

IN THE MATTER OF
GROVE LABORATORIES, INC.

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

Docket 3445. Complaint, May 24, 1938—Decision, June 29, 1940

Where a corporation engaged in sale and distribution of its Pazo Ointment, as treatment for hemorrhoids, and of its Dr. Porter's Antiseptic Healing Oil, for variety of skin disorders, to purchasers in other States and in the District of Columbia, in substantial competition with others engaged in sale and distribution of similar medicinal preparations in commerce among the various States and in said District; in advertising its said products in newspapers and magazines, and pamphlets, circulars and otherwise—

- (a) Represented or implied that said ointment would cure hemorrhoids in all cases, through statement "Effective treatment today for piles is to be had in Pazo Ointment";
- Facts being treatment by any ointment such as said product cannot be effective in all cases or, at least, as a rule, rather than the exception, and cannot be efficacious except in being helpful in relieving symptoms through aid in alleviating pain by virtue of phenol contained therein, and through having generally soothing effect, many prescriptions found in prescription books generally recognized and used by medical profession in treatment of said condition or ailment contain same or similar ingredients as those found in its said ointment, and including, as an important one, phenol, which, together with other medication, will relieve mild conditions of hemorrhoids without necessity of resort to surgery, only effective treatment in many instances, or to other severe measures, and its said ointment constituted no more than a treatment for alleviation of minor rectal irritations accompanying piles, therapeutic value of which was limited to affording palliative relief in cases of simple hemorrhoids; and
- (b) Represented that its said Antiseptic Healing Oil constituted an effective or standard treatment for skin diseases caused by infection, and an effective agent in the treatment of dandruff, falling hair, or diseases peculiar to the scalp, and that it would promote growth of hair and prevent baldness, and destroy parasites usually associated with dandruff and other diseases of scalp, through such statements, among others, as "Most scalp troubles involve a parasite of some kind—a living organism that causes infection with resulting itch, scales, crust, thin and falling hair. Here, at last, is a treatment that not only destroys the parasite but helps repair the damage done. * * * it works wonders in correcting scalp and skin troubles. Stops itch almost instantly. Softens and removes crust. Cleanses and stimulates the whole scalp, making it white and wholesome and promoting growth of new hair * * *," and such statements as "* * * not only destroys the parasites that cause many skin troubles but, at the same time, helps heal the sore and damaged skin" and "* * * an oil, which, of course, is not drying and an oil which is Both antiseptic and an aid to healing. * * * not only checks bacterial growth but at the same time increases the superficial blood supply to the local tissues and thereby promotes the natural healing process";

Facts being said oil would not be an effective treatment for sore, scaly scalp, bald patches, thin and falling hair, or for scalp troubles generally, statement that "Most scalp troubles involve a parasite of some kind" or that preparation is effective against parasites on the scalp, skin or feet is not in accord with medical knowledge, and fact of its being an antiseptic does not indicate that it is of any value against any type of parasitic organism, except some types of bacteria, itching in many instances is usually symptom of scabies, for which it is not effective treatment, skin troubles generally, and including foot sores, leg sores, boils, rash, broken-out skin, ringworm, eczema, and other similar disorders described in its advertisements, will not in all cases respond to treatment with said oil, and, while ingredients contained in said oil, including large proportion of linseed oil, will aid in alleviating itching of scalp and of normal skin conditions, they will not destroy parasites, and preparation in question would not promote growth of hair nor purify nor cleanse scalp;

With effect of misleading and deceiving substantial portion of purchasing public into erroneous and mistaken belief that such statements and representations above set forth were true, and of inducing portion of said public, because of such erroneous and mistaken belief, to purchase its said medicinal preparations, and with result that trade was diverted unfairly to it from its competitors who are likewise engaged in sale and distribution in commerce of similar preparations or other preparations intended for similar usage: *Held*, That such acts and practices, under the circumstances set forth, were all to the prejudice of the public and competitors, and constituted unfair methods of competition.

Mr. William L. Pencke for the Commission.

Small & Small, of St. Louis, Mo., and *Davies, Richberg, Beebe, Busick & Richardson*, of Washington, D. C., for respondent.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and by virtue of the authority vested in it by said act, the Federal Trade Commission, having reason to believe that Grove Laboratories, Inc., hereinafter referred to as respondent, has violated the provisions of the said act, and it appearing to the 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 Grove Laboratories, Inc., is a corporation organized, existing and doing business under the laws of the State of Delaware, with its principal office and place of business at 2630 Pine Street, in the city of St. Louis, State of Missouri.

PAR. 2. Said respondent is now, and for more than one year last past has been, engaged in the sale and distribution of certain medicinal preparations in commerce between and among the various States of the United States and the District of Columbia. Said preparations are known as Pazo Ointment and Dr. Porter's Antiseptic Healing Oil and represented to be remedies for hemorrhoids

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and a variety of skin diseases. Respondent causes said products, when sold, to be shipped from its place of business in the State of Missouri to purchasers thereof located in a State or States of the United States other than the State of Missouri and in the District of Columbia.

There is now, and has been at all times herein mentioned, a course of trade in said medicinal products so sold and distributed by the respondent in commerce between and among 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, respondent is now, and for more than one year last past has been, in substantial competition with other corporations, and with individuals, partnerships and firms engaged in the sale and distribution of similar medicinal preparations in commerce between and among the various States of the United States and in the District of Columbia.

PAR. 4. The respondent, Grove Laboratories, Inc., in connection with the sale and distribution of said medicinal products, and for the purpose of inducing the purchase thereof, makes certain representations as to their medicinal value and therapeutic effects in newspaper and magazine advertisements, pamphlets, circulars and otherwise, of which the following are typical examples:

Piles can take various forms—internal or external, itching or painful, bleeding or non-bleeding—but whatever form they take, they are a cause of misery and a danger.

• A SCIENTIFIC FORMULA

Effective treatment today for Piles is to be had in Pazo Ointment. Pazo is a scientific treatment for this trouble of proven efficacy. Pazo gives quick relief. It stops pain and itching. It assures comfort, day and night * * *

Real treatment for the relief of distress due to Piles is to be had today in Pazo Ointment. Pazo almost instantly stops the pain and itching. It is effective because it is threefold in effect * * *

RELIEF!

Thousands upon thousands have used Pazo with success. Our files are filled with letters from men and women who say they never knew what it was to get real relief from the torture of Piles until they tried Pazo.

Pazo will give *you* relief, too! One trial will show you how unnecessary it is to go about distressed and embarrassed by Piles. All drug stores sell Pazo-in-Tubes and Pazo Suppositories, at small cost. Get either today and see how effective!

You get immediate and lasting relief with Pazo * * *

Pazo is the most wonderful preparation ever known for Piles.

Itching Sore Scaly

S C A L P

Dry Bald Patches Crust

Most scalp troubles involve a parasite of some kind—a living organism that causes infection with resulting itch, scales, crust, thin and falling hair. Here, at last, is a treatment that not only destroys the parasite but helps repair the damage done. It is Dr. Porter's Antiseptic Healing Oil and it works wonders in correcting scalp and skin troubles. Stops itch almost instantly. Softens and removes crust. Cleanses and stimulates the whole scalp, making it white and wholesome and promoting growth of new hair * * *

Itching Smarting Cracked

S K I N

Broken Out Peeling Scabby

For skin troubles—itch, cracking, smarting and scaling—there is nothing like Dr. Porter's Antiseptic Healing Oil. There may be fancier preparations but nothing that will do the work like this famous oil. It not only destroys the parasites that cause many skin troubles but, at the same time, helps heal the sore and damaged skin.

The most stubborn cases of itching and scaling skin that defy every other treatment usually yield to Dr. Porter's Antiseptic Healing Oil. Try it on your itching or broken out skin and see how effective it is * * *

In Dr. Porter's Antiseptic Healing Oil you have an oil, which, of course is not drying and an oil which is BOTH antiseptic and an aid to healing. In other words, it not only checks bacterial growth but at the same time increases the superficial blood supply to the local tissues and thereby promotes the natural healing process.

BURNS AND SCALDS

One of the first things you must do in case of a burn or scald is exclude the air. Dr. Porter's Antiseptic Healing Oil forms an oily film over the burned parts which keeps out the air. At the same time, it helps to keep the parts clean, relieves the pain and assists Nature in the healing process.

IVY AND OAK POISONING

Dr. Porter's Antiseptic Healing Oil soothes and aids healing of the irritated surfaces. The surface exposed to Poison Ivy or Poison Oak should be washed with strong soap. If the irritation has not actually become manifest it should be washed with laundry soap or gasoline before applying Dr. Porter's Antiseptic Healing Oil.

MINOR IRRITATION OF THE THROAT

Apply Dr. Porter's Antiseptic Healing Oil with atomizer or swab. It will help in healing the irritated membranes.

ITCHING OF SKIN IRRITATIONS

For itching due to eczema, psoriasis and skin irritations, Dr. Porter's Antiseptic Healing Oil is an ideal palliative. As an inhibitory antiseptic, it tends to check bacterial growth. As a soothing preparation it temporarily relieves pain and itching.

PAR. 5. All of said statements, together with similar statements appearing in respondent's advertising literature, purport to be descriptive of respondent's products and their efficacy in use and to represent that: said Pazo Ointment (1) is an effective and scientific remedy in

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the treatment of hemorrhoids regardless of their pathology, (2) its use insures instant relief from pain and (3) it is the best preparation on the market; said Dr. Porter's Antiseptic Healing Oil (1) is an effective agent in the treatment of dandruff, falling hair and diseases peculiar to the scalp, (2) is of value in destroying and inhibiting parasitic organisms and (3) is a remedy for a variety of infections of the skin.

PAR. 6. In truth and in fact, said statements and representations were and are false and misleading in that said Pazo Ointment is not an effective remedy in the treatment of all forms of hemorrhoids; it will not prevent or remove the cause of hemorrhoids, and hence will not give immediate and lasting relief in all cases; it is not the best preparation on the market, and does not constitute a scientific formula of proven efficacy. While said ointment may give temporary relief in some instances, it is not an effective treatment of piles. In truth and in fact, said Dr. Porter's Antiseptic Healing Oil will not destroy parasites and is at most a mild antiseptic; it cannot be considered a standard treatment for the variety of skin diseases specifically named in respondent's representations, since the pathological conditions resulting in said skin disorders arise from different causes and require different treatments. It will not promote the growth of hair nor prevent baldness, nor will it cure any of the number of affections of the scalp set forth in the various representations made by respondent. Due to the carbolic acid contained in said ointment, it does not constitute a safe surgical dressing for household use.

PAR. 7. In the course and conduct of its business as hereinbefore described, respondent is, and has been, in competition with corporations, partnerships, firms, and individuals engaged in the sale and shipment in commerce among and between the several States of the United States, and in the District of Columbia, of other medicinal preparations, which said competitors do not misrepresent the extent of the beneficial or therapeutic effects of their said competitive preparations.

PAR. 8. The aforesaid misleading and deceptive statements and representations hereinabove set forth made by respondent in selling said medicinal preparations have the capacity and tendency to, and do, mislead and deceive the purchasing public into buying said Pazo Ointment and Dr. Porter's Antiseptic Healing Oil, in the erroneous beliefs that such representations are true and that the use of said preparations will accomplish the results set out or indicated in said advertisements and statements. As a result of the aforesaid representations by the respondent with respect to said preparations,

trade has been diverted unfairly to it from its said competitors, whose ability to compete successfully with respondent has been, and is, lessened and injured by the methods of the respondent hereinbefore set forth.

PAR. 9. The aforementioned methods, acts and practices of respondent are all to the prejudice of the public and respondent's competitors as hereinabove alleged. Said methods, acts and practices constitute unfair methods of competition in commerce within the intent and meaning of the Federal Trade Commission Act.

REPORT, FINDINGS AS TO THE FACTS, AND ORDER

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission on the 24th day of May 1938, issued, and on the 27th day of May 1938, served its complaint in this proceeding upon said respondent, Grove Laboratories, Inc., charging it with the use of unfair methods of competition in commerce in violation of the provisions of said act. On August 4, 1938, the respondent filed its answer in this proceeding. Thereafter, a stipulation was entered into whereby it was stipulated and agreed that a statement of facts signed and executed by the respondent, and W. T. Kelley, Chief Counsel for the Federal Trade Commission, subject to the approval of the Commission, may be taken as the facts in this proceeding and in lieu of testimony in support of the charges stated in the complaint, or in opposition thereto, and that the said Commission may proceed upon said statement of facts to make its report, stating its findings as to the facts and its conclusion based thereon and enter its order disposing of the proceeding without the presentation of argument or the filing of briefs. Thereafter, this proceeding regularly came on for final hearing before the Commission on said complaint, answer and stipulation, said stipulation having been approved, accepted and filed, 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 its findings as to the facts and its conclusion drawn therefrom:

FINDINGS AS TO THE FACTS

PARAGRAPH 1. Grove Laboratories, Inc., is a corporation organized, existing and doing business under the laws of the State of Delaware, with its principal place of business apart from its office in Delaware at 2630 Pine Street, in the city of St. Louis, State of Missouri.

PAR. 2. Grove Laboratories, Inc., is now, and for more than one year last past has been, engaged in the sale and distribution of certain

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medicinal preparations in commerce between and among the various States of the United States and the District of Columbia. Said preparations are known as Pazo Ointment and Dr. Porter's Antiseptic Healing Oil, and at, and prior to, the date of the issuance of the complaint herein were represented to be, respectively, a treatment for hemorrhoids, and for a variety of skin disorders. Grove Laboratories, Inc., causes said products, when sold, to be shipped from its place of business in the State of Missouri to purchasers thereof located in a State or States of the United States other than the State of Missouri and in the District of Columbia.

There is now, and has been at all times herein mentioned, a course of trade in said medicinal products so sold and distributed by the said company in commerce between and among 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, said company is now, and for more than one year last past has been, in substantial competition with other corporations, and with individuals, partnerships, and firms engaged in the sale and distribution of similar medicinal preparations in commerce between and among the various States of the United States and in the District of Columbia.

PAR. 4. Grove Laboratories, Inc., in connection with the sale and distribution of said medicinal products, and for the purpose of inducing the purchase thereof, has made certain representations as to their medicinal value and therapeutic effects in newspaper and magazine advertisements, pamphlets, circulars, and otherwise, among which are the following:

Piles can take various forms—internal or external, itching or painful, bleeding or non-bleeding—but whatever form they take, they are a cause of misery and a danger.

A SCIENTIFIC FORMULA

Effective treatment today for Piles is to be had in Pazo Ointment, Pazo is a scientific treatment for this trouble of proven efficacy. Pazo gives quick relief. It stops pain and itching. It assures comfort, day and night * * *

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RELIEF!

Thousands upon thousands have used Pazo with success. Our files are filled with letters from men and women who say they never knew what it was to get real relief from the torture of Piles until they tried Pazo.

Pazo will give *you* relief, too! One trial will show you how unnecessary it is to go about distressed and embarrassed by Piles. All drug stores sell Pazo-in-Tubes and Pazo Suppositories, at small cost. Get either today and see how effective!

You get immediate and lasting relief with Pazo * * *
 Pazo is the most wonderful preparation ever known for Piles.

Itching Sore Scaly

SCALP

Dry Bald Patches Crust

Most scalp troubles involve a parasite of some kind—a living organism that causes infection with resulting itch, scales, crust, thin and falling hair. Here, at last, is a treatment that not only destroys the parasite but helps repair the damage done. It is Dr. Porter's Antiseptic Healing Oil and it works wonders in correcting scalp and skin troubles. Stops itch almost instantly. Softens and removes crust. Cleanses and stimulates the whole scalp, making it white and wholesome and promoting growth of new hair * * *

Itching Smarting Cracked

SKIN

Broken Out Peeling Scabby

For skin troubles—itch, cracking, smarting and scaling—there is nothing like Dr. Porter's Antiseptic Healing Oil. There may be fancier preparations but nothing that will do the work like this famous oil. It not only destroys the parasites that cause many skin troubles but, at the same time, helps heal the sore and damaged skin.

The most stubborn cases of itching and scaling skin that defy every other treatment usually yield to Dr. Porter's Antiseptic Healing Oil. Try it on your itching or broken out skin and see how effective it is * * *

In Dr. Porter's Antiseptic Healing Oil you have an oil, which, of course, is not drying and an oil which is BOTH antiseptic and an aid to healing. In other words, it not only checks bacterial growth but at the same time increases the superficial blood supply to the local tissues and thereby promotes the natural healing process.

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One of the first things you must do in the case of a burn or scald is exclude the air. Dr. Porter's Antiseptic Healing Oil forms an oily film over the burned parts which keeps out the air. At the same time, it helps to keep the parts clean, relieves the pain and assists Nature in the healing process.

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Dr. Porter's Antiseptic Healing Oil soothes and aids healing of the irritated surfaces. The surface exposed to Poison Ivy or Poison Oak should be washed with strong soap. If the irritation has not actually become manifest it should be washed with laundry soap or gasoline before applying Dr. Porter's Antiseptic Healing Oil.

MINOR IRRITATION OF THE THROAT

Apply Dr. Porter's Antiseptic Healing Oil with atomizer or swab. It will help in healing the irritated membranes.

ITCHING OF SKIN IRRITATIONS

For itching due to eczema, psoriasis and skin irritations Dr. Porter's Antiseptic Healing Oil is an ideal palliative. As an inhibitory antiseptic, it tends to check bacterial growth. As a soothing preparation it temporarily relieves pain and itching.

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PAR. 5. Up to the time of the issuance of the complaint, respondent's preparation, Pazo Ointment, was prepared according to the following formula:

Camphor.....	5.5%
Phenol.....	2.5%
Zinc Oxide.....	5.2%
Iron Oxide.....	0.8%
Mercuric Nitrate.....	1.4%

These ingredients in the proportions named are combined with balsam peru and oil citronella in a Petrolatum base, which, in the suppositories, is stiffened with paraffin and beef tallow.

Since the issuance of the complaint herein the formula for Pazo Ointment has been changed and the preparation is now made according to the following formula:

Bismuth Subgallate.....	5%
Zinc Oxide.....	5%
Lanolin.....	10%
Iron Oxide (Brown).....	0.625%
Iron Oxide (Red).....	0.125%
Camphor.....	5.50%
Phenol.....	2.75%
Resorcin.....	1%
Balsam Peru.....	4.41%
Oil Citronella.....	0.25%
Bees Wax.....	2%
Base—Yellow Petrolatum.	

PAR. 6. Grove Laboratories, Inc.'s preparation, Dr. Porter's Anti-septic Healing Oil, is prepared according to the following formula:

Phenol.....	4.64%
Camphor.....	13.00%
Cottonseed Oil.....	25.00%
Linseed Oil.....	57.00%

PAR. 7. Hemorrhoids, commonly called "piles," are frequently classified into a number of varieties depending upon their clinical manifestations and symptoms. They are very generally classified as follows:

1. Simple or uncomplicated—Those which exhibit varicosities of the hemorrhoidal veins, with or without pain or discomfort and usually without hemorrhage.

2. Ulcerated piles—Those in which the mucous membrane or surface epithelium has been eroded, leaving a raw granulating surface, with the usual subjective symptoms.

3. Prolapsed piles—Hemorrhoids of the internal variety which have protruded through the sphincter—anal orifice—and characterized by marked swelling and great turgescence, etc.

4. Bleeding piles—Those in which there is ulceration or erosion of the mucous membrane where hemorrhage has occurred; or any variety with hemorrhage as the outstanding clinical feature.

5. Prolapsed fibrotic piles—Hemorrhoids which have become thrombotic and completely or partially organized by fibrous tissue with or without the production of secondary varicosities and the attending clinical symptoms.

6. Thrombotic piles—Those which have become obstructed by the formation of blood clots in the veins, usually accompanied by considerable inflammation, erosion and ulceration with secondary infection.

7. Infected hemorrhoids—Those in which infection has occurred. They may be of any of the above varieties and are usually accompanied by considerable exaggeration of the clinical symptoms.

PAR. 8. The representations made in the advertisements offering said Pazo Ointment for sale to the purchasing public are misleading and deceptive because the claims made in said advertisements go beyond claims which may reasonably be made or which are justified by the facts.

The statement, "Effective treatment today for piles is to be had in Pazo Ointment," is misleading and deceptive because the words "Effective treatment" imply a cure of the disease in all cases. Treatment by any ointment such as respondent's product cannot be effective in all cases, or at least as a rule rather than the exception. It cannot be efficacious except in being helpful in relieving the symptoms, in that the phenol contained in said product will aid in alleviating pain; and the preparation generally will have a soothing effect. It is no more than a treatment for the alleviation of minor rectal irritations accompanying piles and the therapeutic value of respondent's preparation is limited to affording palliative relief in cases of simple hemorrhoids. The words "Effective treatment," however, imply that a cure will be accomplished. This is not true, because in many instances, surgery will be the only effective treatment in cases of hemorrhoids.

PAR. 9. Said Dr. Porter's Antiseptic Healing Oil will not be an effective treatment for sore, scaly scalp, bald patches, thin and falling hair, or for scalp troubles generally. The statement that "Most scalp troubles involve a parasite of some kind" or that the preparation is effective against parasites on the scalp, skin, or feet is not in accord with medical knowledge. The fact that Dr. Porter's Antiseptic Healing Oil is an antiseptic does not indicate that it is of any value against any type of parasitic organism except some types of bacteria. Itching in many instances is usually a symptom of scabies and said preparation is not an effective treatment therefor.

Generally, skin troubles, foot sores, leg sores, boils, rash, broken-out skin, ringworm, eczema, and other similar disorders described in

respondent's advertisements will not in all cases respond to treatment with said Dr. Porter's Antiseptic Healing Oil.

Dr. Porter's Antiseptic Healing Oil will not promote the growth of hair nor purify nor cleanse the scalp.

PAR. 10. Depending upon the severity and progress of the local manifestations, hemorrhoids are treated (1) by the use of soothing ointments, and/or astringent lotions, with general care for the patient, such as keeping him in bed, applications of cold water, etc., (2) by nonsurgical measures such as injection therapy, electro-coagulation, cautery, (3) by surgery, i. e. ligation and excision, and (4) by the application of radium.

Purely medical treatment, as distinguished from the other treatments mentioned herein, usually consists in the use of ointments and/or astringent lotions, with confinement in bed in severe cases and similar measures. The use of mild laxatives is sometimes prescribed to prevent the irritation of the swollen and inflamed parts by the passage of hard fecal matter.

Many prescriptions are found in prescription books generally recognized and used by the medical profession in the treatment of hemorrhoids. In varying proportions these prescriptions contain the same or similar ingredients as those found in respondent's preparation. Most of these are standard drugs which have been in use for many years. Among them are zinc oxide, menthol, phenol, belladonna, iodoform, opium extract, and others. All of them are contained in suitable vehicles, such as lanolin, vaseline, and petrolatum. All of these prescriptions will afford antiseptic, antipruritic, anesthetic, or analgesic effects. As has heretofore been noted, phenol is an important ingredient because of its soothing effect and thereby alleviating pain, and it, together with other medication, will relieve mild conditions of hemorrhoids without the necessity of having to resort to surgery or other severe measures.

PAR. 11. The respondent's preparation, Dr. Porter's Antiseptic Healing Oil, contains phenol, camphor, cottonseed oil, and a large proportion of linseed oil. These ingredients will aid in alleviating the itching of the scalp in abnormal skin conditions, but will not destroy parasites. Linseed oil is known to be a remedy which has been used for a long period of time as a soothing agent which will promote healing processes.

PAR. 12. The use by the respondent of the foregoing false, deceptive, and misleading statements and representations with respect to its preparations disseminated as aforesaid, has had, and now has, the capacity and tendency to, and does, mislead and deceive a sub-

stantial portion of the purchasing public into the erroneous and mistaken belief that such statements and representations are true and induce a portion of the purchasing public because of such erroneous and mistaken belief to purchase respondent's medicinal preparations. As a result trade has been diverted unfairly to the respondent from its competitors who are likewise engaged in the sale and distribution in commerce among and between the various States of the United States and in the District of Columbia, of similar preparations or other preparations intended for similar usage.

CONCLUSION

The aforesaid acts and practices of the respondent, as herein found, are all to the prejudice 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 the respondent, and a stipulation as to the facts entered into between the respondent herein and W. T. Kelley, chief counsel for the Commission, which provides, among other things, that without further evidence or other intervening procedure, the Commission may issue and serve upon the respondent herein findings as to the facts and conclusion based thereon and an order disposing of the proceeding, and the Commission having made its findings as to the facts and conclusion that said respondent has violated the provisions of the Federal Trade Commission Act.

It is ordered, That the respondent, Grove Laboratories, Inc., a corporation, its officers, representatives, agents, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of its various medicinal preparations now designated as Pazo Ointment and Dr. Porter's Antiseptic Healing Oil, or any other preparations composed of substantially similar ingredients or possessing substantially similar therapeutic properties, whether sold under those names 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 respondent's preparation, Pazo Ointment, is a cure or remedy for hemorrhoids, or has any therapeutic value in the treatment thereof in excess of affording palliative relief in cases of simple hemorrhoids,

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2. Representing that respondent's preparation, Dr. Porter's Anti-septic Healing Oil—

(a) is an effective or standard treatment for skin diseases caused by infection, or

(b) is an effective agent in the treatment of dandruff, falling hair or diseases peculiar to the scalp, or

(c) will promote the growth of hair or prevent baldness, or

(d) will destroy parasites usually associated with dandruff and other diseases of the scalp.

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
MONTICELLO DRUG COMPANY

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

Docket 3455. Complaint, June 13, 1938—Decision, June 29, 1940

Where a corporation engaged in making its "666" medicinal preparations for fevers, common colds, and malaria, and including its preparation known as "666," and also other products similarly designated, including its "666 Liquid," "666 Tablets," "666 Salve," and "666 Nose Drops," and in sale and distribution thereof to purchasers in various other States, in substantial competition with others engaged in sale and distribution in both foreign commerce and that among the States and in the District of Columbia, of preparations for use in connection with treatment of said ailments and conditions, and including many who make, sell, and distribute, preparations designed and intended as aids or treatment for same or similar conditions, and do not in any way misrepresent the effectiveness of their respective products; in advertisements of its said preparation in newspapers having interstate circulation and through radio broadcasts:

- (a) Represented directly or by inference that its said preparations would check or cure colds and constituted the only complete treatment therefor and one which could not be improved on and would cure malaria and that millions of users thereof had obtained permanent relief from and been cured of colds thereby; and
- (b) Represented that said preparations were the speediest remedies known for colds, malaria, chills and fever, or bilious fever, due to malaria, and that they would check colds and fever the first day used and malaria in 3 days, and that they were commonly prescribed by doctors;

Facts being they were not commonly thus prescribed and did not constitute cures or complete remedies for colds or for malaria and, while containing quinine which will, if administered in the proper doses, generally alleviate symptoms of malaria, such as chills and fever, they did not constitute cure therefor, there is no single preparation in common use generally recognized as specific for colds nor standard preparation or treatment used therefore by doctors, fever is not a disease but symptom of many and various ailments, and should not be treated as an ailment or disease, and claims and representations made as above set forth were otherwise false, grossly exaggerated, misleading, and untrue;

With tendency and capacity to mislead and deceive substantial portion of purchasing public into erroneous and mistaken belief that all said representations were true and with direct result, as consequence of such belief, that number of consuming public purchased substantial volume of its preparations, and trade was thereby diverted unfairly to it from competitors, also engaged in manufacturing, selling, and distributing preparations and treatments for colds, malaria and fever, and who truthfully advertise their respective products, and the effectiveness and therapeutic value thereof; to the injury of competition in commerce: