

Syllabus

IN THE MATTER OF

LANTEEN LABORATORIES, INC., LANTEEN MEDICAL
LABORATORIES, INC., ALSO TRADING AS MEDICAL
BUREAUS OF INFORMATION, AND RUFUS RIDDLES-
BARGERCOMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION
OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914*Docket 3051. Complaint, Feb. 5, 1937—Decision, Apr. 1, 1939*

Where two corporations and an individual, who was officer thereof and directed and controlled their sales policies and business operations, engaged in manufacture, advertisement, distribution, and sale of certain medical preparations and appliances for so-called feminine hygiene and contraceptive use, in substantial competition with others engaged in distribution and sale of similar products, and including those who do not in any way misrepresent the character, nature, and size of their respective businesses, and do not misrepresent in any way the nature and character of their respective products; in advertising said products through show window displays and in trade literature such as booklets, pamphlets, and circulars, distributed to members of purchasing public through medium of boxes in which said products were marketed, through drug stores, through mails and direct to prospective purchasers, and sometimes sold, and sometimes given away free—

- (a) Represented, in connection with its cap diaphragm and preparation sold therewith, that the "Diaphragm Method" was the standard prescription which was given by medical specialists and marriage hygiene clinics throughout the world, and was recognized as the superior of all other methods for such hygiene, and that its products were sold only for use by married couples on physician's prescription for cure or prevention of ill health, and that its said method was the only method for such hygiene that had the full approval of the medical specialists in this practice, and was the one and only method universally prescribed by the world's leading doctors, marriage hygiene clinics and hospitals, and that use thereof brought health, happiness, and freedom from worry; and
- (b) Represented that said cap diaphragm, in its one standard size, was adaptable to all normal anatomies and would function simply and effectively under all circumstances, and that said preparation would insure quick destruction of all germs and would destroy all germ life, and provided complete sterilization, and, used with said diaphragm, gave the well-known double protection and assured complete reliability, and that its said products were ethical and widely available through the drug or medical profession, but not otherwise distributed;

Facts being products in question did not form or constitute competent treatments, remedies, cures, and preventives of ill health, as represented by them, and were of no beneficial therapeutic value and not generally prescribed for cure or prevention of ill health, none of said products, when used in connection with applicators furnished by them and with said diaphragm as recommended, and used as directed, would in all cases serve as competent contraceptives, and would fit all normal anatomies, but were capable of causing

Injuries and deleterious effects to those making use thereof; with tendency and capacity, directly and through implication, to cause substantial portion of purchasing public to believe erroneously that such products, when used as set forth by them, afforded safe, competent and effective contraceptives and, used as designated, safe, competent, and reliable remedies, cures and preventives of ill health, and that their said diaphragm was adaptable to all normal anatomies; and

- (c) Made use of trade names "Medical Bureaus of Information," and represented, thereby and otherwise in window displays and other advertising matter purportedly issued by aforesaid so-called "Bureaus," and in their advertising literature generally, that supposed "Medical Bureau of Information" was an organization devoted to scientific research on questions involving methods of prevention of conception, through such statements as "association not for profit," "rendering a high grade of professional service," because of the large numbers applying, "staffed entirely with women physicians and nurses, each one specially trained in the science of contraception," and " * * * The First Medical Bureau of Information on Birth Control was opened to the public in Chicago in 1929. It immediately became a mecca for Chicago wives, and many women have traveled great distances * * * to secure this information * * * from women physicians who have made a special study in this practice"; and
- (d) Represented, through aforesaid advertising, by pictures and otherwise, that some of its literature was composed by Norman Carr, M. D., London, and made such statements in advertisements referring to such doctor as "probably the most widely read author on this subject in the entire world. So great has been the acclaim accorded his writings that their publication has now exceeded 12,000,000 copies, in 26 editions. His technical treatises are respected by the medical profession as fully as his nontechnical works are appreciated by the laity";

Facts being such "Medical Bureaus of Information" were not organizations or institutions organized and conducted to carry on scientific research on questions involving such methods or methods of preventing, treating or curing maladies peculiar to women, or on any other questions, but were operated to promote sale of their products, so-called method, supposedly universally used by marriage hygiene clinics as outlined in pamphlets and advertising of such bureaus, was not generally prescribed or recommended by physicians, and said Norman Carr, M. D., referred to in their advertising, was a fictitious name used by them to encourage sale of their products and to deceive and mislead prospective and purchasing public and induce such erroneous belief that said "Medical Bureaus of Information" were organizations or institutions organized and conducted to carry on scientific research on methods above set forth, as represented by them, and there was no such physician as said Dr. Norman Carr, and mention thereof was to deceive and mislead purchasing public in order to induce sale of their said products;

With effect of misleading and deceiving members of purchasing public into erroneous and mistaken belief that said representations were true and into purchase of substantial quantities of their said various products by reason of such erroneous and mistaken beliefs thus induced, and trade was thereby unfairly diverted from competitors who do not, in sale and distribution of their respective products, make use of same or similar misrepresentations; to the injury of competition in commerce:

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

Before *Mr. Robert S. Hall* and *Mr. John L. Hornor*, trial examiners.

Mr. W. L. Taggart for the Commission.

Defrees, Buckingham, Jones & Hoffman, of Chicago, Ill., for respondents.

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 Lanteen Laboratories, Inc., Lanteen Medical Laboratories, Inc., trading under its own name and under Medical Bureaus of Information and Rufus Riddlesbarger, hereinafter referred to as respondents, have been and are 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 stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Lanteen Laboratories, Inc., is now, and has been for several years last past, a corporation organized, existing, and doing business under the laws of the State of Illinois, with its principal place of business at 900 North Franklin Street, Chicago, Ill.

Respondent Lanteen Medical Laboratories, Inc., is now, and has been for several years last past, a corporation organized and doing business under the laws of the State of Delaware, with its principal place of business at 900 North Franklin Street, Chicago, Ill.

Respondent Medical Bureaus of Information is operated by the Lanteen Medical Laboratories, Inc. to advertise and distribute information in regard to the products of the respondents Lanteen Medical Laboratories, Inc., and Lanteen Laboratories, Inc. The principal offices of the Medical Bureaus of Information are 734 State Lake Building, 190 North State Street, Chicago, Ill., Suite 804 Industrial Bank Building, Detroit, Mich., and 161 Wisconsin Avenue, Milwaukee, Wis.

Respondent Rufus Riddlesbarger of 1224 Pratt Boulevard, Chicago, Ill., is engaged in business individually and is an official of the Lanteen Laboratories, Inc., of Illinois and Lanteen Medical Laboratories, Inc. of Delaware. He directs and controls the sales policies and business operations of the corporate respondents.

The respondents have been, and are now, engaged in the business of manufacturing, advertising, distributing, and selling certain medical preparations and appliances for so-called feminine hygiene and contraceptive use to purchasers in commerce among and between various States of the United States and in the District of Columbia. The respondents cause these products, when sold, to be transported from their aforesaid places of business to the purchasers thereof located in various States other than the States from which said shipments of said products originate and in the District of Columbia, and maintain a constant course of trade and commerce in said products so distributed and sold by them.

In the course and conduct of said business respondents have been, and are, in substantial competition with other corporations and with firms, individuals, and partnerships engaged in the distribution and sale of similar products, and other products intended and designed for similar use by women in commerce among and between the various States of the United States.

PAR. 2. The products marketed by respondents are variously known and described as Lanteen Blue (jelly), Lanteen Brown (cap diaphragm), Lanteen Lilac (mensinga type diaphragm), Lanteen Yellow (solution—powder or liquid), Lanteen Pink (capsule), Lanteen Russett (rubber sponge tampon), Lanteen Rose (tampon in capsule), Lanteen Green (rose scented cones) and Lanteen Grey (a special jelly).

In the operation of their business and for the purpose of inducing the purchase of said products on the part of members of the purchasing public, the respondents have made use of certain advertising literature such as booklets, pamphlets, circulars, and show-window displays representing to be descriptive of the various products herein named; and the applicators and diaphragms used in connection therewith, as well as the effectiveness of said products and appliances when used. The advertising literature herein referred to is distributed to members of the purchasing public through the medium of the boxes in which said products are marketed, in advertising literature distributed through the medium of drug stores, through the United States Mails direct to the prospective purchasers and in other ways.

With reference to the products designated as Lanteen Blue and the cap diaphragm such statements as the following are made:

Diaphragm Method, which is now the standard prescription given by Medical Specialists and Marriage Hygiene Clinics throughout the world, and is recognized as the superior of all other methods for Marriage Hygiene. * * * this provides the wife with complete security against the hazards of foreign germ life that may enter the vaginal tract. Sold only for use by married couples on physician's prescription for the cure or prevention of ill health.

A small injection of the antiseptic jelly should then be placed in the vaginal tract, outside the diaphragm, to insure quick destruction of all germs that may enter the vagina. * * * A douche is not necessary, but if desired, delay at least 15 to 30 minutes to give the antiseptic jelly ample time to destroy all germ life. * * * the antiseptic jelly provides complete sterilization.

The diaphragm method, combination of diaphragm and prophylactic jelly, is the only method for marriage Hygiene that has the full approval of the medical specialists in this practice. It is the one and only method that is universally prescribed by the world's leading doctors, Marriage Hygiene Clinics and hospitals. * * * Its use brings health, happiness, and freedom from that ever recurring worry.

The Lanteen Brown Cap Diaphragm, in its one standard size, is adaptable to all normal anatomies; it is self-locating by simply inserting and will securely maintain its position over and around the os cervix (mouth of the womb) under all circumstances.

The Lanteen Blue Jelly used with it destroys germ life, thus giving the well-known "double protection" and assuring complete reliability. Lanteen Blue is the clinically proven formula for feminine Jelly, entirely bland and non-irritating.

Lanteen are ethical products, widely available through the drug or medical professions, but are not distributed through any other channels.

In said statements, together with other similar statements not herein set out with respect to the products herein named in paragraph 2 and their other products, and in their general advertising, respondents, directly and through implication, represent that said products designated hereinabove form safe, competent and effective preventatives against conception; that said products form safe, competent, and reliable remedies, cures, and preventatives of ill health, and that said cap diaphragm is adaptable to all normal anatomies.

PAR. 3. In truth and in fact the products designated above do not form or constitute competent treatments, remedies, cures and preventatives of ill health hereinabove set out, and are of no beneficial therapeutic value, and are not generally prescribed by physicians for the cure or prevention of ill health. None of said products, when used in connection with the applicators furnished by the respondents and with said cap diaphragm as recommended for use with said products and used under respondents' directions, will in all cases serve as competent preventatives of conception. Said diaphragms will not fit all normal anatomies, but they are capable of causing injuries and deleterious effects to those making use of them.

PAR. 4. In the course of the operation of their business, as aforesaid, respondents employ and use agents for the promotion of the distribution and sale of the various products hereinabove named; make use of window displays and other advertising matter purporting to be issued by so-called "Medical Bureaus of Information." The advertising literature herein referred to purports to describe the functions of said bureaus in statements such as:

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These Bureaus are an association not for profit, and because of the large numbers applying, they are rendering a high grade of professional service. They are staffed entirely with women physicians and nurses, each one specially trained in the science of contra-ception. * * * Their nominal fees, the maximum for professional services never exceeding five dollars.

The dear, old wrinkled face of our grandmother is the price she was compelled to pay for her lack of proper information during her early years of marriage. Our grandparents would have bartered ten years of their lives for the authoritative information and the reliable contraceptives now easily available to the women of today.

* * * The First Medical Bureau of Information on Birth Control was opened to the public in Chicago in 1929. It immediately became a mecca for Chicago wives, and many women have traveled great distances, from nearly every state in the Union and from many parts of Canada, to secure this information on birth control from women physicians who have made a special study in this practice.

In said statements, together with other statements not herein set out, and in their advertising literature generally, respondents represent, directly or through implication, that respondent Medical Bureaus of Information is an organization devoted to scientific research on questions involving methods of prevention of conception, and, through the aforesaid advertising, by pictures and otherwise, that some of its literature is composed by Norman Carr, M. D., London. It is further represented that:

Dr. Norman Carr is probably the most widely read author on this subject in the entire world. So great has been the acclaim accorded his writings that their publication has now exceeded 12,000,000 copies, in 26 editions. His technical treatises are respected by the medical profession as fully as his non-technical works are appreciated by the laity.

In truth and in fact the Medical Bureaus of Information are not organizations or institutions organized and conducted for the carrying on of scientific research on questions involving methods of prevention of conception, or methods of preventing, treating, or curing maladies peculiar to women, or on any other questions, and said bureaus are operated for the purpose of promoting the sale of respondents' products, and further the said so-called methods supposedly universally used by Marriage Hygiene Clinics, as outlined in the pamphlets and advertising of the Medical Bureaus of Information, are not generally prescribed or recommended by physicians, and the said Norman Carr, M. D. referred to in its advertising appears to be a fictitious name used by the said respondents for the purpose of encouraging the sale of the products of the respondents.

There are among the respondents' competitors in commerce, as herein set out, those who do not in any way misrepresent the character, nature and size of their respective businesses and who do not

misrepresent in any way the nature and character of their respective products, and do not make use of any of the misleading representations herein set out or others similar thereto.

PAR. 5. The aforesaid false and misleading statements and representations used by the respondents, in offering for sale and selling their various products as herein described, in commerce as herein set out, have had, and do now have, the tendency and capacity to, and do, mislead and deceive members of the purchasing public into the erroneous and mistaken belief that said representations are true and into the purchase of substantial quantities of respondents' various products on account of said erroneous and mistaken beliefs induced as aforesaid. As a result thereof trade is unfairly diverted from competitors of respondents who do not, in the sale and distribution of their respective products, make use of the same or similar misrepresentations. In consequence thereof injury has been, and is now being, done by respondents to competition in commerce among and between the various States of the United States.

PAR. 6. The methods, acts, and practices of respondents herein set forth are all to the prejudice of the public and respondents' competitors as hereinabove alleged. Said methods, acts, and practices 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.

REPORT, FINDINGS AS TO THE FACTS, AND ORDER

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission issued and served its complaint upon respondents Lanteen Laboratories, Inc., a corporation, Lanteen Medical Laboratories, Inc., a corporation, also trading under the name Medical Bureaus of Information, and Rufus Riddlesbarger, individually and in his official capacity as an officer of said respondents, charging respondents with the use of unfair methods of competition in interstate commerce in violation of Section 5 of said act. After the issuance of said complaint and the filing of respondents' answers thereto, testimony and other evidence in support of the allegations of said complaint were introduced by W. L. Taggart, an attorney for the Commission, before Robert S. Hall and John L. Hornor, examiners of the Commission, theretofore duly designated by it and in opposition to the allegations of the complaint by George T. Buckingham, Chas. O. Butler and Stephen E. Hurley for the respondents, and said testimony and other evidence has been duly recorded and filed in the office

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of the Commission. Thereafter the proceeding regularly came on for final hearing before the Commission on the said complaint, the answers thereto, the testimony and other evidence and briefs and argument in support of the complaint and in opposition thereto; 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 Lanteen Laboratories, Inc. is now, and has been for several years last past, a corporation organized, existing, and doing business under the laws of the State of Illinois, with its principal place of business at 900 North Franklin Street, Chicago, Ill.

Respondent Lanteen Medical Laboratories, Inc. is now, and has been for several years last past, a corporation organized and doing business under the laws of the State of Delaware, with its principal place of business at 900 North Franklin Street, Chicago, Ill.

Respondent Rufus Riddlesbarger of 1224 Pratt Boulevard, Chicago, Ill., is an individual and is an official of the Lanteen Laboratories, Inc. of Illinois and Lanteen Medical Laboratories, Inc. of Delaware. He directs and controls the sales policies and business operations of the corporate respondents.

The Medical Bureau of Information, designated herein, is a trade name used by the respondents named. It is used by them in maintaining and furthering respondents' course of trade in interstate commerce, as hereafter detailed. The principal offices of the Medical Bureaus of Information are 734 State Lake Building, 190 North State Street, Chicago, Ill., Suite 804 Industrial Bank Building, Detroit, Mich., and 161 Wisconsin Avenue, Milwaukee, Wis.

PAR. 2. The respondents have been, and are now, engaged in the business of manufacturing, advertising, distributing, and selling certain medical preparations and appliances for so-called feminine hygiene and contraceptive use to purchasers in commerce among and between various States of the United States and in the District of Columbia. Respondents cause these products, when sold, to be transported from their aforesaid places of business to the purchasers thereof located in various States other than the States from which said shipments of said products originate and in the District of Columbia, and maintain a constant course of trade and commerce in said products so distributed and sold by them. The products marketed by respondents are variously known and described as Lanteen Blue (jelly), Lanteen Brown (cap diaphragm), Lanteen Lilac (mensigna type diaphragm),

Lanteen Yellow (solution—powder or liquid), Lanteen Pink (capsule), Lanteen Russett (rubber sponge tampon), Lanteen Rose (tampon in capsule), Lanteen Green (rose scented cones) and Lanteen Gray (a special jelly).

PAR. 3. In the course and conduct of said business respondents have been, and are, in substantial competition with other corporations and with firms, individuals, and partnerships engaged in the distribution and sale of similar products, and other products intended and designed for similar use by women in commerce among and between the various States of the United States.

PAR. 4. In the operation of their business and for the purpose of inducing the purchase of said products on the part of members of the purchasing public, the respondents have made use of certain advertising literature such as booklets, pamphlets, circulars, and show-window displays represented to be descriptive of the various products herein named; and the applicators and diaphragms used in connection therewith, as well as the effectiveness of said products and appliances when used. Such advertising literature herein referred to is distributed to members of the purchasing public through the medium of the boxes in which said products are marketed, in advertising literature distributed through the medium of drug stores, through the United States mails and direct to the prospective purchasers, and is sometimes sold for 10 cents and sometimes given away free of charge. With reference to the products designated as the cap diaphragm and the jelly, the following statements are made:

Diaphragm Method, which is now the standard prescription given by Medical Specialists and Marriage Hygiene Clinics throughout the world, and is recognized as the superior of all other methods for Marriage Hygiene. * * * this provides the wife with complete security against the hazards of foreign germ life that may enter the vaginal tract. Sold only for use by married couples on physician's prescription for the cure or prevention of ill health.

A small injection of the antiseptic jelly should then be placed in the vaginal tract, outside the diaphragm, to insure quick destruction of all germs that may enter the vagina. * * * A douche is not necessary, but if desired, delay at least 15 to 30 minutes to give the antiseptic jelly ample time to destroy all germ life. * * * the antiseptic jelly provides complete sterilization.

The diaphragm method, combination of diaphragm and prophylactic jelly, is the only method for marriage Hygiene that has the full approval of the medical specialists in this practice. It is the one and only method that is universally prescribed by the world's leading doctors, Marriage Hygiene Clinics and hospitals. * * * Its use brings health, happiness and freedom from that ever recurring worry.

The Lanteen Brown Cap Diaphragm, in its one standard size, is adaptable to all normal anatomies; it is self-locating by simply inserting and will securely maintain its position over and around the os cervix (mouth of the womb) under all circumstances.

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The Lanteen Blue Jelly used with it destroys germ life, thus giving the well-known "double protection" and assuring complete reliability. Lanteen Blue is the clinically proven formula for feminine jelly, entirely bland and non-irritating.

Lanteen are ethical products, widely available through the drug or medical professions, but are not distributed through any other channels.

PAR. 5. In truth and in fact, the products designated herein in paragraph 2 do not form or constitute competent treatments, remedies, cures and preventatives of ill health as represented by respondents, and are of no beneficial therapeutic value, and are not generally prescribed by physicians for the cure or prevention of ill health. None of said products, when used in connection with the applicators furnished by the respondents and with said cap diaphragm as recommended for use with said products and used under respondents' directions, will in all cases serve as competent preventatives of conception. Said diaphragms will not fit all normal anatomies, but they are capable of causing injuries and deleterious effects to those making use of them. The advertisements herein mentioned in paragraph 4 have the tendency and capacity, directly and through implication, to cause a substantial portion of the public to erroneously believe such products when used as designated by respondents afford safe, competent and effective preventatives against conception, and that such products when used as designated afford safe, competent and reliable remedies, cures and preventatives of ill health, and that said cap diaphragm is adaptable to all normal anatomies.

PAR. 6. In the course of the operation of their business, as described in paragraph 2 herein, respondents employ and use agents for the promotion of the distribution and sale of the various products hereinabove named; make use of window displays and other advertising matter purporting to be issued by so-called "Medical Bureaus of Information." In advertising literature herein referred to which purport to describe the functions of said bureaus are the following excerpts:

These Bureaus are an association not for profit, and because of the large numbers applying, they are rendering a high grade of professional service. They are staffed entirely with women physicians and nurses, each one specially trained in the science of contraception.

The dear, old wrinkled face of our grandmother is the price she was compelled to pay for her lack of proper information during her early years of marriage. Our grandparents would have bartered ten years of their lives for the authoritative information and the reliable contraceptives now easily available to the women of today.

* * * The First Medical Bureau of Information on Birth Control was opened to the public in Chicago in 1929. It immediately became a mecca for Chicago wives, and many women have traveled great distances, from nearly

every state in the Union and from many parts of Canada, to secure this information on birth control from women physicians who have made a special study in this practice.

In such statements, together with other statements not herein set out, and in their advertising literature generally, respondents represent, directly or through implication, that respondent, Medical Bureaus of Information, is an organization devoted to scientific research on questions involving methods of prevention of conception, and, through the aforesaid advertising, by pictures and otherwise, that some of its literature is composed by Norman Carr, M. D., London. In the advertisements referring to Dr. Carr, this statement is made:

Dr. Norman Carr is probably the most widely read author on this subject in the entire world. So great has been the acclaim accorded his writings that their publication has now exceeded 12,000,000 copies, in 26 editions. His technical treatises are respected by the medical profession as fully as his non-technical works are appreciated by the laity.

PAR. 7. In truth and in fact, the Medical Bureaus of Information are not organizations or institutions organized and conducted for the carrying on of scientific research on questions involving methods of prevention of conception, or methods of preventing, treating, or curing maladies peculiar to women, or on any other questions, and said Bureaus are operated for the purpose of promoting the sale of respondents' products, and the said so-called methods supposedly universally used by Marriage Hygiene Clinics, as outlined in the pamphlets and advertising of the Medical Bureaus of Information, are not generally prescribed or recommended by physicians, and the said Norman Carr, M. D., referred to in its advertising, is a fictitious name used by the said respondents for the purpose of encouraging the sale of the products of the respondents and used to deceive and mislead the prospective and purchasing public and to induce in such the erroneous belief such Medical Bureaus of Information are organizations or institutions organized and conducted for carrying on scientific research on methods preventing conception or curing maladies peculiar to women as represented by respondents, and there is and was not any such physician as Dr. Norman Carr mentioned by respondents' literature as set out herein, and such mention of Dr. Carr was and is used likewise to deceive and mislead the purchasing public in order to induce the sale of respondents' products.

PAR. 8. There are among the respondents' competitors in commerce, as set out in paragraph 2 herein, those who do not in any way misrepresent the character, nature and size of their respective businesses and who do not misrepresent in any way the nature and character of their respective products, and do not make use of any of the mis-

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leading representations herein set out or others similar thereto.

PAR. 9. The aforesaid false and misleading statements and representations used by the respondents, in offering for sale and selling their various products as herein described, in commerce as herein set out, have had, and do now have, the tendency and capacity to, and do, mislead and deceive members of the purchasing public into the erroneous and mistaken belief that said representations are true and into the purchase of substantial quantities of respondents' various products on account of said erroneous and mistaken beliefs induced as aforesaid. As a result thereof trade is unfairly diverted from competitors of respondents who do not, in the sale and distribution of their respective products, make use of the same or similar misrepresentations. In consequence thereof injury has been, and is now being, done by respondents to competition in commerce among and between the various States of the United States.

CONCLUSION

The aforesaid acts and practices of respondents Lanteen Laboratories, Inc. and Lanteen Medical Laboratories, Inc., corporations, and Rufus Riddlesbarger, an individual, under the conditions and circumstances set forth in the foregoing findings of fact are all to the prejudice of the public and respondents' competitors and constitute unfair methods of competition in commerce and constitute violations of Section 5 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, the answer of respondents, testimony and other evidence taken before John L. Hornor and Robert S. Hall, examiners of the Commission, theretofore duly designated by it, in support of the allegations of said complaint, and in opposition thereto, briefs filed herein and oral arguments by William L. Taggart, counsel for the Commission, and by George T. Buckingham, of the law firm of DeFrees, Buckingham, Jones and Hoffman, counsel for the respondents, and the Commission having made its findings as to the facts and its conclusion that said respondents have violated the provisions of the Federal Trade Commission Act.

It is ordered, That the respondents, Lanteen Laboratories, Inc., a corporation, Lanteen Medical Laboratories, Inc., a corporation, also trading under the name Medical Bureaus of Information, their officers, agents, representatives and employees, and Rufus Riddlesbarger, individually and as an officer of the Lanteen Laboratories, Inc., and

Lanteen Medical Laboratories, Inc., his representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of so-called feminine hygiene preparations and appliances, now known as and sold under the names "Lanteen Blue," "Lanteen Brown," "Lanteen Lilac," "Lanteen Yellow," "Lanteen Pink," "Lanteen Russet," "Lanteen Rose," "Lanteen Green," "Lanteen Gray," or any other preparation or appliance composed of similar ingredients or possessing similar characteristics, under whatever name or names sold, in interstate commerce or in the District of Columbia, do forthwith cease and desist, directly or by implication, from representing:

1. That any of said preparations or appliances, whether used alone or in connection with any other preparation or appliance, forms or constitutes a competent treatment, remedy or preventive of ill health of any nature, or is of any beneficial therapeutic value.

2. That the use of any of said preparations or appliances, whether used alone or in connection with others of said preparations or appliances, will prevent conception.

3. That the appliance now known as and sold under the name "Lanteen Brown," described as a diaphragm, or any other of said appliances, will fit all anatomies or all normal anatomies.

4. That any of said preparations or appliances has been tested and approved by an independent non-profit organization, or any organization, devoted to scientific research on questions involving the methods of preventing conception and the prevention, treatment and cure of the diseases, maladies and conditions peculiar to women, or that respondents are noted on account of the manufacture and sale of high class pharmaceutical products, when such is not the fact.

5. That any of said preparations or appliances is prepared, designed, approved or recommended by a member or members of the medical profession, when such is not the fact.

6. That any of said preparations or appliances may be used with safety and without deleterious effects by all women.

7. That the use of a diaphragm, or the so-called diaphragm method, is the only method that has the approval of medical specialists, marriage hygiene clinics and hospitals, or that the use of the diaphragm or the so-called diaphragm method is recognized by medical specialists, marriage hygiene clinics and hospitals as superior to all other methods for the prevention of conception, or that such an appliance or said method provides complete security against the hazards of "foreign" germ life.

8. That any of said preparations or appliances (a) destroys germ life, (b) gives double protection, (c) insures complete reliability, (d)

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provides complete security against the hazards of "foreign" germ life, (e) acts as a prophylactic, (f) has the full approval of specialists in the medical profession, marriage hygiene clinics or hospitals, (g) is recognized as superior to all other products of a similar type, or (h) will bring health, happiness and freedom to the user thereof.

It is further ordered, That the respondents shall, within 30 days after service upon them of this order, file with the Commission a report in writing, setting forth in detail the manner and form in which they have complied with this order.

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IN THE MATTER OF
TWENTIETH CENTURY BUSINESS BUILDERS, INC., AND
EDWIN I. GORDON

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

Docket 2774. Complaint, Apr. 20, 1936—Decision, Apr. 3, 1939

Where a corporation and an individual, its general manager who directed and controlled its sales activities and policies with respect to acts and practices herein set forth, engaged in sale and distribution of a sales promotional plan to retail merchants in the various States, under contracts entered into with such merchants, pursuant to which they—

(1) Furnished merchant with "count the dot" or "count the block" puzzle advertising mats for use by merchant in his local paper, covering merchant's trade area, and representing, and usually with headline streamers, that merchant was conducting a contest and upon a given day would give away free of charge, to person most closely approximating number of dots or blocks in picture, items of merchandise there described and depicted and represented as of stated value, such as "\$159 living room suite," etc., and that person submitting answers or solutions nearest correct answer or solution would receive vouchers or checks redeemable in merchandise of particular retailer, and that only stated number of such vouchers and checks were issued, and pursuant to which they—

(2) Undertook to furnish "an experienced manager who will prepare for this sale and supervise same during the period of the sale"; and—

In substantial competition in commerce with others engaged in sale and distribution of various sales promotional plans to stimulate trade, and who do not engage in practice of causing merchants with whom they contract to make false representations relative to values of their merchandise or to issue checks or credit vouchers for stated amounts, but which in fact have no monetary value in purchasing from such merchants, and do not make or cause to be made any other false statements and representations in connection with sale and distribution of their said sales promotional plans or of merchandise involved in use thereof;

In carrying on their said business and plan, purpose of which was not to make awards of cash credit slips to contestants who submitted correct and accurate answer or solution to number of dots in advertisements, but to issue cash credit slips to all persons who submitted answers or solutions without regard to accuracy of answers submitted, and thereby entice such contestants into stores of merchants for purpose of effecting sales of merchandise of such merchants, who, acting under their direction and advice and that of their agents and representatives, (1) increased the selling price and represented value of their merchandise, and represented same as of a value in excess of the real worth by an amount which approximated the purported value of the credit vouchers distributed to contestants submitting answers or solutions, (2) widely advertised such false and fictitious values by newspaper advertisements and otherwise throughout such merchants' respective trade areas, and (3) distributed indiscriminately credit vouchers or credit checks without regard to solutions submitted—