

IN THE MATTER OF
WILLIAM VORUNION AND BENJAMIN VORUNION,
DOING BUSINESS UNDER THE TRADE NAMES OF
HOWARD SALES COMPANY AND BERWICK PEN
COMPANY

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

Docket 3514. Complaint, July 27, 1938—Decision, July 24, 1940

Where two individuals engaged in assembling fountain pens and pencils and in sale and distribution thereof and in regularly advertising, offering, and selling said pens at 59 cents and pencils at 29 cents, through various retail outlets and under special sales promotion scheme which included the shipping to various retailers and merchants of such pens and pencils, shipping charges prepaid, the supplying of advertising material, the payment by them of retailers' expense in advertising in the local papers, the remission to them by retailers and merchants of the proceeds, after deducting 30 percent of gross sales and all advertising costs, and the returning of all unsold goods at expense of said individuals, and which further included pretended special sale as below more fully set forth—

- (a) Represented through statements in their advertising material which they thus disseminated and which was in turn communicated or distributed among purchasers and prospective purchasers by retail sales dealers and customers, that customary and usual retail price at which said pens were sold was \$5 and that at which pencils were sold was \$1.50, and that they were being sold at 59 cents and 29 cents, respectively, for 1 or 2 days only and for purpose of introducing said articles, and that after special sale, prices thereof would be as above set forth; facts being pens in question were not \$5 vacuum filler, sackless fountain pens and such price was greatly exaggerated and fictitious, and much in excess of customary price at which products in question were intended to be and were customarily sold; and pencils likewise had no such regular market price of \$1.50, which was also greatly exaggerated and fictitious and much in excess of contemplated and customary selling price thereof, and "Sale" was not an introductory one for 1 or 2 days only, nor a special one at which said products were sold at reduced prices, but they conducted other sales through same dealers short time after, offering same merchandise at same alleged special prices, and using same type of advertising;
- (b) Represented that said pens and pencils were of quality and character different from or superior to those offered and sold by competitors at comparable prices and that pen held 200 percent more ink than any of the fountain pens on the market; facts being that they did not have any such capacity as claimed, and that such statements and representations were false and misleading;
- (c) Represented that pens in question had been tested and were guaranteed by the factory to be unbreakable for life, and that in case of breakage or other unsatisfactory service they would be repaired free of charge or exchanged

Complaint

for new pens upon return; with 25 cents to cover cost of handling, postage, and insurance; the sum of 25 cents charged purchaser for replacement of broken or unsatisfactory pens covered only cost aforesaid; facts being said products were not tested and guaranteed as aforesaid, nor repaired free of charge or exchanged for new pen when returned with 25 cents in stamps or coin covering cost of handling, postage, and insurance, and said sum included also cost of providing and furnishing new pen;

- (d) Represented through symbols and letters "14K" in conspicuous type, along with "Gold Plated" in small inconspicuous type, in an obscure place, on said pen tips and nibs, that tips or nibs were composed of 14-carat gold; facts being said tips or nibs of pens were not 14-carat gold as represented; and
- (e) Represented that certificate cut from newspaper advertisements of said products was worth \$4.41 as applied, along with 59 cents, on such supposed \$5 pens, through such statements as "The Pen That Makes Writing a Pleasure 59¢ Friday and Saturday—This Certificate is worth \$4.41" in their advertisements and "This certificate and 59¢ entitles the bearer to one of our Genuine Indestructible \$5.00 Vacuum Filler Sackless Fountain Pens," etc., facts being certificate cut from newspaper advertisement did not become one worth \$4.41 in purchase of said pen, which never had any such value as assigned thereto, and regular and customary retail price of which was the 59 cents charged therefor;

With effect of misleading and deceiving purchasing public into erroneous belief that such representations were true, and, by reason such belief, thus engendered, inducing purchase of substantial quantity of their said pens and pencils, and with result, through such methods and representations, of placing in hands of dealers means by which said public might be misled and deceived and business diverted to them from those with whom they were in substantial competition in sale and distribution of said products in commerce, and including many who do not employ methods used by them as herein set forth, or any similar methods involving use of misleading representations in sale of their pen and pencil products, and do not place in hands of distributors means of deceiving public in regard thereto, and from whom trade and commerce was unfairly diverted to said individuals; to the injury of their competitors and that of the public:

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

Before *Mr. John J. Keenan*, trial examiner.

Mr. John R. Phillips, Jr. for the Commission.

Mr. Nathan H. Stryker, of Newark, N. J., for respondents.

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 William Vorunion and Benjamin Vorunion, doing business under the trade names and styles of Howard Sales Co. and Berwick Pen Co., hereinafter referred to as respondents, have violated the provisions of said act, and

Complaint

31 F. T. C.

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. William Vorunion and Benjamin Vorunion are individuals who are now, and have been for all times mentioned herein, doing business under the trade names and styles of Howard Sales Co. with offices and a place of business at 17-19 Williams Street, Newark, N. J.; and Berwick Pen Co. with offices and a place of business at 726 Lyons Avenue, Irvington, N. J., which is and was the apartment where the respondent William Vorunion then and there resided. The respondents are now and for many years last past have been engaged in the business of selling and distributing fountain pens and pencils in commerce between and among the various States of the United States and in the District of Columbia.

PAR. 2. Said respondents being engaged in the business as aforesaid, caused and still cause said fountain pens and pencils, when sold, to be transported from their places of business in the State of New Jersey or from the residence of the respondent, William Vorunion, at Irvington, N. J., to those who have ordered or purchased thereof, located in the various States of the United States other than New Jersey, and in the District of Columbia. There is now, and has been at all times mentioned herein, a course of trade in said fountain pens and pencils sold and distributed by respondents in commerce between and among the various States of the United States and in the District of Columbia.

PAR. 3. In the course and conduct of their said business, respondents are now and have been in substantial competition with other individuals and with partnerships, firms, and corporations likewise engaged in the business of selling and distributing fountain pens and pencils in commerce between and among the various States of the United States and in the District of Columbia.

PAR. 4. Respondents in the course and conduct of their business, as aforesaid, cause to be inserted in newspapers having a general local and interstate circulation advertisements containing statements purporting to be descriptive of the merchandise which has been ordered or sold and offered for sale or resale by or through respondents, together with throw circulars to be distributed in connection with the sale of said pens and pencils to ultimate purchasers thereof. The articles offered for sale by or through the respondents as an "introductory offer" are described in said advertisements and throw circulars as possessing retail values and prices many times in excess of the actual price at which the respondent sell said merchandise to purchasers, and

634

Complaint

are many times in excess of the actual selling price of the said articles to the consuming public, and are many times in excess of their true and actual value. The value as set forth in said advertisements is false and fictitious, in no sense represents the true value or the true selling price of the articles described in said advertisements, and in truth and in fact said price is not an "introductory offer" but the actual and customary price at which such articles are generally sold.

Among the said advertisements so used are the following:

The Pen That Makes Writing a Pleasure

59¢

ONLY FRIDAY AND SATURDAY

59¢

This certificate is Worth \$4.41

(cut of Pen)

This certificate and 59¢ entitles the bearer to one of our Genuine Indestructible \$5.00 VACUUM FILLER SACKLESS FOUNTAIN PENS. Visible Ink Supply. You See the Ink. A lifetime guarantee with each pen. Sizes for ladies, men, boys, and girls. This pen will not leak, blot or break. THE NEW PLUNGER FILLER—VACUUM ZIP—ONLY ONE PULL AND IT'S FULL. This PEN holds 200% more ink than any ordinary fountain pen on the market! You can Write for Three Months on One Filling! No Repair Bills. No Lever Filler! No Pressure Bar. Every Pen tested and guaranteed by the factory to be unbreakable for life. Get yours NOW. THIS PEN GIVEN FREE if you can buy one in the city for less than FIVE DOLLARS! This Certificate good only while advertising sale is on.

*INTRODUCTORY OFFER—This Pen will be \$5.00 after sale. Also \$1.50 Pencils to Match Above Pens, only 29¢

ADD 6¢ Extra for Mail Orders

LIMIT 3 Pens to Each Certificate

Through such statements and others similar thereto not herein set out, it is represented that the customary and usual retail value or price of said pens and pencils is greatly in excess of their advertised price, that they are sold as an "introductory offer" at the advertised price for only a limited time; that said pens and pencils are of a quality and character different from and superior to other pens and pencils of comparable price, and that said pens and pencils are equal in value to pens costing from \$5 upward.

PAR. 5. In truth and in fact the respondents' pens are not a \$5 value and are not equal in value or price to pens having such value or price, but are of a type having a value much less than \$5, and are ordinarily sold in the usual course of trade for approximately the price as advertised as an "introductory offer" price for said pens. The certificate referred to in said advertisement does not have a value of \$4.41 or any value whatever, as said pens are intended to be, and are, sold in the usual course of trade without a certificate, for the price of approximately 59 cents as advertised. Said pens and pencils are not

Complaint

31 F. T. C.]

different from or superior to competitors' pens or pencils selling for approximately the same amount. The statement in the advertisement of the sale of the pens and pencils for only a limited time and that "the pen will be \$5 after sale" is false and misleading, for the offer to sell said pens and pencils at the price advertised was not and is not limited as to time but is in truth and in fact the regular or customary price at which said pens and pencils are offered for sale and sold in the usual course of trade. The statement that each of said pens "holds 200 percent more ink than any ordinary fountain pen on the market" is false and misleading, for in truth and in fact said pens do not hold 200 percent more ink than many ordinary fountain pens on the market. The statement that "every pen was tested and guaranteed by the factory to be unbreakable for life" is false, misleading, and untrue. The "certificate of guarantee" accompanying the pen leads the prospective purchaser to believe that the pen has been carefully inspected and tested and in case of any dissatisfaction whatever may be returned to the Berwick Pen Co., Irvington, N. J., where it will be repaired free of charge or exchanged for a new pen upon remittance of 25 cents in stamps or coin to cover cost of handling, postage, and insurance. The representation in said "certificate of guarantee" is false and misleading, in that the 25 cents is not to cover repair or exchange of said pens but covers and is in excess of the total cost of said pens to the respondents.

The pen point or nib in said pen is conspicuously marked with the letter and symbol "14k" and the informative phrase "gold plated" which appears thereunder is in inconspicuous and small type. This means of stamping, branding, or imprinting pen points may cause a substantial portion of the purchasing public to purchase such pens in the belief that said pen points or nibs are of 14-carat fineness, when in truth and in fact such points or nibs are not of such carat fineness and are thinly gold plated or washed.

Respondents' pencils advertised to be of \$1.50 value in this "introductory offer" for a limited time for only 29 cents are not of such value nor are they equal in value or price to pencils of comparable price and are generally and customarily sold at the price advertised as the special introductory price. The 29-cent price stated in said "introductory offer" is the regular or customary price at which said pencils are offered for sale and sold.

PAR. 6. The respondents' foregoing acts and practices, as hereinabove set out, in the sale and distribution of their fountain pens and pencils, have had, and have, the tendency and capacity to, and do, mislead and deceive a substantial portion of the purchasing public

into the mistaken and erroneous beliefs induced as aforesaid. As a result thereof trade has been, and is, unfairly diverted to respondents from competitors in commerce among and between the various States of the United States and in the District of Columbia who do not adopt, use, or follow similar acts and practices in connection with the sale of their respective products.

PAR. 7. There are among competitors of respondents many individuals, firms, and corporations who sell and distribute fountain pens and pencils in commerce as hereinbefore described, who do not misrepresent the character or quality of their fountain pens. As a consequence of respondents' practices substantial competition in commerce among and between the various States of the United States and in the District of Columbia has been substantially injured.

PAR. 8. The aforesaid acts and practices of respondents as herein alleged 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 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 the 27th day of July 1938, issued and thereafter served its complaint in this proceeding upon respondents William Vorunion and Benjamin Vorunion, individuals, doing business under the trade names of Howard Sales Co. and Berwick Pen Co., charging them 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 the filing of respondents' answer thereto, testimony, and other evidence in support of the allegations of said complaint were offered by John R. Phillips, Jr., attorney for the Commission, and in opposition to the allegations of said complaint by Nathan H. Stryker, attorney for the respondents, before John J. Keenan, an examiner of the Commission theretofore duly designated by it, 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 complaint, the answer thereto, testimony, and other evidence, briefs in support of the complaint and in opposition thereto (oral argument not having been requested), 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

31 F. T. C.

FINDINGS AS TO THE FACTS

PARAGRAPH 1. The respondents, William Vorunion and Benjamin Vorunion, are individuals doing business under the trade names of Howard Sales Co. and Berwick Pen Co., with their offices and principal places of business located at 17-19 William Street, Newark, N. J., and at 726 Lyons Avenue, Irvington, N. J. They are now engaged, and for more than a year prior to issuance of the complaint herein were engaged, in the business of assembling fountain pens and pencils and in the sale and distribution thereof in commerce between and among the various States of the United States and in the District of Columbia. Respondents cause their products, when sold, to be transported from their places of business in the State of New Jersey to the purchasers thereof located in States of the United States other than the State of New Jersey, and in the District of Columbia.

PAR. 2. In the course and conduct of their said business respondents have regularly advertised, offered for sale and sold their said fountain pens at 59 cents and their pencils at 29 cents through various retail outlets. The pens so sold by the respondents have on the tip or nib thereof conspicuously displayed the letter and symbol "14K" and above and considerably removed therefrom, and in inconspicuous small type, the phrase "Gold Plated."

PAR. 3. In the course and conduct of their business respondents solicit the sale of and sell their pen and pencil products by means of advertising, including literature and circular letters sent through the mails, and by personal calls by representatives, offering a special sales promotion scheme to purchasers and prospective purchasers. Among and typical of the statements in such advertisements and literature offering respondent's pens and pencils through said sales plan is the following:

This letter introduces a simple plan which will bring you a lot of additional business in two days—every month. The merchandise is on consignment. You run local newspaper advertising at our expense (with other advtg., if desired) and a good *profit* goes into your pocket.

This plan is a fine business-getter and is reserved for only *one* store in a town. IT BRINGS MANY ADDITIONAL CUSTOMERS INTO YOUR STORE ALREADY "SOLD" READY TO BUY. A large number of stores are making real money with our merchandise which sells throughout the year.

HERE'S THE PLAN! We send you a quantity of fountain pens and pencils on consignment, prepaid, for a profitable sale. You run local newspaper advertising at our expense. After the sale, DEDUCT 30% FROM GROSS SALES FOR YOUR PROFIT; then deduct your newspaper advertising and charges for returning any unsold goods. Thus without any displays, "sales talk" or much extra effort, you make 30% clear profit on all this extra business and get MANY MORE CUSTOMERS INTO YOUR STORE.

* * * * *

Pens retail at 59¢; pencils at 29¢.

PAR. 4. Under this sales plan, respondents ship quantities of fountain pens and pencils, shipping charges prepaid, to various retail dealers and merchants located in States other than the State of New Jersey, to be there sold by them. Advertising material furnished such retail dealers by respondents is run in local papers at the expense of respondents. After the sale under said sales promotion plan, the retail dealers and merchants deduct 30 percent of the gross sales, the cost of all advertising, and remit the balance to the respondents. All unsold goods are returned to the respondents at their expense.

Among and typical of the statements and representations disseminated, as aforesaid, by respondents, and which have been and are in turn communicated to or distributed among purchasers and prospective purchasers by the retail dealers or merchants, are the following:

	The Pen That Makes Writing a Pleasure		
59¢	FRIDAY and SATURDAY	ONLY	59¢
	This Certificate is Worth 4.41		
	(cut of pen)		

This certificate and 59¢ entitles the bearer to one of our Genuine Indestructible \$5.00 VACUUM FILLER SACKLESS FOUNTAIN PENS. Visible Ink Supply. you SEE the Ink. A lifetime guarantee with each pen. Sizes for ladies, men, boys and girls. This pen will not leak, blot or break. THE NEW PLUNGER FILLER—VACUUM ZIP—ONLY ONE PULL AND IT'S FULL. This PEN holds 200% more ink than any ordinary fountain pen on the market! You can Write for Three Months on One Filling! No Repair Bills. No lever Filler! No Pressure Bar. Every Pen tested and guaranteed by the factory to be unbreakable for life. Get yours NOW. THIS PEN GIVEN FREE if you can buy one in the city for less than FIVE DOLLARS! This certificate good only while advertising sale is on.

* INTRODUCTORY OFFER—This pen will be \$5.00 after Sale. Also \$1.50 Pencils to Match Above Pens, only 29¢.

Add 6¢ Extra for Mail Orders

LIMIT 3 Pens to Each Certificate

All of the aforesaid statements and representations by respondents, together with similar statements appearing in respondents' other advertising matter, purport to be descriptive of respondents' merchandise and of their sales methods in disposing of the same. Through said advertising and by other means respondents represent that their pens and pencils are sold at 59 cents and 29 cents for 1 or 2 days only; that their pens ordinarily sell for \$5 but that the certificate supplied retailers "worth" \$4.41, which is given with the special sale on pens, reduces the price to 59 cents; that pens and pencils are offered to the public at special prices only for the purpose of introducing same and that after the special sale the prices will be

Findings

31 F. T. C.

\$5 for the pen and \$1.50 for the pencil; that said pens and pencils are of a quality and character different from and superior to other pens and pencils of comparable price; that every pen has been tested and is guaranteed by the factory to be unbreakable for life; that in case of breakage or other unsatisfactory service, each pen will be repaired free of charge or exchanged for a new pen upon remittance of 25 cents in stamps or coin to cover the cost of handling, postage, and insurance; that said pens are equal in value to pens costing from \$5 upward, and that the pencils have a regular market value of \$1.50; and that said pens hold 200 percent more ink than any other pen. Through the use of, and by means of, the symbol and letter "14K," in conspicuous type and the words "Gold Plated" in small inconspicuous type in an obscure place, on said pen tips and nibs, respondents represent that the tips or nibs of their pens are composed of 14-carat gold.

PAR. 5. In truth and in fact, all of the said statements and representations are false and misleading. The fountain pens offered for sale and sold by the respondents are not \$5 vacuum filler sackless fountain pens. Said price is greatly exaggerated and fictitious and much in excess of the prices at which said pens were and are intended to be and are customarily sold. The pens do not hold 200 percent more ink than any ordinary fountain pen on the market. The pencils do not have a regular market price and value of \$1.50, said price being greatly exaggerated and fictitious and much in excess of the price at which said pencils were and are intended to be and are customarily sold. The "sale" is not an introductory sale for 1 or 2 days only, nor is it a special sale at which respondents' pens and pencils are sold at reduced prices. Respondents have conducted other sales through the same dealers a short time after the original sale, offering the same merchandise at the alleged special prices of 59 cents and 29 cents, respectively, and using the same type of advertising. The certificate cut from the newspaper advertisement does not become a certificate worth \$4.41 in the purchase of said fountain pen, because said pens do not have and never have had a value or price of \$5 and were never intended to be and are never sold for \$5, and 59 cents is the regular and customary retail price of such pens. The nibs or tips of said pens are not 14-carat gold as represented by the respondents. Respondents' pens are not tested and guaranteed by the factory to be unbreakable for life and they are not repaired free of charge or exchanged for a new pen upon remittance of 25 cents in stamps or coin to cover cost of handling, postage, and insurance, for the sum of 25 cents includes the cost of providing and furnishing a new pen.

PAR. 6. The use by respondents of the foregoing false and misleading representations is calculated to, and does, mislead and deceive the purchasing public into the erroneous belief that said representations are true, and by reason of such belief so engendered induces the purchase of substantial quantities of respondents' pens and pencils. The respondents further, by the aforesaid methods and representations, have placed in the hands of dealers the means by which the purchasing public may be misled and deceived and business diverted to respondents from their competitors.

PAR. 7. There are now, and have been during all the time herein mentioned, persons and partnerships and corporations engaged in the sale and distribution of fountain pens and pencils in commerce between and among the various States of the United States and in the District of Columbia, with whom respondents have been and are in substantial competition. Among such competitors are many who do not employ the methods used by the respondents, as herein set forth, or any similar methods involving the use of misleading representations in the sale of their pen and pencil products, and who do not place in the hands of others the means of deceiving the public in regard to their products.

As a result trade in said commerce has been and is unfairly diverted to the respondents from their competitors in said commerce to their injury, and to the injury of the public.

CONCLUSION

The aforesaid acts and practices of respondents as herein found are all to the prejudice and injury of the public and of respondents' 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, the answer of respondents, testimony, and other evidence taken before John J. Keenan, an examiner of the Commission theretofore duly designated by it, and briefs filed herein, no request for oral argument having been made, and the Commission having made its findings as to the facts and its conclusion that the respondents have violated the provisions of the Federal Trade Commission Act.

It is ordered, That the respondents, William Vorunion and Benjamin Vorunion, doing business under the trade names of Howard Sales Co. and Berwick Pen Co., their agents, employees, and representatives, directly or indirectly, through any corporate or other device, or through the use of any other trade name or names, in connection with the offer-

Order

31 F. T. C.

ing for sale, sale and distribution of fountain pens and pencils in commerce as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing that the customary and usual retail price at which said fountain pens are sold is \$5, and that the customary and usual retail price of said pencils is \$1.50, or any other sums in excess of the price at which such pens and pencils are usually and customarily sold at retail.

2. Representing that said pens are being sold at 59 cents and said pencils at 29 cents, or at any other specified prices as an introductory offer for a limited period of time only, when the prices so quoted are the prices at which said pens and pencils are usually and customarily offered for sale and sold.

3. Representing that said pens and pencils are of a quality and character different from or superior to pens and pencils offered for sale and sold by competitors at comparable prices.

4. Representing that said pens have been tested and are guaranteed by the factory to be unbreakable for life, and that in case of breakage or other unsatisfactory service said pens will be repaired free of charge or exchanged for a new pen upon remittance to cover the cost of handling, postage, and insurance, when any charge is made in excess of handling, postage, and insurance costs.

5. Representing that the sum of 25 cents charged purchasers for replacement of broken or unsatisfactory pens covers only the cost of handling, postage, and insurance.

6. Representing that said fountain pens hold 200 percent more ink than any ordinary fountain pen on the market.

7. Representing, through the use of the symbol "14K," or any other symbol, or any figures, letters, or words of similar import and meaning, or otherwise, that the point or nib of said pen is composed of 14-carat gold or gold of the fineness indicated by the symbol, figures, letters, or words used, when such is not the fact.

8. Representing that certificates cut from newspaper advertisements of said pens and pencils are worth \$4.41 or any other sum in connection with the purchase of such products.

It is further ordered, That the respondents shall, within 60 days after service upon them 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 this order.

Syllabus

IN THE MATTER OF
THE PERFECT MANUFACTURING COMPANY,
TRADING AS R. E. ENGINEERS

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

Docket 4163. Complaint, June 13, 1940—Decision, July 24, 1940

Where a corporation engaged in the manufacture, sale, and distribution of radio receiving sets, electrical devices, rubber products, chemical specialties and like products, and electrical and mechanical devices for attachment to such sets, and marketed and sold under trade name "Add-A-Tube," to purchasers of various States and in the District of Columbia; in advertising said last-named device through advertising folders, pamphlets, circulars, and other literature, and newspapers published throughout the United States, and including reproduction or purported reproduction of testimonial statements,

- (a) Represented that such device would give longer life to radio tubes and improve reception and make possible broadcasts from domestic and foreign stations which could not be otherwise received, and bring set up to date and give any radio tone or selectivity and static free reception found in most expensive sets on the market; and
- (b) Represented that such device would improve reception on every type of radio and give it automatic volume control, and guaranteed clear and long distance reception and enabled user to tune out local and tune in distant stations free from interference, and would make any old radio receiving set as efficient as modern ones;

Facts being said electrical and mechanical device attachments aforesaid would not give longer life to tubes, improve reception, make set more efficient in receiving broadcasts from domestic or foreign stations, bring set up to date or enable users to tune out local stations and tune in distant ones, except to reduce interference from local stations, and claims otherwise and representations made therefor, as above set forth, were deceptive, false and misleading; and

- (c) Represented and implied through use of name "Add-A-Tube" as trade name for and on said device that use thereof on radio receiving set, when attached, gave radio an additional tube;

Facts being it did not add a tube to or have effect of an additional tube in set to which it was attached;

With effect of misleading and deceiving, through use of such false, deceptive, and misleading statements and representations and use of said trade name on device in question, substantial portion of purchasing public into erroneous and mistaken belief that such statements and representations were true and inducing portion of said public, because of such belief, to purchase its said device:

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

Mr. Carrel F. Rhodes for the Commission.