

IN THE MATTER OF
MAGNECOIL COMPANY, INC.

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

Docket 1846. Complaint, June 16, 1930—Order, Sept. 25, 1933

Consent order requiring respondent, its officers, etc., in connection with the sale in interstate commerce of its blankets or other products, fitted with wiring devices, to cease and desist from,

Representing either orally, or by written or printed reading or pictorial matter that,

(1) Said products—

(a) Constitute a great discovery or discoveries in electrotherapeutics or will cure or prevent diseases, ailments afford a beneficial or remedial influence therein other than such as may result from heat afforded by said products and from a subjective, mental stimulus or effect which may result from hope and confidence in said products; or

(b) Are based upon and make practical application of the biological, chemical and other scientific discoveries and theories of well-known scientists or are the result of painstaking tests and long experience; or

(c) When used as directed, transmit a radio-magnetic energy or a thermo-electromagnetism to the person using the appliance, causing an increased activity and revitalizing of the organs and cells of the body, a charging of the blood stream with electromagnetic energy, an elimination of poisons and waste matters or a magnetic stimulation of the various cells of the human body; with a resulting alleviation or cure of diseases or ailments from which the person may be suffering; or

(d) Are used, endorsed and recommended by prominent and well-known physicians, scientists, hospitals, educators and other well-known and prominent persons, and have been tested and endorsed by such persons and by institutions for medical and scientific research; provided that nothing in the aforesaid paragraph shall be deemed to prohibit it from advertising or representing its said products as so endorsed or recommended where treatment by heat or elimination by sweating are indicated; or from advertising or representing that its said products are endorsed and recommended by certain specified physicians and others for such purposes as said physicians and others actually do recommend them, for where such endorsements are confined to conditions where heat or elimination by sweating are indicated and no compensation in any form is paid therefor; or

(2) It occupies a large building in which its products are manufactured and its business generally conducted and that it has laboratories and an advisory and a consulting board of medical experts for analysis and advice in cases where respondent's products are being or are to be used; provided that nothing in such paragraph shall be deemed to prohibit it from advertising or representing that it occupies such portion of the building in which it is located as it actually does occupy.

Mr. Eugene W. Burr for the Commission.

Ball, Musser & Mitchell, of Salt Lake City, Utah, for respondent.

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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 Magnecoil Co., Inc., 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, Magnecoil Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Utah, with its principal office and place of business in Salt Lake City, State of Utah. It is engaged in the business of manufacturing and selling, to persons located in various States of the United States, blankets and other appliances through which are run or into which are woven copper wire connected to an attachment for plugging into an electric light socket, and in causing said products, when so sold, to be transported from the place of manufacture through and into other States of the United States to the purchasers thereof. In the course and conduct of its said business respondent is in competition with other corporations, partnerships and individuals engaged in commerce between and among the various States of the United States.

PAR. 2. In order to induce the public to purchase its said products, respondent causes to be inserted in newspapers, magazines, periodicals, and other publications of general circulation throughout the United States and in certain sections thereof, advertisements offering its said products for sale and soliciting the purchase thereof, and sends from its place of business in Salt Lake City, State of Utah, to purchasers and prospective purchasers living at points in various States of the United States, letters, pamphlets, booklets, and circulars concerning its said products and offering the same for sale. In the aforesaid advertisements and literature respondent causes to be set forth many false, misleading, and deceptive statements and representations to the effect:

(a) That said products when used as a cover for the human body or a portion thereof will benefit, cure and prevent all diseases, ailments and defects of the human body, a great many of which are specified by name in said advertisements and literature, and that such products constitute the greatest discoveries in the field of electro-therapeutics. Whereas in truth and in fact, respondent's said products have no curative or therapeutic value apart from and except because of the heat generated by the electric current passing over the wires of said products, that is, except as a heating pad, and will

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not benefit, cure or prevent any of the various diseases, ailments and defects of the human body.

(b) That said products are based upon and make practical application of the biological, chemical and other scientific discoveries and theories of well-known scientists and are the result of painstaking and long experience and tests. Whereas in truth and in fact, said products are not so based and make no practical application of any scientific discoveries or theories for the cure or prevention of human diseases or ailments.

(c) That the said products when used as respondent directs set up a radio-magnetic energy and a thermo-electro-magnetism which is transmitted to the person using the appliance causing an increased activity and revitalizing of the organs and cells of the body and a charging of the blood stream with electro-magnetic energy, and an elimination of many times more poisons and waste matters than is possible by any other method, and a magnetic stimulation of the various cells of the human body, with a resulting cure of any disease or ailment of which the person may be suffering. Whereas in truth and in fact, said products when so used do not produce any radio-magnetic or thermo-electro-magnetism which is transmitted to or has any effect upon the human body, and do not cause any results other than those which would be produced as a result of and because of the heat generated in the appliances.

(d) That said respondent occupies a large building in which its products are manufactured and its business generally conducted and that it has laboratories and an advisory and a consulting board of medical experts for analysis and advice in cases where respondent's products are being or are to be used. Whereas in truth and in fact, respondent occupies only a part of one floor in this building and has no laboratory or medical advisory or consulting board.

(e) That said products are used, endorsed and recommended by prominent and well-known physicians, scientists, hospitals, educators and other well-known and prominent persons, and have been tested and endorsed by such persons and by institutions for medical and scientific research. Whereas in truth and in fact, said products are not and have not been so used, tested, endorsed or recommended.

(f) Respondent makes other false, misleading and deceptive statements and representations in its said advertisements and literature of like tenor and effect as the statements and representations in this paragraph above specifically set forth.

PAR. 3. The aforesaid false, misleading, and deceptive statements and representations made by respondent in its advertisements and literature have the capacity and tendency to and do cause many persons to purchase and use respondent's products in the belief that said statements and representations are true.

PAR. 4. The above alleged 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 been considered by the Federal Trade Commission upon complaint of the Commission and the substituted answer of respondent which answer constitutes a waiver of further proceedings herein and a consent that the Commission may make, enter, and serve upon respondent an order to cease and desist from the methods of competition in the complaint herein alleged,

It is now ordered, That respondent, Magnecoil Co., Inc., its officers, directors, agents, employees, and successors do cease and desist from advertising or representing either orally or by written or printed reading or pictorial matter, in connection with the sale of its blankets, or other products fitted with wiring devices, in commerce between and among the several States of the United States, or between any State and the District of Columbia, or between any State or the District of Columbia and any foreign country, or in the District of Columbia:

(a) That its blankets and other said products constitute a great discovery or discoveries in electro-therapeutics or will cure or prevent diseases, ailments or defects of the human body or will afford a beneficial or remedial influence therein other than such as may result from heat afforded by said products and from a subjective, mental stimulus or effect which may result from hope and confidence in such said products of respondent; or

(b) That respondent's said products are based upon and make practical application of the biological, chemical and other scientific discoveries and theories of well-known scientists or are the result of painstaking and long experience and tests; or

(c) That the said products, when used as respondent directs, transmit a radio-magnetic energy or a thermo-electro-magnetism to the person using the appliance causing an increased activity and revitalizing of the organs and cells of the body, a charging of the blood stream with electro-magnetic energy, an elimination of poisons and waste matters or a magnetic stimulation of the various cells of the human body; with a resulting alleviation or cure of diseases or ailments from which the person may be suffering; or

(d) That said respondent occupies a large building in which its products are manufactured and its business generally conducted and that it has laboratories and an advisory and a consulting board of medical experts for analysis and advice in cases where respondent's products are being or are to be used; or

(e) That said products are used, endorsed and recommended by prominent and well-known physicians, scientists, hospitals, educators and other well-known and prominent persons, and have been tested

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and endorsed by such persons and by institutions for medical and scientific research.

Provided, however, that nothing in paragraph (d) contained shall be deemed to prohibit respondent from advertising or representing that it occupies such portion of the building in which it is located as respondent actually does occupy; and nothing hereinabove in paragraph (e) contained shall be deemed to prohibit respondent from advertising or representing that its said products are endorsed and recommended by said described persons and hospitals where treatment by heat or elimination by sweating are indicated; or to prohibit respondent from advertising or representing that its said products are endorsed and recommended by certain specified physicians and for others for such purposes as said physicians and others actually do recommend their use where such endorsements are confined to conditions where heat or elimination by sweating are indicated and no compensation in any form is paid therefor.

It is further ordered, That the respondent, Magnecoil Co., Inc., within 30 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

E. R. SIERING, DOING BUSINESS UNDER THE TRADE
NAME OF DR. CHEESEMAN MEDICINE COMPANYCOMPLAINT AND ORDER IN REGARD TO THE ALLEGED VIOLATION OF SEC. 5
OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914*Docket 2092. Complaint, Feb. 28, 1933—Order, Sept. 25, 1933*

Consent Order requiring respondent, trading under the name and style of Dr. Cheeseman Medicine Co., his agents, etc., in connection with the sale or offering in interstate commerce of a certain medicinal preparation, to desist from advertising or in any otherwise representing directly or by implication that (a) said preparation can be depended upon for relief in female troubles, or (b) that letters or other statements concerning the efficacy of the said preparation in the treatment of any ailment have been authorized or signed by C. S. Cheeseman, M.D., when in truth and fact such letters or statements are not so authorized or signed.

Mr. Robert H. Winn 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", said Commission charges that E. R. Siering, trading under the name of Dr. Cheeseman Medicine Company, hereinafter referred to as respondent, has been and is using unfair methods of competition in commerce, in violation of the provisions of Section 5 of said act, and states its complaint in that respect as follows:

PARAGRAPH 1. Respondent is an individual, having his principal office and place of business at 11 East Twelfth Street, New York City. Respondent is now and has been for more than two years last past engaged in advertising and selling a medicinal preparation, designated "Dr. Cheeseman's Pills", which is represented as a treatment for delayed or suppressed menstruation. Respondent causes said medicinal preparation, when sold, to be transported from his place of business in the City of New York, State of New York, into other States of the Union to purchasers thereof at their respective locations.

PAR. 2. Respondent, in the course and conduct of his business, has made false or misleading statements and representations in advertisements inserted in various publications having interstate circula-