

IN THE MATTER OF
WORLD LIBRARY GUILD, INC.

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

Docket 2511. Complaint, Nov. 25 1935¹—Decision, Oct. 19, 1936

Where a corporation, engaged in the sale and distribution of a set of books under the title "Twentieth Century Encyclopedia," together with a revision service therefor and memberships in a research bureau to be used in connection therewith—

- (a) Represented through soliciting traveling agents and salesmen, and advertising matter, prospectuses, stretchers, order blanks or contracts, and other literature and paraphernalia supplied said individuals, that as a special introductory offer a limited number of persons in each place visited by a salesman would be given a set of said Encyclopedia free, if they subscribed for the ten-year loose-leaf semi-annual extension service and binders to be furnished by it at a stated price, and that the total cost to the purchaser for said service was the amount stated, and that the regular and usual price of said Encyclopedia and service or supplements was, or would be, some other sum greatly in excess of the amount for which it was then being offered; the facts being said encyclopedia was not free but the price asked and charged included the regular price therefor and of any additional services furnished, offer was not limited but available to any person having the requested purchase price, and figure named and asked for such extension service was not, as represented, the total cost, and did not include an undisclosed additional charge of fifty cents per year for such revision service or supplements;
- (b) Falsely represented, as aforesaid, that it was the publisher of said encyclopedia, and that said work or set of books was new, accurate, and up to date, and constituted a complete and concise encyclopedia and reference work, and a concise and accurate review of all branches of the world's knowledge and human thought worthy of preservation, and that it conducted a research bureau for the service of its customers, and made other representations of like import; the facts being that it was out of date and inaccurate in its various editions as published, and no edition thereof ever was a complete, concise, and comprehensive encyclopedia, and said various statements and representations made by it were false;
- (c) Falsely represented, as aforesaid, that its general editorial advisory board was composed of certain named individuals, officials, scholars, and personages connected with various American universities and public institutions;
- (d) Falsely represented, as aforesaid, that a certain individual named and identified by it as former reference librarian of the Library of Congress, editor-in-chief of Collier's New Encyclopedia and Reynolds' Atlas and Gazetteer, was editor-in-chief of its said encyclopedia and each edition thereof, and

¹Amended and supplemental.

that another individual named and identified by it as associate editor of the New International Encyclopedia was managing editor of its own said encyclopedia;

With intent and effect of enhancing the sale of said encyclopedia and services through such false, deceptive, and misleading representations and statements, and of inducing members of the public to purchase the same in reliance thereon as true, and of thereby diverting trade to it from competitors who do not misrepresent the kind, nature, or value of their books and publications, nor the terms and conditions upon which the same are sold; to the substantial injury of competition in commerce:

Held, That such acts and practices were to the prejudice of the public and competitors and constituted unfair methods of competition.

Before *Mr. Charles F. Diggs*, trial examiner.

Mr. Allen C. Phelps for the Commission.

Campbell, Clithero & Fischer, of Chicago, Ill., for respondent.

AMENDED AND SUPPLEMENTAL COMPLAINT

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, having reason to believe that World Library Guild, Inc., a corporation, hereinafter referred to as respondent, has been and is using unfair methods of competition in commerce as "commerce" is defined in said act of Congress, and it appearing to said Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its amended and supplemental complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent, World Library Guild, Inc., is a corporation, organized and existing under the laws of the State of New York, with its principal office and place of business at 1440 Broadway, New York City, N. Y., where it is and has been engaged for more than four years last past in the sale and distribution in interstate commerce of a certain set of books under the title of the "Twentieth Century Encyclopedia", together with a revision service therefor and memberships in a research bureau to be used in connection therewith. The officers of respondent are Horace A. Hocking, president; S. Kaplon, secretary, and Max Moster, treasurer. Respondent through various agents, salesmen, solicitors, and employees, has been and is engaged in the business of offering to sell, selling, and distributing said "Twentieth Century Encyclopedia", with its revisions and research bureau memberships, to persons located at points in various States of the United States and the District of Columbia, and causes said books or publications when so sold to be transported from said New York City, N. Y., and also from the city of Cleveland,

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Ohio, through and into other States of the United States and the District of Columbia, to the purchasers thereof at their respective locations, and in the course and conduct of said business respondent is in competition with various other persons, partnerships, and corporations similarly engaged.

PAR. 2. In the course and conduct of its business in selling and seeking to sell its said books, revision service and research bureau memberships, respondent employs various agents, solicitors, salesmen, and representatives, who are authorized and directed to solicit orders for and to sell said commodities to prospective purchasers in the several States, said salesmen and representatives customarily traveling from place to place and canvassing prospective purchasers at such places. Respondent furnishes such salesmen and representatives with advertising folders, prospectuses, stretchers, order blanks or contracts and other literature and paraphernalia, which is distributed with and used in connection with the sale of said books, extension service, and memberships. Upon a sale being made by such salesmen or representative, the purchaser is asked to sign a printed order or contract, which is then transmitted to the respondent. Respondent thereupon causes a shipment of said books to be made to such purchaser either from New York, N. Y., or Cleveland, Ohio, and transmits to the purchaser a purported certificate of membership in the "World Library Guild Research Bureau" and semi-annual extension service. At the time the order is signed the salesmen or representatives collect a down payment from the purchaser, which includes the salesman's commission for making the sale. The order or contract so signed by the purchaser requires additional payments in monthly installments until the total purchase price is paid in full.

PAR. 3. During the time above mentioned in the course and conduct of said business, respondent, through its agents, salesmen, representatives, and employees, and by means of its advertisements, letters, order-blanks, and other literature distributed and exhibited to prospective purchasers has represented and does now represent to various individuals throughout the United States, the following: That as a special introductory offer a limited number of persons in each place visited by a salesman are given a set of the Twentieth Century Encyclopedia free if they subscribe for the ten year loose-leaf semi-annual extension service and binders to be furnished by respondent at a stated price, usually \$39.50; that the total cost to the purchaser for said revision service is the amount set forth in said order, usually \$39.50; that respondent is and was the publisher of said Twentieth Century Encyclopedia and each edition thereof; that said encyclopedia is the Century Encyclopedia brought up to date, and that respondent has pur-

chased the Century Encyclopedia and is the owner thereof; that the regular and usual price of said encyclopedia when offered for sale and said extension service or revision supplements was, or would be, \$79.00, or some other sum greatly in excess of the amount for which the same was being offered to prospective purchasers; that said Twentieth Century Encyclopedia and each edition thereof is, and was when issued, new, accurate and up to date as to its subject matter, and that it is, and each edition was, a complete, concise, and comprehensive encyclopedia and reference work; that said encyclopedia is, and each edition was, a concise and accurate review of all branches of the world's knowledge; that said encyclopedia contains, and each edition did contain, all human thought and knowledge worth preserving; that the following named individuals are and were contributing editors to said encyclopedia, and each edition thereof, and constitute, and did constitute, its general editorial advisory board, to wit:—Loomis Havemeyer, Ph. D., Registrar of Sheffield Scientific School, Yale University, and Instructor in Anthropology and Economic Geography; George Maxwell Howe, Ph. D., Exchange Professor, German Department, Harvard University, Cambridge, Mass.; D. R. Fox, Ph. D., Assistant Professor of History, Columbia University, Research Associate, Carnegie Institute; James Lukens McConaughy, Ph. D., President, Wesleyan University, Middletown, Conn.; Henry Jackson Waters, LL. D., ex-president, State Agricultural College, Manhattan, Kans.; and that Francis J. Reynolds, former Reference Librarian, Library of Congress, editor-in-chief of Colliers New Encyclopedia; Reynolds's Atlas and Gazetteer, is and was editor-in-chief of said Twentieth Century Encyclopedia, and each edition thereof, and that Allen L. Churchill, associate editor, New International Encyclopedia, is, and was, the managing editor thereof; that respondent conducts a research bureau for the service of its customers; and other representations of like import.

PAR. 4. That in truth and in fact: Said Twentieth Century Encyclopedia is not free, is not given away to customers who subscribe to the extension service or supplements, but the price asked and charged includes the regular price of the books and any additional services furnished; that the offer of sale made is not a special introductory offer made to a limited number of persons, but on the contrary is available to anyone having the requested purchase price; that respondent is not, and never was, the publisher of said encyclopedia, but on the contrary the same is, and was, published by the World Syndicate Publishing Company of Cleveland, Ohio; that the stated price, usually \$39.50, is not the total cost to the purchaser for such extension service or supplements, but on the contrary there is an additional charge of

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fifty cents per year for such revision service or supplements which fact is not divulged when the sale is made; that respondent has not purchased the Century Encyclopedia and is not the owner thereof, said Century Encyclopedia being, or having been, a separate and distinct work from the Twentieth Century Encyclopedia; that the regular and usual price for said encyclopedia and revision service offered to purchasers generally is, and always has been, between \$33 50 and \$39.50, and no sets of said encyclopedia or the services furnished in connection therewith have been sold for a sum greater than \$39.50; that said Twentieth Century Encyclopedia was not, and is not, new, accurate, or up to date as to its subject matter, but on the contrary is, and was, out of date and inaccurate in the various editions as same have been published; that said encyclopedia is not and no edition thereof ever was a complete, concise and comprehensive encyclopedia; that said encyclopedia is not, and no edition thereof ever was, a complete and accurate review of all the whole world's knowledge; that said encyclopedia does not and no edition thereof ever did contain all human thought and knowledge worth preserving; that the individuals named in said encyclopedia as contributing editors and members of its general editorial advisory board as in paragraph 3 above listed are not and have not been contributing editors of said encyclopedia, nor any edition thereof, nor are said individuals, or any of them, nor are they, or have they been, members of its general editorial advisory board; that Francis J. Reynolds, above named, is not and was not the editor-in-chief of said encyclopedia, or any edition thereof, and that Allen L. Churchill, above named, is not, and was not, the managing editor thereof; that respondent does not conduct a research bureau for the service of its customers; that the delivery of said revision service or supplements to the purchaser is contingent upon the forwarding of a coupon accompanied by twenty-five cents at a specified time each year, which fact is not divulged to prospective purchasers by respondent at the time said encyclopedia and revision service are offered for sale and sold.

PAR. 5. Respondent, its agents, salesmen, representatives, and employees, by means of the false, deceptive, and misleading representations and statements above set forth, have sold and are selling its said books and publication known as the "Twentieth Century Encyclopedia," including the extension and research services, to members of the public throughout the United States, who are thereby induced to purchase the same because of the aforesaid false, deceptive and misleading statements and representations.

PAR. 6. The above alleged acts, things and practices of respondent are each and all of them to the prejudice and injury of the public

and of respondent's competitors, and constitute unfair methods of competition within the intent and meaning of Section 5 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."

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 25th day of November, A. D. 1935, issued and served its amended and supplemental complaint in this proceeding upon respondent, World Library Guild, Inc., a corporation, charging it with the use of unfair methods of competition in commerce in violation of the provisions of said act. Said amended and supplemental complaint was an amendment of and a supplement to a complaint issued by the Commission on the 12th day of August, A. D., 1935 and served upon said respondent, charging it with the use of unfair methods of competition in commerce in violation of the provisions of said act. After the issuance of said complaint and said amended and supplemental complaint and the filing of respondent's answers thereto, testimony and other evidence in support of the allegations of said complaint were introduced by Allen C. Phelps, attorney for the Commission, before Charles F. Diggs, an examiner of the Commission theretofore duly designated by it and in opposition to the allegations of the complaint by Campbell, Clithero, and Fischer, attorneys for the respondent; and said testimony and other evidence were duly recorded and filed in the office of the Commission. Thereafter, the proceeding regularly came on for final hearing before the Commission on the said amended and supplemental complaint and the answer thereto, testimony and other evidence, briefs in support of the amended and supplemental complaint and in opposition thereto, and the oral arguments of counsel aforesaid; and the Commission having duly considered the same, and being now fully advised in the premises, finds that this proceeding is in the interest of the public, and makes this its findings as to the facts and its conclusion drawn therefrom:

FINDINGS AS TO THE FACTS

PARAGRAPH 1. Respondent, World Library Guild, Inc., is a corporation, organized and existing under the laws of the State of New York, with its principal office and place of business at 1440 Broadway, New York City, N. Y., where it is and has been engaged

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for more than five years last past in the sale and distribution in interstate commerce of a certain set of books under the title of the "Twentieth Century Encyclopedia", together with a revision service therefor and memberships in a research bureau to be used in connection therewith. The officers of respondent are Horace A. Hocking, president; S. Kaplon, secretary, and Max Moster, treasurer. Respondent through various agents, salesmen, solicitors, and employees, has been and is engaged in the business of offering to sell, selling, and distributing said "Twentieth Century Encyclopedia", with its revisions and research bureau memberships, to persons located at points in various States of the United States and the District of Columbia, and causes said books or publications when so sold to be transported from said New York City, N. Y., and also from the city of Cleveland, Ohio, through and into other States of the United States and the District of Columbia, to the purchasers thereof at their respective locations, and in the course and conduct of said business respondent is in competition with various other corporations, partnerships, firms, and individuals engaged in commerce between and among the various States of the United States and in the District of Columbia.

PAR. 2. In the course and conduct of its business as aforesaid, respondent employs various agents, solicitors, and salesmen who sell said commodities to prospective purchasers, travel from place to place and canvass prospective purchasers. Respondent furnishes such salesmen and representatives advertising matter, prospectuses, stretchers, order blanks, or contracts and other literature and paraphernalia, which are distributed with or used in connection with the sale of said books, revision or extension service and research bureau memberships. Upon a sale being made by such salesman or representative, the purchaser is asked to sign a printed order or contract, which is then transmitted to the respondent. Respondent thereupon causes a shipment of said books to be made to such purchaser either from New York, N. Y., or Cleveland, Ohio, and transmits to the purchaser a certificate of membership in the "World Library Guild Research Bureau" and semi-annual extension service. At the time the order is signed, the salesmen or representatives usually collect a down payment from the purchaser. The order or contract so signed by the purchaser usually requires additional payments in installments until the total purchase price is paid in full.

PAR. 3. During the time above mentioned in the course and conduct of said business, respondent, through its agents, salesmen, representatives, and employees, and by means of its advertisements, letters, order blanks and other literature distributed and exhibited

to prospective purchasers has represented and does now represent to various individuals throughout the United States, the following: That as a special introductory offer a limited number of persons in each place visited by a salesman are given a set of the Twentieth Century Encyclopedia free if they subscribe for the ten year loose-leaf semi-annual extension service and binders to be furnished by respondent at a stated price, usually \$39.50; that the total cost to the purchaser for said revision service is the amount set forth in said order, usually \$39.50; that respondent is and was the publisher of said Twentieth Century Encyclopedia and each edition thereof; that the regular and usual price of said encyclopedia when offered for sale and said extension service or revision supplements was, or would be, \$79.00, or some other sum greatly in excess of the amount for which the same was being offered to prospective purchasers; that said Twentieth Century Encyclopedia and each edition thereof is, and was when issued, new, accurate and up to date as to its subject matter, and that it is, and each edition was, a complete, concise and comprehensive encyclopedia and reference work; that said encyclopedia is, and each edition was, a concise and accurate review of all branches of the world's knowledge; that said encyclopedia contains, and each edition did contain, all human thought and knowledge worth preserving; that the following named individuals are and were contributing editors to said encyclopedia, and each edition thereof, and constitute, and did constitute, its general editorial advisory board, to wit:—Loomis Havemeyer, Ph. D., Registrar of Sheffield Scientific School, Yale University, and Instructor in Anthropology and Economic Geography; George Maxwell Howe, Ph. D., Exchange Professor, German Department, Harvard University, Cambridge, Mass.; D. R. Fox, Ph. D., Assistant Professor of History, Columbia University, Research Associate, Carnegie Institute; James Lukens McConaughy, Ph. D., President, Wesleyan University, Middletown, Conn.; Henry Jackson Waters, LL.D., ex-president, State Agricultural College, Manhattan, Kansas; and that Francis J. Reynolds, former Reference Librarian, Library of Congress, Editor in Chief of Colliers New Encyclopedia; Reynolds's Atlas and Gazetteer, is and was Editor in Chief of said Twentieth Century Encyclopedia, and each edition thereof, and that Allen L. Churchill, Associate Editor, New International Encyclopedia, is, and was, the Managing Editor thereof; that respondent conducts a Research Bureau for the service of its customers; and other representations of like import.

PAR. 4. That in truth and in fact: Said Twentieth Century Encyclopedia is not free, is not given away to customers who sub-

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scribe to the extension service or supplements, but the price asked and charged includes the regular price of the books and any additional services furnished; that the offer of sale made is not a special introductory offer made to a limited number of persons, but on the contrary is available to anyone having the requested purchase price; that respondent is not, and never was, the publisher of said encyclopedia, but on the contrary the same is, and was, published by the World Syndicate Publishing Company of Cleveland, Ohio; that the stated price, usually \$39.50, is not the total cost to the purchaser for such extension service or supplements, but on the contrary there is an additional charge of fifty cents per year for such revision service or supplements which fact is not divulged when the sale is made; that the regular and usual price for said encyclopedia and revision service offered to purchasers generally is, and always has been, either \$33.50 or \$39.50, and no sets of said encyclopedia or the services furnished in connection therewith have been sold for a sum greater than \$39.50; that said Twentieth Century Encyclopedia was not, and is not, new, accurate or up to date as to its subject matter, but on the contrary is, and was, out of date and inaccurate in the various editions as same have been published; that said encyclopedia is not and no edition thereof ever was a complete, concise and comprehensive encyclopedia; that said encyclopedia is not, and no edition thereof ever was, a complete and accurate review of all the whole world's knowledge; that said encyclopedia does not and no edition thereof ever did contain all human thought and knowledge worth preserving; that the individuals named in said encyclopedia as contributing editors and members of its general editorial advisory board as in paragraph 3 above listed are not and have not been contributing editors of said encyclopedia, nor any edition thereof, nor are said individuals, or any of them, or have they been, members of its general editorial advisory board; that Francis J. Reynolds, above named, is not and was not the editor-in-chief of said encyclopedia, or any edition thereof, and that Allen L. Churchill, above named, is not, and was not, the Managing Editor thereof; that respondent does not conduct a Research Bureau for the service of its customers.

PAR. 5. Respondent, through its agents, salesmen, representatives, and employees, by means of the false, deceptive, and misleading representations and statements above set forth, has sold and is selling its said books and publication known as the "Twentieth Century Encyclopedia," including the extension and research services, to members of the public throughout the United States, who are thereby in fact induced to purchase the same because of the aforesaid false, deceptive, and misleading statements and representations. That

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respondent's purpose in making and causing such false and misleading representations to be made is to enhance the sale of said "Twentieth Century Encyclopedia," including the extension and research services, and to induce members of the public to purchase said product relying upon said misrepresentations and acting in the belief that the same are true, thereby diverting trade to respondent from its competitors who do not misrepresent the kind, nature or value of their books and publications, nor the terms and conditions upon which the same are sold, and thereby respondent does substantial injury to competition in interstate commerce.

CONCLUSION

The aforesaid acts and practices of the respondent, World Library Guild, Inc., a corporation, are to the prejudice of the public and of respondent's competitors, and constitute unfair methods of competition in commerce, within the intent and meaning of Section 5 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."

ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the amended and supplemental complaint of the Commission and the answer of respondent, testimony and other evidence taken before Charles F. Diggs, an examiner of the Commission theretofore duly designated by it, in support of the allegations of said amended and supplemental complaint and in opposition thereto, briefs filed herein, and oral arguments by Allen C. Phelps, counsel for the Commission, and by Campbell, Clithero, and Fischer, counsel for the respondent, and the Commission having made its findings as to the facts and its conclusion that said 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 ordered, That the respondent, World Library Guild, Inc., a corporation, its officers, representatives, agents and employees, in connection with the offering for sale, sale, and distribution of a publication now known and designated as the "Twentieth Century Encyclopedia," under that, or any other name, a revision service therefor and memberships in a research bureau to be used in connection therewith, in interstate commerce or in the District of Columbia, do forthwith cease and desist from representing:

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(1) That said "Twentieth Century Encyclopedia" is given away free to persons who subscribe to the ten year loose-leaf semi-annual extension service designed for use with said encyclopedia.

(2) That the total cost to the purchaser for said revision service for said encyclopedia is a certain stated sum unless when there is an additional coupon charge for the semi-annual revision supplements, such coupon charge is included in said stated sum.

(3) That the World Library Guild, Inc., is the publisher of said "Twentieth Century Encyclopedia."

(4) That the regular and usual price of said "Twentieth Century Encyclopedia" is an amount in excess of the amount for which the same is being regularly and customarily offered to prospective purchasers.

(5) That said "Twentieth Century Encyclopedia" is new, accurate and up to date as to its subject matter and that it is a complete, concise and comprehensive encyclopedia and reference work.

(6) That said "Twentieth Century Encyclopedia" is a concise and accurate review of all branches of the world's knowledge.

(7) That said "Twentieth Century Encyclopedia" contains all human thought and knowledge worth preserving.

(8) That the following named individuals are contributing editors to said "Twentieth Century Encyclopedia" and constitute its general editorial advisory board, to-wit: Loomis Havemeyer, Ph. D., Registrar of Sheffield Scientific School, Yale University, and Instructor in Anthropology and Economic Geography; George Maxwell Howe, Ph. D., Exchange Professor, German Department, Harvard University, Cambridge, Mass.; D. R. Fox, Ph. D., Assistant Professor of History, Columbia University, Research Associate, Carnegie Institute; James Lukens McConaughy, Ph. D., President, Wesleyan University, Middletown, Conn.; Henry Jackson Waters, LL.D., Ex-president, State Agricultural College, Manhattan, Kansas; or that any other individual is an editor, a contributing editor or a member of respondent's general editorial advisory board, unless such is the fact.

(9) That Francis J. Reynolds, former Reference Librarian, Library of Congress, Editor in Chief of Colliers New Encyclopedia, Reynolds' Atlas and Gazetteer, is the Editor in Chief of said "Twentieth Century Encyclopedia", and that Allen L. Churchhill, Associate Editor, New

International Encyclopedia, is the Managing Editor thereof, or that any other person is in any way connected with said encyclopedia unless such is the fact.

(10) That the World Library Guild, Inc. conducts a Research Bureau for the service of its customers.

It is further ordered, That the respondent shall, within 60 days after service upon it of this order, file with the Commission a report in writing setting forth in detail the manner and form in which it has complied with this order.

IN THE MATTER OF
LOUIS FABRIKANT, TRADING AS LOUIS FABRIKANT
COMPANY

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

Docket 2742. Complaint, Mar. 13, 1936—Decision, Oct. 19, 1936

Where an individual, engaged in the sale and distribution of textile fabrics, including a certain fabric made from brushed tricot, knitted rayon and silk, with a velvety appearance, and with a resemblance to fabrics made from camels' hair, so that by virtue of appearance of material it would lead purchaser, barring opportunity to compare with material made thereof, to believe same was composed, in part at least, from hair or wool of camel, and which fabric, while used mostly in manufacture of dresses, was also employed for manufacture of mufflers and shawls—

Adopted trade-mark "Camel Snede" as a name for said fabric, and registered same in Patent Office, and prominently and conspicuously displayed or featured said name in advertisements suggested, phrased, and worded by him for use of wholesalers and retailers in offering and selling said fabric to ultimate purchasers thereof, and stated in many of said advertisements, that said product, thus named, was a very soft wool and rayon mixture, with velvety finish, and failed, in majority of such advertisements, adequately to qualify or correct, through statements in small and inconspicuous print, impression made through conspicuous display of phrase in question; notwithstanding fact said fabric contained no camel's hair nor wool from either sheep or camels, but was made solely from silk and rayon;

With result that there was conveyed to mind of reader association of camel's wool or camel's hair with fabric displayed or advertised, and such impression prevailed notwithstanding subsequent explanations, and with effect of misleading and deceiving a substantial portion of purchasing public into erroneous belief that said fabric was made from camel's hair or contained wool from sheep or camel, and of unfairly diverting trade to him from competitors who do not engage in similar practices and misrepresent character or quality of merchandise sold by them, or represent their said fabrics as made from wool of sheep or camels, for which there has long been preference on part of a substantial portion of purchasing public as superior to other fabrics designed for similar usage; to the substantial injury of competition in commerce:

Held, That such acts and practices were to the prejudice of the public and competitors, and constituted unfair methods of competition.

Before *Mr. Robert S. Hall*, trial examiner.

Mr. William L. Pencke for the Commission.

COMPLAINT

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,"