

Complaint

IN THE MATTER OF
PRATT FOOD COMPANYCOMPLAINT AND ORDER IN REGARD TO THE ALLEGED VIOLATION OF SEC. 5
OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914*Docket 2582. Complaint, Oct. 15, 1935—Order, Jan. 25, 1936*

Consent order requiring respondent corporation, its officers, etc., in connection with the offer for sale or sale in interstate commerce and in the District of Columbia of its "Super-iodized B. P. Dairy Feed", to cease and desist from—

- (a) Representing that said product decreases the amount of feed necessary, builds up resistance to disease, is highly effective in the control and elimination of contagious abortion and is valuable in treating simple anemias, rheumatism, fevers, and many other troubles, or is one of the best all-around tonics known, or makes more milk and butterfat;
- (b) Representing that super-iodized milk is a purer, richer and more nutritious product than any other milk to which iodine has not been added, and that its said feed increases the vitamin A and D content or value of the milk which aid growth, health, and disease resistance;
- (c) Representing that the National Tuberculosis Association deems the matter of organic iodine so important that it has requested the laboratory that discovered how a super-iodized milk might be produced to present it to the attention of the hospitals and sanitariums having tuberculosis wards, and that this was done because organic iodine, such as in super-iodized milk, was found to be a valuable collateral treatment for tuberculosis;
- (d) Representing that many hospitals, sanitariums, and similar institutions are paying a premium for it, and certain dairy herds, owned by such institutions, are being given iodized feed to produce this milk and that its said iodized dairy feed makes it possible for any dairyman to produce this iodized better milk;
- (e) Representing that hundreds of lives have already been saved by iodine-rich milk and it produces a milk more beneficial in the feeding of tubercular patients and combats germs in the blood stream, and that in the child's blood and lymph streams the iodine battles germs, building up resistance to many ills.

Mr. R. L. Kennedy for the Commission.

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 Pratt Food Company, a corporation, hereinafter referred to as the respondent, has been using unfair methods of competition in commerce as "commerce" is defined in said act, and it appearing to said Commission

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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. The respondent is a corporation organized, existing and doing business under and by virtue of the laws of the State of Pennsylvania, with its principal place of business in the city of Philadelphia in said State and with mills at Philadelphia, Pa., Hammond, Ind., Guelph, Ontario, and Buffalo, N. Y. It is now and for more than two years last past has been engaged in the compounding, manufacture and sale of dairy feed, particularly a product described and sold as Pratt's "Super-iodized B. P. Dairy Feed", and in the distribution thereof, in commerce between and among the various States of the United States and the District of Columbia, and has caused said product, when sold, to be shipped from its places of business in Philadelphia, Pa., Hammond, Ind., Buffalo, N. Y., and Guelph, Ontario, Canada, to purchasers thereof, some located in said States and Ontario, Canada, and others located in various other States of the United States and the District of Columbia.

PAR. 2. Respondent's "Super-iodized B. P. Dairy Feed" consists of beet pulp, oat middlings, gluten feed, linseed meal, cottonseed meal, bran and hominy feed. Its mineral ingredients include calcium carbonate, calcium phosphate and salt. The mixture is processed by adding to said ingredients one gallon of a 5% organic iodine solution to every ten (10) tons of feed. The chemical process is secret. It is similar to other beet pulp dairy feed on the market, but differs therefrom by reason of the addition of 5% organic iodine solution.

PAR. 3. In the course and conduct of respondent's business it is now, and, for more than two years last past, has been in substantial competition with other individuals, partnerships and corporations engaged in the compounding, manufacture, sale and distribution of dairy feeds between and among the various States of the United States and the District of Columbia.

PAR. 4. In the course and conduct of its business, above described, the respondent, in soliciting the sale of, and in selling, in interstate commerce, its dairy feed, compounded, manufactured, and advertised by it as Pratt's "Super-iodized B. P. Dairy Feed", in and by advertisements, circulars, and pamphlets, circulated generally throughout the United States, has made many extravagant, deceptive, misleading, and false statements regarding the therapeutic value, efficacy, and effects of its "Super-iodized B. P. Dairy Feed", more particularly as follows, viz:

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- I. That respondents "Super-Iodized B. P. Dairy Feed"
 - a. Decreases the amount of feed necessary.
 - b. Builds up resistance to disease.
 - c. Is highly effective in the control and elimination of contagious abortion, sometimes termed Bang's disease.
 - d. Is valuable in treating simple anemias, rheumatism, fevers, and many other troubles; in fact it is one of the best all-around tonics known.
 - e. Makes more milk and butterfat.
 - II. a. Super-Iodized milk is a purer, richer and more nutritious milk.
 - b. Respondents Super-Iodized B. P. Dairy Feed increases the Vitamin A and D content or value of the milk which aid growth, health and disease resistance.
 - c. The National Tuberculosis Association deems this matter of organic iodine so important that it has requested the laboratory that discovered how super-Iodized milk might be produced to present it to the attention of the hospitals and sanitariums having tuberculosis wards. This was done because organic iodine, such as in super-Iodized milk, was found to be a valuable collateral treatment for tuberculosis.
 - d. Many hospitals, sanitariums, and similar institutions are paying a nice premium for it, and certain dairy herds, owned by such institutions, are being given iodized feed to produce this milk. Now Pratts B. P. Iodized dairy feed makes it possible for any dairyman to produce this iodized better milk.
 - e. Hundreds of lives have already been saved by iodine rich milk.
- That respondent's super-Iodized dairy feed
- f. Produces a milk more beneficial in the feeding of tubercular patients,
 - g. Combats germs in the blood stream, and that
 - h. In the child's blood and lymph streams, the iodine battles germs, building up resistance to many ills.

and by divers and sundry other statements, in said advertisements contained, respondent has falsely stated, imported and implied that its Super-Iodized B. P. Dairy Feed benefits cows using it, and users of the milk produced by cows eating said feed.

PAR. 5. In truth and in fact respondents Super-Iodized B. P. Dairy Feed,

- I. a. Does not decrease the amount of feed necessary.
- b. Does not build up resistance to disease, except as to disease due to iodine deficiency.
- c. Is not effective in the control or elimination of contagious abortion, sometimes termed Bang's disease.
- d. Is not valuable in treating simple anemias, rheumatism, fevers, or other troubles, except those resulting from iodine deficiency. Neither is it one of the best all-around tonics known, nor is it an all-around tonic.
- e. Does not make more milk or butterfat.
- II. a. Super-Iodized milk is not a purer, richer or more nutritious milk.
- b. Respondent's super-Iodized B. P. Dairy Feed does not increase the vitamin A and D content or value of milk.
- c. The National Tuberculosis Association did not make the request hereinabove in paragraph 4, II (c), set forth,

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- d. Respondent's claim hereinabove set forth in paragraph 4, II (d) is exaggerated, misleading, and false.
 - e. The statement that hundreds of lives have already been saved by iodine rich milk is exaggerated and misleading.
- Respondent's Super-iodized B. P. Dairy Feed
- f. Does not produce a milk more beneficial in feeding tubercular patients.
 - g. Does not combat germs in the blood stream.
 - h. Does not act as a germicide.

PAR. 6. The foregoing extravagant, deceptive, misleading and false statements of respondents, and each of them, have the tendency and capacity (a) to mislead and deceive and have misled and deceived purchasers of respondent's "Super-iodized B. P. Dairy Feed", by causing them to believe that its use beneficially affects, as hereinabove stated, cows using said feed, and persons using the milk of such cows, thereby inducing the purchase of respondent's super-iodized dairy feed in reliance upon such erroneous belief; (b) unfairly to divert, and have unfairly diverted, trade to respondent from, and otherwise substantially prejudiced respondent's competitors to the substantial injury of said competitors, who sell, in interstate commerce, dairy feed similar to the dairy feed which, as hereinabove set forth respondent advertises and sells, by inducing the purchasing public to purchase respondent's dairy feed in preference to similar dairy feeds of respondent's competitors.

For the reasons aforesaid substantial injury has been done by respondent to substantial competitors in interstate commerce.

PAR. 7. The aforesaid false, extravagant, deceptive and misleading representations and advertisements of the respondent are all to the injury and 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

The respondent herein having filed its answer to the complaint in this proceeding, and having subsequently filed with this Commission its motion that it be permitted to withdraw its said answer and that it be permitted to file in lieu thereof answer annexed to the said motion; and the Commission having duly considered the said motion—

It is hereby ordered, That the said motion be and the same is hereby granted; that the said answer be and the same is hereby withdrawn; and that the said proposed substituted answer be, and the same is hereby filed in lieu of the said answer so withdrawn.

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And the said respondent in and by its said substituted answer having waived hearings on the charges set forth in the complaint in this proceeding, and having stated in its said substituted answer that it does not contest the said proceeding, and having consented in its said substituted answer that the Commission, without a trial, without evidence, and without findings as to the facts or other intervening procedure, might make, enter, issue and serve upon the said respondent, an order to cease and desist from the methods of competition charged in the complaint; and the Commission being fully advised in the premises;

It is hereby further ordered, That the respondent, Pratt Food Company, a corporation, its officers, directors, representatives, agents and employees, in connection with the offering for sale or sale in interstate commerce and in the District of Columbia, of its "Super-iodized B. P. Dairy Feed", do cease and desist:

- (1) From claiming that respondent's "Super-iodized B. P. Dairy Feed"
 - a. decreases the amount of feed necessary;
 - b. builds up resistance to disease;
 - c. is highly effective in the control and elimination of contagious abortion; sometimes termed Bang's disease;
 - d. is valuable in treating simple anemias, rheumatism, fevers, and many other troubles; or that in fact it is one of the best all-around tonics known; or that it
 - e. makes more milk and butterfat.
- (2) From claiming that
 - a. super-iodized milk is a purer, richer and more nutritious milk than any other milk to which iodine has not been added;
 - b. respondent's Super-iodized B. P. Dairy Feed increases the Vitamin A and D content or value of the milk which aid growth, health and disease resistance;
 - c. the National Tuberculosis Association deems this matter of organic iodine so important that it has requested the laboratory that discovered how a super-iodized milk might be produced to present it to the attention of the hospitals and sanitariums having tuberculosis wards, and that this was done because organic iodine, such as in super-iodized milk, was found to be a valuable collateral treatment for tuberculosis;
 - d. many hospitals, sanitariums, and similar institutions are paying a nice premium for it, and certain dairy herds, owned by such institutions, are being given iodized feed to produce this milk, and that Pratt's B. P. iodized dairy feed makes it possible for any dairyman to produce this iodized better milk;
 - e. hundred of lives have already been saved by iodine rich milk;
 - f. it produces a milk more beneficial in the feeding of tubercular patients;
 - g. it combats germs in the blood stream, and that
 - h. in the child's blood and lymph streams, the iodine battles germs, building up resistance to many ills.

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and from making, in advertisements of any character, claims for its Super-iodized B. P. Dairy Feed, like, or similar in substance to, the claims hereinabove specified.

It is further ordered, That the respondent, Pratt Food Company, shall, within 60 days after service upon it of this order, 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.

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IN THE MATTER OF
CAL-ASPIRIN CORPORATIONCOMPLAINT AND ORDER IN REGARD TO THE ALLEGED VIOLATION OF SEC. 5
OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914*Docket 2616. Complaint, Nov. 7, 1935—Order, Jan. 25, 1936*

Consent order requiring respondent, its officers, etc., in connection with the sale or offer for sale in interstate commerce of its "Cal-Aspirin" preparation, forthwith to cease and desist from representing, in advertising matter, circular letters, by means of radio broadcasting, or otherwise, that said product "reduces kidney toxicity" and, as compared with "ordinary aspirin", is less toxic, better tolerated, and generally is quicker and more effective and safer.

Mr. Morton Nesmith for the Commission.

Mr. Edward S. Rogers, 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 Cal-Aspirin Corporation, a corporation, hereinafter referred to as respondent, has been and now is using unfair methods of competition in commerce, as "commerce" is defined in said act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, states its charges in that respect as follows:

PARAGRAPH 1. The respondent, Cal-Aspirin Corporation, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its principal place of business at 160 East Illinois Street in the city of Chicago, State of Illinois. It is now, and has been for several years last past, engaged in the manufacture and sale of medical and pharmaceutical products. It is now, and has been the owner of a patented formula for the production of a remedy or compound which it causes to be manufactured, and which it sells and distributes under the trade name or brand of "Cal-Aspirin." The respondent causes said compound and its other products to be transported from its principal place of business into and through other States of the United States other than the State of Illinois, to the purchasers thereof at their respective points of location.

In the course and conduct of its business as aforesaid, respondent is now, and for several years last past has been in substantial com-