

Syllabus

IN THE MATTER OF

RELIABLE SPECIALTY CORPORATION

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

Docket 2876. Complaint, July 15, 1936—Decision, Aug. 3, 1938

Where a corporation engaged in manufacture of patent and proprietary medicines, and in sale and distribution thereof to public directly and through retail dealers, and salesmen or canvassers; in advertising same through booklet called "Hints on Health and Beauty," and through circulars and "Directions for Use" packed with said products and distributed widely among the purchasing public—

- (a) Represented that one of its said preparations was a positive corn cure, which would remove all corns, and made use of such words as "positive corn cure," "corn cure," "corn remedy," or "corn and callous remedy," as a part of the trade name of its "Great Christopher Positive Corn Cure" or "Great Christopher Corn and Callous Remedy," and also represented that it was a proper treatment for moles, facts being that while said product, by virtue of composition thereof, might be used to certain extent for removal of corns, it was not a positive cure or remedy therefor, nor efficacious in treatment of moles;
- (b) Represented that the aforesaid preparation had been tested and approved by the United States Government, facts being it had not been tested or approved by any Department thereof;
- (c) Represented, through use of word "Food" as a part of the trade name of its product "Reliable Hair Food" that said preparation was a "food" for the hair or hair roots, and represented that it would supply starved hair roots with new life and vigor, and represented, through "before and after using" displays and otherwise, that said "Reliable Hair Food" or "Scalpolene" would grow hair on a bald, or nearly bald, head, and that said "Reliable Hair Food" or "Scalpolene," as thereafter designated, would positively prevent and cure dandruff, prevent premature baldness and grayness, and reduce damage by uric acid, and restore the hair roots to their normal condition, facts being said preparation was not in any sense a "hair food"; the "before and after" pictures were of the same individual at the same time, but so treated as to give illusion of a nearly bald appearance in the "before" one and a head of hair in the "after" one, and said various representations were also otherwise false in respect thereto;
- (d) Represented, through use of word "doctor" or abbreviation "Dr.," that its "Dr. King's Ointment" was made in accordance with a prescription, or under the supervision of the particular physician referred to, and that said ointment was an antiseptic for the treatment of sore, tender, and otherwise affected feet, as therein set forth, and for cuts, burns, bruises, eczema, and a variety of associated ailments, and that it would destroy the germs which cause blood poison and other similar forms of infection, facts being there was no Dr. King connected with it or its said product, same was not made in accordance with any doctor's prescription, and the various claims set forth with respect thereto were grossly exaggerated, and it was not a proper or competent treatment for the various ailments and conditions specified; and
- (e) Falsely represented the therapeutic qualities, properties, and effects, and

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efficacy, as the case might be, of its "Reliable Herb Tablets," "Beat-Sall Iron Compound Tonic Tablets," "Reliable Anti-Stout Tablets," "Reliable Cold Tablets," "Reliable Rheumatic Remedy," "Romola Antiseptic Powder," "Reliable Asthma Remedy," "Egyptian Asthma Remedy," and "Reliable Herb Tea," facts being that said Herb Tablets constituted merely a mild laxative, and not a cure for stomach, liver, and kidney diseases, as claimed, nor for other conditions and ailments, and was probably too potent and too dangerous a drug to turn into the hands of the layman, its "Beat-Sall Iron Compound Tonic Tablets" were mainly useful in supplying therapeutic dose of iron to those needing same, and were not energy-producing and of benefit to weak, nervous, pale or thin people, and such representations were dangerously misleading, and its "Reliable Herb Tea" would not strengthen or cure ailments of the heart, if abnormal, and such representation was dangerous, and the other representations respecting its numerous aforesaid products were false and misleading, and dangerously so in the case of a number thereof;

With effect of misleading and deceiving a substantial portion of purchasing public into the erroneous belief that aforesaid various products were effective remedies, gave relief, or constituted cures for the various ailments and diseases as above set forth and indicated, and of inducing such public, in such erroneous belief, to buy its said preparations, and with result of thereby diverting trade to it from those of its competitors who do not misrepresent the efficacy and therapeutic values of their products or preparations:

Held, That such acts and practices were to the prejudice and injury of the public and competitors, and constituted unfair methods of competition.

Before *Mr. John J. Keenan*, trial examiner.

Mr. Fletcher G. Cohn for the Commission.

Mr. A. Gerald Weinberg, of Buffalo, N. Y., 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 the Reliable Specialty Corporation, Buffalo, N. Y., has been and now 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 in the public interest, hereby issues its complaint and states its charges in that respect as follows:

PARAGRAPH 1. Respondent, Reliable Specialty Corporation, is a corporation organized in the year 1913, existing and doing business under and by virtue of the laws of the State of New York, with its principal office and place of business located at 1030 Lafayette Avenue, Buffalo, in said State.

Respondent corporation is now and for several years last past has been engaged in the manufacture of patent and proprietary medicines and in the sale and distribution of said products to members of the

public directly and through retail dealers and salesmen or canvassers. In the course and conduct of its business respondent ships or causes to be shipped or transported its said products, when sold, from the State of New York, or the State of origin of shipment, to the purchasers thereof located at points in various States of the United States other than the State of New York or in the State of origin of shipment. There is now and has been during all the times herein mentioned a constant current of trade in commerce in products sold by the respondent between and among the various States of the United States and in the District of Columbia.

PAR. 2. In the course and conduct of its business, respondent corporation is now and has been during all the times herein mentioned engaged in substantial competition with various other corporations, firms, and individuals selling or offering for sale patent and proprietary medicines to members of the general public in the manner set out in paragraph 1 hereof, in commerce among and between the various States of the United States and in the District of Columbia.

PAR. 3. In the course and conduct of its business as aforesaid, in soliciting the sale of and in selling its products, respondent corporation advertises and has advertised by means of a booklet entitled "Hints in Health and Beauty" in addition to circulars, labels, and "directions for use" packed with said products and distributed widely among the purchasing public. Said booklet contains a list of many of the products sold and offered for sale by the respondent, together with statements and representations of the therapeutic value of said products. Among the products listed in said booklet hereinbefore referred to are the following: "Great Christopher Corn Cure," "Reliable Hair Food," "Dr. King's Ointment," "Reliable Herb Tablets," "Beat-Sall Iron Compound Tonic Tablets," "Reliable Anti-Stout Tablets," "Reliable Cold Tablets," "Romola Antiseptic Powder," "Reliable Herb Tea," "Reliable Asthma Remedy," and "Egyptian Asthma Remedy." Many of the said representations and statements are misleading and deceptive in that in some cases they do not truthfully and accurately state the therapeutic value of said products and in other cases exaggerate same. Among such statements and representations in said booklet and on said circulars and labels are the following:

(a) That "Great Christopher Corn Cure" is a positive cure which will remove all corns, and is also good for warts, bunions, moles and callouses; that it works without outside help; that it never fails; and that it is wonderful for frozen feet.

(b) That "Reliable Hair Food" will prevent baldness by artificially nourishing the roots of the hair; that it will positively prevent and cure dandruff and itching scalp, supply starving hair roots with new life and vigor, and is a preventive and cure of scalp diseases; that it will kill lice, nits and prevent them from hatching out; that it will prevent premature baldness and grayness.

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In addition to the statements and representations hereinbefore mentioned concerning the respondent's product "Reliable Hair Food," respondent has caused to be imprinted in its booklet and circulars a pictorial representation of the same individual in one instance with a bald head and on the opposite side with a full growth of hair, using what is well known as the "before using" and "after using" type of advertising. The said pictorial representation being for the sole purpose of conveying the idea that the hair was restored by the use of the advertised product. In addition to said pictorial representation, respondent has caused to be printed the following statements and representations:

Heads Like This have grown hair Like This.

Which representations are printed below the two pictures, one under the bald head and the other under the head with the thick growth of black hair.

Reliable Hair Food is now growing hair on a shiny bald head of twenty years standing. Another man at the age of 56 and after being bald for over 15 years, is also growing a new crop of hair.

(c) That its "Dr. King's Ointment" is recommended for treatment of sore, tender, burning, itching, perspiring, and odorous feet, and also as a healing agent for all kinds of cuts, bruises, scalds, burns, eczema, piles, pimples, chappings and chafings, sunburn, bites and stings of insects, boils, old sores, scaly and crusty eruptions, ringworm, cold sores, blotches, and discolorations of the skin, and as a positive destroyer of all germs of blood poisoning; that it shortens the process of healing and greatly reduces the pain and inflammation; and it was further represented that the curative power of "Dr. King's Ointment" was truly magical, and that no medicine cabinet was complete without it.

(d) That its "Reliable Herb Tablets" are a remarkable, harmless remedy for stomach, liver and kidney troubles and other diseases arising from an impure condition of the blood; are also a harmless and never-failing remedy for constipation.

(e) That its "Beat-Sall Iron Compound Tonic Tablets" are one of the greatest strength, power, and energy-producing remedies on the market for people who are forever ailing and who do not realize that they are suffering from anaemia or lack of pure healthy blood, and for persons who are nervous, pale, thin, and weak, who have dizzy spells and that run-down-I-don't-care-whether-I-live-or-not feeling; produce new blood and tone up run-down systems; and that the iron in the tablets is in a form easily assimilated by the system and is of great value in correcting impoverished conditions of the blood; that they have the most wonderful results to their credit in cases of anaemia or lack of blood, and are a never-failing remedy for weak, nervous, pale, thin people.

(f) *Reliable Anti-Stout Tablets*

Obesity is a health destroying disease of the stomach and liver. Reliable Anti-Stout Tablets are the most harmless health and comfort producing remedy Science has ever discovered. They not only prevent a person from growing stouter, by correcting the stomach and liver, but they will dissolve the excessive and unnatural fat and expel it harmlessly through nature's channels. Reliable Anti-Stout Tablets will act like magic in cases of indigestion, gas on the stomach, gall

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stones and liver and kidney troubles. If you are unhealthily stout or growing too stout; if your appearance is marred by a double chin, an ungainly bust or a protruding abdomen or any other disagreeable evidence of obesity, you cannot afford to delay taking Reliable Anti-Stout Tablets. These tablets are worth their weight in gold. Price \$1.00 per bottle.

This condition can now be corrected through the use of Reliable Anti-Stout pills. They build up the entire system from one of fatty weakness to muscular strength and energy. Excess fat, we find, is the result of mal-assimilation of food. These pills quickly stop this defect in a most harmless way, as they prevent the stomach from its unnatural tendency to produce fat. They make the stomach "Mill out" the food into muscle fibre, bone, nerve tissue, brain pigment and rich health-giving blood. This remedy will dissolve the unnatural fat and expel it naturally and harmlessly through nature's channels. The treatment will not interfere with your business or daily work. You don't have to diet or go through a lot of tiresome exercises to obtain the desired results. In a short time you will feel the wonderful change this remedy will produce. You will feel healthier, more energetic, and "full of pep." A chemist recently informed us that this remedy saved him from an operation for gall stones. He also stated that it will act like magic in cases of indigestion, gas on the stomach, and liver and kidney troubles.

(g) *Reliable Rheumatic Remedy*

This highly concentrated internal preparation will give quick relief from rheumatism, lumbago, and other rheumatic pains as it quickly reaches the seat of the pain in a harmless manner.

It does not make any difference whether you have sciatica, muscular or inflammatory rheumatism, Reliable Rheumatic Remedy will quickly drive it out of your system.

(h) *Reliable Cold Tablets*

An effective preparation for coughs and colds. They will quickly relieve congestion of the head, throat, and lungs.

These tables contain no harmful or habit forming drugs, and no home can afford to be without this harmless and effective preventive of grip and influenza.

(i) *Romola Antiseptic Powder*

Romola is an antiseptic, healing, soothing and germ destroying remedy, highly recommended for vaginal douche. It affords quick relief for vaginitis, leucorrhea, gonorrhea, vulvitis, itching and any other condition characterized by odor, discharge or inflammation.

Romola is far superior to bichloride of mercury or any of the cresol compounds. It has wonderful results to its credit in cases of eczema, skin eruptions, sores, ulcers, bruises, bites and stings of insects, sunburn, hives, prickly heat, and wounds of all kinds. It is also good for sore, tender, itching, burning, perspiring and odorous feet.

Romola should also be used for nose and throat troubles, caused by either cold or catarrh and it will positively stop all offensive odors or any similar condition.

It is compounded from the purest ingredients, guaranteed absolutely harmless and nothing but benefit can be derived from its use.

(j) *Reliable Herb Tea*

For over thirty years I have been telling people about a simple herb tea which I know to be very beneficial for those with weak hearts. Hundreds of former sufferers of this ailment who have followed my suggestions and who have used this tea as directed, have reported most wonderful results without exceptions. Due to the fact that so many people pass out today from heart failure or heart

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trouble of some kind, I have decided to place this tea on the market and at a price to bring it within the reach of all—25 cents per package. Reliable Herb Tea for the heart will strengthen the heart, help you to overcome that nervous condition and also stop palpitation and fluttering of the heart. But please remember, this is not a cureall for every kind of heart ailment. While I positively know only benefits can be derived from its use regardless of what your heart trouble may be, please do not expect it to cure leakage of the heart or other chronic conditions of a more serious nature.

(k) That its "Reliable Asthma Remedy" gives quick and in most cases permanent relief to asthma sufferers; that it is a reliable remedy for all types of asthma, cold and congestion of the chest and lungs, and has no equal.

(l) That its "Egyptian Asthma Remedy" is a complete cure for asthma, cold in the chest, and congestion of the lungs.

In truth and in fact Great Christopher Corn Cure is not a "positive corn cure"; is not efficacious as represented in the treatment for soft corns, bunions, warts and moles; it is not "a positive corn cure" and it will not give relief for such ailments; Reliable Hair Food is not "food." Hair, in common with other parts of the body, is nourished by food ingested—not by application externally of an ointment. The pictorial representations of the "before using" and "after using" are not true representations of what they purport to be, in that the representation of the bald headed man is brought about by the photographer retouching the picture, by which the hair was artificially removed; Dr. King's Ointment is not a preparation made in accordance with the prescription or under the supervision of a physician and does not contain special scientific or curative properties which were the results of medical advice and service, and it is not in all cases an effective treatment for cuts, burns, scars, eczema, piles, pimples, boils, cold sores, scaly and crusty eruptions, blotches and discolorations of the skin, and will not destroy all the germs of blood poison; Reliable Herb Tablets are not in all cases an effective remedy for stomach, liver and kidney trouble and diseases arising from impure conditions of the blood, nor are they an effective remedy for constipation and are not harmless in all instances; Beat-Sall Iron Compound Tonic Tablets are not efficacious in the treatment for various forms of anaemia; Reliable Anti-Stout Tablets are only a laxative and if taken in sufficient quantities to cause a loss of weight through purging action, the results might be harmful to its users; Reliable Rheumatic Remedy is not an effective treatment for rheumatic conditions in all cases, and if taken according to directions is capable of producing harmful effects on individuals having incipient or latent tuberculosis; Reliable Cold Tablets are not in all cases effective in the treatment for grip and influenza and will not in all cases relieve congestion of the head, throat and lungs; Romola Antiseptic Powder is not efficacious as represented in the treatment for

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vaginitis, leucorrhea, gonorrhea, itching, and other conditions characterized by odor, discharge, and inflammation, is not an effective remedy or treatment for various nose and throat conditions, and is not absolutely harmless in all instances; Reliable Herb Tea is not an effective remedy or treatment for a heart condition; Reliable Asthma Remedy is not an efficacious treatment of asthma, cold in the chest and congestion of the lungs; Egyptian Asthma Remedy is not efficacious in the treatment of asthma, cold in the chest and congestion of the lungs.

There are among the competitors of respondent, as mentioned in paragraph 1 hereof, dealers and distributors of products similar in kind and purpose, who do not in any way misrepresent the efficacy or therapeutic value of their products.

PAR. 4. The above and foregoing representations as to the therapeutic value and effects of its products as set forth in paragraph 3 hereof in the course of its advertising, offering for sale, and selling its products in commerce as aforesaid, have the capacity and tendency to mislead and deceive and have misled and deceived a substantial portion of the purchasing public into the erroneous belief that said products are effective remedies for the treatment, relief, or cure of the various diseases and ailments set out in said statements and representations quoted in paragraph 3; and, acting in such erroneous belief, the said purchasing public has been induced to purchase and has purchased respondent's products thereby diverting trade to the respondent from those of its competitors who do not misrepresent the efficacy and therapeutic value of their products, and substantial injury is done by the respondent to competitors in interstate commerce.

PAR. 5. The above acts and things done or caused to be done by the respondent corporation were and are each and all to the prejudice of the public and of respondent's competitors, and constitute unfair methods of competition in interstate commerce within the meaning and intent of Section 5 of "An Act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," approved September 26, 1914.

REPORT, FINDINGS AS TO THE FACTS, AND ORDER

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission, on July 15, 1936, issued and served its complaint in this proceeding against respondent, Reliable Specialty Corporation, charging it with the use of unfair methods of competition in commerce in violation of the provisions of said act. After the issuance of said complaint, testimony and other evidence in sup-

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port of the allegations of said complaint were introduced by Fletcher G. Cohn, attorney for the Commission; before John J. Keenan, an examiner of the Commission, theretofore duly designated by it; and in opposition thereto by Emil H. Funk, president and general manager of respondent; and said testimony and other evidence were duly recorded and filed in the office of the Commission. Thereafter, the proceeding regularly came on for final hearing before the Commission on said complaint, testimony, and other evidence, and brief in support of the complaint, the respondent having filed no brief and not having requested oral argument; and the Commission having duly considered the same and being now fully advised in the premises, finds that this proceeding is in the interest of the public and makes this its findings as to the facts and its conclusion drawn therefrom:

FINDINGS AS TO THE FACTS

PARAGRAPH 1. Respondent, Reliable Specialty Corporation, is a corporation organized in the year 1913, and existing and doing business under and by virtue of the laws of New York, with its principal office and place of business located at 1030 Lafayette Avenue, Buffalo, in said State. Respondent is now, and for several years last past has been, engaged in the manufacture of patent and proprietary medicines and in the sale and distribution of said products to the members of the public directly and through retail dealers, and salesmen or canvassers. In the course and conduct of its business, respondent causes said products, when sold, to be transported from its place of business in the State of New York to the purchasers thereof located at points in the various States of the United States other than the State of New York and in the District of Columbia. There is now, and has been during all the times herein mentioned, a constant current of trade in commerce between and among the various States of the United States and in the District of Columbia in the products sold by the respondent.

PAR. 2. In the course and conduct of its business, respondent is now, and has been during all the times herein mentioned, engaged in substantial competition with other corporations and with firms and individuals selling or offering for sale patent and proprietary medicines to members of the general public in commerce among and between the various States of the United States and in the District of Columbia.

PAR. 3. In the course and conduct of its business as aforesaid, in soliciting the sale of and selling its products, respondent advertises, and has advertised such products, by means of a booklet entitled "Hints on Health and Beauty," circulars and "Directions for Use" packed with said products and distributed widely among the purchasing public. Said advertising matter contains a list of many of the prod-

ucts sold and offered for sale by the respondent, together with statements and representations of the therapeutic values of said products. Among the products sold and distributed by the respondent and listed in said booklet, circulars, and "Directions for Use" are the following: "Great Christopher Positive Corn Cure," "Reliable Hair Food," "Dr. King's Ointment," "Reliable Herb Tablets," "Beat-Sall Iron Compound Tonic Tablets," "Reliable Anti-Stout Tablets," "Reliable Cold Tablets," "Romola Antiseptic Powder," "Reliable Herb Tea," "Reliable Asthma Remedy," "Egyptian Asthma Remedy," "Reliable Rheumatic Remedy." Many of said representations and statements are misleading and deceptive, in that in some cases they do not accurately and truthfully state the therapeutic value of said products, and in other cases exaggerate the curative effects thereof.

PAR. 4. With reference to its product, "Great Christopher Positive Corn Cure," respondent represents that it is a positive corn cure; that it will remove all corns; that it is good for warts, bunions, moles, and callouses; that it has been tested and approved by the United States Government.

The preparation for this product consists of salicylic acid in a petroleum base. Salicylic acid is a drug which is often used to soften the cornified layers of skin. Salicylic acid will often soften this and tend to dissolve and remove it, so that to that extent this product may be used to remove corns, but it is not a positive corn cure, and as a matter of fact is not a cure or remedy for corns or callouses; nor is it efficacious in the treatment of moles. It has not been tested or approved by any Department of the United States Government.

Since the institution of this proceeding, respondent has changed the name of the product to "Great Christopher Corn and Callous Remedy."

PAR. 5. With reference to its product, "Reliable Hair Food," respondent represents that it will prevent baldness by artificially nourishing the roots of the hair; that it will positively prevent and cure dandruff and itching scalp; that it will supply starved hair roots with new life and vigor; that it is a preventive and cure for scalp diseases; that it will prevent premature baldness and grayness; that it will reduce the damage done by uric acid and restore the hair roots to their normal condition; and that it will grow hair on bald heads.

Respondent also makes the following representation concerning this product: "When we first placed our 'Reliable Hair Food' on the market, we stated in all our literature that we could only grow hair on Bald Heads that still showed a fine fuzzy growth of hair and the scalp had a dull appearance. We took it for granted, if a Bald Head became shiny, the roots were dead and all hopes of ever growing hair again on such a scalp were gone forever. But we were all wrong as later

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evidence has shown. Your Hair Roots never die. They are only dormant."

In connection with the representations made concerning this product, respondent has caused to be imprinted in its booklets and circulars pictorial representations of the same individual, in one instance with a bald head and in the other with a full growth of hair, using what is well known as the "before using" and "after using" type of advertising; the said representations being for the sole purpose of conveying the idea that the hair was restored by the use of the advertised product.

The preparation for this product essentially consists of resorcin and sulphur in a petrolatum and cocoa butter base. The claims made in the aforementioned representations are extravagant. To say that a product like this will grow hair on a bald head is entirely unwarranted. This product is not in any sense a "hair food." You cannot apply this product to the scalp or hair and nourish the hair follicle. There is no truth in the statement that it will reduce the damage done by uric acid and restore roots to their normal condition.

The pictorial representations in connection with the advertising of this product by the "before using" and "after using" method are palpably fraudulent, in that the pictorial representation of the bald-headed man is brought about by the photographer retouching the picture of the man with the full growth of hair so as to make it appear as if the man is bald in the latter picture. Both pictures are of the same person and were made at the same time. Since the institution of this proceeding respondent changed the name of the product to "Scalpolene."

PAR. 6. With reference to its product, "Dr. King's Ointment," respondent represents that it is an antiseptic for the treatment of sore, tender, burning, itching, perspiring and odorous feet, and that it is "the greatest healing agent for cuts, burns, scalds, bruises, eczema, piles, pimples, chappings, and chafings, sunburn, bites and stings of insects, boils, running sores, hard and cracked skin, discolored noses, and red blotches"; and that it will "positively" destroy the germs which cause blood poison and other similar forms of infections.

This particular product consists of four ingredients: Salicylic acid, boric acid, zinc oxide, and sulphur. The salicylic acid and boric acid are in such small amounts as to be negligible. Zinc oxide is an astringent which will allay superficial inflammation, and that is the only therapeutic value of this product. The representations made concerning it are grossly exaggerated. It is not a healing agent for eczema; it is not a proper treatment for burns; it is not a competent treatment for sore, tender, burning, itching, perspiring and odorous feet; it is not a competent treatment for piles; it is not a positive destroyer of

all germs causing blood poisoning. There is nothing in this product that has any sedative or anodyne action to shorten the process of healing and reduce the pain and inflammation.

There is no Dr. King connected with the respondent or this product, the name being purely fictitious; and this product was not made in accordance with any doctor's prescription.

PAR. 7. With reference to its product, "Reliable Herb Tablets," respondent represents that it is "a remarkable, harmless remedy for Stomach, Liver, and Kidney troubles and other diseases arising from impure conditions of the blood," and that it is a "harmless and never failing remedy for constipation."

This particular product contains calcium carbonate, magnesium carbonate, and a small amount of aloes, strychnine and capsicum. It is merely a mild laxative and is not a cure for stomach, liver, and kidney diseases; nor is it a proper remedy for diseases arising from impure conditions of the blood. It may be distinctly harmful to employ laxatives in the routine treatment of all stomach, liver, and kidney diseases. It is probably too potent and too dangerous a drug to turn into the hands of the layman.

PAR. 8. With reference to its product, "Beat-Sall Iron Compound Tonic Tablets," respondent represents: "These Tablets have the most wonderful results to their credit in cases of Anaemia or lack of blood. They are a never-failing remedy for weak, nervous, pale and thin people. They will give you strength, pep and energy. If you suffer from nervous headache, dizzy spells, or that worn out-I-don't-care-whether-I-live-or-not-feeling, Iron Compound Tonic Tablets will put you right."

This particular product consists of ferrous carbonate and nuxvomica. It is mainly useful in supplying a therapeutic dose of iron to those who need iron. It is not energy-producing and it will not benefit weak, nervous, pale, or thin people, and such representations are dangerously misleading. The iron in this product is useful only in one or two forms of anemia, and it should not be used except after proper diagnosis.

PAR. 9. With reference to its product, "Reliable Anti-Stout Tablets," respondent represents that it is "the most harmless health and comfort producing remedy Science has ever discovered. * * * Will dissolve the excessive and unnatural fat * * * will act like magic in cases of Indigestion, Gas on the Stomach, Gall Stones, Liver and Kidney troubles. * * * You don't have to diet or exercise. * * * It will build up the system from fatty weakness to muscular strength and energy." In this connection respondent represents that obesity is a health destroyer.

This particular product contains sodium phosphate and phenolphthalein. It is merely a mild laxative. It is not a cure for obesity; it will not dissolve fat; nor is it of benefit as a treatment in cases of indigestion, gas on the stomach, gall stones, liver and kidney troubles, and its use will not build up the system from fatty weakness to muscular strength and energy. It is not harmless.

PAR. 10. With reference to its product, "Reliable Rheumatic Remedy," respondent represents that "This highly concentrated internal preparation will give quick relief from Rheumatism, Lumbago, and other rheumatic pains, as it quickly reaches the seat of the pain in a harmless manner. It does not make any difference whether you have Sciatica, Muscular or Inflammatory Rheumatism, 'Reliable Rheumatic Remedy' will quickly drive it out of your system."

This particular product consists of potassium iodide; it is a highly saturated solution of potassium iodide and water, so that two minims of this product will contain one grain of potassium iodide. The representations made by respondent concerning this product are dangerously misleading; it has no value in any of the conditions set out in said representations. It is not harmless.

PAR. 11. With reference to its product, "Reliable Cold Tablets," respondent represents that it is "An effective preparation for Coughs and Colds. They will quickly relieve congestion of the Head, Throat and Lungs * * * No home can afford to be without this harmless and effective preventive of Grippe and Influenza."

This particular product consists of acetanilide, quinine sulphate, aloin, and podophyllum. It has some laxative and mild analgesic effect; it is not a positive preventive or cure for colds, grippe, or influenza; nor has it any specific action in the treatment of colds, grippe, or influenza.

PAR. 12. With reference to its product, "Romola Antiseptic Powder," respondent represents that Romola "is an antiseptic, healing, soothing and germ destroying remedy, highly recommended for vaginal douche. It affords quick relief for vaginitis, leucorrhea, gonorrhea, vulvitis, itching and any other conditions characterized by odor, discharge, or inflammation. Romola is far superior to bichloride of mercury or any of the cresol compounds. It has wonderful results to its credit in the cases of eczema, skin eruptions, sores, ulcers, bruises, bites and stings of insects, sunburn, hives, prickly heat, and wounds of all kinds. It is also good for sore, tender, itching, burning, perspiring and odorous feet. Romola should also be used for nose and throat troubles, caused either by cold or catarrh, and it will positively stop all offensive odors or any similar condition."

This particular product consists of boric acid, aluminum, ammonium, and sulphate. It is an antiseptic dusting powder which has

antiseptic and astringent qualities; it is merely a mild antiseptic. It is not a competent cure for all types of vaginitis; it is not a recognized treatment for gonorrhea, nor is it a competent treatment for all cases of leucorrhea; it is not a proper treatment for eczema. Its use in irrigating the nose and throat may be harmful, in that it is likely to spread the infection from the nose to the middle ear if one does not know how to apply it.

PAR. 13. With reference to its product, "Reliable Asthma Remedy," respondent represents that it gives "quick and in most cases permanent relief to Asthma sufferers," and that "for all types of Asthma, cold, and congestion of the chest and lungs, Reliable Asthma Remedy has no equal."

This particular product contains senega, snake root, sunflower seed extract, potassium iodide, alcohol, and sirup. It is not a proper treatment for asthma; to administer this drug in all cases of asthma may do more harm than good; it would not constitute a competent treatment for congestion of the chest and lungs.

PAR. 14. With reference to its product, "Egyptian Asthma Remedy," respondent represents same as being a complete cure for asthma, cold in the chest, and congestion of the lungs.

This product contains alcohol and extract of nettles' plant. The formula for this product was secured by respondent's president from a book of folk-lore. It has absolutely no therapeutic value.

PAR. 15. With reference to its product, "Reliable Herb Tea," respondent represents that "For over thirty years I have been telling people about a simple herb tea which I know to be very beneficial for those with weak hearts. * * * Reliable Herb Tea For The Heart will strengthen the heart, help you to overcome that nervous condition, and also stop palpitation and fluttering of the heart."

This particular product is merely plantain tea. The representations made by the respondent are not true and are dangerously misleading. To place a drug like this in the hands of the layman and to give him the impression that it will cure diseases or ailments of, or strengthen, the heart, if the heart is abnormal, is dangerous. There is nothing in this product that would have any effect upon heart muscle; nor is there anything in it to correct palpitation and fluttering of the heart, or any other disease or ailment of the heart.

PAR. 16. There are among the competitors of respondent as mentioned in paragraph 1 hereof dealers and distributors of products similar in kind and purpose, who do not in any way misrepresent the efficacy or therapeutic values of their preparations.

PAR. 17. The above and foregoing representations as to the therapeutic values and effects of respondent's products, as heretofore set

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forth, in the course of advertising, offering for sale, and selling its products in commerce as aforesaid, have the capacity and tendency to mislead and deceive, and have misled and deceived, a substantial portion of the purchasing public into the erroneous belief that said products are effective remedies, give relief, or are cures for the various diseases and ailments set out in said representations heretofore quoted; and acting in such erroneous belief, the said purchasing public has been induced to purchase, and has purchased, respondent's preparations, thereby diverting trade to the respondent from those of its competitors who do not misrepresent the efficacy and therapeutic values of their products or preparations.

CONCLUSION

The aforesaid acts and practices of the respondent, Reliable Specialty Corporation, are to the prejudice and injury of the public and of respondent's competitors, and constitute unfair methods of competition in commerce within the intent and meaning of the Federal Trade Commission Act.

ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission, testimony and other evidence taken before John J. Keenan, an examiner of the Commission theretofore duly designated by it, in support and in opposition to the allegations of said complaint and brief in support of the complaint, respondent having filed no brief and not having requested oral argument, and the Commission having made its findings as to the facts and its conclusion that said respondent has violated the provisions of the Federal Trade Commission Act.

It is ordered, That the respondent, Reliable Specialty Corporation, its officers, representatives, agents, and employees, in connection with the offering for sale, sale, and distribution of its products now designated as "Great Christopher Positive Corn Cure" or "Great Christopher Corn and Callous Remedy," "Reliable Hair Food" or "Scalpolene," "Dr. King's Ointment," "Reliable Herb Tablets," "Beat-Sall Iron Compound Tonic Tablets," "Reliable Anti-Stout Tablets," "Reliable Cold Tablets," "Romola Antiseptic Powder," "Reliable Herb Tea," "Reliable Asthma Remedy," "Egyptian Asthma Remedy," "Reliable Rheumatic Remedy," or any other products composed of like or similar ingredients or possessing like or similar properties, whether sold under these names or any other names, in interstate commerce or in the District of Columbia, do forthwith cease and desist from representing directly or indirectly:

1. Through the use of the words "Positive Corn Cure," "Corn Cure," "Corn Remedy," or "Corn and Callous Remedy," as a part of its trade name, or in any other manner, that its product called "Great Christopher Positive Corn Cure" or "Great Christopher Corn and Callous Remedy" is a cure or remedy for corns or callouses or is anything more than a treatment for the relief of corns or callouses;

2. That "Great Christopher Positive Corn Cure" or "Great Christopher Corn and Callous Remedy" is a proper treatment for moles; that it has been tested by any department or agency of the United States Government;

3. Through the use of the word "Food" as a part of its trade name, or in any other manner, that its product called "Reliable Hair Food" is in any sense a "food" for the hair or hair roots;

4. That "Reliable Hair Food" or "Scalpolene" will reduce the damage done by uric acid; that it will restore hair roots to their normal condition; that it will nourish the roots of the hair, or supply starving roots with new life or vigor;

5. That "Reliable Hair Food" or "Scalpolene" will prevent baldness or will grow hair on bald heads;

6. Through the use, in advertisements or advertising matter of any nature or description, of portraits purporting to represent the same individual before and after using "Reliable Hair Food" or "Scalpolene," which portraits are so treated as to falsely represent such individual as bald or nearly so in the "before using" photograph and as having a head of hair in the "after using" photograph, that said "Reliable Hair Food" or "Scalpolene" will grow hair on a bald or nearly bald head;

7. Through the use of the word "Doctor" or the abbreviation "Dr." in connection or conjunction with a name, word or words as a trade name, brand or description for any product or preparation, that said product or preparation was made in accordance with a prescription or under the supervision of the particular physician referred to in said trade name, brand or designation, unless same be the fact;

8. That the product now known as "Dr. King's Ointment" will do more than allay superficial inflammations; that it will act as a healing agent for eczema; that it is a proper treatment for piles; that it is a proper treatment for burns; that it is a competent treatment for boils, or for sore, tender, burning, itching, perspiring, or odorous feet; that it is a positive destroyer of all germs of blood poisoning;

9. That "Reliable Herb Tablets" is more than a mild laxative; that it is a remedy for stomach, liver, or kidney trouble, or for diseases arising from an impure condition of the blood; that it is a harmless remedy when self-administered;

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10. That "Beat-Sall Iron Compound Tonic Tablets" is anything more than a simple iron tonic compound; that it is an energy-producing drug, or that it is a remedy for weak, nervous, pale, or thin people;

11. That "Reliable Anti-Stout Tablets" has any other therapeutic value than that of a mild laxative; that it will prevent one from growing stouter; that it will dissolve excessive or unnatural fat; that it is an effective preparation for the treatment of indigestion, gas on the stomach, gall stones, liver and kidney trouble; that it will build up the system from fatty weakness to muscular strength and energy; or that it is harmless;

12. That "Reliable Rheumatic Remedy" is a competent treatment for any, or all, types of rheumatism or lumbago; or that it is harmless;

13. That "Reliable Cold Tablets" has any therapeutic value beyond that of a laxative or mild analgesic; or that it is a cure or preventive for colds, grippe, or influenza;

14. That "Romola Antiseptic Powder" has any properties other, or greater, than those of an astringent solution; that it is a competent treatment for vaginitis, leucorrhea, gonorrhea, or for eczema, or for ailments of the nose or throat;

15. That "Reliable Asthma Remedy" is a proper treatment for asthma, cold in the head or chest, or congestion of the lungs;

16. That "Egyptian Asthma Remedy" is a competent treatment for asthma, cold in the chest, or congestion of the lungs;

17. That "Reliable Herb Tea" is beneficial for those suffering with weak hearts; that it will help one to overcome a nervous condition; that it will stop palpitation or fluttering of the heart; that it is in any sense a competent remedy for such ailments or conditions; or that it is not dangerous when self-administered.

It is further ordered, That the respondent 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 has complied with this order.

Syllabus

IN THE MATTER OF
STARTUP CANDY COMPANY

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

Docket 2705. Complaint, Jan. 31, 1936—Decision, Aug. 4, 1938

Where a corporation engaged in manufacture and sale of "straight" candy and also of so-called "break and take," "draw," or "deal" assortments, purchase of which latter type is preferred by many consumers because of gambling feature connected with sale thereof, and sale of which, with opportunity of obtaining a prize or becoming a winner, teaches and encourages gambling among children, who constitute substantial number of purchasers and consumers of such type where penny a sale, and use of which type, sold in service stations, pool halls, taverns, cafes, drug and cigar stores, along with "straight" candy in competition therewith, is injurious to industry involved and, in penny candy trade, diverts business from concerns who do not use such assortments, and operates to prejudice of public—

Sold, to wholesalers, jobbers, and retailers, various assortments of candy designed for distribution to ultimate consumers by means of a lottery scheme, and consisting of assortments, with explanatory display or push cards, as case might be, in which (1) chance selection of one of a number of penny pieces of uniform size and shape, colored center of a few of which differed from that of the majority, entitled such chance purchaser, without further charge, to one of the larger pieces included therewith, while purchaser of last piece became similarly entitled to the small package of candy included, (2) penny purchaser received one of the small pieces of candy, one of the larger pieces or one of the candy bars, in accordance with particular number pushed by chance from push card included and in accordance with the explanatory legend thereon, and in which purchaser of last push or punch received one of small packages of candy similarly included, and in which (3) 5-cent purchaser received from assortment one, two, three, four, or five bars, in accordance with particular legend pushed by chance from card included and as explained thereon, and in which purchaser of last push received six bars;

Assembled and packed for use and used by retail dealers thereof, with its knowledge, for distribution to purchasing public by lot or chance, without alteration or rearrangement, contrary to public policy and in competition with many manufacturers who offer and sell their "straight" goods candy in the territory served by it in competition with its "straight," and "break and take," "draw," or "deal" assortments and in competition with others so doing; and in competition with many who regard such sale and distribution as contrary to public policy, as morally bad and as encouraging gambling, and especially among children, and as injurious to the industry in resulting in the merchandising of a chance or lottery instead of candy, and as providing retailers with a means of violating the public policy of the laws of the several States, and some of whom, for such reasons, refuse to sell candy so packed and assembled that it may be resold to public by lot or chance;