

Syllabus

IN THE MATTER OF
FREDERICK LOESER & COMPANY, INC.

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

Docket 3502. Complaint, July 20, 1938—Decision, Jan. 5, 1939

Where a corporation engaged in sale of garments of various kinds, ladies' wearing apparel, fabrics, and other like articles of merchandise, to members of the purchasing and consuming public in various States and in the District of Columbia, including certain products not composed entirely of silk, product of cocoon of the silkworm, as long definitely understood in minds of purchasing and consuming public from said word, and held in high esteem and confidence for its preeminent qualities in products made thereof, but composed in part of chemical fiber or fabric rayon, which simulates other in appearance and feel and is practically indistinguishable therefrom by purchasing and consuming public, and, as thus engaged, in substantial competition with others engaged in sale and distribution of garments of various kinds, ladies' wearing apparel, fabrics, and other like products, in commerce and in said District, and including those who do not misrepresent, in any manner, the nature, character, or quality of the products offered and sold by them; in advertising its said merchandise in newspapers and other publications of general circulation among the various States—

- (a) Made use of such words as "Satin," "Taffeta," and "Crepe," and of such words as "Acetate," "Celanese," "Bemberg," "Seraceta," and "Mallinson's" in connection therewith, through such statements as "Mallinson's Pure Dye Washable Sheer Bembergs," "Acetate Crepe," "H. R. Mallinson's Washable Bemberg Printed Triple Sheers," "Seraceta Taffeta," "Silky Acetate," and "Celanese Jersey," in describing and referring, as the case might be, to various dresses, frocks, and dress fabrics, and to certain blouses and bathing suits, and thereby represented that products thus referred to were composed entirely of silk, product of cocoon of silkworm, as long associated in the public mind with dress goods and other items of wearing apparel designated, described and referred to as "satin," "taffeta," and "crepe," and, through long and favorable association on the part of a substantial portion of the purchasing and consuming public of name "Mallinson's," as standing for manufacturer of silk, facts being they were composed entirely of rayon, and words "Celanese," "Acetate," "Bemberg," and "Seraceta," used separately or in combination with other words aforesaid, were not sufficiently well-known and understood by purchasing and consuming public to inform them that merchandise thus described, designated and referred to, was made in whole or in part of rayon, and not silk;
- (b) Made use of words "Silk" and "Pure Dye," through such statements under caption "Pure Dye Silks," as "Pure Dye Woven Sport Stripes," with word "Acetate" in parentheses in small letters immediately thereafter, and words "Chalk White Plain and Novelty Sharkskin Suiting" in large type, followed immediately by word "Acetate" in parentheses and in small letters, and thereby represented that fabrics thus described were composed wholly of

Complaint

28 F. T. C.

unweighted silk, product of cocoon of silkworm, as long understood from word "Silk" as aforesaid, and from words "Pure Dye," by substantial portion of purchasing and consuming public, as meaning silk, product of cocoon of silkworm, not subjected to metallic bath resulting in the impregnating of the silk fiber by the metallic substance or substances, facts being they were composed of rayon entirely; and

- (c) Represented certain product as composed of silk, as aforesaid, through use of words "Frosted Shan—The Soft Washable Shantung Weave Acetate," and other fabric as part silk through words "Frosted Crepe (Silk and Acetate)," and certain slips as combination weave of various silks through phrase "Crys-Glo—a certain fabric that is 50% silk and 50% Bemberg," facts being fabrics aforesaid were respectively composed of rayon and spun silk, and of rayon entirely, and slip fabric was made of silk and rayon; and
- (d) Made use of words "Linen Silks" to describe certain hats, and of word "silk" to refer to certain ties, facts being hats thus represented were composed neither of linen nor silk, nor ties of unweighted silk as aforesaid, but hats in question were made entirely of rayon, and ties of said substance and weighted silk;

With capacity and tendency, through failure to describe fabrics and garments aforesaid as composed in whole or in part of rayon, or to use word "rayon" in immediate connection and conjunction with descriptive words or phrases aforesaid, and use of word "silk" to describe garments made of weighted silk, and use of words "Linen Silks" to designate those containing neither linen nor silk, to mislead and deceive substantial portion of purchasing and consuming public into erroneous and mistaken belief that such representations were true, and with result that substantial portion of such public, on account of such mistaken and erroneous beliefs, was induced to purchase fabrics, garments, and other articles of merchandise from it, and trade was thereby diverted unfairly to it from competitors in commerce as aforesaid:

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

Mr. George W. Williams for the Commission.

Cullen & Dykman, of Brooklyn, N. Y., for respondent.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and by virtue of the authority vested in it by said act, the Federal Trade Commission, having reason to believe that Frederick Loeser & Co., Inc., a body corporate, hereinafter referred to as respondent, has violated the provisions of said act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, stating its charges in that respect as follows:

PARAGRAPH 1. Respondent, Frederick Loeser & Co., Inc., a corporation organized, existing, and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at Fulton and Bond Streets, Brooklyn, N. Y., is

now, and for many years last past has been, engaged in the business of operating a department store, and in selling and delivering therefrom garments of various kinds, ladies' wearing apparel, fabrics, and other articles of merchandise. It sells, and has sold and distributed, such articles of merchandise to members of the purchasing and consuming public located in the various States of the United States, and in the District of Columbia. It causes, and during the time herein mentioned has caused, its said articles of merchandise to be shipped from its place of business in Brooklyn, State aforesaid, to the various purchasers thereof located in the various States of the United States, other than the said State of New York, and in the District of Columbia. There is now, and has been at all times mentioned herein, a constant current of trade and commerce by said respondent in said merchandise sold by it in commerce between and among the various States of the United States, and in the District of Columbia.

Respondent is now, and at all times herein mentioned has been, in substantial competition with other corporations and with individuals, firms, and partnerships engaged in the sale and distribution of women's wearing apparel and other allied products in commerce between and among the various States of the United States and the District of Columbia.

PAR. 2. In the course and conduct of its business, as described in paragraph 1 hereof, respondent, in soliciting the sale of, and selling, such merchandise, caused, and now causes, advertising matter to be inserted in newspapers and other publications having an interstate circulation. In certain of said advertisements respondent has made various statements purported to be descriptive of the nature, quality, and character of its merchandise, among which are the following:

Dresses and hats as "Linen Silks";

Dresses as "Silk Jersey";

Men's neckties as "Silk" (the same being in fact composed of weighted silk and rayon);

Certain Couturier's Blouses as "in silk pique";

Women's slips as "Crys-Glo—a satin fabric that is 50% silk and 50% bemberg" (the same being in fact composed of silk and rayon);

Women's slips as "Seraceta Taffeta";

Said advertisement covering preceding two items is headed by a large caption featuring "Pure Dye Silks";

Fabrics as "Pure Dye Woven Sports Stripes" in large caps with "acetate" in parentheses in small lettering immediately following same;

"Chalk White Plain and Novelty Sharkskin Suiting" in large caps immediately followed by the word "acetate" in parentheses and small lettering. (The last two items being contained in one advertisement captioned in display form by the words "Pure Dye Silks");

Dresses as "Frosted Shan—The soft washable Shantung-weave acetate" (a fabric in fact composed of rayon and spun silk);

Complaint

28 F. T. C.

Swimming suits as "silky acetate";
Dresses as "Mallinson's Pure Dye Washable Sheer Bembergs";
Frocks as "Acetate Crepe";
Bathing suits as "Celanese Jersey";
Dresses as "frost-crepe (silk and acetate)";
Summer dress fabrics as "H. R. Mallinson's Washable Bemberg Printed Triple Sheers."

The use by the respondent of the descriptive words above set out, and as above set out, had, and has, the capacity and tendency to mislead and deceive a substantial portion of the purchasing and consuming public into the erroneous belief, except where otherwise specifically indicated herein, that such products were, and are, made entirely of unweighted silk or some fiber or fabric other than rayon, or unweighted silk and linen or of materials other than rayon, when, in truth and in fact, said products were made wholly of rayon, except where otherwise specifically indicated herein.

The representations above set forth were, and are, false and misleading in that said garments and fabrics so represented, designated and referred to are not described as being composed in whole or in part of rayon, as the case may be, in that the word "rayon" was not used in immediate connection and conjunction with such descriptive words and phrases, and such representations had, and have, the tendency and effect of concealing the fact that such fabrics and garments were, and are, made in whole or in part of rayon, as the case may be, when it was, and is, the duty of respondent to make disclosure of the fact that such fabrics and garments were, and are, composed in whole or in part of rayon, by using the word "rayon" in immediate connection and conjunction with such descriptive words or phrases except the term "Pure Dye," which may not be used in connection with any such articles but those composed of unweighted silk, in such a way and manner as to apprise and inform the purchasing public that such fabrics and garments were, and are, composed in whole or in part of rayon, as the case may be, and in that certain of said garments were, and are, designated and described as being made of "silk" when they were, and are, in fact made of weighted silk, but were not designated or described in such a way as to indicate that the same were, and are, made of weighed silk, and in that certain of said garments were designated as "linen silks" when, in truth and in fact, the same were not composed, in any part, of either linen or silk.

PAR. 3. The word "Silk" for many years last past has had, and still has, in the minds of the purchasing and consuming public generally, a definite and specific meaning, to wit, the product of the cocoon of the silk worm. Silk products for many years have held,

and still hold, great public esteem and confidence for their preeminent qualities. Silk fiber has long been woven into a variety of fabrics, and a number of distinctive terms have been applied to the fabrics resulting from the different types of treatment and weaves of silk fiber. Dress goods and other similar products, designated, described or referred to as "Satin," "Taffeta," "Crepe," and words of similar import and meaning, when used alone, and until qualified, designate or describe the materials from which the fabric or garment is made, and have been for a long time, and at the present time still are, associated in the public mind with materials made from the product of the cocoon of the silk worm, commonly known and understood by the purchasing and consuming public as silk.

"Rayon" is the name of a chemical fiber or fabric that simulates silk in that it has the appearance and feel of silk and is, by the purchasing and consuming public, practically indistinguishable from silk.

The words "Celanese," "Acetate," "Bemberg," and "Seraceta," when used either separately or in combination or conjunction with the words "Crepe," "Satin," "Taffeta," or other words or phrases of similar import or meaning, are not sufficiently well known and understood by the purchasing and consuming public to indicate to, or inform them, that the merchandise so described, designated or referred to is made in whole or in part of a material other than silk, to wit, rayon.

"Linen" is the name of a thread, yarn, fabric, or article made wholly of fiber or flax.

The words "Pure Dye" have been for a long time, and at the present time still are, associated in the minds of a substantial portion of the purchasing and consuming public, with and as designating or meaning, unweighted silk, the product of the cocoon of the silk worm, and also with garments made therefrom; that is to say, said words are understood by a substantial portion of said public to refer to silk that has not been subjected to a metallic bath, resulting in the metallic substance or substances being absorbed by the silk fiber.

The use of the word "Mallison's," a name long and favorably known to at least a substantial portion of the purchasing and consuming public as a manufacturer of silk and as being associated with silk exclusively, in connection with the word "Bemberg" (as above used) and without qualifying the same by the word "rayon," creates the implication that the article of merchandise referred to is silk, which implication is emphasized by the further use of the words "Pure Dye," a term synonymous with silk.

PAR. 4. There are now, and have been at all times mentioned herein, competitors of respondent engaged in selling and distributing silk, rayon, and other fabrics and garments and other articles of merchandise made therefrom, in commerce between and among the various States of the United States and in the District of Columbia, who do not misrepresent in any manner the nature, character, or quality of the products offered for sale and sold by them.

PAR. 5. The use by the respondent of the representations set forth hereinabove, and as used, has had, and has, the capacity and tendency to mislead and deceive a substantial portion of the purchasing and consuming public into the erroneous and mistaken belief that such representations were, and are, true. On account of such mistaken and erroneous beliefs a substantial portion of the purchasing and consuming public has been, and is being, induced to purchase fabrics, garments, and other articles of merchandise from respondent, and thereby trade has been, and is being, diverted unfairly to respondent from competitors named in paragraph 1 hereof. As a result thereof injury has been, and is now being, done, by respondent, to competition in commerce among and between the various States of the United States, and in the District of Columbia.

PAR. 6. The aforesaid acts and practices of respondent, as herein alleged, are all 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 the Federal Trade Commission Act.

REPORT, FINDINGS AS TO THE FACTS, AND ORDER

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission, on July 20, 1938, issued and served its complaint in this proceeding upon respondent, Frederick Loeser & Co., Inc., a corporation, charging it with the use of unfair methods of competition in commerce in violation of the provisions of said act. On September 20, 1938, respondent filed its answer, in which answer it admitted all the material allegations of fact set forth in said complaint and waived all intervening procedure and further hearings as to said facts. Thereafter, the proceeding regularly came on for final hearing before the Commission on the said complaint and the answer thereto, and the Commission, having duly considered the matter, 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, Frederick Loeser & Co., Inc., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of New York with its office and principal place of business located at Fulton and Bond Streets, Brooklyn, N. Y. It is now, and for many years last past has been, engaged in the business of selling garments of various kinds, ladies' wearing apparel, fabrics, and other like articles of merchandise. It sells and has sold and distributed such articles of merchandise to members of the purchasing and consuming public located in the various States of the United States and in the District of Columbia. It causes, and during the time herein mentioned has caused, its said articles of merchandise when sold to be shipped from its place of business in Brooklyn, N. Y., to the various purchasers thereof located in the various States of the United States other than the State of New York. There is now, and has been at all times mentioned herein, a course of trade in said merchandise sold by respondent in commerce between and among the various States of the United States and in the District of Columbia.

Respondent is now, and at all times herein mentioned has been, in substantial competition with other corporations and with individuals, firms, and partnerships engaged in the sale and distribution of garments of various kinds, ladies' wearing apparel, fabrics, and other like products 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 and in soliciting the sale of and selling such merchandise, the respondent caused certain advertising matter to be inserted in newspapers and other publications having a general circulation between and among the various States of the United States. Certain of these advertisements purporting to be descriptive of the nature, quality, and character of respondent's merchandise were in fact false and misleading.

In respondent's advertising with reference to various dresses, frocks, and dress fabrics, the respondent, among others, used the following descriptive words or phrases: "Linen Silks," "Silk Jersey," "Mallinson's Pure Dye Washable Sheer Bembergs," "Acetate Crepe," and "H. R. Mallinson's Washable Bemberg Printed Triple Sheers." In other descriptive advertising the respondent represented hats as "Linen Silks"; certain couturier blouses as "In Silk Pique" and "Seraceta Taffeta"; and bathing suits as "Silky Acetate" and "Celanese Jersey."

By means of the above descriptive words and phrases and others of similar import, the respondent represented that said articles of

merchandise were composed entirely of silk, the product of the cocoon of the silk worm, while in truth and in fact the products so described were composed entirely of rayon.

In its advertising under the caption "Pure Dye Silks" the respondent made the following representations: "Pure Dye Woven Sport Stripes" with "Acetate" in parentheses in small letters immediately following same and "Chalk White Plain and Novelty Sharkskin Suiting" in large type immediately followed by the word "Acetate" in parentheses in small letters.

By this means the respondent represented that the fabrics so described were composed wholly of unweighted silk, the product of the cocoon of the silk worm, while in truth and in fact said fabrics were entirely composed of rayon.

In certain advertising the respondent, by use of the words "Frosted Shan—The Soft Washable Shantung Weave Acetate," represented said fabric to be composed of silk, the product of the cocoon of the silk worm, when in truth and in fact said fabric was instead composed of rayon and spun silk. In the same manner, by the use of the words "Frosted Crepe (Silk and Acetate)," respondent represented said fabric to be composed of part silk, while in fact said fabric was composed entirely of rayon. Also, in describing women's slips the respondent by use of the phrase "Crys-Glo—a certain fabric that is 50% silk and 50% Bemberg" represented said fabric to be a combination weave of various silks when in fact said fabric was composed of silk and rayon. In connection with describing men's neckties, respondent represented by the use of the word "silk" that the fabric in said ties was composed of unweighted silk, the product of the cocoon of the silk worm, when in fact said ties were made of weighted silk and rayon.

PAR. 3. By reason of the fact that "rayon" is a chemical fiber or fabric that simulates silk in that it has the appearance and feel of silk and is by the purchasing and consuming public, practically indistinguishable from silk, the use by this respondent of the various descriptive words and phrases above set out, as well as others of similar import and meaning, has had and does have a capacity and tendency to mislead and deceive a substantial portion of the purchasing and consuming public into the erroneous belief that such products were and are made entirely of unweighted silk or unweighted silk in combination with some fiber or fabric other than rayon.

Furthermore, the respondent in connection with the garments and fabrics so designated has not described them as being composed in whole or in part of "rayon," nor has the respondent used the word

rayon in immediate connection and conjunction with such descriptive words and phrases which has the result of concealing that such garments and fabrics are in fact composed in whole or in part of rayon. Furthermore, certain of said garments and fabrics are designated as being made of "silk" when they were and are made of weighted silk. Certain other garments and fabrics were designated "Linen Silks" when in truth and in fact they were not composed in any part of linen or silk.

PAR. 4. The word "silk" for many years last past has had and still has in the minds of the purchasing and consuming public generally a definite and specific meaning, to wit, the product of the cocoon of the silk worm. Silk products for many years have held and still hold great public esteem and confidence for their preeminent qualities. Silk fiber has long been woven into a variety of fabrics and a number of distinctive terms have been applied to the fabrics resulting from the different types of weaving of silk fiber. Dress goods and other items of women's apparel designated, described and referred to as "Satin," "Taffeta," and "Crepe," have been for a long time and at the present time still are associated in the public mind with fabrics made from silk, the product of the cocoon of the silk worm.

The words "Celanese," "Acetate," "Bemberg," and "Seraceta," when used either separately or in combination or conjunction with the words "Crepe," "Satin," "Taffeta," or other words or phrases of similar import or meaning, to designate or describe rayon, are not sufficiently well known and understood by the purchasing and consuming public to indicate to, or inform, them that the merchandise so described, designated or referred to is made in whole or in part of a material other than silk, to wit, rayon.

The words "Pure Dye" have been for a long time, and still are, associated in the minds of a substantial portion of the purchasing and consuming public, with and as designating or meaning, unweighted silk, the product of the cocoon of the silk worm, and also with garments made therefrom; that is to say, said words are understood by a substantial portion of said public to refer to silk that has not been subjected to a metallic bath, resulting in the metallic substance or substances impregnating the silk fiber.

The name "Mallinson's" is a name long and favorably known to a substantial portion of the purchasing and consuming public as a manufacturer of silk and as being associated with silk exclusively, and when used in connection with the word "Bemberg" (as above used) to designate or describe rayon and without qualifying the same by the word "rayon," creates the implication that the article of merchandise

referred to is silk, which implication is further emphasized by respondent by the use in conjunction therewith of the words "Pure Dye," a term synonymous with silk.

PAR 5: There are now, and have been at all times mentioned herein, competitors of respondent engaged in selling and distributing silk, rayon, and other fabrics and garments and other articles of merchandise made therefrom, in commerce between and among the various States of the United States and in the District of Columbia, who do not misrepresent in any manner the nature, character or quality of the products offered for sale and sold by them.

PAR. 6. The use by the respondent of the representations as hereinabove set forth, and as used, have had, and now have, the capacity and tendency to mislead and deceive a substantial portion of the purchasing and consuming public into the erroneous and mistaken belief that such representations were, and are, true. On account of such mistaken and erroneous beliefs a substantial portion of the purchasing and consuming public has been, and is being, induced to purchase fabrics, garments, and other articles of merchandise from respondent, and thereby trade has been, and is now being, diverted unfairly to respondent from its competitors in commerce between and among the various States of the United States and in the District of Columbia.

CONCLUSION

The aforesaid acts and practices of respondent as herein found are all to the prejudice and injury of the public and respondent's competitors and constitute unfair methods of competition in commerce within the intent and meaning of the Federal Trade Commission Act.

ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission and the answer of respondent, in which answer respondent admits all the material allegations of fact set forth in said complaint and states that it waives all intervening procedure and further hearing as to said facts, and the Commission having made its findings as to the facts and conclusion that said respondent has violated the provisions of the Federal Trade Commission Act.

It is ordered, That the respondent, Frederick Loeser & Co., Inc., a corporation, its officers, representatives, agents, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale, and distribution of fabrics, ladies' wearing apparel, and garments and other like articles of merchandise in

interstate commerce, or in the District of Columbia, do forthwith cease and desist from:

1. Using the words "Satin," "Taffeta," "Crepe," or any other word or words of similar import or meaning, to describe or designate any fabric or product which is not composed wholly of silk, the product of the cocoon of the silk worm, unless said descriptive word or words are used to designate the type of weave or construction, in which case such words shall be qualified by using in immediate connection and conjunction therewith, in letters of at least equal size and conspicuousness, a word or words clearly naming or describing the fiber or material from which said fabric or product is made.

2. Using the word "silk," or the term "pure dye," or any other word or words of similar import or meaning, to designate or describe fabrics which are not composed wholly of unweighted silk, the product of the cocoon of the silk worm, provided that, in the case of a fabric or product composed in part of unweighted silk and in part of rayon or a material or materials other than unweighted silk, there is used in immediate connection or conjunction therewith, in letters of equal size and conspicuousness, a word or words accurately describing and designating each constituent fiber or material thereof in the order of its predominance by weight, beginning with the largest single constituent.

3. Using the words "Acetate," "Celanese," "Bemberg," "Seraceta," or "Mallinson," either alone or in combination with any other word or words, as descriptive of garments, fabrics, or material not composed wholly of silk, the product of the cocoon of the silk worm, unless such words are immediately accompanied by a word or words designating the substance, fiber or material other than silk of which said garments, fabrics, or material are composed with designation of each constituent fiber or material thereof in the order of its predominance by weight beginning with the largest single constituent.

It is further ordered, That the respondent, Frederick Loeser & Co., Inc., 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

HARRY GOROV TRADING AS ISABELLA LABORATORIES,
HARTMAN WHOLESALE DRUG CO., INC., ET AL.COMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION
OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914*Docket 3609. Complaint, Sept. 28, 1938—Decision, Jan. 7, 1939*

Where an individual, corporate wholesale drug concern, and eight retail drug companies located in Chicago, and engaged in sale and distribution, under trade name "281," of medical preparation for reducing, active ingredient in which was a powerful stimulator of body metabolism which resulted, through accelerated rate thereof, in the more rapid destruction of body tissues and particularly fat, and also in marked toxic effect, causing, in some cases, direct degenerative changes in the vital organs and formation of bilateral cataracts on the eyes of users—

Caused to be disseminated false advertisements which contained, as typical, such representations as that said compound was recognized and widely prescribed by practicing physicians as aid in weight reduction, requiring no change in diet or normal mode of living or exercising, and that voluntary letters received during the past 4 years testified to the effect that no ill effects were experienced, and thereby disseminated, or caused to be disseminated, false advertisements in commerce which induced, or were likely to induce, purchase of aforesaid drug and were intended so to do;

Facts being preparation in question was not widely prescribed as aforesaid, many ill effects were often experienced from use thereof, and such use, under conditions prescribed in said advertisements and under such conditions as were customary and usual, was injurious to the health of the users and caused loss or serious impairment of eyesight, and injured and impaired other functions of the body;

With effect of misleading substantial portion of purchasing public into erroneous and mistaken belief that their said representations were true, and with result that public, acting under mistaken and erroneous belief induced by such false and misleading statements and representations, purchased substantial volume of said preparation:

Held, That such acts and practices were all to the prejudice of the public and constituted unfair and deceptive acts and practices in commerce.

Mr. Gerard A. Rault for the Commission.

Waller & Nedow, of Chicago, Ill., for respondents, with the exception of Harry Gorov, who was represented by *Mr. Eugene Bernstein*, of Chicago, Ill.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said act, the Federal Trade Commission having reason to believe that Harry Gorov, an individual trading as Isabella Laboratories, and Hartman Wholesale