

FEDERAL TRADE COMMISSION DECISIONS

FINDINGS AND ORDERS, MAY 5, 1930, TO MARCH 23, 1931

IN THE MATTER OF ROBERTS TAILORING CO., INC.

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

Docket 1614. Complaint, May 1, 1929—Decision, May 5, 1930

Where a corporation engaged as The Robert Tailoring Co. in the manufacture, sale, and distribution to the consuming public, throughout the several States, of men's custom tailored suits, overcoats, and topcoats, made wholly of wool and so marketed, and of high quality, sold under a plan involving direct solicitation of the consuming public by traveling salesmen who exhibited samples and took the customer's measurements, and possessed of a valuable good will and high reputation; and thereafter a junior concern, engaged in purchasing cloth and other materials and in selling in competition with said corporation the men's suits, overcoats, and topcoats, which it caused to made up therefrom (excepting only certain large and small sizes, tailored by it to the customer's order), by other manufacturers, elsewhere, under contract, from its cloth, cut by it into standard ready-to-wear sizes, with sleeve and trouser ends unfinished to permit alterations, which it used to fill subsequent orders from customers, in accordance with measurements taken and supplied by its salesmen, and which were made of fabrics inferior to those employed by said corporation, and sold at a lower price,

- (a) Employed the corporate name, Roberts Tailoring Co., Inc., in soliciting in the same territory sale of its aforesaid pretended tailor-made suits; with the result that there was much confusion as to the identity of the two companies and their respective businesses, and with the capacity and tendency to cause such confusion in the minds of the purchasing and consuming public, and to mislead and deceive substantial numbers thereof into purchasing garments from it in the erroneous belief that they were dealing with and purchasing the products of, the aforesaid older corporation;
- (b) Featured its aforesaid name on all its business stationery, circulars and other advertising matter, and on its salesmen's kits, together with depiction of a bolt of cloth, spools of thread, tape measure, scissors, and a sewing tailor, and through its advertising matter and salesmen represented the latter as "tailoring salesmen", engaged in selling "tailoring", its merchandise as a "tailoring line", and itself as occupying the "tailoring field" and being a tailoring company, dealing in garments accurately tailored to measurements, made in its own factories, and under its own supervision; with the capacity and tendency to mislead and deceive substantial parts of the consuming public into the erroneous belief that it

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was engaged in the business of making and marketing only garments cut and tailored to the respective measurements of the several purchasers, made by it in its own shops and under its personal supervision, and to cause the purchase thereof in such erroneous belief, and not as "ready-to-wear" garments; and

- (c) Falsely represented through advertising matter and salesmen that the cloth in its garments was "Virgin wool * * * 100 per cent", "Long wearing materials. Guaranteed 100 per cent all virgin wool", "All wool cashmeres. All wool topcoats", etc., notwithstanding the fact that all except 2 out of 17 or more different suitings sold by it had a substantial cotton content, running as high as approximately 50 per cent; with the capacity and tendency to mislead and deceive a substantial part of the purchasing public into the erroneous belief that its said garments were all made from cloth composed entirely of wool or virgin wool, and into purchasing the same by reason thereof;

With the capacity and tendency to unfairly divert trade from competitors and lessen the market for their products:

Held, That such practices, under the circumstances set forth, were to the prejudice and injury of the public and competitors and constituted unfair methods of competition.

Mr. Henry Miller for the Commission.

Mr. Milton R. Kroopf, of New York City, 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, a New York corporation engaged in making or procuring to be made suits, topcoats and overcoats for boys and men and in the sale thereof directly to the retail purchasers or consumers through agents or salesmen in various places throughout the several States, and with office and principal place of business in New York City, with misrepresenting business status, simulating corporate name of competitor, and advertising falsely or misleadingly, in violation of section 5 of such act, prohibiting the use of unfair methods of competition in interstate commerce.

Respondent, as alleged, engaged as above set forth, does business under a method pursuant to which it furnishes the cloth and other materials for the garments sold by it, employs certain persons to cut out the same for manufacture, thereafter procures the manufacture thereof at outside factories on a contract basis, and keeps a stock of various sizes on hand, thus made up though not completely finished, so as to permit alterations as required, from which stock (with the exception of sizes smaller than 35 inches chest measurement or larger than 44 inches, for which a charge of \$1.50 in addition to the established price of \$16.75 is made), it fills orders, as sent in, together with customers' measurements by its agents whom it supplies with samples, order blanks, etc.

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Respondent, as charged, in advertising its aforesaid garments in newspapers, magazines, periodicals, and other publications and in order blanks and in other blanks, catalogues, pamphlets, and so on, falsely states, represents, and promises that said garments are tailored to measure, manufactured in respondent's own factories under respondent's own personal supervision and are "Long wearing materials. Guaranteed 100 per cent. All virgin wool sunproof blue serge and 100 per cent virgin wool cheviot," the facts being that the garments in question, with the exceptions above noted, are not "Tailored to measurement," but are carried in stock and are not manufactured in respondent's own factories, but elsewhere, as above set forth, and that many of said garments are composed only in part of wool or virgin wool.

Respondent, further, as charged, carries on its aforesaid business under its corporate name of Roberts Tailoring Co., Inc., closely resembling the name of a competitor and older organization, namely the Robert Tailoring Co., of Ohio.

The use by respondent of such corporate name, along with the aforesaid statements and representations, has the tendency and capacity to and probably will mislead and deceive the public and prospective purchasers into the erroneous belief that respondent is engaged only in the business of making garments to the measurements of the purchasers whose orders are solicited, preferred by a considerable portion of the public to garments made up in advance, that the garments are made in respondent's own place of manufacture by its own employees under its own personal supervision and exclusively tailored or cut and made to the measurements of the customers, and are made of cloth or fabric composed entirely of wool or virgin wool, likewise preferred by a considerable portion of the public and many purchasers and prospective purchasers to garments composed in whole or in part of other materials.

The use by respondent, furthermore, as charged, of its corporate name, as above set forth, also has the tendency and capacity to and probably will deceive and mislead the public into believing respondent to be identical with said competing Ohio corporation, the Robert Tailoring Co., Inc., organized a number of years prior to it and possessed of a valuable good will, associated in the mind of the public and purchasers and prospective purchasers with its aforesaid corporate name and into purchasing respondent's garments as and for those of the aforesaid Ohio corporation, and to affect injuriously the public, prospective purchasers, said last-named company and respondent's competitors by inducing the purchase of respondent's garments as and for those of said company, cut and made exclusively to the measurements of the several purchasers and as and for garments

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composed exclusively of wool or virgin wool, and to divert from said company and competitors of said respondent engaged in selling garments tailored to measurement or not, as the case may be and composed exclusively of wool or all virgin wool, or not, as the case may be, prospective purchasers who, without being so deceived or misled, might not have purchased garments or might have purchased garments from such competitors; all to the prejudice of the public and of respondent's competitors.

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 on the 1st day of May, A. D. 1929, issued its complaint against Roberts Tailoring Co., Inc., respondent above named, and caused the same to be served upon respondent as required by law, in which complaint it is charged that respondent has been and is using unfair methods of competition in interstate commerce in violation of the provisions of section 5 of said act.

Respondent having entered its appearance herein and filed answer to said complaint, hearings were had at which testimony was taken and evidence introduced by counsel for the Commission in support of the allegations of said complaint and by counsel for respondent in opposition thereto before an examiner of the Commission theretofore duly appointed. Said evidence including a transcript of the testimony taken, was filed of record in the office of the Commission, and thereafter briefs were submitted by counsel for the Commission and for the respondent.

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

FINDINGS AS TO THE FACTS

PARAGRAPH 1. Respondent, Roberts Tailoring Co., Inc., is a corporation organized under the laws of the State of New York in the month of August, 1927, and since that time engaged in carrying on the business hereinafter described, with its office and place of business in the City and State of New York. Said business is the purchase of cloth and other materials and procuring to be made therefrom certain articles of men's clothing, namely men's suits, with or without

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extra pairs of trousers, men's overcoats and men's topcoats, and the sale and distribution of such clothing directly to the consuming public throughout the various States of the United States under the merchandising plan described in paragraph 2 hereof.

PAR. 2. Respondent markets its clothing through canvassing salesmen, of which it employs about 1,200, who, as its salesmen, solicit and accept purchase orders for its clothing from members of the general consuming public throughout the several States and at respondent's standard selling price of \$16.75 for suit, topcoat, or overcoat, with an extra charge of \$1.50 for each garment larger than 44 inches in chest measure. Through sales promotional advertisements published from time to time in magazines of general circulation, respondent secures the services of, and informs, its salesmen of its merchandising plan and the basis on which its clothing are to be offered for sale and sold by such salesmen. For use in further promoting and accomplishing the sale of its garments respondent supplies each salesman with its advertising circulars, business cards, business stationery, and printed order forms on which to record the purchase orders and individual tailoring measurements of customers. For the same purpose respondent also furnishes each salesman with a kit or salesman's outfit containing necessary paraphernalia or equipment used by the salesman in selling its clothing to the consuming public. Among said paraphernalia or equipment are 20 to 29 different samples or swatches of the cloth used in the manufacture of said clothing, a card depicting styles in which said clothing may be purchased from respondent, and a tape measure with which to take the several tailoring measurements of customers. In making sales the contents of the kit are displayed to the respective customers who make their selections therefrom of the particular cloth and style in which the garments purchased are to be made. Such selections of cloth and style, as well as the several tailoring measurements of the respective purchasers taken by the salesmen, are recorded on the order form. When placing their purchase orders with respondent's salesmen, customers are required to pay to the salesmen \$3.50 on each suit, topcoat, or overcoat ordered as the initial payment on the purchase price, the balance thereof to be paid by the customer upon receipt of the garments from respondent. The initial payments so made by respondent's customers are retained by the salesmen as their commission and compensation for services rendered respondent as such salesmen or agents. The several purchase orders so received from customers are transmitted by the salesmen to, and are received by, respondent at its place of business in New York City, N. Y. Thereupon respondent undertakes to fill said orders and in

so doing causes its garments so ordered to be shipped and transported C. O. D. by United States parcel post from its place of business in New York City, N. Y., through and into other States of the United States to the respective purchasers thereof at their respective postal addresses in such other States. The balance due on the purchase price of said garments (covered by said C. O. D. charges) is collected from the purchaser by the local postmaster making delivery and by such postmaster is transmitted by United States postal money order to respondent in New York City, N. Y. Under the above-described merchandising plan respondent does an annual volume of business of approximately \$400,000, and receives and executes such purchase orders at a rate running at times as high as 300 per day. It sells and ships its garments from its place of business in New York City to customers in every State of the United States, and has ever since its organization in August, 1927, conducted said business in interstate commerce and in direct active competition with many persons, partnerships, and other corporations similarly engaged in offering for sale, selling, and distributing men's suits, topcoats, and overcoats to the consuming public in, between and among the several States of the United States.

PAR. 3. The aforesaid garments which respondent sells and supplies to its customers having chest measure between 34 and 44 inches both inclusive, are "ready-to-wear" or "ready-made" clothes and are manufactured in quantities and cut and made to the standard or conventional sizes and measurements used by the clothing industry to which to manufacture "ready-to-wear" or "ready-made" clothing intended to be kept in stock for sale to persons whom they may be found to fit. Said garments of respondent are so manufactured in advance of the receipt of the respective customer's purchase order and tailoring measurements, and are carried in stock by respondent with the ends of the sleeves and trouser legs left unfinished in order to facilitate alterations or adjustments to proper lengths of the respective consumer-customers as sales are made. Upon taking said garments from stock for shipment to its customers in fulfilment of purchase orders received by its salesmen as aforesaid the ends of the sleeves and trouser legs are finished by respondent to conform to the length required by the respective consumers as specified in the orders. The number of its customers to which respondent supplies said garments carried in stock and made in advance of the receipt of the customer's measurements and order and the proportion of respondent's business in such garments, are large and substantial. It is a practice of general following in the clothing industry for manufacturers of "ready-to-wear" or "ready-

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made" clothing to allow the ends of the trouser legs to remain unfinished in order to facilitate the work of the ultimate sellers in making necessary alterations to adjust the length of the trousers to the needs of the respective consumer after making his selection and purchase of the clothing. To some degree this practice appears to be followed even in the case of the ends of coat sleeves.

PAR. 4. In the manufacture of all of respondent's garments the work of cutting out the cloth used is done by respondent's employees at its place of business in New York City. The work of sewing said cloth into the garments, however, is not performed, except in few minor instances, by respondent's employees, nor at the respondent's place of business; but this work is performed for respondent by other or outside manufacturers under contract with respondent and by employees of such other manufacturers.

PAR. 5. From the date of its organization in August, 1927, until July, 1929, respondent conducted its business under its corporate name of Roberts Tailoring Co., Inc., which name it caused to be conspicuously printed on all its aforesaid business stationery, circulars and other advertising matter and on its salesmen's kits or outfits. Said name, where so printed on its business stationery and advertising matter, appears superimposed upon a background depicting a bolt of cloth, spools of thread, tape measure, scissors, and a tailor in the act of sewing cloth. Throughout the course of said business and by various means, particularly through its advertising matter and salemen, respondent caused representations to be made to the purchasing public to the effect that its salesmen are "tailoring salesmen"; that its merchandise is a "tailoring line"; that in its business it occupies the "tailoring field" and is a tailoring company; that its salesmen, in acting as such, are engaged in selling "tailoring"; that its garments are "tailored to measurements" and that in making said garments all tailoring measurements are accurately followed; and that all its garments are manufactured in its own factories and under its own personal supervision. The use by respondent of the word "tailoring" in its corporate name, under the circumstances hereinbefore set forth, and the use of the above-mentioned representations are calculated, have and had the capacity and tendency, to mislead and deceive substantial parts of the consuming public into, and to cause them to purchase garments from respondent because of, the erroneous beliefs that (a) respondent is engaged in the business of making and marketing only garments which in their manufacture are cut and tailored to the respective tailoring measurements of the several purchasers whose orders have first been obtained; that (b) all of said garments offered for sale and

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sold by it are "tailor-made" or "tailored to measurement", to wit, garments cut and tailored to the several tailoring measurements of the respective consumer-customers; and that (c) said garments are so made by respondent in its own factories or shops and under its own personal supervision. Whereas, in truth and in fact, a large and substantial proportion of said suits, topcoats, and overcoats, to wit, those having chest measure between 34 and 44 inches, both inclusive, were not so made, but are "ready-made" or "ready-to-wear" garments which have been manufactured and carried in stock, as set out in paragraphs 3 and 4 hereof.

PAR. 6. Throughout the course and conduct of its business and in its advertising matter and through its salesmen, respondent caused the cloth from which the garments sold by it are manufactured to be represented and described in language as follows:

(I) Long wearing materials. Guaranteed—100 per cent. All virgin wool sunproof blue serge. 100 per cent. Virgin wool cheviot. Cravenetted topcoatings.

(II) Long wearing materials. Guaranteed 100 per cent all virgin wool sunproof blue serge—Fancy worsteds and cassimeres—100 per cent all wool cravenetted topcoatings. Special heavy weight fabrics for the Northwest including 100 per cent all wool heavy weight overcoating.

(III) 100 per cent virgin wool blue serge and blue cheviot. Guaranteed sunproof. Fancy worsteds. All wool cashmeres. All wool topcoats.

The cloth from which said overcoats and suits sold by respondent were manufactured, with the exception of one piece of blue serge suiting and one piece of cheviot suiting in the total of seventeen or more different pieces of suiting, contained, in addition to wool, large and substantial proportion of cotton, the cotton content running as high as approximately 50 per cent. Respondent did not disclose in connection with the above-mentioned representations and description of its cloth that a large part thereof was not composed wholly of wool. Said representations and description, so used by respondent, are and were misleading and deceptive and were calculated, have and had the capacity and tendency, to mislead and deceive a substantial part of the purchasing public, (a) into the erroneous belief that all of respondent's garments are made from cloth composed entirely of wool or virgin wool, and (b) into purchasing respondent's garments in and because of such erroneous belief.

PAR. 7. Another corporation having no affiliation whatever with respondent and named The Robert Tailoring Co., was organized in the year 1922 under and by virtue of the laws of the State of Ohio; and it has ever since and still is engaged in conducting, under its corporate name and with its principal office, place of business, and

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tailoring shops in the city of Cincinnati, Ohio, the business of manufacturing, selling, and distributing in interstate commerce to the consuming public throughout the several States of the United States, men's custom tailored suits, overcoats, and topcoats. Its plan of merchandising adopted upon its organization and followed throughout its business activities is similar to that later adopted and followed by the respondent as described in paragraph 2 hereof. The garments sold by it are "tailor-made" or "tailored to measurements" of cloth composed wholly of wool, and are marketed as such. They are of high quality and, upon receipt of purchase orders and individual tailoring measurements of consumer-customers, are cut and tailored to such individual measurements by said Ohio corporation's own employees in its own shops. The garments sold by it and those sold by respondent are competitive garments, and ever since respondent has been organized in August, 1927, said Ohio corporation and respondent have conducted their respective businesses of advertising, offering for sale, selling, and distributing their products in direct active competition with each other throughout the various States of the United States. Prior to respondent's incorporation in August, 1927, said Ohio corporation had created and enjoyed in the several States of the United States a valuable good will and high reputation as producing and marketing high quality clothes cut and tailored to the measurements of the respective consumers, which good will and reputation is associated in the minds of the purchasing public with its corporate name The Robert Tailoring Co. The respondent's adoption in August, 1927, and use as hereinabove described of its corporate name, Roberts Tailoring Co., Inc., in carrying on and conducting its business similar to and in competition with said business conducted by and in the name of The Robert Tailoring Co., was, by virtue of the similarity of said corporate names and businesses, misleading and deceptive, has resulted in much confusion in the identity of the two corporations and their respective businesses, and had the capacity and tendency to cause such confusion in the minds of the purchasing and consuming public and to mislead and deceive substantial numbers thereof into purchasing garments from respondent in the erroneous belief that in so doing they were dealing with and purchasing garments which are the product of said original or older corporation, namely, The Robert Tailoring Co. In July, 1929, respondent undertook to replace, for selling purposes only, the name Roberts Tailoring Co., Inc., theretofore used, with the name Lloyd Tailoring Co., Inc., being the corporate name of a subsidiary corporation organized under the laws of the State of New York and having a capital stock of the par value of \$10,000, all of which is owned by

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respondent. It now appears to be respondent's intention to use its corporate name, Roberts Tailoring Co., Inc., only for credit purposes, and in which to purchase cloth and other materials used in the manufacture of its clothing, and to discontinue the use of such corporate name, Roberts Tailoring Co., Inc., for conducting that part of its business activities related to the sale and distribution of its clothing to the consuming public. Respondent has since July, 1929, made the same use of the name Lloyd Tailoring Co., Inc., that it made of the name Roberts Tailoring Co., Inc., in connection with advertising, selling, and distributing its garments; and such use of the word "Tailoring" in said name Lloyd Tailoring Co., Inc., is with like deceptive and misleading capacity and tendency as set forth in paragraph 5 hereof with respect to said name Roberts Tailoring Co., Inc.

PAR. 8. Large and substantial parts of the purchasing and consuming public believe that men's suits, topcoats, and overcoats which have been "tailor-made" or "tailored to measurement", to wit, cut and made exclusively to the individual measurements of the respective consumers, are more valuable and more desirable than, and they prefer to purchase such garments instead of "ready-to-wear" or "ready-made" garments or garments cut and made to standard or conventional measurements in advance of purchase by the consumer. Likewise large and substantial parts of the consuming public believe men's garments made from cloth composed entirely of wool are of greater value and more desirable than, and they prefer to purchase such garments instead of, similar garments composed of cloth containing cotton in whole or in part.

PAR. 9. The misleading, deceptive, and confusing acts and practices of respondent hereinabove set forth have and had the capacity and direct tendency to unfairly divert trade from, and lessen the market for the products of, aforesaid competitors of respondent, and they are and were injurious and contrary to the interest of the public.

CONCLUSION

Respondent's misleading, deceptive, and confusing acts and practices in the conduct of its business, under the conditions and circumstances set forth in the foregoing findings as to the facts, are to the prejudice and injury of the public and respondent's competitors, 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 entire record including the complaint of the Commission, the answer of respondent thereto, the testimony and evidence, and upon briefs of opposing counsel, and the Commission having made its findings as to the facts with its conclusion that the respondent has 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 respondent, its officers, agents, representatives, servants, and employees, do cease and desist, in the course and conduct of the business of selling men's suits, overcoats, topcoats, and other like garments or merchandise in commerce among the several States of the United States,

(1) From using the word "Tailoring" followed by the word "Company", or in combination with a word or words of like import, in the corporate name or trade name under which to carry on said business directly with the consuming public, unless (a) all of said garments, in their manufacture, are cut and made exclusively to or in accordance with the individual tailoring measurements of the respective consumers thereof; or unless (b) when only part of said garments are so cut and made, it be clearly and unequivocally disclosed in connection with such business and in all sales promotion activities that the certain other part of said garments are not so cut and made, but are cut and made to or in accordance with other measurements,

(2) From making or causing to be made any representation, statement or assertion, in any manner whatsoever to the effect that any of said garments are "tailored to measurements" or are tailor-made or are cut and made to or in accordance with the individual tailoring measurements of the respective consumers, unless such garments so represented are in fact cut and made exclusively to or in accordance with the individual tailoring measurements of the respective consumers,

(3) From making or causing to be made any representation, statement or assertion in any manner whatsoever to the effect that (a) any of said garments are all wool, when such is not true in fact; or that (b) any such garments are cut and made in respondent's own factories or shops under its own personal supervision, when such is not true in fact,

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(4) From advertising, representing, or describing said line of merchandise marketed by respondent by any of the statements quoted below, or by any statement or assertion of similar import:

(I) Long wearing materials. Guaranteed—100 per cent. All virgin wool sunproof blue serge. 100 per cent. Virgin wool cheviot. Cravenetted topcoatings.

(II) Long wearing materials. Guaranteed 100 per cent all virgin wool sunproof blue serge—Fancy worsteds and cassimeres—100 per cent all wool cravenetted topcoatings. Special heavy weight fabrics for the Northwest including 100 per cent all wool heavy weight overcoating.

(III) 100 per cent virgin wool blue serge and blue cheviot. Guaranteed sunproof. Fancy worsteds. All wool cashmeres. All wool topcoats;

unless (a) all of the merchandise so advertised, represented, or described is in fact made of cloth composed wholly of wool, or unless (b) when only part of said merchandise is made of all wool cloth as represented, said representations, advertisements, or descriptions be accompanied directly with representations, statements, or assertions clearly and unequivocally disclosing that cloth which does not contain wool exclusively or at all, as the case may be, is used for the manufacture of such garments as are not made of all wool cloth.

It is further ordered, That respondent, Roberts Tailoring Co., Inc., shall within 60 days after the service upon it of a copy of this order, file with the Federal Trade 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 hereinabove set forth.

Syllabus

IN THE MATTER OF

CONSOLIDATED BOOK PUBLISHERS, INC.

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

Docket 1538. Complaint, Oct. 11, 1928—Decision, May 6, 1930

Where a corporation engaged in the sale and distribution, throughout the United States, of a set of books at retail, under the name "New World Wide Cyclopedia", and under a plan involving sending of lead letters to prospects and solicitation by salesmen of those returning the enclosed postal cards,

- (a) Advised the prospect in said letters, under the name "World Wide Educational Service", that it was distributing a few sets as an advertisement to obtain an original owners list in certain communities, that because of his standing his name was considered of special value as a local reference, and that it had set aside "without cost" to him a complete 8-volume set, and requested his opinion of the work in response to future queries, and that he treat the communication "as personal and confidential"; the facts being that it did not give away any sets as above represented, but sold the encyclopedia, together with the loose-leaf supplement and research service therein mentioned, for the purchase price of \$33.20, and employed said letters solely to obtain names of prospects, and that the name "World Wide Educational Service" was only a trade name used to conceal its character as a book-selling organization;
- (b) Employed an order blank in which the purchaser over his signature called upon it to deliver a set, to enroll him as a subscriber for its quarterly loose-leaf extension service for a 10-year period, and to enroll him as a member of its "Research Bureau" for a like period, and obligated himself for a total payment of \$33.20; the fact being that on the ground of mailing expense, additional amounts, not mentioned in said contract, and aggregating \$8 over and above the aforesaid contract price, were exacted;
- (c) Represented to prospects that subscribers to said loose-leaf service for 10 years, at a price of \$33.20, to cover cost of sending same four times a year during said period, would be given a set free, and that a few persons, of whom prospective subscriber was one, had been selected in each community to receive a set as a gift, said subscriber being expected, however, as an additional consideration to give an opinion, at some later date, of the work, for use in some future sales campaign; the facts being that there was no such selection of persons nor request for opinions, no such sales campaign was contemplated, and the figure named constituted its regular price for books, service, and other items, as above set forth, and was further misleading in its failure to include the aforesaid \$8 additional exacted;