

IN THE MATTER OF
GEORGE H. LEE COMPANY

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

Docket 2081. Complaint, Dec. 7, 1932—Order, Jan. 20, 1933

Consent order requiring respondent, its agents, etc., in connection with sale in interstate commerce of its so-called "Germozone" and "Gizzard Capsules", to cease and desist representing that use of former product alone constitutes a proper and sufficient treatment or remedial or preventive measure for certain specific ailments specified, and use of latter alone will serve to rid fowls of certain worms.

Mr. PGad B. Morehouse for the Commission.

COMPLAINT

Acting in the public interest, pursuant to the provisions of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes", the Federal Trade Commission charges that George H. Lee Co., a corporation, has been and is now using unfair methods of competition in interstate commerce, in violation of section 5 of said act, and states its charges in that respect as follows:

PARAGRAPH 1. The respondent, George H. Lee Co., is a corporation organized and existing under the laws of the State of Nebraska, having its principal place of business at 12th and Harney Streets in the city of Omaha, State of Nebraska, and for more than two years last past has been engaged in the compounding, sale, and distribution of certain alleged remedies for diseases and worms in poultry, particularly two products known and sold under the names "Germozone" and "Gizzard Capsules", causing said products when sold to be shipped from its place of business at Omaha, Nebr., into and through various other States of the United States to retail hardware, drug stores (both wholesale and retail), hatcheries, poultry supply, or other dealers for resale to the ultimate purchasers, and, in some cases, sample sales are made direct to the ultimate purchaser by respondent.

The "Germozone" is an aqueous solution of potassium permanganate, potassium chlorate, aluminum sulphate, potassium chloride and salt, all of alleged antiseptic, germicidal, and astringent-soothing properties. It is administered by mixing with the drinking water of baby chicks and adult fowls, or by direct application to the indi-

vidual bird in divers strengths of solution as directed by respondent on its labels.

The "Gizzard Capsules" are an alleged vermifuge and contain the drugs kamala, nicotine, and pyrethrum in patented insoluble capsules so devised that the said contents will be released only when ground in the gizzard of the fowl and administered by dropping into the chicken's throat.

In the course and conduct of its business as aforesaid respondent is in direct and substantial competition with other individuals, partnerships, and corporations engaged in the sale and distribution in interstate commerce of remedies for diseases and worms in poultry.

PAR. 2. In the course and conduct of its business as aforesaid, by the use of various advertising media, such as published advertisements in poultry and farm journals and other magazines and periodicals having an approximate total circulation of 10,000,000 copies and by the dissemination of about 1,400,000 circulars and pamphlets to the retail trade for redistribution to prospective ultimate purchasers respondent has made and does make many extravagant, false, deceptive, and misleading statements regarding the therapeutic value and efficacy of the aforesaid products as a means for the prevention, relief and cure of diseases and worms in poultry, more particularly as follows:

GERMOZONE

There are thousands of baby chicks this year that will pay with their lives for the lack of a little Germozone in their drinking water. Digestive disorders and bowel trouble will cause these great losses . . . take no chances. Germozone purifies the drinking water and even more important it kills germs and guards unceasingly against infection in crop, stomach and intestines . . . This wonderful remedy . . . We are confident that Germozone will prove the best remedy you have ever used to prevent disease and keep your chicks sturdy and strong . . . It acts quickly against the germs and poisons, and helps to heal the affected membrane lining. There is nothing else just like Germozone. It is especially valuable in case of sour crop, simple diarrhoeas, limber neck, ptomaine poisoning, chilling, musty foods, colds, canker, etc. . . . Nine times in ten it is a crop or intestinal infection. The answer is Germozone . . . Germozone—the life saver . . . The reason Germozone is the best first try is because such a very large percent of the common diseases of poultry can be traced to infection in the crop or intestines and Germozone is proven beyond question to be the most

Complaint

17 F.T.C.

effective medicine against such troubles . . . it both guards the health of the birds that are well and acts as a remedy for the birds that are afflicted . . . Germozone's great curative powers spread over such a wide range of poultry troubles . . . With Germozone you can avoid the crop and bowel infection and diarrhoeas that these germs and bacteria so surely bring on.

and by divers and sundry other statements in said advertisements contained respondent falsely imports and implies that Germozone is a remedy and is efficacious in the prevention, relief, treatment and cure of certain specific diseases and conditions in poultry designated as Bacillary White Diarrhoea, Aspergillosis, Blackhead, Limber Neck, Coccidiosis, Diphtheria, and Pullorum.

GIZZARD CAPSULE

A wonderful invention for worming poultry. An insoluble capsule carrying a triple combination worm medicine for tapeworms, roundworms and pinworms. Being insoluble, it passes through the mouth, throat, crop and stomach of the fowl to the gizzard where it is ground up like a grain of corn, pouring the full strength, undiluted medicine directly into the intestines upon the worms. This method is five times as effective as worm remedies given in the food or drink . . . But it is known that only by actually eliminating the intestinal worms can you hope to solve the worm problem . . . Stop this needless waste. Gizzard Capsules will quickly rid your fowls of both tapeworms and roundworms; pinworms, too, if the mouth of the ceca, where the pinworms are found, is not congested or closed.

The foregoing false and misleading representations reach the prospective purchasers directly through the medium of the magazine advertisements, supra, and are passed on to them by the means of the circulars and leaflets distributed by respondent to the retail dealers as aforesaid. The said prospective purchasers, believing and relying on the truth of the aforesaid representations, buy respondent's aforesaid products from the retail hardware, drug stores, hatcheries, poultry supply or other dealers, who in turn have purchased the said products from the respondent for resale.

Whereas in truth and in fact the said product "Germozone" is not an efficacious therapeutic agent for the prevention, relief, treatment, or cure of the aforementioned diseases or conditions in poultry. Said "Germozone" contains drugs, antiseptic and germicidal in character, but a slight addition of organic matter to the drinking water in which it is administered, or contact with the body fluids,

gastric and other organic juices of the fowl, when taken internally, render its antiseptic action so inert that said product is not an effective internal antiseptic nor a remedy nor cure for the aforesaid conditions of internal diseases in poultry.

Also, in truth and in fact the "Gizzard Capsules" aforesaid are not an efficacious vermifuge in the case of pin or tapeworms and, as to the roundworms, actual test showed the "Gizzard Capsules" only 60 percent efficacious as a vermifuge.

PAR. 3. The foregoing extravagant and false representations and each of them are calculated, and have the tendency to mislead and deceive purchasers and prospective purchasers of respondent's products into the erroneous belief that the use of the said products in the manner aforesaid will serve to prevent and remedy the occurrence of the diseases and ailments in poultry aforesaid; and to induce the purchase by consumers of respondent's products in reliance upon such erroneous beliefs; and to divert trade from and otherwise injure competitors of respondents.

PAR. 4. The above acts and practices of respondent 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 section 5 of an act of Congress entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes", approved September 26, 1914.

ORDER TO CEASE AND DESIST

This proceeding having come on for final hearing by the Federal Trade Commission upon the complaint and the respondent's answer waiving all further proceeding and consenting that the Commission may make, enter, and serve upon it an order to cease and desist from the method or methods of competition charged in the complaint, and the Commission being fully advised in the premises.

It is now ordered, That the respondent, George H. Lee Co., a corporation, its agents, representatives, servants, and employees, in connection with the sale or offering for sale in interstate commerce of two products which are of the same composition as those now designated by respondent as "Germozone" and "Gizzard Capsules", cease and desist from directly or indirectly representing:

- (1) With reference to "Germozone", that its use alone constitutes a proper and sufficient treatment or remedial or preventive measure for those certain specific diseases and conditions in poultry known as Bacillary White Diarrhoea, Pullorum disease, Blackhead, Limberneck, Coccidiosis, Diphtheria and Aspergillosis, and

Order

17 F.T.C.

- (2) With reference to "Gizzard Capsules", that their use alone will serve to rid fowls of either pinworms or tapeworm heads.

It is further ordered, That the respondent shall, within 60 days after the service upon it of a copy 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 the order to cease and desist hereinbefore set forth.

Complaint

IN THE MATTER OF
YOCUM BROTHERSCOMPLAINT AND ORDER IN REGARD TO THE ALLEGED VIOLATION OF SEC. 5
OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914*Docket 1438. Complaint, Feb. 19, 1927—Order, Jan. 23, 1933*

Consent order requiring respondent corporation, its officers, etc., in connection with sale in interstate commerce of cigars, to cease and desist from—

- (1) Using or causing to be used the word "Cuba", in the brand name or designation "Spana-Cuba", for any such cigars which do not contain any substantial amount of Cuban tobacco, unless in each instance the designation be immediately accompanied by an equally prominent statement clearly indicating absence of Cuban tobacco;
- (2) Using or causing to be used said word in said brand name for cigars composed in part only of Cuban tobacco, unless brand name be immediately accompanied by an equally prominent explanatory statement indicating such partial content of Cuban tobacco only; and
- (3) Using or applying any word, name, etc., falsely importing a content of Cuban tobacco in whole or in part, for the particular cigars involved.

Mr. Henry Miller for the Commission.

COMPLAINT

Acting in the public interest pursuant to the provisions of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes", the Federal Trade Commission charges that Yocum Brothers, a corporation, hereinafter referred to as respondent, has been and is using unfair methods of competition in interstate commerce in violation of the provisions of section 5 of said act, and states its charges in that respect as follows:

PARAGRAPH 1. Respondent is a corporation organized under the laws of the State of Pennsylvania, with its principal office and place of business in the city of Reading, in said State. It is engaged in the manufacture of cigars and the sale thereof to wholesale and retail dealers located at points in various States of the United States. It causes said cigars when so sold to be transported from its said place of business in the city of Reading, Pa., into and through other States of the United States to said vendees at their respective points of location. In the course and conduct of its said business respondent is in competition with other individuals, partnerships and corporations engaged in the sale and transportation of cigars in commerce between and among various States of the United States.