

Complaint

IN THE MATTER OF

SANFORD MILLS, AND L. C. CHASE & CO., INC.

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

Docket 4084. Complaint, Apr. 5, 1940—Decision, Aug. 27, 1941

Where a corporation and its wholly owned sales subsidiary, engaged in manufacture and interstate sale and distribution of its "Velmo" mohair upholstery fabric; in advertising in trade journals and in copies thereof which they supplied to their customers, furniture manufacturers, and upholstery supply companies, and on labels and tags which they also furnished to such customers to be attached to the furniture delivered to consumers—
Represented that their said upholstery fabrics were "mothproof" and would not be attacked or destroyed by moths, through use of such terms as "guaranteed moth-proofed," "MOTH-PROOF GUARANTEE * * * PERMANENTLY," "A TROUBLE-PROOF LABEL * * * PERMANENTLY!", "Swatting the moth question BEFORE IT HATCHES," facts being the mohair fabric concerned had not been rendered immune from all moth damage by the processes to which said manufacturer had subjected it, and said corporations had received claims for damage to fabrics in question, certain of which it found to be legitimate and satisfied under its guarantee to make good any claim for legitimate damage;

With tendency and capacity to mislead and deceive a substantial number of retail dealers and the purchasing public into the erroneous belief that their said product was permanently free from damage by moths, and to induce the purchase of substantial quantities of their fabrics because of such belief, and with result that trade in commerce was diverted unfairly to them from competitors in commerce:

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

Before *Mr. W. W. Sheppard*, trial examiner.

Mr. D. E. Hoopingarner for the Commission.

Kent, Hazzard & Jaeger, of White Plains, N. Y., 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 Sanford Mills, a corporation and L. C. Chase & Co., Inc., a corporation, hereinafter referred to as respondents, have 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, Sanford Mills, is a corporation organized, existing, and doing business under and by virtue of the

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laws of the State of Maine, with its principal office and place of business located in Sanford, in the State of Maine. It is now, and for a number of years last past has been, engaged in the manufacture of a mohair upholstery fabric and in the sale and delivery thereof under the brand name of "VELMO," in commerce, between and among the various States of the United States and in the District of Columbia, through the medium of its wholly owned subsidiary, respondent L. C. Chase & Co., Inc.

PAR. 2. Respondent, L. C. Chase & Co., Inc., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Maine, with its principal office and place of business located at 295 Fifth Avenue, New York City, in the State of New York, and is engaged in the sale and distribution in commerce among and between the various States of the United States and in the District of Columbia of mohair fabrics manufactured by the respondent Sanford Mills, a corporation.

PAR. 3. In the regular and usual course of business respondent Sanford Mills ships the said fabric, namely, mohair fabric used in upholstering furniture, from its said place of business in the State of Maine to its said subsidiary and exclusive sales agent, namely, respondent L. C. Chase & Co., Inc., in the State of New York; and the latter, in turn, sells, and for a number of years last has sold and transported said product to purchasers, generally to retail dealers, located in the various States of the United States, and in the District of Columbia.

In the course and conduct of their business, the respondents are now and during all the times mentioned herein have been engaged in competition with other corporations and with individuals, firms, and partnerships, likewise engaged in the sale and distribution of similar products, in commerce, among and between various States of the United States, and in the District of Columbia.

Respondents maintain, and at all times mentioned herein have maintained, a course of trade in said product, in commerce, among and between the various States of the United States, and in the District of Columbia.

PAR. 4. In the course and conduct of their business, as hereinabove described, respondents cause advertisements and advertising matter to be inserted in newspapers and in trade journals of the type which reaches users of upholstery material and generally in the name of respondent L. C. Chase & Co., Inc. Respondents also furnish advertising matter to retail customers for their use, and the same has been used by them during the last several years in advertising their

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furniture upholstered with the mohair fabric purchased and delivered to them by said respondents.

Typical of said advertising matter is the following:

Swatting the MOTH QUESTION BEFORE IT HATCHES

Moths have good taste; they will eat woolens, feathers, furs, mohairs * * * any fine fibre * * * unless the diet is made unpleasant for them. And about the most distasteful diet in the world for a moth is Velmo mohair velvet!

A MOTH-PROOF GUARANTEE * * * PERMANENTLY!

Twelve years ago, Goodall-Sanford began subjecting every yard of Velmo to a solution that renders it permanently moth-resistant. Since then, moth trouble has been so negligible that the guarantee is given, not for a term of years, but for the life of the fabric * * * permanently.

A TROUBLE-PROOF LABEL * * * PERMANENTLY!

The Velmo label is supplied with each five-yard purchase. When it is sewn under furniture all responsibility ends on the part of manufacturer, or retailer. It swats moth-trouble before it hatches! It puts future liability where Goodall-Sanford thinks it belongs * * * on the weaver. A customer merely has to be told, "This beautiful mohair velvet has been moth-proofed at the mill, as the label states. If *at any time* moth-damage appears, communicate with L. C. Chase & Company, Inc., New York." Simple, direct, and red-tape-proof!

VELMO

Product of Goodall-Sanford Industries

L. C. CHASE & CO., INC., selling division of Goodall-Sanford,
295 Fifth Avenue, New York.
Boston Chicago · Detroit San Francisco

(LABEL)

A Goodall-Sanford product * CHASE VELMO MOHAIR FABRIC Guaranteed MOTH-PROOFED L. C. Chase & Co., Inc., Selling Division
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In said advertisement the words:

Swatting the MOTH QUESTION before it hatches * * * A MOTH-PROOF GUARANTEE * * * PERMANENTLY! A TROUBLE-PROOF LABEL * * * PERMANENTLY!

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are in display type, as above depicted, and are therefore featured very prominently therein; all other lettering is in small type.

Typical of other advertising published or caused to be published by respondents is the following:

VELMO Quality * * * Increases merchant's sales

Velmo upholstered furniture sells readily because of its lasting durability and decorative value. Velmo on a sofa or chair—identified by the Velmo label—means satisfaction for the customer and protection for the merchant.

To protect the requirements of customers with limited budgets, Velmo has styled several low-priced coverings. They, however, maintain the same high quality of all Velmo coverings.

Angora Satin, Aristocrat, Bethel, Cavalier, Crochette, Debonaire, Fiesta, Gros Point, Molano, Serenade and Twistone are some Velmo coverings styled and priced to help the furniture merchant increase his sale of furniture. These items, in their various price brackets, always mean quality.

We will be glad to furnish, upon request, samples of Velmo fabrics with the names of the firms manufacturing Velmo upholstered furniture.

CHASE

VELMO

MOHAIR VELVET

L. C. CHASE & COMPANY, 295 Fifth Avenue, at 31st Street,

New York City, 1849 Merchandise Mart, Chicago, Ill.

Selling Division of Goodall-Sanford Industries.

BOSTON

DETROIT

LOS ANGELES

On the left-hand side of the above advertising matter appears a reproduction of a label supplied by said respondents, accompanied by other advertising matter reading as follows:

THIS GUARANTEE

IS YOUR

PROTECTION

A Goodall-Sanford

Product

*

CHASE

VELMO

mohair fabric

GUARANTEED

MOTH-PROOFED

* "Velmo Mohair Velvet is guaranteed moth-proofed. We will at any time make good the claim of any dealer or customer who has a legitimate complaint of moths attacking Velmo. This guarantee is backed by the reputation of the largest mohair fabric weavers in the world—the Goodall-Sanford Industries."

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Typical of certain other advertising matter supplied or caused to be used by respondents is the following:

Series of tags—

A GOODALL-SANFORD
PRODUCT
* * *
CHASE
VELMO
Mohair Fabric
GUARANTEED
MOTH-PROOFED
L. C. CHASE & CO., INC.
Selling Division
No Strings * * * No Red Tape * * * Tied to the
VELMO MOTH-GUARANTEE

The above label is supplied with each 5-yard purchase of Velmo, to be sewn under furniture. When this is done, all responsibility ends on the part of furniture manufacturer, decorator, or retailer. It puts future liability squarely where Goodall-Sanford believes it belongs . . . on the weaver. Just tell your customers, "This mohair velvet has been moth-proofed at the mill. It is fully guaranteed. If at any time moth-damage appears, communicate with L. C. Chase & Company, New York." Could any form of guarantee be more clear and complete?

L. C. CHASE & CO., INC., selling division of Goodall-Sanford,
295 Fifth Avenue, New York.
BOSTON CHICAGO DETROIT SAN FRANCISCO

Respondents also supply in connection with the sale and offering for sale of said product a cloth label approximately 4 inches long and 1 inch wide containing the following language and figures:

A GOODALL-SANFORD
PRODUCT
CHASE
VELMO
Reg. U. S. PAT. OFF.
Mohair Fabrics
GUARANTEED
MOTH-PROOFED
L. C. CHASE & CO., INC.
Selling Division
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Respondents supply to retail dealers, to be attached to furniture upholstered in Chase Velmo, a round heavy paper tag approximately 4 inches in diameter containing the following language:

The Mohair Upholstery
on this furniture is
CHASE VELMO
made by Goodall-Sanford Mills, and
GUARANTEED
MOTH-PROOFED

The Goodall-Sanford Mills will, at any time, make good any claim of anyone who finds cause for legitimate complaint of moths attacking this piece of Velmo.

Refer the matter promptly to
L. C. CHASE & CO., INC.,
295 Fifth Ave., N. Y.

All of the guarantees hereinabove set forth are prominently featured by large type and placement in the advertisements and on the tags and labels, as above indicated.

By the use of said advertisements, tags, and labels, and by other means, to describe the quality, durability, and desirability of their said products, respondents represent to retailers and the consumer public that their mohair upholstery fabric is permanently moth-proof and moth-resistant, when in truth and in fact their said fabric is not permanently moth-proof and moth-resistant, but is, in fact, subject to moth attack and destruction thereby.

By the use of this practice of supplying retail dealers and manufacturers with false and misleading labels, tags, and advertising matter, the respondents place in the hands of uninformed or unscrupulous retail dealers and manufacturers a means and instrumentality whereby said dealers and manufacturers may deceive and mislead members of the purchasing public into the erroneous belief that respondents' fabric is permanently immune from attacks, damage and destruction by moths, when in truth and in fact it is not permanently free from such attacks, damage, and destruction.

PAR. 5. Mohair is the hair or wool taken from the Angora goat, and the fabrics made thereof are subject to the attack of the moth larvae. By reason of its susceptibility to such attacks, furniture users have been reluctant to use this fabric for upholstering purposes. In any circumstances, consumers have a preference for mohair fabrics that are understood to be completely and entirely moth-proof or moth-resistant, and the advertising and offering for sale of mohair and mohair-upholstered furniture as being treated in such a way as to make the same permanently free from attack and destruction by moth has offered great and additional inducement for the

purchase of respondents' mohair fabrics in preference to the fabrics of those who do not represent their products to be permanently free from attack, damage, and destruction by moths.

PAR. 6. The use by the respondents of the aforesaid acts and practices of designating and describing its said product as being permanently free from attack, damage, and destruction by moths, has had, and now has, the tendency and capacity to mislead and deceive retail dealers, and a substantial portion of the purchasing public, into the erroneous and mistaken belief that said product is rendered permanently free from attack, damage, and destruction by moths, and to induce the purchase of respondents' fabric because of such erroneous belief. As a direct result thereof, trade in commerce has been diverted unfairly to the respondent from its competitors who are likewise engaged in the sale and distribution of similar products in commerce among and between the various States of the United States and who do not falsely represent the quality and durability of their products. As a consequence thereof injury has been and is being done by respondents to competition in commerce between and among the various States of the United States and in the District of Columbia.

PAR. 7. The aforesaid acts and practices of the respondents as herein alleged are all to the prejudice and injury of the public and of respondents' competitors and constitute unfair methods of competition in commerce and unfair and deceptive acts and practices, 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 5th day of April 1940, issued and served its complaint in this proceeding upon the said respondents Sanford Mills, a corporation, and L. C. Chase & Co., Inc., a corporation, charging them with the use of unfair methods of competition and unfair and deceptive acts and practices in commerce in violation of the provisions of said act. On April 24, 1940, the respondents filed their answer in this proceeding. Thereafter, at a hearing duly scheduled and held in this proceeding, a stipulation was entered into by and between counsel for the Commission and counsel for the respondents, subject to the approval of the Commission, whereby it was agreed that a statement of facts thereupon read into the record may be taken as the facts in this proceeding and in lieu of testimony in support of the charges stated in the complaint, or in

opposition thereto, and that the Commission may proceed upon said statement of facts to make its report, stating its findings as to the facts and its conclusion based thereon, and enter its order disposing of the proceeding without the presentation of argument or the filing of briefs, or of a report upon the evidence by the trial examiner. Thereafter, this proceeding regularly came on for final hearing before the Commission on said complaint, answer, and stipulation, said stipulation having been approved and accepted, 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 its findings as to the facts and its conclusion drawn therefrom.

FINDINGS AS TO THE FACTS

PARAGRAPH 1. Respondent, Sanford Mills, is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Maine, with its principal office and place of business located in Sanford, in the State of Maine. It is now, and for a number of years last past has been, engaged in the manufacture of a mohair upholstery fabric and in the sale and delivery thereof under the brand name of "VELMO," in commerce between and among the various States of the United States and in the District of Columbia, through the medium of its wholly owned subsidiary respondent, L. C. Chase & Co., Inc.

PAR. 2. Respondent, L. C. Chase & Co., Inc., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Maine, with its principal office and place of business located at 295 Fifth Avenue, New York City, in the State of New York, and is engaged in the sale and distribution in commerce among and between the various States of the United States and in the District of Columbia of mohair fabrics manufactured by the respondent Sanford Mills, a corporation.

PAR. 3. In the regular and usual course of business respondent, Sanford Mills, shipped said mohair fabric used in upholstering furniture from said place of business in the State of Maine to purchasers thereof in the several States of the United States and in the District of Columbia on orders obtained by its exclusive sales agent, L. C. Chase & Co., Inc., which has an office in the city and State of New York.

In the course and conduct of their business the respondents are now and during all the times mentioned in the complaint have been engaged in competition with other corporations and with individuals,

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firms, and partnerships also engaged in the sale and distribution through the usual channels of similar products in commerce among and between various States of the United States and in the District of Columbia.

Respondents maintain and at all times mentioned herein have maintained a course of trade in said product in commerce among and between the various States of the United States and in the District of Columbia.

PAR. 4. In the course and conduct of their business as hereinabove described respondents, during the period from 1934 to 1939, caused advertisements and advertising matter, generally in the name of L. C. Chase & Co., Inc., to be inserted in trade journals of the type which reached users of upholstery material. During such period respondents furnished copies of such advertising matter to their customers, furniture manufacturers, and upholstery supply companies.

1. The following representations are typical of the representations made by respondent in said advertising matter:

(a) For Twelve Years THE MOTH QUESTION HAS BEEN ANSWERED in mohair velvets with the famous VELMO LABEL * * *

While it is true that moths will attack woolens, furs, or any animal fibre with the same zest that they show for mohair—and while the manufacturers of most of these products have never attempted to moth-proof their articles, the Goodall-Sanford Mills, makers of Chase Velmo, began proofing their velvets as early as 1923 with a solution chemically proved to be moth-resistant.

The VELMO LABEL is also trouble-proof!

There is no limit in years to the plain statement on the Velmo label * * *

"Guaranteed Moth-Proofed." Because moth damage has been practically negligible as far as Velmo is concerned, the Goodall-Sanford Mills will, at any time, make good any claim of anyone, dealer or customer, who finds cause for legitimate complaint of moths attacking a piece of Velmo.

The Velmo label is supplied with each five-yard purchase of the fabric. If it is sewn under a piece of furniture, the manufacturer's and the retailer's responsibility ends right there. It is the belief of the Goodall-Sanford Mills that their own liability to the final user of the fabric is direct, simple, clear and without cumbersome "red tape." The salesman has only to say to a customer, "This velvet is moth-proofed at the mill, as you will see by this label. If at any time you are troubled with moths, you can communicate with L. C. Chase & Company, New York."

VELMO

Product of Goodall-Sanford Industries L. C. Chase & Company, Inc., selling division of Goodall-Sanford.

(b) Swatting the moth question BEFORE IT HATCHES.

Moths have good taste; they will eat woolens, feathers, furs, mohairs * * * any fine animal fibre * * * unless the diet is made unpleasant for them. And about the most distasteful diet in the world for a moth is Velmo mohair velvet!

A MOTH-PROOF GUARANTEE * * * PERMANENTLY!

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Twelve years ago, Goodall-Sanford began subjecting every yard of Velmo to a solution that renders it permanently moth-resistant. Since then, moth-trouble has been so negligible that the guarantee is given, not for a term of years, but for the life of the fabric . . . permanently.

A TROUBLE-PROOF LABEL . . . PERMANENTLY!

(c) No Strings * * * No Red Tape * * * Tied to the VELMO-MOTH GUARANTEE.

(d) For Fourteen Years THE MOTH QUESTION HAS BEEN ANSWERED.

(e) This Guarantee is your Protection

VELMO LABEL

"Velmo Mohair Velvet is guaranteed moth-proofed. We will at any time make good the claim of any dealer or customer who has a legitimate complaint of moths attacking Velmo."

YEARS AGO we considered the plan of insuring or guaranteeing our Goodall-Sanford upholstery fabrics against moths.

Frankly, we have felt that we, perhaps, of all firms, were in an admirable position to do this because (1) Our fabrics are scientifically proofed and finished to resist moths; (2) In more than ten years, claims for moth damage have been practically negligible. * * *

USE THE VELMO LABEL

Goodall-Sanford has successfully proofed its fabrics against moths—since 1923.

2. During the period aforesaid respondent also furnished labels and tags to the manufacturers and upholsterers of furniture, which were attached to furniture delivered to consumers; typical of which are the following:

(a) A cloth label containing the following:

A Goodall-Sanford
Product
CHASE
VELMO
Reg. U. S. PAT. OFF.
Mohair Fabrics
GUARANTEED
MOTH-PROOFED
L. C. CHASE & CO., INC.
Selling Division.

(b) A paper tag containing a picture of an Angora goat on one side and on the opposite side the following:

The Mohair Upholstery
on this furniture is
CHASE VELMO
Made by Goodall-Sanford Mills, and
GUARANTEED
MOTH-PROOFED

The Goodall-Sanford Mills will, at any time, make good any claim of anyone who finds cause for legitimate complaint of moths attacking this piece of Velmo. Refer the matter promptly to * * *

L. C. CHASE & CO., INC., 295 Fifth Ave., N. Y.

PAR. 5. Mohair is the hair or wool taken from the Angora goat and the fabrics made thereof are subject to the attack of the moth larvae. By reason of its susceptibility to such attacks furniture users have been reluctant to use this fabric for upholstery purposes. Consumers have a preference for mohair fabrics that are permanently moth-proof or moth-resistant.

PAR. 6. The Commission finds that substantial numbers of the purchasing public, both retailers and ultimate consumers, have been induced to believe, through the use by respondents of the terms "Moth-Proofed," "Guaranteed Moth-Proofed," "A Moth-Proof Guarantee—Permanently," "A Trouble-Proof Label—Permanently," "Swatting the Moth Question Before It Hatches," in connection with, or in referring to, the moth-resistant or moth-repellent properties of their fabric, that the fabric so referred to is moth-proof and that moths will not attack or destroy it.

PAR. 7. The aforesaid statements and representations are exaggerated, misleading, and deceptive. While the respondent, Sanford Mills, since the year 1923, has subjected the mohair fabric known as "Velmo" to processes which respondent believed to be effective in preventing moth damage and has guaranteed to make good any claim of anyone who found cause for legitimate complaint because of moth damage, said processes have not, in fact, rendered said product immune from all moth damage and respondents have received claims of moth damage to said fabrics and have found certain of said claims to be legitimate and have satisfied them.

PAR. 8. The use by the respondents of the aforesaid practices and the aforesaid statements and representations with respect to the moth-proof and moth-resistant properties and characteristics of their said fabric has had the tendency and capacity to mislead and deceive a substantial number of retail dealers and a substantial portion of the purchasing public into the erroneous and mistaken belief that said product is permanently free from attack, damage, and destruction by moths and to induce the purchase of substantial quantities of respondents' fabrics because of such erroneous belief. As a result thereof, trade in commerce has been diverted unfairly to the respondents from competitors in commerce between and among the various States of the United States and in the District of Columbia.

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CONCLUSION

The aforesaid acts and practices of the respondents as herein found are all to the prejudice of the public and of respondents' competitors, and constitute unfair methods of competition in commerce and unfair and deceptive acts and practices 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 the respondents and a stipulation entered into by and between counsel for the Commission and counsel for the respondents, wherein it was stipulated and agreed that a statement of facts read into the record may be taken as the facts in this proceeding and in lieu of testimony in support of the charges stated in the complaint, or in opposition thereto, and that the Commission may proceed upon such statement of facts to make its report, stating its findings as to the facts and its conclusion based thereon, and enter its order disposing of the proceeding without the presentation of argument or the filing of briefs, or any other intervening procedure, and the Commission having made its findings as to the facts and its conclusion that said respondents have violated the provisions of the Federal Trade Commission Act.

It is ordered, That the respondents, Sanford Mills, a corporation, and L. C. Chase & Co., Inc., a corporation, their officers, representatives, agents, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale, and distribution of mohair upholstery fabrics, in commerce, as commerce is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

Using the term "mothproof" to designate, describe, or in any way refer to upholstery fabrics which are not in fact mothproof, or otherwise representing that upholstery fabrics which are not permanently immune from attack or destruction by moths are mothproof.

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

LILLIAN M. GRANGER, L. H. MURRAY, CLARA FEITLER,
AND ADOLF FEITLER, TRADING AS G. & F. SALES
COMPANY

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

Docket 4155. Complaint, June 4, 1940—Decision, Aug. 27, 1941

Where four individuals, engaged during different periods, in competitive interstate sale and distribution of radios, watches, clocks, knives, pen and pencil sets, and other articles, and of assortments of their merchandise so packed and assembled as to involve the use of games of chance, gift enterprises, or lottery schemes when sold and distributed to the consumers thereof, a typical assortment consisting of a number of tins of peanuts and a radio, together with a punchboard for use in their sale to the consuming public, as explained thereon, under a plan by which a purchaser secured one of said tins—value of which was in excess of the 5 cents paid—in accordance with success in selecting certain numbers, and received the radio by selecting the number corresponding to that under the board's seal, and those failing to qualify by obtaining one of the lucky numbers received nothing for their money, other than the privilege of punching a number—
Sold such assortments to wholesalers and jobbers and, directly or indirectly, to retailers, by whom they were exposed and sold to the purchasing public in accordance with aforesaid sales plan, involving sale of a chance to procure one of said articles at much less than its normal price, and thereby supplied to and placed in the hands of others the means of conducting lotteries in the sale of their merchandise, contrary to an established public policy of the United States Government and in violation of the criminal laws, and in competition with many who are unwilling to use method involving chance or contrary to public policy, and refrain therefrom;
With the result that many persons were attracted by said sales plan and the element of chance involved therein, and were thereby induced to buy and sell said individual's merchandise in preference to that offered and sold by said competitors, and with tendency and capacity, because of said game of chance, unfairly to divert trade in commerce to them from said competitors; to the substantial injury of competition in commerce:
Held, That such acts and practices, under the circumstances set forth, constituted unfair methods of competition in commerce and unfair acts and practices therein.

Before *Mr. W. W. Sheppard* and *Mr. John W. Addison*, trial examiners.

Mr. L. P. Allen, Jr., and *Mr. J. V. Mishou* for the Commission,
West & Eckhart, of Chicago, Ill., for Lillian M. Granger and L. H. Murray.

Mr. Samuel G. Clawson, of Chicago, Ill., for Clara Feitler and Adolph Feitler.