

IN THE MATTER OF
JOSEPH P. SEREDA, TRADING UNDER THE NAME AND
STYLE OF HEALTH VIOLET PRODUCTS

COMPLAINT (SYNOPSIS), FINDINGS, AND ORDER IN REGARD TO THE ALLEGED
VIOLATION OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 28, 1914

Docket 1695. Complaint, Sept. 20, 1929—Decision, Dec. 16, 1929

Where an individual engaged in the sale to the public of a so-called violet-ray machine or instrument, in his advertisements thereof in newspapers, magazines, pamphlets, and other publications circulated generally throughout the different States and in circulars and other literature sent to prospective purchasers,

- (a) Represented that he was offering the same at a reduced and special price of \$15, thereby saving the purchaser \$20 from the usual price, the fact being that he had never sold or attempted to sell said instrument at any price greater than \$15; with the result that persons were induced to buy the same in the belief that they were obtaining the machine at a reduced and special price;
 - (b) Represented that said instrument would quickly cure pain and disease, that thousands suffering from chronic or acute diseases should receive immediate relief "from this wonderful healing method," and that "violet-ray should heal all other diseases and give relief almost instantly" and that "84 different diseases have been treated and healed with violet-ray," the facts being that said individual had made no test or experiments to determine the curative or healing value of said instrument, nor had such tests or experiments made, knew nothing about the curative value thereof or the rays therefrom, and utilized, for the list of diseases specified, a list in a circular which had come into his possession, and that the violet color made by the instrument, when plugged into a house current, furnished merely a mild superficial stimulation to the part of the body to which applied, such as obtained by application of turpentine or ointment containing red pepper, that neither said machine, nor the rays therefrom, had any curative effect or value whatsoever, and that such rays were in no way similar to ultra-violet rays, or to machines or instruments producing them; with the result that persons bought said instrument in the belief that it would cure and heal many diseases:
- Held*, That such practices, under the circumstances set forth, constituted unfair methods of competition.

Mr. Baldwin B. Bane for the Commission.

SYNOPSIS OF COMPLAINT

Reciting its action in the public interest, pursuant to the provisions of the Federal Trade Commission Act, the Commission charged respondent individual, engaged in the sale of so-called violet-ray machines and equipment to purchasers in other States

and with principal office and place of business in Chicago, with advertising falsely or misleadingly in violation of the provisions of such act, prohibiting the use of unfair methods of competition in interstate commerce.

Respondent, as charged, engaged as above set forth, in advertising his said machines and equipment in newspapers, magazines, pamphlets, circulars, letters, and other publications circulated throughout the different States, and in letters, pamphlets, and circulars sent to prospective purchasers falsely represents the regular price of his said machines and equipment as \$35, reduced to \$20 to the particular person to whom the letter, circular, or advertisement is sent, such offer being for a limited time and subject to withdrawal, without notice, the fact being that the pretended reduced price is respondent's usual and regular price. The use by respondent of said false and misleading statements and representations, as alleged, "is calculated to and has the tendency and capacity to mislead and deceive the public and does mislead and deceive the public into purchasing said machines and equipment in the belief that it is obtaining said machines and equipment at a reduced and special price."

Respondent further, as charged, in his aforesaid advertisements falsely and misleadingly represents that his said product, when applied to the human body, will quickly cure pain and disease, mentioning some 80 different diseases, including alcoholic and drug addictions, Bright's disease, diabetes, diphtheria, epilepsy, heart disease, and smallpox, the fact being that respondent's said machines and equipment "have no curative effect whatsoever but merely produce a violet colored electrical discharge giving a mild superficial stimulation to the part of the body to which it is applied," and "have nothing in common with the product of the true ultra-violet ray." Said statements and representations as alleged, "are palpably false and deceptive" and the use thereof "is calculated to and has the tendency and capacity to mislead and deceive the public and does mislead and deceive the public into purchasing respondent's machines and equipment under the belief that said representations are true."¹

¹ The false and misleading representations made by respondents, as set forth in the complaint, include the following:

"Thousands of men and women who suffer from chronic or acute diseases should receive immediate relief from this wonderful healing method. Violet ray should heal all other diseases and give relief almost immediately. Eighty-four different diseases, which are described below, have been treated and healed with violet ray."

"Thousands of men and women who are suffering chronic or acute diseases will get quick relief with this greatest curing method. Violet ray will cure all your ailments and will end your sufferings almost instantly. Eighty-six different ailments—which are described below, have been treated and cured with violet rays."

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The above alleged acts and practices, as charged, "are each and all of them to the prejudice of the public and respondent's competitors and constitute unfair methods of competition in interstate commerce within the intent and meaning of section 5."

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, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes", the Federal Trade Commission issued and served a complaint upon the respondent, Joseph P. Sereda, trading under the name and style of Health Violet Products, charging him with unfair methods of competition in commerce in violation of the provisions of section 5 of said act.

The respondent entered his appearance, and an agreed stipulation as to the facts was entered into and filed in which it is stipulated that the facts therein recited shall be taken as the facts in this proceeding, and in lieu of testimony, and that the Commission may proceed upon said stipulation as to the facts to make its report in said proceeding, and its findings as to the facts, and its order disposing of the proceeding without briefs or oral argument.

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

FINDINGS AS TO THE FACTS

PARAGRAPH 1. Joseph P. Sereda, hereinafter referred to as respondent, is an individual doing business under the name and style of Health Violet Products, with his principal office and place of business in the city of Chicago in the State of Illinois. He is engaged in the business of selling to the public generally in various States of the United States an instrument or machine which he calls a violet-ray machine. The machine or instrument is operated by plugging it into a socket on the ordinary house electric current. Respondent causes the instruments or machines when so sold to be shipped from his place of business in Chicago, Ill., to purchasers located in various States of the United States, pursuant to such sales. In the conduct of such business he is in competition with other individuals, partnerships, and corporations.

PAR. 2. In order to induce the public to purchase said instrument or machine, respondent causes advertisements to be inserted in newspapers, magazines, pamphlets, and other publications circulated

generally throughout the different States of the United States offering his said instrument or machine for sale and soliciting the purchase thereof; and he sends from Chicago, Ill., to prospective purchasers located at points in various States of the United States letters, pamphlets, circulars, and other literature describing said machine or instrument and soliciting the purchase thereof.

PAR. 3. In the aforesaid advertisements and literature, respondent makes statements and representations to the effect that the usual, ordinary, and regular sales price of the said machine or instrument is \$35, but that he, for a limited time and subject to withdrawal without notice, is offering to sell said machine or instrument at a reduced and special price of \$15, which gives the purchaser a saving of \$20 from the usual, ordinary, and regular price for said machine or instrument.

PAR. 4. The usual, ordinary, regular, and full price for said machine or instrument is and has been \$15 and respondent has never sold or attempted to sell the said machine or instrument at any price greater than \$15. As a result of the statements and representations set out in paragraph 3 above, persons in various States of the United States buy said machine or instrument in the belief that they are obtaining said machine or instrument at a reduced and special price.

PAR. 5. In the aforesaid advertisements and literature respondent makes the statements and representations that said machine or instrument, when plugged into the ordinary house electric current and applied to the human body, will quickly cure pain and disease, and that "thousands of men and women who suffer from chronic or acute diseases should receive immediate relief from this wonderful healing method. Violet ray should heal all other diseases and give relief almost immediately. Eighty-four different diseases which are described below have been treated and healed with violet ray", and that "thousands of men and women who are suffering from chronic or acute diseases will get quick relief with this greatest curing method. Violet ray will cure all your ailments and will end your sufferings almost instantly. Eighty-six different ailments, which are described below, have been treated and cured with violet rays", and "pain and disease quickly cured by violet ray". In the aforesaid advertisements and literature respondent lists as among the diseases that have been treated and cured with Violet-Ray the following:

Abscess,
Alcohol and drug addictions,
Asthma,
Ataxia,
Barber's Itch,

Birthmarks,
Bladder disease (cystitis),
Bolls,
Blackheads,
Brain fog,

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Bright's disease,	Goltre,	
Bronchitis,	Gonorrhea (male),	
Bruises,	Gonorrhea (female),	
Bunions,	Gout,	
Burns,	Grey hair,	
Callouses or corns,	Grippe (influenza),	
Cancer (mild form),	Insomnia,	
Cankers,	Leucorrhea,	
Carbuncles,	Lumbago,	
Cataract,	Mumps,	
Catarrh (nasal),	Nervousness,	
Chafe,	Neuralgia,	
Chapped hands or face,	Neuritis,	
Chilblains,	Obesity,	
Cold extremities,	Paralysis,	
Colds in head,	Piles (hemorrhoids),	
Colds in lungs,	Pimples,	
Constipation,	Pleurisy,	
Dandruff,	Pneumonia,	
Deafness,	Poison ivy,	
Earache and ear diseases,	Prostatic diseases,	
Diabetes,	Pyorrhea,	
Diphtheria,	Red nose,	
Dyspepsia,	Rheumatism,	
Eczema,	Ringworm,	
Epilepsy,	Scarlet fever,	
Falling hair,	Scars,	
Felons,	Skin diseases,	
Female troubles,	Smallpox,	
Fistula,	Sore feet and stone bruises,	
Freckles,	Sore throat,	
Frost bites,	Sprains,	
Hay fever,	Stiff neck or joints,	
Headaches,	Tonsillitis,	
Heart disease,	Ulcers,	
Hives and rash,	Whooping cough,	
Gleet,	Writers cramp.	

PAR. 6. Respondent has made no tests or experiments to determine the curative or healing value of the machine or instrument which he sells or the rays from such machine or instrument, and he has had no such tests or experiments made. He knows nothing about the curative value of said machine or instrument or the rays therefrom. The list of diseases set out in paragraph 5 above and appearing in the aforesaid advertisements and literature was copied by him from a list of diseases appearing upon a circular which came into his possession. Said machine or instrument, when plugged into an electric current, makes an electric discharge in a vacuum which gives a violet color and the application of it to any part of the body merely furnishes a mild superficial stimulation to the part to which it is applied, such as might be obtained by the appli-

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cation of turpentine or and ointment containing red pepper. The said machine or instrument or the rays therefrom have no curative effect or value whatsoever. The rays from said machine or instrument are in no way similar to ultra violet rays, and said machine or instrument is not like the machines producing ultra violet rays. As a result of the statements and representations described in paragraph 5 hereof persons in various States of the United States buy said machine or instrument in the belief that it will cure and heal many and various diseases.

PAR. 7. There are other concerns, competitors of respondent, selling machines or instruments similar to those sold by respondent and who do not, in connection with the sale thereof, make such statements and representations as those made by respondent and set out above.

CONCLUSION

The said practices of the respondent, under the conditions and circumstances set forth in the foregoing findings, are unfair methods of competition in interstate commerce, and constitute a violation of section 5 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 the stipulation of facts agreed upon by the respondent and counsel for the Commission, and the Commission having made its findings as to the facts with its conclusion that the respondent has violated the provisions 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",

It is now ordered, That the respondent, Joseph P. Sereda, his agents, representatives, servants, and employees, cease and desist:

(1) Stating or representing in advertisements, circulars, correspondence, or otherwise that the usual and ordinary price of the machine or instrument which he sells is greater than the price at which such machine or instrument is actually sold by him; or that he is offering said machine or instrument at a less price than the price which he usually and ordinarily receives therefor, when such is not the fact; or in any manner misrepresenting the regular and usual price of such machine or instrument.

(2) Stating or representing that said machine or instrument or the rays from said machine or instrument will cure or heal pain or disease or any particular pain or disease; or that persons suffer-

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ing from disease or any particular disease have been cured or healed by the use of said machine or instrument or the rays therefrom; or that said machine or instrument or the rays therefrom have been successfully used in the treatment of disease or any particular disease.

It is further ordered, That the respondent, Joseph P. Sereda, shall within 30 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.

Complaint

IN THE MATTER OF
CHARLES E. MORRISCOMPLAINT (SYNOPSIS), FINDINGS, AND ORDER IN REGARD TO THE ALLEGED
VIOLATION OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914*Docket 1702. Complaint, Oct. 12, 1929—Decision, Dec. 16, 1929*

Where an individual engaged in the sale of fur coats and other fur garments to the wearers thereof at prices considerably in excess of wholesale prices, and neither selling to any store nor owning, operating, or interested in any wholesale house or business, nor a manufacturing furrier or furrier of any sort, nor owning or operating any factory or factory showroom, represented orally and through letters and other trade literature to prospective customers throughout the United States, that his prices were "strictly wholesale prices" and that he was a "reliable wholesale fur house backed by responsibility and confidence", selling to stores "from coast to coast", and was a "wholesale manufacturing furrier"; with the capacity and tendency to cause many of the purchasing public to buy said individual's garments, and with the effect of so doing to the prejudice of the public and competitors:

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

Mr. Alfred M. Craven for the Commission.

SYNOPSIS OF COMPLAINT

Reciting its action in the public interest, pursuant to the provisions of the Federal Trade Commission Act, the Commission charged respondent individual, engaged in New York City in the sale of fur coats and other fur garments to wearers thereof throughout the United States, with misrepresenting business status and operations, orally and otherwise, and advertising falsely or misleadingly in regard thereto, in violation of the provisions of section 5 of such act, prohibiting the use of unfair methods of competition in interstate commerce.

Respondent, as charged, engaged as above set forth, orally, and through letters and other trade literature mailed to prospective customers throughout the United States, falsely and misleadingly represents that the prices of his garments are "strictly wholesale prices" that he is a "reliable wholesale fur house backed by responsibility and confidence", sells from "coast to coast" and is a "wholesale manufacturing furrier" with a factory showroom, the facts being that his said prices are considerably in excess of wholesale prices, that he sells to no store and neither owns, operates, nor has any