

IN THE MATTER OF
BERNARD BERNARD, CLARA LOUISE GLOVER, DOING
BUSINESS UNDER THE NAME OF L. GLOVER, AND
R. B. NEWELL

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

Docket 1591. Complaint, Apr. 1, 1929—Decision, June 24, 1930

Where certain individuals engaged in the sale of courses in physical culture; in advertising a so-called height increasing course, together with certain articles and appliances incidental and accessory thereto, in newspapers, magazines, periodicals, and other publications of general circulation, and in enrollment and other blanks, catalogues, pamphlets, letters, circulars, and other matter,

- (a) Falsely represented that growth in height does not finally cease at physical maturity, but may be caused to continue at any time, and that scientific research had disclosed that it could be prolonged in youth or renewed later and height increased through certain advice and instruction, physical exercises, diets, and appliances, so that any short, mature person or short person about to cease growing could so increase his height as to be tall and on an equality with people naturally so, the facts being that such growth almost universally terminates at age of physical maturity, i. e., from 18 to 22 years, usually, and that no such scientific discovery had been made;
- (b) Falsely represented that said course, appliances, and accessories enabled pupils following and using same and diet prescribed, easily, safely, and certainly to increase their height sufficiently to become as tall as people naturally taller and thereby overcome the handicap and humiliation of lack of stature and employed "before and after" and other pictures suggesting increase in height from 62 to 72 inches, and such statements as "No need to envy and look up to the big fellows" or "to have the disadvantage of the little man", the facts being that no such results had been brought about for pupils and that the utmost that could be accomplished by said course was to enable them to acquire correct postures and thus appear of greater height; and
- (c) Referred to said course as that of "Glover, a height increasing specialist", and as having the approval and indorsement of an eminent specialist in the science and art of physical culture and especially in that branch thereof concerned with increase in height, namely, Dr. Bernard Bernard, indicated recipient, by initials appended, of high professional degrees, the facts being that no such Glover as referred to was connected with the business, the name L. Glover was a mere trade or business name, and said "eminent specialist" was none other than one of the individuals engaged in conducting the business, whose connection therewith was not revealed;

With tendency, capacity, and probability of misleading and deceiving the public and prospective pupils into believing said course to be superior to all other competitive courses in physical culture, and to induce the public to pay therefor, for impossible benefits, in preference to and to the exclusion of said competitive courses; all to the prejudice of the public and of competitors;

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

Mr. Ellis DeBruler 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 respondents Bernard and Glover, engaged, at Sausalito, Calif., in a joint business enterprise of selling courses of instruction by correspondence in physical culture, including a so-called height increasing course, to pupils in the several States, and respondent Newell, an advertising agent, under contract with them, with advertising falsely or misleadingly as to results of product or service offered, misrepresenting business or professional status, and claiming or using false and misleading indorsements, in violation of the provisions of section 5 of such act, prohibiting the use of unfair methods of competition in interstate commerce.

Respondents, as charged, engaged as above set forth, in advertising their courses in newspapers, magazines, periodicals, and other publications of general circulation and in enrollment and other blanks, catalogues, pamphlets, letters, circulars, and other written, mimeographed, or printed matter, promise, state, and represent that the growth of the body does not finally cease at physical maturity or at any age, but, as a result of discoveries based on scientific research, may, through certain exercise, diet, and appliances be prolonged in youth or renewed in later years, that respondents' course of instruction, information, and advice, and appliances will bring about this result, easily, safely, and certainly by a number of inches, respondents making use of before and after pictures purporting to show such results, and also pictures of two men standing by one another with an indicated difference of ten inches and the statement in part, "No need to envy and look up to the big fellows. No need to have the disadvantages of the little man. This course makes it possible for you to be on a level with your fellow men. Course is easy, inexpensive, and results sure", the facts being that growth almost universally terminates at physical maturity, that is, in most persons, at from 18 years to 22 years of age, that there have been no such discoveries as

represented, that pupils are not enabled to prolong or renew the growth of their bodies, and that the utmost they are enabled to do "is to acquire correct postures of the several parts of their respective bodies, and to make and hold such bodies more nearly straight and apparently of greater length".

Respondents further, as charged, in their aforesaid advertisements under their trade or business name of L. Glover, refer to their Height Increasing Course as that of Glover, a Height Increasing Specialist, "thus and thereby implying and giving assurance that said course is the product of one learned and skilled in matters affecting the growth of the human body, and that said course represents his sound judgment and conscience", the fact being there is no person corresponding to the name Glover, the name of L. Glover being a mere trade name, and represent and assert that said course has "the approval and indorsement of a certain eminent specialist in said science and art of physical culture and especially in the branch thereof relating to the art of increasing the length of the human body, to wit: A certain doctor, Bernard Bernard, to whose name are appended initials indicating that such doctor has received certain high professional degrees, without indicating that such eminent specialist was none other than respondent Bernard, with an interest in the enterprise in question but, by every reasonable implication constituting a representation and assurance to the public, to prospective pupils, and to pupils, that said indorsement is the disinterested and unbiased judgment of an eminent specialist in said science and art".

The use by respondents, as alleged "of said trade practice and method of competition, to wit: The making and publication of said false, deceptive and misleading representations, assertions and promises, as above set forth, has the tendency and capacity to mislead and deceive the public and prospective pupils, and will probably mislead and deceive the public and prospective pupils, into the erroneous belief: 1. That such representations, assertions and promises are true; 2. That pupils of respondents will be enabled in the manner and by the means above alleged, to increase the lengths or heights of their respective bodies to the extents and with the effects and results as so represented, asserted and promised by respondents; 3. That the course of instruction in the science and art of physical culture so being offered for sale and sold by respondents is superior to all other courses being offered for sale and sold by any or all of the competitors of said respondents"; engaged in the sale of courses in physical culture and accessories incident to such courses, "and more to be

desired than any other by any and all prospective pupils, especially by prospective pupils who are short of stature”.

The use by respondent of said trade practice method, as alleged, has the further tendency and capacity to “and probably will, injuriously affect the public, prospective pupils, and the competitors of respondents in the particulars as follows; to wit:

“1. To induce the public to purchase and pay for said course of instruction solely on account of, and for the sake of, the pretended benefits that can not in fact be realized by pupils of respondent.

“2. To induce prospective pupils to select, purchase and pay for respondents’ said course, in preference to, and to the exclusion of, courses of instruction in the science and art of physical culture being offered for sale and sold by said competitors of respondents, solely because of such false, deceptive and misleading representations, assertions and promises, and solely in order to receive the particular benefits so promised, but which pupils of respondents are not enabled to receive or realize.

“3. To divert from competitors of respondents the enrollment of prospective pupils solely by the making and publication of such false, deceptive, and misleading representations, assertions and promises.”

Such acts and practices of the respondents, as charged, are all to the prejudice of the public and of respondents’ competitors, and constitute unfair methods of competition in 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 power and duties, and for other purposes”, the Federal Trade Commission issued and served a complaint upon the respondents, Bernard Bernard, Clara Louise Glover, doing business under the name of L. Glover, and R. B. Newell, charging them with unfair methods of competition in commerce in violation of the provisions of section 5 of said act.

The respondents, Bernard Bernard and Clara Louise Glover, doing business under the name of L. Glover, entered their 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 as against said respondents, 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 as

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against said respondents, 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 its conclusion drawn therefrom:

FINDINGS AS TO THE FACTS

PARAGRAPH 1. The respondents, Bernard Bernard and Clara Louise Glover, doing business under the name of L. Glover, as partners or otherwise, are and for the past three years or more have been, engaged in a joint business enterprise under the trade or business name of L. Glover, having and maintaining their principal place of business at 70 Buckley Avenue, Sausalito, in the State of California; said respondents, Bernard Bernard and Clara Louise Glover, doing business under said trade or business name of L. Glover, are engaged in the business of offering for sale and selling and furnishing courses of instruction by correspondence in the science and art of physical culture, including a so-called height-increasing course, to persons referred to as pupils, such pupils residing at various places in the several States of the United States; and in offering for sale and selling and furnishing to such pupils, as incidental and accessory to such instruction and in aid thereof, certain articles and appliances furnished for that purpose by said respondents. The several courses of instruction so offered for sale and sold by respondents are sold as an entirety, or the so-called height-increasing course may be purchased separately.

Said respondents, when a prospective pupil enters into a contract with them, and enrolls with them as such pupil, in consideration of the agreed cash tuition paid and agreed to be paid by such pupil, undertake to sell and deliver to such pupil through the United States mails, or otherwise, a complete course of written, mimeographed, or printed information and instruction in the particular portion or portions of such course of said instruction chosen by such pupil, or in the whole of said instructions; and at the same time and as a part of the same transaction and contract, and as a part of the consideration for the tuition or selling price of such course of instruction, said respondents undertake to sell to such pupils and deliver to them, through the United States mails or otherwise and in interstate commerce, the articles and appliances so incidental to and in aid of such course of instruction; and in pursuance of said contract with such pupils said respondents furnished and caused to be transported from their place of business, or some other place main-

tained by said respondents for that purpose, into and through the several States of the United States, and to be delivered to such pupils at their respective places of residence, such respective courses of written, mimeographed, or printed information and instruction, and other items of written, mimeographed, or printed matter, and such articles and appliances incidental to such courses of instruction, and to be used in aid thereof.

PAR. 2. In all of their said business and parts thereof, and in the procurement of pupils to enroll as such, and to purchase said courses of instruction and said articles and things above referred to, said respondents are in competition with other persons who are likewise engaged in the same or similar lines of business activity and who are seeking to procure pupils in and throughout the several States of the United States to enroll as such, and to purchase, receive, and pay for courses of instruction by correspondence as above set forth written, mimeographed, or printed matter and other articles and things to be sold, furnished and delivered to such pupils as incidental or accessory to the learning and practice of said science and art of physical culture; the same to be likewise transported by such competitors from their places of business, through the United States mails or otherwise, into and through the several States of the United States, and delivered to such pupils at their several places of residence in and throughout the several States; said respondents being in competition with various persons, corporations, associations, and firms who are engaged in the same or similar lines of business activity and who are also seeking to procure pupils in the several States in courses of instruction by correspondence, as above set forth, and pupils who pay for courses of instruction by correspondence, and written or printed matters and other articles and things to be sold, furnished, and delivered to such pupils as incidental or accessory to the learning and practice of said science and art of physical culture, the same to be likewise transported by such competitors in interstate commerce.

PAR. 3. In all of their said business and for the purpose of inducing prospective pupils to enter into contracts with them to enroll as such pupils with them, and to purchase of them the courses of information and instruction and the articles and things above referred to, and to pay to them the purchase price thereof, said respondents caused advertisements of their said courses of information and instruction and of said articles and things incidental and accessory thereto, and of said other articles and things above referred to, to be inserted and made accessible to the public and to prospective pupils, in newspapers, magazines, periodicals, and other pub-

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lications of general circulation in the United States and in the several parts thereof, and in enrollment and other blanks, catalogues, pamphlets, letters, circulars and other forms of written, mimeographed, or printed matter, and in all such advertisements, and in all said written, mimeographed, or printed matter, said respondents, Bernard Bernard and Clara Louise Glover, doing business under the name of L. Glover, make the promises, statements and representations, hereinafter referred to as follows:

Said respondents represent, assert and promise that the growth of the human body in length does not fully and finally cease at what is usually regarded as the age of physical maturity, or at any age, but may be caused to continue at any time or from time to time without a limit of one's age; when in truth and in fact, the growth of a human body in length almost universally and for almost every person terminates at the age of the physical maturity of such person, which age is in most persons reached at ages ranging from 18 years to 22 years, or approximately within such age limits.

Said respondents also represent, assert, and promise that men by scientific research have discovered that, by complying with certain advice and instructions, by taking certain physical exercises and certain diet, and the use of certain appliances, the growth of the human body may be prolonged in one's youth or renewed in one's later years, and the total length of one's body increased so that one who has arrived at the age of physical maturity and is of short stature, or who is about to cease from growing while still of short stature, may so increase the length of his physical body as to be tall of stature and equal in bodily height to persons who are by nature tall of stature; when in truth and in fact no science and no scientist has made such alleged discovery or any discovery that is identical in substance or practical effect therewith.

Said respondents further represent, assert, and promise that they are offering for sale and selling and furnishing to persons who are willing to purchase and pay for the same a certain course of instruction, information and advice, and certain appliances to be used as incidental and accessory to such course, by means of which their pupils, to wit, persons who purchase said course of instruction, information and advice, and said appliances, and who take the certain physical exercises and the certain diet prescribed in such course, and follow the advice given and directions contained in said course, are enabled easily, safely, and certainly to increase the length of their respective bodies by a number of inches sufficient to enable each pupil to become as tall of stature as are the persons whose bodies are now longer and who are taller than are such pupils.

Said respondents further represent, assert, and promise that their pupils will thus be enabled, easily, safely, and certainly, to overcome any differences in height of their respective bodies there may now be between such pupils and persons who are taller of stature than are such pupils, such differences being to the handicap and humiliation of such pupils; when in truth and in fact, such pupils are not thus enabled to prolong the period of the growth of their bodies, in length, or to renew such growth after such pupils have passed beyond

the respective periods of their bodily growth and such growth has ceased; nor are such pupils thus enabled to add in any substantial degree to the total lengths of their respective bodies or otherwise to make their respective bodies as long and as tall as are the bodies of persons who are now longer and taller than are such pupils; in truth and in fact, the utmost that such pupils are thus enabled to do is to acquire correct postures of the several parts of their respective bodies, and to make and hold such bodies more nearly straight and apparently of greater length.

Said respondents also further represent, assert, and promise that science as embodied in their said course has put it within the power of their pupils thus easily, safely, and certainly, to increase their respective lengths of body to such degree as to free them severally of the handicap, inconvenience, and humiliation resulting from their being shorter of stature than are others whose heights of body they admire, envy or covet; when in truth and in fact, such pupils are not thus enabled to cause their bodies to grow to greater lengths or substantially to eliminate or lessen the shortness of their respective bodies or the differences between their bodies and the bodies of taller persons.

Said respondents also, by photographs and printed words, represent, assert and, in the ways and manners above alleged, promise that they, by the means and methods aforesaid, enable their pupils to grow taller and to control their respective actual and comparative heights or lengths of body. For that purpose in said manners and ways, respondents cause to be printed and published two pictures of the same pupil purporting to have been taken respectively before and after such pupil had taken said course so being offered for sale and sold by said respondents, and purporting to demonstrate that such pupil had been short before, and is tall since the taking of such course. Along with such pictures respondents cause so to be published these words, to wit:

Science has found the way to add inches to your height. No need to envy and look up to the big fellows. No need to have the disadvantages of the little man. This course makes it possible for you to be on a level with your fellow men. Course is easy, inexpensive, and results sure.

Respondents likewise make other representations, assertions, and promises in other words, but of the same import, tenor, and meaning to readers thereof; when in truth and in fact the length of body or height of such pupil was substantially the same at the several times of the taking of said two pictures, and such pupil had not been enabled to change himself, and had not changed himself, from the class of "little men" over into the class of "big fellows", in the sense in

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which such words are used in said advertisement; when in truth and in fact the taking of said course of information and instructions, advice and directions, and compliance with such instructions and advice, the taking of the exercises and diet therein prescribed, had not enabled said pupil to grow taller, as asserted in said advertisement, and do not enable other pupils of said respondents to grow taller.

PAR. 4. Said respondents, Bernard Bernard and Clara Louise Glover, doing business under the name of L. Glover, in their advertisements in which they make the false representations, statements, and promises above referred to, the same being made in said trade or business name of L. Glover, refer to such course as that of Glover, a height-increasing specialist, thus and thereby implying and giving assurance that said course is the product of one learned and skilled in matters affecting the growth of the human body, and that said course represents his sound judgment and conscience; when in truth and in fact there is no person corresponding to said name Glover, the name of L. Glover being a mere trade or business name.

Said respondents in the manners above alleged and in such advertisements by pictures and printed matter, by every reasonable implication thereof, represent, assert, and promise that they enable their pupils to increase their several heights or lengths of body by many inches, such advertisements carrying pictures of two men standing, the one immediately in front of the other, and of such relative heights that, if the shorter were to be of the height of 62 inches, the taller would be of the height of 72 inches. In and as a part of such advertisements and in immediate connection with such pictures, are these words:

No need to envy and look up to the big fellows. No need to have the disadvantages of the little man. This course makes it possible for you to be on a level with your fellow men. Course is easy, inexpensive, and results sure.

In truth and in fact the utmost limitations of any benefits such pupils may receive from such course are the possible straightening of a stooping posture, which is purely mechanical and in no sense is it that of growth.

PAR. 5. Said respondents so doing business in said name of L. Glover, in the manners above alleged and in such advertisements represent and assert that their said course has the approval and indorsement of a certain eminent specialist in said science and art of physical culture and especially in the branch thereof relating to the art of increasing the length of the human body, to wit, a certain doctor, Bernard Bernard, to whose name are appended initials indicating that such doctor has received certain high professional degrees. Said advertisements bear no indication that respondent has

an interest in said business enterprise so carried on by said respondents, and by every reasonable implication such statement is a representation and assurance to the public, to prospective pupils, and to pupils, that said indorsement is the disinterested and unbiased judgment of an eminent specialist in said science and art; when in truth and in fact such eminent specialist is none other than respondent Bernard Bernard.

PAR. 6. The use by respondents of said trade practice and method of competition in the making and publication of said false, deceptive, and misleading representations, assertions, and promises, as hereinabove set forth, has the tendency and capacity to mislead and deceive the public and prospective pupils, and will probably mislead and deceive the public and prospective pupils, into the erroneous belief that such representations, assertions, and promises are true; that the pupils of respondents will be enabled in the manner and by the means above alleged to increase the lengths or heights of their respective bodies to the extents and with the effects and results as so represented, asserted, and promised by respondents; that the course of instruction in the science and art of physical culture so being offered for sale and sold by respondents is superior to all other courses being offered for sale and sold by any or all of the competitors of said respondents, and more to be desired than any other by any and all prospective pupils and especially by prospective pupils who are short of stature.

The use by respondents of said trade practice and method of competition above referred to and the making and publication of said false, deceptive, and misleading representations, assertions, and promises as above set forth, has the tendency and capacity to and probably will injuriously affect the public, prospective pupils and the competitors of respondents and induce the public to purchase and pay for such course of instruction solely on account of and for the sake of the pretended benefits that can not in fact be realized by pupils of respondents; and also induce prospective pupils to select, purchase, and pay for respondents' said course, in preference to, and to the exclusion of, courses of instruction in the science and art of physical culture being offered for sale and sold by competitors of respondents, solely because of such false, deceptive, and misleading representations, assertions, and promises, and solely in order to receive the particular benefits so promised, but which pupils of respondents are not able to receive or realize; and to divert from competitors of respondents the enrollment of prospective pupils solely by the making and publication of such false, deceptive, and misleading representations, assertions, and promises.

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7. The Commission also finds the facts to be that all such acts and practices of respondents hereinabove referred to, and as hereinabove fully set out and described, are all to the prejudice of the public and of respondents' competitors and constitute unfair methods of competition in commerce.

CONCLUSION

The said practices of the respondents, Bernard Bernard and Clara Louise Glover, doing business under the trade name of L. Glover, under the conditions and circumstances as fully 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 respondents, Bernard Bernard, Clara Louise Glover, doing business as L. Glover, and counsel for the Commission, and the Commission having made its findings as to the facts, with its conclusion, that the respondents have 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 respondents, Bernard Bernard, Clara Louise Glover, doing business under the name of L. Glover, in interstate commerce, or either of them, or their, or either of their agents, representatives, servants, or employees and anyone acting under or through them, or by or through either one of them or their authority or direction, cease and desist from stating or representing in advertisements, circulars, catalogues, pamphlets, letters or other forms of mimeographed, written or printed matter, or otherwise, in securing or attempting to secure the enrollment of persons or pupils, who are charged a fee by said respondents, or either of them, for any course of instructions furnished by said respondents, or either of them, in the science and art of physical culture, including a so-called height-increasing course, or any business of like purport or character—

(1) That the growth of the human body in length does not cease at what is usually regarded as the age of physical maturity—somewhere between the ages of 18 and 22 years—or at any age, but may be

caused to continue to grow at any time or from time to time without a limit of one's age; and that men, by scientific research, have discovered that by complying with certain advice and instructions, and by taking certain physical exercises and certain diet and the use of certain appliances, the growth of the human body may be prolonged in one's youth or renewed in one's later years, and that the length of one's body may be increased so that one who has arrived at the age of physical maturity and is short of stature, or who is about to cease from growing while still of short stature, may so increase the length of his physical body to be tall of stature and equal in bodily height to persons who are by nature tall of stature.

(2) That respondents are offering for sale and selling and furnishing to persons a certain course of instruction, information, and advice, and certain appliances to be used as incidental and accessory to such course, by means of which persons who purchase said course of instruction, information, and advice and appliances, and who take the certain physical exercises and the certain diet prescribed in said course and follow the advice given and the directions contained in said course furnished by said respondents, are enabled certainly to increase the lengths of their respective bodies by a number of inches and sufficient to enable such persons to become as tall of stature as are persons whose bodies are longer and who are taller than such persons who are taking such course of instruction; and that said respondents' pupils will thus be enabled easily, safely, and certainly to overcome any differences in heights of their respective bodies there may then be between such pupils and persons who are taller of stature than are such pupils, regardless of whether or not such pupils have reached the age of physical maturity.

(3) That science, as embodied in the course offered by said respondents, has put it within the power of their pupils to easily, safely, and certainly increase their respective lengths of body, after physical maturity, to such degree as to free them severally of the handicap, inconvenience, and humiliation resulting from such pupils being shorter of stature than are others whose heights of body they admire or covet.

(4) That said respondents, by the course of instructions furnished by them, enable their pupils to grow taller and to control their respective, actual and comparative heights or lengths of body.

(5) That said course of instructions furnished by respondents, and which will cause their pupils to grow taller, represents the sound judgment of a height-increasing specialist, and that said course fur-

nished by respondents is the product of one learned and skilled in the matters affecting the growth of the human body, and that said respondents are enabled, by their course of instructions, if followed by pupils, to increase the several heights or lengths of body of their pupils several inches, regardless of whether such pupils have reached maturity before the taking of such course of instructions prescribed by said respondents.

(6) That the said height-increasing course of instructions and exercises prescribed and furnished by said respondents has resulted successfully in causing persons and pupils of said respondents to grow taller after the age of maturity and after their bodies had reached maturity and had ceased growing.

(7) That by following the course of instructions and exercises prescribed and furnished by said respondents, or otherwise, that persons are enabled to grow taller after they have once reached the age of maturity, or that science has found the way to add inches to the height of persons, and that no person who is naturally of small stature needs to envy and look up to the big fellows, nor is there any need to have the disadvantages of the little man, and that the course of instructions furnished by respondents makes it easy for persons who are naturally of small stature to be on a level with their taller fellowmen, and that the course recommended that will produce such results is easy, inexpensive and sure.

It is further ordered, That the respondents, Bernard Bernard, Clara Louise Glover, doing business under the name of L. Glover, shall within 30 days after the service upon them of a copy 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 hereinabove set forth.¹

¹ Proceedings against respondent R. B. Newell dismissed by the following order made as of December 8, 1930:

"The above-entitled proceeding coming on for consideration by the Commission and it appearing that an order to cease and desist issued against respondents Bernard Bernard and Clara Louise Glover on June 24, 1930, and it further appearing that said respondents discontinued the practices and obeyed said order and the Commission now being fully advised in the premises,

"*It is ordered*, That the complaint herein be, and the same is hereby, dismissed as to respondent R. B. Newell."

Complaint

IN THE MATTER OF
ESPOSITER VARNI COMPANY

COMPLAINT (SYNOPSIS), FINDINGS, AND ORDER IN REGARD TO THE ALLEGED
VIOLATION OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 20, 1914

Docket 1781. Complaint, Apr. 7, 1930—Decision, June 24, 1930

Where a corporation engaged in the importation and sale of semiprecious stones; sold, designated, and invoiced as rose quartz beads, Chinese quartz beads dyed the deep rose color naturally found in those cut from German, Swiss, and other quartz, and, because of the deep rose color naturally contained therein, in large demand for necklaces, without disclosing the dyeing of said inferior, cheaper, and otherwise undesired Chinese beads; with capacity and tendency to mislead and deceive the public into believing that its said so-called rose quartz beads had the natural instead of the artificial color, and into purchasing said beads in such belief, and with the effect of furnishing wholesale and retail jewelers means of misleading and deceiving customers and prospective customers into purchasing the same as and for the natural colored rose quartz beads as known to trade and public:

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

Mr. James M. Brinson 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, a New York corporation engaged in the importation of semiprecious stones and in the sale and distribution thereof among the various States, and also in the sale of such stones purchased by it from importers or others, and with office and principal place of business in New York City, with misrepresenting its product, 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, offers and sells and by invoice or otherwise describes and designates as rose quartz beads, beads cut or carved from quartz in China, and so treated as to acquire and have the deep rose color long and still identified by the public with the genuine rose quartz beads carved from quartz in Germany, Switzerland and elsewhere, without disclosing that the