

IN THE MATTER OF
HOWARD B. DROLLINGER

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

Docket 1868. Complaint, Oct. 23, 1930—Order, June 16, 1933

Consent order requiring respondent, his agents, employees, etc., in connection with the advertising, offering for sale, and sale, in interstate commerce or in the District of Columbia, of a Solenoid belt or device known as Ion-I-Zer, to cease and desist from representing in any manner whatsoever that the said belt or device or any similar device or appliance designed or intended to operate through exposure of a human subject to a low-frequency alternating magnetic field, without any physical conductive connection of such subject in the circuit, has any physical therapeutic effect upon the subject by reason of the said magnetic field, or that it is calculated or likely to aid in the prevention, treatment or cure of any human ailment, weakness, or disease through the application of such low-frequency alternating magnetic field.

Mr. E. J. Hornibrook for the Commission.

Mr. Arthur E. Cook, of Washington, D.C., for respondent.

COMPLAINT

Acting in the public interest and 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 Howard B. Drollinger, hereinafter referred to as respondent, has been and is using unfair methods of competition in violation of the provisions of section 5 of said act, and states charges in that respect as follows:

PARAGRAPH 1. Respondent, Howard B. Drollinger, is an individual and is now and for several years last past has been carrying on the business of manufacturing and selling an electrical device, which device consists of coils of wire in circular formation and covered with cloth or rubber and when attached to an ordinary alternating household electrical current is and was claimed by respondent to create a magnetic field, and such magnetic field so alleged to be created is and was purported by him to have curative and therapeutic value and action in the treatment of diseases and ailments of the human body when applied to the same.

The said device was manufactured, advertised and sold by respondent in and from Los Angeles, Calif., under the name of "Life Saver" from about the year 1925 to about the year 1928, and was

manufactured, advertised, and sold by respondent in and from the city of Chicago for a short period in the year of 1928 under said name of "Life Saver", respondent then moved to the city of Cleveland, Ohio, and manufactured, advertised, and sold said device for about eight months in and from said city of Cleveland, under the name "Ion-I-zer." The said device is now manufactured for the respondent in the city of Cleveland, Ohio, and since about June 1929, respondent has advertised, distributed, and sold the same from his principal place of business at 1719 Lexington Avenue, New York City, State of New York, under the said name of "Ion-I-zer."

PAR. 2. Respondent, since the said year, 1925, has caused said device to be sold to purchasers thereof who resided in States other than the States of California, Illinois, Ohio, and New York, and when so sold to such purchasers has caused the same to be shipped from his principal places of business in said named States into and through other States to the purchasers at their several places of residence or location.

When orders for said device are now received from purchasers residing outside the States of New York and Ohio, the said devices are packed at Cleveland or New York City, as the case may be, and shipped therefrom to the purchasers thereof into and through other States of the United States to their several places of location or residence.

PAR. 3. In the course and conduct of said business respondent is in competition with other individuals and corporations engaged in the sale of sundry medicinal remedies and surgical and electrical instruments and appliances used in the treatment of the sick and injured in commerce between and among various States of the United States.

PAR. 4. The respondent solicits and seeks and has solicited and sought the sale of said device to the public located throughout the States of the United States, reaching said public through and by means of radio talks, advertisements in magazines having general circulation in the States of the United States, in newspapers, and letters, through and by means of circulars, booklets and other literature and through and by means of employees, solicitors and agents.

The respondent, in order to induce the public to purchase said device, makes and has made many false, misleading, and deceptive statements concerning said "Ion-I-zer" in such radio talks, in such magazines, newspapers, letters, circulars, booklets, and other literature and through such employees, solicitors and agents, among which are the following:

(a) That Dr. S. C. Drollinger, M.D., was as late as July, 1929, achieving splendid success in New York with "Ion-I-zer" in treating many chronic diseases,

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(b) That said device is "a new, wonderful, scientific invention",

(c) That the said device has therapeutic value and effect and is a cure and proper treatment for almost every human disease or ailment, including adenoids, anemia, arthritis, congestion, constipation, cystitis, debility, dyspepsia, neuritis, rheumatism, bladder troubles, bronchitis, colds, catarrh, colitis, diabetes, dropsy, gastritis, prostrate troubles, eczema, high blood pressure, insomnia, indigestion, kidney trouble, liver complaints, nervous debility, neuralgia, obesity, piles, sciatica, stomach trouble, hemorrhoids, heart disease, hay fever, headaches and varicose veins.

PAR. 5. (a) The Dr. S. C. Drollinger, M.D., mentioned in subdivision (a) of paragraph 4 hereof, departed this life in July, 1927.

(b) The said device is not a scientific invention neither is it a new or wonderful invention.

(c) That said device will not cure, nor is it proper treatment for any of the diseases or afflictions mentioned in subdivision (c) in paragraph 4 hereof, nor will it cure or relieve disease, sickness or ailment of any kind or nature.

(d) That the device in question, when used as directed, or otherwise, is incapable of transmitting energy or remedial force to the human body in such an amount as to have therapeutic value or effect.

PAR. 6. The aforesaid false, misleading, and deceptive statements and representations used by respondent, as in this complaint heretofore set forth, have and had the capacity and tendency to and do, induce the public to purchase and use respondent's device in the belief that said statements and representations are true.

PAR. 7. The above alleged acts and practices of respondent are all to the prejudice of the public and respondent's competitors and consist of 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 to be heard by the Federal Trade Commission on the complaint of the Commission and the answer of the respondent, and the respondent thereupon having been granted by the Commission permission to withdraw his answer filed herein on the 20th day of November, 1930, and the respondent having so withdrawn his answer and filed in lieu thereof an answer consenting that the Commission may make, enter, and serve upon him an order to cease and desist, and the Commission being fully advised in the premises,

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Order

It is now ordered, That respondent, Howard B. Drollinger, his agents, employees, and representatives, in connection with the advertising, offering for sale, and sale, in interstate commerce or in the District of Columbia, of a Solenoid belt or device, heretofore known as Ion-I-Zer, cease and desist from representing in any manner whatsoever that the said belt or device or any similar device or appliance designed or intended to operate through exposure of a human subject to a low-frequency alternating magnetic field, without any physical conductive connection of such subject in the circuit, has any physical therapeutic effect upon the subject by reason of the said magnetic field, or that it is calculated or likely to aid in the prevention, treatment, or cure of any human ailment, weakness, or disease through the application of such low-frequency alternating magnetic field.

It is further ordered, That the said respondent, within 60 days from and after the date of the service on him of this order shall file with the Commission a report in writing setting forth in detail the manner and form in which he is complying and has complied with the order to cease and desist hereinabove set forth.

IN THE MATTER OF
SAM GILMAN, DOING BUSINESS UNDER THE TRADE
NAME AND STYLE OF GILMAN HAT COMPANY

COMPLAINTS, FINDINGS, AND ORDERS IN REGARD TO THE ALLEGED VIOLATION
OF SEC. 6 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914

Docket 1895. Complaint, Jan. 19, 1931—Decision, June 17, 1933

Where an individual engaged in the purchase of used and discarded men's felt hats and in the cleaning, renovation, and reequipment thereof, with new hat ribbons, sweatbands, and linings, with typical designs and words or legends thereon, under a process and treatment which gave said hats the appearance of new,

Sold the same with nothing thereon to advise the uninformed as to their made over character, through wholesale dealers and agents, whose retail dealer customers (1) included such establishments as customarily deal in new hats and/or other merchandise, (2) made no particular, if any, revealing, distinction in their display and sale of the new, as compared with the cheaper, less durable, and inferior renovated article, and (3) offered and sold the latter to the ultimate consumer, making the customary demand for a "hat", in ignorance of the comparatively new and rapidly growing business in hats renovated as above set forth, and their marketing through retail channels theretofore associated in the public mind with sale of new hats exclusively, without, ordinarily, advising him as to the true nature of the article being sold him;

With the result that wholesale and retail dealers were enabled to sell said hats as and for new, and the ultimate purchaser or consumer was deceived and misled into buying as and for a new and unused hat, one discarded and renovated, as above set forth, notwithstanding the prejudice or distaste frequently or customarily felt for such a purchase, and trade was diverted from wholesale and retail dealers in, and manufacturers of, the necessarily more costly new felt and wool hats, and from the "dry shop" hat body manufacturers or finishers, who were variously unable to meet the competition of the renovated article misleadingly sold as above set forth, and whose business was seriously injured or destroyed thereby, to their prejudice and injury, and that of the industry and purchasing public:

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

Mr. G. Ed. Rowland for the Commission.

Mr. Samuel L. Miller, of New York City, for respondent.

Mr. John Knight Holbrook, Jr., of New York City, for Hat Institute, Inc., *Amicus Curiae*.

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