant to the provisions of the Federal Trade Commission Act, the Commission charged respondent individuals, engaged in the sale of furniture at retail to persons in various States, and with principal office and place of business in New York City, and respondent corporation similarly there engaged, and officered and owned by Jacques, Sidney, and Ernst Greenberger, purchasing the furniture dealt in by them