

Complaint

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IN THE MATTER OF
SCHRADER CUTLERY COMPANY

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

Docket 4118. Complaint, Apr. 26, 1940—Decision, Mar. 19, 1941

Where a corporation engaged in manufacture and in interstate sale and distribution of various articles of cutlery—

Designated and marked as "Scout" and "SUPER SCOUT" pocket knives of certain general design and appearance, notwithstanding they were not those long made or distributed under supervision of the Boy Scouts of America, or approved, indorsed or sponsored by that organization and marked with words "Scout" or "Boy Scout," with or without other marks and insignia identifying them as standard Boy Scout equipment, and uniformly referred to as "Scout Knife";

With capacity and tendency to mislead and deceive purchasing public into belief that its said knives had been approved, indorsed or sponsored by the Boy Scouts of America and were a part of their standard equipment, for the purchase of which there is a marked preference on the part of a substantial portion of purchasing public over products which are not so sponsored or approved, and with effect of causing a substantial part of public to purchase its said knives because of such belief:

Held, That such acts and practices, under the circumstances set forth, were all to the prejudice and injury of the public, and constituted unfair and deceptive acts and practices in commerce.

Mr. Joseph C. Fehr for the Commission.

Embler & Embler, of Walden, N. Y., 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 Schrade Cutlery Co., a corporation, hereinafter referred to as respondent, has violated the provisions of 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, Schrade Cutlery Co., is a corporation organized and existing under and by virtue of the laws of the State of New York, with its principal office and place of business located in the city of Walden, in the State of New York.

PAR. 2. Respondent is now, and for more than 1 year last past has been, engaged in manufacturing, offering for sale, and selling various articles of cutlery, among other things, pocket knives designated and marked as "Scout" and "SUPER SCOUT" knives. Respondent causes its said products, when sold, to be transported from its place of business in the State of New York to the purchasers thereof located in States of the United States other than the State of New York, and in the District of Columbia. Respondent maintains, and at all times mentioned herein has maintained, a course of trade in said products in commerce between and among the various States of the United States and in the District of Columbia.

PAR. 3. In 1910, an organization known as The Boy Scouts of America was incorporated under the laws governing the District of Columbia, and later was reincorporated by special act of Congress. Its purpose was, in general, to organize the boys of the United States and teach them discipline, patriotism, courage, habits of observation, self-control, and ability, to care for themselves in all exigencies of life.

In furtherance of this purpose and both to attract the boys of the Nation to the movement and to insure safe, adequate, and adaptable equipment, the organization adopted, and has since maintained, the policy of devising and planning a great many articles of equipment and supervising their manufacture and distribution through licensing and otherwise authorizing those with whom it would enter into arrangements for such manufacture and distribution.

From the beginning the equipment so approved and sponsored has been designated and marked, and the activities of the boy members of the organization have been uniformly referred to, by use of the words "Boy Scout," "Scout," and "Scouting," so that these words have long ago acquired a secondary meaning as referring to the equipment and activities of the Boy Scouts of America.

Among the articles of equipment so devised and whose production and distribution is so supervised is a pocket knife of a design and of material and workmanship suitable for the outdoor activities of the boy members of the organization. This knife has been uniformly referred to as a "Scout Knife," has been marked in some form or manner with the words "Scout" or "Boy Scout," with or without other marks and insignia identifying it as a part of the standard equipment of the Boy Scouts of America.

PAR. 4. The knives manufactured and sold by respondent, as alleged and described in paragraph 2 hereof, have been and are of such general design and appearance as, when marked or labeled by

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the use of the words "Scout," "Super Scout," or "Boy Scout," or any other marks or insignia characteristic of, or identifying them with, the Boy Scouts of America, would have, have had and have, the capacity and tendency to induce the purchasing public to believe that respondent's said knives have been and are approved, endorsed or sponsored by the Boy Scouts of America and are a part of the standard equipment of that organization; and to cause, and have caused, a substantial part of the public to purchase respondent's said knives because of such belief.

PAR. 5. In truth and in fact, respondent's said knives have not been and are not manufactured or distributed under the supervision of the Boy Scouts of America, have not been and are not approved, endorsed or sponsored by that organization, nor are they a part of its standard equipment.

PAR. 6. There is a marked preference on the part of a substantial portion of the purchasing public for products which are sponsored or approved by the Boy Scouts of America over products which are not so sponsored or approved.

PAR. 7. The aforesaid acts and practices of respondent as herein alleged are all to the prejudice and injury of the public and constitute unfair and deceptive acts and practices 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 April 26, 1940, issued and on April 20, 1940, served its complaint in this proceeding upon respondent, Schrade Cutlery Co., charging it with the use of unfair and deceptive acts and practices in commerce in violation of the provisions of said act. After the issuance of said complaint and the filing of respondent's answer, the Commission, by order entered herein, granted respondent's motion for permission to withdraw said answer and to substitute therefor an answer admitting all the material allegations of fact set forth in said complaint and waiving all intervening procedure and further hearing as to said facts, which substitute answer was duly filed in the office of the Commission. Thereafter, this proceeding regularly came on for final hearing before the Commission on the said complaint and substitute answer, and the Commission, having duly considered the matter 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, Schrade Cutlery Co., is a corporation, organized and existing under and by virtue of the laws of the State of New York, with its principal office and place of business located in the city of Walden, in the State of New York.

PAR. 2. Respondent is now, and for more than 1 year last past has been, engaged in manufacturing, offering for sale, and selling various articles of cutlery, among other things, pocket knives designated and marked as "Scout" and "SUPER SCOUT" knives. Respondent causes its said products, when sold, to be transported from its place of business in the State of New York to the purchasers thereof located in States of the United States other than the State of New York, and in the District of Columbia. Respondent maintains, and at all times mentioned herein has maintained, a course of trade in said products in commerce between and among the various States of the United States and in the District of Columbia.

PAR. 3. In 1910, an organization known as The Boy Scouts of America was incorporated under the laws governing the District of Columbia, and later was reincorporated by special act of Congress. Its purpose was, in general, to organize the boys of the United States and teach them discipline, patriotism, courage, habits of observation, self-control, and ability to care for themselves in all exigencies of life.

In furtherance of this purpose and both to attract the boys of the Nation to the movement and to insure safe, adequate, and adaptable equipment, the organization adopted, and has since maintained, the policy of devising and planning a great many articles of equipment and supervising their manufacture and distribution through licensing and otherwise authorizing those with whom it would enter into arrangements for such manufacture and distribution.

From the beginning the equipment so approved and sponsored has been designated and marked, and the activities of the boy members of the organization have been uniformly referred to, by use of the words "Boy Scout," "Scout," and "Scouting," so that these words have long ago acquired a secondary meaning in referring to the equipment and activities of The Boy Scouts of America.

Among the articles of equipment so devised and whose production and distribution is so supervised is a pocket knife of a design and of material and workmanship suitable for the outdoor activities of the boy members of the organization. This knife has been uniformly referred to as a "Scout Knife," has been marked in some form or

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manner with the words "Scout" or "Boy Scout," with or without other marks and insignia identifying it as a part of the standard equipment of The Boy Scouts of America.

PAR. 4. The knives manufactured and sold by respondent, as described in paragraph 2 hereof, have been and are of such general design and appearance as, when marked or labeled by the use of the words "Scout," "SUPER SCOUT," or "Boy Scout," or any other marks or insignia characteristic of, or identifying them with, The Boy Scouts of America, would have, have had and have, the capacity and tendency to induce the purchasing public to believe that respondent's said knives have been and are approved, endorsed or sponsored by The Boy Scouts of America and are a part of the standard equipment of that organization; and to cause, and have caused, a substantial part of the public to purchase respondent's said knives because of such belief.

PAR. 5. In truth and in fact, respondent's said knives have not been and are not manufactured or distributed under the supervision of The Boy Scouts of America, have not been and are not approved, endorsed, or sponsored by that organization, nor are they a part of its standard equipment.

PAR. 6. There is a marked preference on the part of a substantial portion of the purchasing public for products which are sponsored or approved by The Boy Scouts of America over products which are not so sponsored or approved.

CONCLUSION

The aforesaid acts and practices of respondent as herein found are all to the prejudice and injury of the public and constitute unfair and deceptive acts and practices 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 and the answer of respondent, in which answer respondent admits all the material allegations of fact set forth in said complaint, and states that it waives all intervening procedure and further hearing as to the said facts, 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.

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It is ordered, That respondent, Schrade Cutlery Co., 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 knives in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

Using the words "SUPER SCOUT" or "Scout" or any other word or words of similar import or meaning, to designate, describe, or refer to respondent's knives, or otherwise representing that said knives are sponsored, endorsed, or approved by the organization known as the Boy Scouts of America, or that said knives form a part of the equipment of the members of said organization.

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.

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IN THE MATTER OF

HARRY F. CROOK AND GRETCHEN CROOK, TRADING
AS CROOK-WALLACE CO.COMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION
OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914*Docket 4176. Complaint, July 6, 1940—Decision, Mar. 19, 1941*

Where 2 individuals engaged in competitive interstate sale and distribution of candy and confectionery products, including various assortments which were so packed and assembled as to involve use of games of chance, gift enterprises, or lottery schemes when sold and distributed to consumers thereof, and which included, as typical, number of candy pieces of uniform size and shape, together with 4-section push card for use in sale and distribution of said candy to purchasing public under a plan, explained thereon, by which chance selection of certain numbers secured purchaser, for the cent paid, 2, 3, 5, 10, or 20 pieces of candy, as case might be, last sale in each of first 3 sections completed entitled him to 5 pieces, and maker of last punch on card received 15 pieces, all others receiving 1 piece only;

Sold said assortments, along with such push cards, to wholesalers, jobbers, and retailers by whom, as direct or indirect purchasers thereof, they were exposed and sold to purchasing public in accordance with aforesaid sales plan, and thereby supplied to and placed in the hands of others means of conducting lotteries in the sale of their products in accordance with plan aforesaid, involving game of chance or sale of a chance to procure additional pieces of candy without additional cost, contrary to an established public policy of the United States Government and in violation of the criminal laws, and in competition with many candy dealers who, unwilling to use said or any method involving game of chance or any other method contrary to public policy, refrain therefrom;

With result that use of said method by them, because of said game of chance, had a tendency and capacity to and did unfairly divert trade to them from their competitors:

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

Before *Mr. W. W. Sheppard*, trial examiner.

Mr. L. P. Allen, Jr., for the Commission.

Mr. Robert C. Kelley, of Vincennes, Ind., for respondents.

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 Harry F. Crook and Gretchen Crook, individually and trading as Crook-Wallace Co., hereinafter referred to as respondents, have violated the provisions of said act and it appearing to the Commission that a proceeding by it in respect thereof would be in the interest of the public, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondents, Harry F. Crook and Gretchen Crook, are individuals trading as Crook-Wallace Co., with their office and principal place of business located at 415 North Second Street, Vincennes, Ind. Respondents are now, and for more than 1 year last past have been, engaged in the sale and distribution of candy and confectionery products to wholesale dealers, jobbers, and retail dealers. Respondents cause and have caused said products, when sold, to be transported from their principal place of business in the city of Vincennes, Ind., to purchasers thereof, at their respective points of location, in the various States of the United States other than Indiana and in the District of Columbia. There is now, and has been for more than 1 year last past, a course of trade by respondents in such candy in commerce between and among the various States of the United States and in the District of Columbia. In the course and conduct of said business respondents are and have been in competition with other individuals and with partnerships and corporations engaged in the sale and distribution of candy 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 their business, as described in paragraph 1 hereof, respondents sell and have sold to wholesale dealers, jobbers, and retail dealers, certain assortments of candy so packed and assembled as to involve the use of games of chance, gift enterprises, or lottery schemes when sold and distributed to the consumers thereof. One of said assortments is hereinafter described for the purpose of showing the method used by respondents and is as follows:

This assortment consists of a number of pieces of candy of uniform size and shape, together with the device commonly called a push card. The push card is divided into four sections and each of said sections contains 25 partially perforated disks on the face of which is printed the word "Push." Concealed within each of the said disks is a number which entitles the purchaser thereof to additional pieces of candy without additional cost when said number corresponds with any of the numbers set-out in the legend at the top

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of said card. The numbers aforesaid are effectively concealed until a purchase has been made and the disk separated or removed from the card. The last disk pushed out of each of the first three sections completed entitles the purchaser thereof to additional pieces of candy without additional cost. The last disk pushed from said card also entitles the purchaser thereof to additional pieces of candy without additional cost. The sales are 1 cent each and those not securing a winning number receives 1 piece of said candy. The said card bears a legend or instructions as follows:

NO LOSERS

Number 5 Receives 20 Pieces of Candy	
Numbers 10-15 Each Receive 10 Pieces of Candy	
Numbers 20-25-30-35 Each Receive 5 Pieces of Candy	1¢
Numbers 40-45-50-55-60 Each Receive 3 Pieces of Candy	A
Numbers 65-70-75-80-85-90 Each Rec. 2 Pieces of Candy	S
All Other Numbers Each Receive 1 Piece of Candy	A
	L
	E
Last Sale in Each of First Three Sections Completed Receives 5 Pieces of Candy	
Last Sale on Card Receives 15 Pieces of Candy	

Sales of respondents' candy by means of said push card are made in accordance with the above legend or instructions. The said pieces of candy are allotted to the customers or purchasers in accordance with the above legend or instructions. The fact as to whether a purchaser receives one or more pieces of candy for the amount of money paid is thus determined wholly by lot or chance.

The respondents sell and distribute and have sold and distributed various assortments of candy along with push cards involving a lot or chance feature, but such assortments and push cards are similar to the one hereinabove described and vary only in detail.

PAR. 3. Retail dealers who, directly or indirectly, purchase respondents' said candy expose and sell the same to the purchasing public in accordance with the sales plan aforesaid. Respondents thus supply to, and place in the hands of, others the means of conducting lotteries in the sale of their products in accordance with the sales plan hereinabove set forth. The use by respondents of said sales plan or method in the sale of their candy and the sale of said candy by and through the use thereof and by the aid of said sales

plan or method is a practice of a sort which is contrary to an established public policy of the Government of the United States and in violation of the criminal laws.

PAR. 4. The sale of candy to the purchasing public by the method and plan hereinabove set forth involves a game of chance or the sale of a chance to procure additional pieces of candy without additional cost. Many persons, firms, and corporations who sell and distribute candy in competition with the respondents, as above alleged, are unwilling to adopt and use said method or any method involving a game of chance or the sale of a chance to win something by chance or any other method contrary to public policy and such competitors refrain therefrom. Many persons are attracted by said sales plan or method employed by respondents in the sale and distribution of their candy and in the element of chance involved therein and are thereby induced to buy and sell respondents' candy in preference to candy of said competitors of respondents who do not use the same or equivalent methods. The use of said method by respondents because of said game of chance has a tendency and capacity to, and does, unfairly divert trade to respondents from their said competitors who do not use the same or equivalent methods, and as a result thereof substantial injury is being and has been done by respondents to competition in commerce between and among the various States of the United States and in the District of Columbia.

PAR. 5. The aforesaid acts and practices of respondents, as herein alleged, are all to the prejudice and injury of the public and of respondents' competitors and constitute unfair methods of competition in commerce and unfair and deceptive acts and practices 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 July 6, 1940, issued, and on July 8, 1940, served, its complaint in this proceeding upon respondents. Harry F. Crook and Gretchen Crook, individually and trading as Crook-Wallace Co., charging them with the use of unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce in violation of the provisions of said act. After the issuance of said complaint and the filing of respondents' answer, the Commission, by order entered herein, granted respondents permission to withdraw said answer and to substitute therefor an answer admitting all the material allegations of fact set forth in said com-

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plaint and waiving all intervening procedure and further hearing as to said facts, which substitute answer was duly filed in the office of the Commission. Thereafter, this proceeding regularly came on for final hearing before the Commission on the said complaint and substitute answer, and the Commission, having duly considered the matter 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. Respondents, Harry F. Crook and Gretchen Crook, are individuals trading as Crook-Wallace Co., with their office and principal place of business located at 415 North Second Street, Vincennes, Ind. Respondents are now, and for more than 1 year last past have been, engaged in the sale and distribution of candy and confectionery products to wholesale dealers, jobbers, and retail dealers. Respondents cause and have caused said products, when sold, to be transported from their principal place of business in the city of Vincennes, Ind., to purchasers thereof, at their respective points of location, in the various States of the United States and in the District of Columbia. There is now, and has been for more than 1 year last past, a course of trade by respondents in such candy in commerce between and among the various States of the United States and in the District of Columbia. In the course and conduct of said business respondents are and have been in competition with other individuals and with partnerships and corporations engaged in the sale and distribution of candy 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 their business, prior to June 1, 1940, respondents sold to wholesale dealers, jobbers, and retail dealers, certain assortments of candy so packed and assembled as to involve the use of games of chance, gift enterprises, or lottery schemes when sold and distributed to the consumers thereof. One of said assortments is hereinafter described for the purpose of showing the method used by respondents and is as follows:

This assortment consisted of a number of pieces of candy of uniform size and shape, together with a device commonly called a push card. The push card was divided into four sections and each of said sections contained 25 partially perforated disks on the face of which was printed the word "Push." Concealed within each of the said disks was a number which entitled the purchaser thereof to addi-

tional pieces of candy without additional cost when said number corresponded with any of the numbers set-out in the legend at the top of said card. The numbers aforesaid were effectively concealed until a purchase had been made and the disk separated or removed from the card. The last disk pushed out of each of the first three sections completed entitled the purchaser thereof to additional pieces of candy without additional cost. The last disk pushed from said card also entitled the purchaser thereof to additional pieces of candy without additional cost. The sales were 1 cent each and those not securing a winning number received 1 piece of said candy. The said card contained thereon a legend or instructions as follows:

NO LOSERS

Number 5 Receives 20 Pieces of Candy	
Numbers 10-15 Each Receive 10 Pieces of Candy	
Numbers 20-25-30-35 Each Receive 5 Pieces of Candy	1¢
Numbers 40-45-50-55-60 Each Receive 3 Pieces of Candy	A
Numbers 65-70-75-80-85-90 Each Rec. 2 Pieces of Candy	S
All Other Numbers Each Receive 1 Piece of Candy	A
Last Sale in Each of First Three Sections Completed	L
Receives 5 Pieces of Candy	E
Last Sale on Card Receives 15 Pieces of Candy	

Sales of respondents' candy by means of said push card were made in accordance with the above legend or instructions. The said pieces of candy were allotted to the customers or purchasers in accordance with the above legend or instructions. The fact as to whether a purchaser received one or more pieces of candy for the amount of money paid was thus determined wholly by lot or chance.

The respondents, prior to the time hereinabove set forth, sold and distributed various assortments of candy along with push cards involving a lot or chance feature, but such assortments and push cards were similar to the one hereinabove described and varied only in detail.

PAR. 3. Retail dealers who, directly or indirectly, purchased respondents' said candy exposed and sold the same to the purchasing public in accordance with the sales plan aforesaid. Respondents thus supplied to, and placed in the hands of, others the means of conducting lotteries in the sale of their products in accordance with the sales plan hereinabove set forth. The use by respondents of said sales plan or method in the sale of their candy and the sale of said candy by and through the use thereof and by the aid of said sales plan or method was a practice of a sort which is contrary to an

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established public policy of the Government of the United States and in violation of the criminal laws.

PAR. 4. The sale of candy to the purchasing public by the method and plan hereinabove set forth involved a game of chance or the sale of a chance to procure additional pieces of candy without additional cost. Many persons, firms, and corporations who sell and distribute candy in competition with the respondents, as above found, are unwilling to adopt and use said method or any method involving a game of chance or the sale of a chance to win something by chance or any other method contrary to public policy and such competitors refrain therefrom. The use of said method by respondents because of said game of chance had a tendency and capacity to, and did, unfairly divert trade to respondents from their said competitors who do not use the same or equivalent methods.

CONCLUSION

The aforesaid acts and practices of respondents, as herein found, are all to the prejudice and injury of the public and of respondents' competitors and constitute unfair methods of competition in commerce and unfair and deceptive acts and practices 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 and the answer of respondents, in which answer respondents admit all the material allegations of fact set forth in said complaint and state that they waive all intervening procedure and further hearing as to said facts, and the Commission having made its findings as to the facts and conclusion that said respondents have violated the provisions of the Federal Trade Commission Act.

It is ordered, That the respondents, Harry F. Crook and Gretchen Crook, individually and trading as Crook-Wallace Co., or trading under any other name or names, their representatives, agents, and employees, directly or through any corporate or other device in connection with the offering for sale, sale and distribution of candy or any other merchandise in commerce, as commerce is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Supplying to or placing in the hands of others candy or any merchandise together with push or pull cards, punchboards, or other lottery devices, which said push or pull cards, punchboards, or other

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lottery devices are to be used, or may be used, in selling or distributing such candy or other merchandise to the public.

2. Supplying to or placing in the hands of others push or pull cards, punchboards, or other lottery devices, either with assortments of candy or other merchandise or separately, which said push or pull cards, punchboards, or other lottery devices are to be used, or may be used, in selling or distributing such candy or other merchandise to the public.

3. Selling or otherwise disposing of any merchandise by means of a game of chance, gift enterprise, or lottery scheme.

It is further ordered, That the respondents, Harry F. Crook and Gretchen Crook, shall within 60 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.

IN THE MATTER OF
AMERICAN DRUG & CHEMICAL COMPANY

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

Docket 4200. Complaint, July 26, 1940—Decision, Mar. 19, 1941

Where a corporation engaged in the interstate sale and distribution of various drug products, including certain preparations designated as "Ardanol," "Chloro-Zol," and "Germ-I-Tabs"; by advertisements in magazines and trade journals and by circulars, leaflets, folders, pamphlets, booklets, and advertising literature—

- (a) Represented, directly and by implication, that its product "Ardanol" was a cure or remedy for sterility in both sexes, would restore fertility of the generative organs, and was a reliable preventive of abortion, facts being said "Ardanol" was not a cure or remedy for sterility in either sex, did not possess any value as a preventative of abortion, and use thereof would not restore or beneficially affect the fertility of the generative organs;
- (b) Represented, as aforesaid, that its "Chloro-Zol" constituted a competent and effective treatment for bromidrosis, tetter, Cuban itch, itching between the toes, blisters on the feet, irritations of the skin, acne, boils, halitosis, and body odors, facts being said "Chloro-Zol" did not constitute a competent or effective treatment for such ailments or conditions; and
- (c) Represented that its "Germ-I-Tabs" and "Chloro-Zol" could be used to compound a reliable and effective douche for all needs and purposes in feminine hygiene, facts being said products, whether used separately or together, did not constitute a reliable or effective means of feminine hygiene and were of no value as such, other than for use in very weak solutions as a vaginal douche;

With effect of misleading and deceiving substantial portion of purchasing public into erroneous and mistaken belief that said statements and representations were true, and, by reason thereof, into purchase of its said products:

Held, That such acts and practices, under the circumstances set forth, were all to the prejudice and injury of the public, and constituted unfair and deceptive acts and practices in commerce.

Mr. R. P. Bellinger for the Commission.

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 American Drug & Chemical Co., a corporation, 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