

IN THE MATTER OF

ADELE MILLAR, DOING BUSINESS AS MME. ADELE AND
CHEZ ADELECOMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION
OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914*Docket 3346. Complaint, Mar. 3, 1938—Decision, July 21, 1939*

Where an individual engaged in sale and distribution of her "Wonder Peel Paste" for various skin ailments and conditions, to purchasers in various other States; in advertising said product in newspapers, periodicals and other publications of general circulation throughout the United States, and in circulars, booklets, and other printed matter distributed to prospective purchasers in various States—

Represented that use of said product was effective in withdrawing toxins from the skin and accelerating the chemical changes in the living cells, and in supplying new materials to repair waste tissues, and that use thereof normalized tissues by metabolic control and would prevent or remove blemishes such as wrinkles, puffs, freckles, crepey neck, pimples, blackheads, scars, pits, liver spots, and acne, facts being it was not effective for withdrawing toxins from the skin or accelerating chemical changes as aforesaid, or supplying new materials, as above set forth, to repair waste tissues, did not have any beneficial effect on metabolism of tissues or on nutrition thereof or of the skin, and would not prevent blemishes on the skin or remove or aid in the removal of blemishes such as pimples, blackheads, puffs, scars, pits, acne, or crepey neck when such blemishes were due to or persisted because of a systemic disorder or condition, or prevent, remove or aid in removal of any blemishes due to or persisting because of such condition;

With effect of misleading and deceiving substantial number of members of purchasing public into erroneous and mistaken belief that such false and misleading statements and representations were true, and into purchase of substantial quantities of her said preparation because of such erroneous and mistaken belief, and of thereby diverting trade unfairly to her from her competitors who truthfully represent effectiveness of their respective products:

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

Before *Mr. Charles P. Vicini*, trial examiner.

Mr. Joseph C. Fehr and *Mr. Reuben J. Martin* for the Commission.

Mr. Laurenz J. Krueger, of San Francisco, Calif., 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 Adele Millar, an individual, doing business under the trade names of Mme. Adele and Chez Adele, hereinafter referred to as respondent, has been and is using unfair methods of competition in commerce, as "commerce" is defined in said act of Congress, and it appearing in 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, Adele Millar, is an individual doing business under the trade names of Mme. Adele and Chez Adele, with her principal office and place of business located at 177 Post Street, in the city of San Francisco, in the State of California. For more than five years last past, respondent has been engaged in the sale of a certain cosmetic paste known as "Wonder Peel Paste," which is recommended for the treatment of puffs, freckles, crepey neck, wrinkles, pimples, blackheads, acne, scars, pits, discoloration of the skin such as liver spots, and other skin ailments. In the course and conduct of her business, respondent offers said cosmetic preparation for sale and sells the same in commerce between the State of California and the various other States of the United States and in the District of Columbia. When said "Wonder Peel Paste" is sold, respondent causes it to be transported from her place of business in the State of California to the purchasers thereof located in States of the United States other than the State of California and in the District of Columbia. There has been for more than 5 years last past, and still is, a course of trade and commerce in said cosmetic preparation sold by respondent, between and among the various States of the United States, and in the District of Columbia. Respondent is now, and for more than 5 years last past has been, in substantial competition with other individuals, and with firms, partnerships, and corporations engaged in the sale and distribution of preparations designed for similar usage in commerce between and among the various States of the United States and in the District of Columbia.

PAR. 2. In the course and conduct of her business as aforesaid, the respondent, in soliciting the sale of and in selling her "Wonder Peel Paste," and for the purpose of creating a demand upon the part of the purchasing public for said cosmetic preparation, now causes, and for more than five years last past has caused, advertisements to be issued, published and circulated to and among the general public of the United States in newspapers, magazines and various other forms of printed matter, and in other ways. Respondent, through said advertisements, has made to the general public many unfair, false and misleading statements with reference to the alleged thera-

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peutic value of said "Wonder Peel Paste" and its effect upon the users thereof, a portion of which is as follows;

ADELE MILLAR

WONDER
PEEL PASTE

1-Day Home Treatment

Freckles, Pimples

for

Blackheads, Enlarged Pores, Wrinkles, Pits, Scars, Puffs, Acne condition of back and shoulders. Wonder Peel Paste gives new life and youth to aging faces

No failure, No redness afterwards, Price \$5.

* * * * *

Wonder Peel Paste draws impurities, freckles, wrinkles, and discolorations to the surface of the scarfskin, which in its turn peels off gently and painlessly, leaving the new skin underneath fresh, clear and soft as a child's.

* * * * *

Wonder Peel Paste gives new life and youth to aging faces. It will firm a relaxed condition of cheeks and throat, smooth out lines and wrinkles and reduce puffiness under the eyes. Invaluable in the treatment of Freckles, Acne Pimples, Wrinkles, Pits, Scars, Blackheads, discolorations and premature old skin of face and neck.

* * * * *

The greatest aid in face rejuvenation and in clearing a freckled and unclean skin.

* * * * *

Remove neck wrinkles and double chin with our sponge rubber face-lift contour mold.

PAR. 3. Through the use of advertisements currently appearing in newspapers, magazines, and other printed matter, respondent makes and has made many other unfair, false and misleading statements with reference to the alleged therapeutic value of said "Wonder Peel Paste" and its effect upon the users thereof, a portion of which is as follows:

* * * * *

Wonder Peel Paste \$5.00

* * * * *

Modern aid in face rejuvenation. Prevent wrinkles, puffs, freckles, crepey neck. It is intelligence, not vanity to look your best.

* * * * *

The process of this treatment is one of normalized Tissues by Metabolic Control. The first part of the treatment withdraws toxins from the skin, and the second part accelerates the chemical Change in the living Skin Cells. This supplies Energy for vital Activities and New Materials to repair Waste Tissues.

PAR. 4. The statements and representations set forth in paragraphs 2 and 3 hereof, and others similar thereto, with respect to the nature

and effect of respondent's cosmetic preparation, when used, are grossly exaggerated, false, misleading and untrue. Such statements serve as representations on the part of respondent to purchasers and prospective purchasers of respondent's cosmetic preparation that said preparation, when used, is effective for withdrawing toxins from the skin, accelerating desirable chemical changes in the living skin cells and supplying energy for vital activities and new materials to repair waste tissues, and is effective for preventing or removing blemishes such as wrinkles, puffs, freckles, "crepey" neck, pimples, blackheads, scars, pits, so-called liver spots and acne.

PAR. 5. By reason of its underlying formula, respondent's said "Wonder Peel Paste" may act as a corrosive to the skin, but it is not efficacious in removing or preventing wrinkles, pimples, crepey neck, blackheads, scars, pits, so-called liver spots, acne on the back, face or shoulders, and it is not an efficacious treatment for flabby skin on neck and throat, hands and arms. Such surface blemishes generally are caused by or associated with a systemic, metabolic or other similar condition which is not local or external in character. When such blemishes are due to or are associated with such conditions, the external application of respondent's preparation will have no beneficial effect whatever on them. The formula for such preparation is not such that there is any absorption thereof through the outer layers of the epidermis so as to in any way remove or prevent the blemishes above referred to.

In truth and in fact respondent's said preparation does not possess such therapeutic properties as to constitute it a competent and efficacious treatment for the removal or prevention of the ailments hereinabove mentioned, nor is said preparation an effective treatment for the withdrawal of toxins from the skin. It does not accelerate desirable chemical changes in the living skin cells or have any beneficial effect therein. It does not supply energy for vital activities and new materials for the reparation of waste tissues and it has no therapeutic value for the correction of systemic disorders or for effecting a change in metabolism.

PAR. 6. There are among the competitors of respondent in commerce as herein described, distributors of preparations designed for similar usage, who truthfully advertise and represent the nature, merit, and therapeutic value of their respective preparations and who do not advertise and otherwise represent that such preparations have merit or therapeutic value which they do not have.

PAR. 7. Each and all of the false and misleading statements and representations used by the respondent herein through advertise-

ments in newspapers, magazines, and various other forms of printed matter, and in other ways, in offering for sale and selling the aforesaid cosmetic preparation known as "Wonder Peel Paste," were and are calculated to, and had and now have a tendency and capacity to, and do, mislead and deceive a substantial portion of the purchasing public into the erroneous beliefs that all of said representations are true, and that said preparation possesses substantial therapeutic value. Further, as a direct consequence of such mistaken and erroneous beliefs, induced by the statements and representations made by the respondent, as aforesaid, a number of the purchasing public purchases a substantial volume of said cosmetic preparation known as "Wonder Peel Paste," with the result that trade has been unfairly diverted from other individuals, partnerships, firms, and corporations likewise engaged in the sale of like and similar preparations for the treatment of skin ailments, or in the sales distribution of other products and preparations designed for treating the conditions and ailments herein discussed, who truthfully advertise their preparations. As a result thereof, substantial injury has been and is now being done by the respondent herein to competition in commerce among and between the various States of the United States and in the District of Columbia.

PAR. 8. The above and foregoing acts, practices and representations of the respondent herein have been, and are, all to the prejudice of the public and of respondent's competitors, as aforesaid, and have been, and are, unfair methods of competition in commerce within the meaning and intent of Section 5 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."

REPORT, FINDINGS AS TO THE FACTS, AND ORDER

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission, on March 3, 1938, issued and served its complaint in this proceeding upon respondent, Adele Millar, now known as Adele Millar Prentiss, an individual doing business under the trade names Mme. Adele and Chez Adele, charging her with the use of unfair methods of competition in commerce in violation of the provisions of said act. After the issuance of said complaint, and the filing of respondent's answer thereto, testimony and other evidence in support of the allegations of said complaint were introduced by Reuben J. Martin, attorney for the Commission, and in opposition to the allegations of the complaint by Laurenz J. Krueger, attorney for the respondent, before Charles P. Vicini, an examiner

of the Commission theretofore duly designated by it; 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 the said complaint, the answer thereto, testimony and evidence and brief of counsel for the Commission (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. The respondent Adele Millar, now Adele Millar Prentiss, is an individual doing business under the trade names of Adele Millar Prentiss, Mme. Adele and Chez Adele, having her office and principal place of business at the El Cortez Hotel in the city of San Francisco, State of California. Respondent is now, and has been for more than 1 year last past, engaged in the business of the sale and distribution of a preparation designated "Wonder Peel Paste" which respondent recommends for the treatment of puffs, freckles, crepey neck, wrinkles, pimples, blackheads, acne, scars, pits, discolorations of the skin such as liver spots and other skin ailments. Respondent causes said preparation, when sold, to be transported from the State of California to the purchasers thereof at their respective points of location in various States of the United States other than in the State of California. Respondent maintains, and at all times mentioned herein has maintained, a course of trade in commerce in said preparation among and between the various States of the United States.

PAR. 2. In the course and conduct of her business as aforesaid the respondent is now, and has been at all times mentioned herein, in substantial competition with other individuals and with firms, partnerships, and corporations engaged in the sale and distribution of preparations designed for similar usage in commerce among and between the various States of the United States.

PAR. 3. In the course and conduct of her business as aforesaid and in the furtherance of the sale of such preparation, respondent has caused various statements and representations relative to such preparation and its effectiveness in use to be inserted in advertisements in newspapers, magazines and other publications having a general circulation throughout the United States and in circulars, booklets and other printed matter distributed to prospective purchasers of such

preparation situated in various States of the United States. Among and typical of aforesaid statements and representations are the following:

WONDER PEEL PASTE \$5

The Modern Aid in
FACE REJUVENATION
Blackheads, Wrinkles, Freckles,
Crowsfeet, Sallow Skin, Saggy
Neck. It is not Vanity but
intelligence to look your best.

CHIEZ ADELE,
Dept. 2, 177 Post St.,
San Francisco.

WONDER PEEL PASTE \$5

The Modern Aid in
FACE REJUVENATION
Prevent Wrinkles, Puffs, Freckles,
Crepey Neck. It is intelligence
not vanity to look your best

ADELE MILLAR
Dept. 2, 177 Post St.,
San Francisco.

WONDER PEEL PASTE

One day home treatment (means only one application)

\$5. * * * The process of this treatment is one of normalizing Tissues by Metabolic Control. The first part of the treatment withdraws toxins from the skin, and the second part accelerates the chemical change in the living skin cells. This supplies energy for vital activities and new materials to repair waste tissues.

Wonder Peel Paste draws impurities, freckles, wrinkles, and discolorations to the surface of the scarfskin, which in its turn peels off gently and painlessly, leaving the new skin underneath fresh, clear and soft as a child's.

Wonder Peel Paste gives new life and youth to ageing faces. It will firm a relaxed condition of cheeks and throat, smooth out lines and wrinkles and reduce puffiness under the eyes. Invaluable in the treatment of freckles, acne, pimples, wrinkles, pits, scars, blackheads, discolorations and premature old skin of face and neck.

The greatest aid in face rejuvenation and in clearing a freckled and unclean skin.

Remove neck wrinkles and double chin with our sponge rubber face-lift contour mold.

The aforesaid statements by respondent, together with other statements of similar import or meaning not herein set out, serve as representations by respondent to prospective purchasers of "Wonder Peel Paste" that the use of such preparation is effective in withdrawing toxins from the skin, accelerating chemical changes in the living skin

cells and in supplying new materials to repair waste tissues, that the use of such preparation will prevent or remove blemishes such as wrinkles, puffs, freckles, crepey neck, pimples, blackheads, scars, pits, liver spots and acne, and that the use of such preparation normalizes tissues by metabolic control.

PAR. 4. "Wonder Peel Paste" is composed of the following ingredients:

Betanaphthol-----	15 parts
Resorcin-----	10 parts
Prec. Sulphur-----	25 parts
White Petrol-----	25 parts
Green soap-----	25 parts

PAR. 5. The aforesaid statements and representations by the respondent used and disseminated in the manner aforesaid are false and misleading. In truth and in fact the use of such preparation is not effective for withdrawing toxins from the skin or for accelerating chemical changes in the living skin cells. The use of such preparation will not supply new materials to the skin to repair waste tissues. The use of such preparation will not prevent or remove freckles, liver spots, or wrinkles. The use of such preparation will not prevent blemishes on the skin such as pimples, blackheads, puffs, scars, pits, acne, or crepey neck. Such preparation will not remove or aid in the removal of blemishes on the skin such as pimples, blackheads, puffs, scars, pits, acne, or crepey neck when such blemishes are due to or persist because of a systemic disorder or condition. Such preparation will not prevent, remove or aid in the removal of any blemishes on the skin which are due to or persist because of a systemic or metabolic disorder or condition. The use of such preparation does not normalize the tissues by metabolic control. Such preparation does not have any beneficial effect on the metabolism of the tissues or on the nutrition of the tissues or of the skin.

PAR. 6. The use by respondent of the aforesaid false and misleading statements and representations has the capacity and tendency to, and does, mislead and deceive a substantial number of members of the purchasing public into the erroneous and mistaken belief that the aforesaid false and misleading statements and representations are true and into the purchase of substantial quantities of respondent's said preparation because of such erroneous and mistaken belief. As a direct result thereof, trade in commerce among and between the various States of the United States has been diverted unfairly to the respondent from her said competitors who truthfully represent the effectiveness in use of their respective products.

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CONCLUSION

The aforesaid acts and practices of the respondent, as herein found, are all 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, the answer of respondent, testimony and other evidence taken before Charles P. Vicini, an examiner of the Commission theretofore duly designated by it, in support of the allegations of said complaint and in opposition thereto, brief filed by counsel for the Commission (respondent not having filed brief and oral argument not having been requested), 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 Adele Millar, now known as Adele Millar Prentiss, individually and trading as "Mme. Adele" and "Chez Adele," or under any other name or names, her representatives, agents, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of a cosmetic preparation now designated "Wonder Peel Paste," or any other preparation containing substantially similar ingredients or possessing substantially similar therapeutic properties, whether sold under the name "Wonder Peel Paste" or under any other name or names, in commerce, as commerce is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing that said preparation will withdraw toxins from the skin, accelerate chemical changes in the living skin cells, or supply materials to the skin to repair waste tissues.

2. Representing that the use of said preparation will prevent or remove freckles, liver spots, or wrinkles.

3. Representing that said preparation will prevent or remove or have any beneficial effect in aiding in the removal of, any blemishes or other conditions of the skin which are due to or persist because of a systemic or metabolic disorder or condition.

4. Representing that said preparation will prevent pimples, blackheads, puffs, scars, pits, acne, or crepey neck.

5. Representing that said preparation has any beneficial effect in aiding in the removal of pimples, blackheads, puffs, scars, pits, acne,

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or crepey neck, unless such representation is limited to those conditions which are of a surface character only.

6. Representing that said preparation has any beneficial effect on the metabolism or nutrition of the tissues.

It is further ordered, That the respondent shall, within 60 days after service upon her of this order, file with the Commission a report in writing setting forth in detail the manner and form in which she has complied with this order.

IN THE MATTER OF
GOLD MEDAL FARMS, INC., JOSEPH FROMM AND
PAUL STEFFIN

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

Docket 3380. Complaint, Apr. 13, 1938—Decision, July 21, 1939

Where a New York corporation engaged in operating receiving stations and cooling plants in the New York milk shed, and in purchasing milk and cream at such stations and plants for transmission to the New York metropolitan milk market for pasteurization and bottling and delivery at wholesale and retail in New York City, and in operating, as thus engaged, among others owned and operated by it, one of the largest receiving stations in the State at Buskirk, where it bought milk and cream from some 650 farmers, as compared with average State station of about 100 patrons, for shipment as aforesaid to the city, and where, licensed by the State to import milk and cream therein from other States, it secured about two-thirds of its milk from farmers in Washington and Rensselaer Counties and one-third from Vermont dairy farmers, and, as thus engaged in the New York metropolitan milk market as above described, in competition with similarly situated milk dealers and distributors engaged in interstate commerce in sale and distribution of milk in area in question, and in direct and substantial competition in said trade and commerce with others engaged in purchase of fluid milk and cream in the 7-State area making up New York milk shed aforesaid and in sale and distribution, as above described, of said products in said metropolitan market; and the general manager of said corporation, and the superintendent of its large receiving station above referred to, and who controlled and directed its policies and practices in relation to the milk and cream producing patrons in the area which supplied milk and cream to said States;

In opposing efforts to get farmers throughout the New York milk shed to form and maintain local cooperatives to join a producers' bargaining agency which was created to carry out provisions, policy, and purpose of State law with respect to sale of milk in New York milk shed, and was followed by organization of bargaining agency by dealers and distributors in the New York metropolitan milk market to carry out said law's provisions and bargain collectively with said producer agency as to price to be paid producers by dealers or distributors, and creation, organization, and functioning of which two agencies, more particularly, respectively included—

I. Creation of a corporation which (1) was organized under the State's Cooperative Corporations law as the Metropolitan Cooperative Milk Producers' Bargaining Agency, Inc., (2) had as one of its primary objectives action as a milk producers' bargaining agency with all the functions, powers, and duties expressed or implied in or under the provisions of said Rogers-Allen law, passed to encourage federation of cooperative associations of milk producers for united action in collective bargaining for the sale of their milk, in harmony with the considered conclusion of State and Federal agencies that through producer cooperative associations, controlled