

Complaint

19 F. T. C.

IN THE MATTER OF
DREW CORPORATION

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

Docket 2180. Complaint, May 10, 1934—Order, June 5, 1934

Consent order requiring respondent corporation, its officers, etc., in connection with the sale, offer for sale, or distribution in interstate commerce and the District of Columbia of flavoring extracts or other products, to cease and desist from the use of any word or words, statement, picture, or other means of representation, which represents or implies that such flavoring extracts or other products are imported or are prepared, compounded, and packaged abroad and imported into this country when such are not the facts.

Mr. Harry D. Michael for the Commission.

Mr. Joseph W. Landes, of New York City, for respondent.

COMPLAINT

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, having reason to believe that Drew Corporation has been and is using unfair methods of competition in commerce, as "commerce" is defined in said act, and it appearing to said Commission that a proceeding by it in respect thereof, would be to the public interest, hereby issues its complaint, stating its charges in that respect as follows:

PARAGRAPH 1. That said respondent, Drew Corporation, is a corporation organized, existing, and doing business under and by virtue of the laws of the State of New York and has its office and principal place of business in the City of New York in said State.

PAR. 2. That said respondent, Drew Corporation, is now and has been engaged for more than five years last past in the business of compounding flavoring extracts and other products, and in the sale thereof to retail dealers located in various States of the United States other than New York for ultimate resale to members of the purchasing public. That said respondent, in the course and conduct of its said business, causes its said products to be transported in interstate commerce from its said place of business in New York to, into, and through States of the United States other than New York, to the buyers thereof to whom or to which they are, or have been sold.

PAR. 3. That during the time above mentioned, other individuals, firms, and corporations in various States of the United States are, and have been engaged in the manufacture, sale, and distribution in

interstate commerce of flavoring extracts of the same general kind as those compounded and sold by respondent as aforesaid, and such other individuals, firms, and corporations have caused and do now cause their said products, when sold by them, to be transported from various States of the United States to, into and through States other than the State of origin of the shipment thereof. Said respondent has been, during the aforesaid time, in competition in interstate commerce in the sale of its said flavoring extracts with such other individuals, firms, and corporations.

PAR. 4. That respondent furnishes counter display cartons to purchasers of its said flavoring extracts for use in displaying the same to the purchasing public. That upon said display cartons the following expression appears in large and conspicuous lettering:

Imported Flavors

That upon the bottles in which said extracts are displayed and sold, respondent causes labels to be affixed upon which is the following wording:

Imported for
Drew Corporation
546 Pearl Street New York

That said bottles further bear labels upon which is imprinted a reproduction of what appears to be a coat of arms with the following wording thereunder:

Milano Exporto Chemico

That all of said representations indicate and imply to members of the public that said extracts are prepared, compounded, and packaged abroad and imported into this country.

PAR. 5. That in truth and in fact, said products are not imported and are not prepared, compounded, and packaged abroad, but are prepared, compounded, and packaged by respondent in this country at its place of business in New York. That said representations and implications are untrue and are not founded on the true facts.

PAR. 6. That the representations of respondent, as aforesaid, have the tendency and capacity to confuse, mislead, and deceive members of the public into the belief that respondent's said preparations are imported and are prepared, compounded, and packaged abroad when in truth and in fact such is not the case. That many members of the purchasing public prefer to buy imported merchandise and labor under the belief that goods produced abroad are superior to those produced in this country, said belief prevailing especially in regard to extracts and the like. That said representations of respondent have the tendency and capacity to induce members of the public to

buy and use its said products because of the erroneous belief engendered as above set forth, and to divert trade to respondent from competitors engaged in the sale in interstate commerce of flavoring extracts of the same general kind and of those intended and used for the same purposes as those of respondent.

PAR. 7. The above acts and things done by respondent are all to the injury and prejudice of the public and the competitors of respondent in interstate 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

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, on the tenth day of May, 1934, issued its complaint against Drew Corporation, respondent herein, and caused the same to be served upon respondent as required by law, in which complaint it is charged that respondent has been and is using unfair methods of competition in interstate commerce in violation of the provisions of Section 5 of said Act.

On May 22, 1934, said respondent filed herein an answer in writing to said complaint, electing to refrain from contesting this proceeding and consenting to the issuance of an order to cease and desist from the practices set forth in the complaint herein.

Thereafter this proceeding came on regularly for disposition and decision by the Commission under subdivision (2) of Rule III of the Rules of Practice and Procedure adopted by the Commission, and the Commission being fully advised in the premises:

It is ordered, That respondent, Drew Corporation, its officers, directors, agents, representatives, servants, and employees in connection with the sale, offering for sale, or distribution in interstate commerce and the District of Columbia of flavoring extracts or other products, cease and desist from the use of any word or words, statement, picture, or other means of representation, which represents or implies that such flavoring extracts or other products are imported or are prepared, compounded, and packaged abroad and imported into this country when such are not the facts.

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

Complaint

IN THE MATTER OF
CALIFORNIA ALFALFA PRODUCTS COMPANYCOMPLAINT AND ORDER IN REGARD TO THE ALLEGED VIOLATION OF SEC. 5
OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914*Docket 2067. Complaint, Oct. 15, 1932—Order, June 12, 1934*

Consent order requiring respondent corporation, its agents, etc., in connection with the advertising, offering for sale and sale, in interstate commerce, or in the District of Columbia, of Alvita A. M. Tablets, Alvita Tablets, Alvita Tea, and Alvita Extract, to cease and desist from representing in any manner, including by or through the use of testimonials or endorsements, that Alvita A. M. Tablets, Alvita Tablets, Alvita Tea, and Alvita Extract, used separately or collectively—

- (a) Have therapeutic value or effect in the treatment of disease, sickness or ailments of the human body; or that
- (b) The use of said products is approved by leading or other physicians or health authorities, will assure pep, vim, vigor, or vitality, will neutralize or eliminate excess acid from the system, will produce milk or act as a general tonic in maternity cases, will purify the blood, build tissue, neutralize acids and ferments, will clear muddy complexions, banish eruptions or act as a general or other tonic, will rejuvenate the system, or restore a rundown condition, or aid digestion, or assist any organ of the human body to function properly.

Mr. E. J. Hornibrook and Mr. Everett F. Haycraft 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 California Alfalfa Products Co., a corporation, hereinafter referred to as respondent, has been and is now 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. The respondent, California Alfalfa Products Co., is a corporation organized and existing under and by virtue of the laws of the State of California with its principal place of business in the city of Pasadena in said State. It is engaged in the manufacture and sale of food products under the trade name of "Alvita", in which products alfalfa is the principal ingredient. These products are called by respondent Alvita A. M. Tablets, Alvita Tablets, Alvita Tea, and Alvita Extract. These products are sold in the