

IN THE MATTER OF
GORDON-GORDON, LTD., AND PRINCESS PAT, LTD.

COMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION
OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 28, 1914

Docket 3793. Complaint, May 22, 1939—Decision, May 16, 1941

Where two corporations, owned, managed, operated, and controlled by husband and wife, and respectively engaged as a manufacturer and selling agent, in competitive interstate sale and distribution of their "Princess Pat" line of cosmetics; by means of circulars, labels, and other printed and written matter distributed among prospective customers, and by radio broadcasts;

- (a) Represented that face powders containing orris root clogged the pores of the skin and irritated and roughened it, and that use of their "Princess Pat Powder" smoothed the skin, prevented coarse pores and blackheads, made and kept the skin smooth, soft, and pliant, and that their said powder was nonallergic to all persons; facts being that orris root, as an ingredient in face powder, has no clogging effect upon the pores, face powder containing it does not generally cause irritation or skin roughness, though having a tendency to do so in a small proportion of persons allergic to said root (employed by only about 10 percent of face powder manufacturers); their said "Princess Pat Powder" would not accomplish the results claimed therefor for reasons below set forth with respect to their other products; almond base thereof would have no beneficial effect upon the skin other than that of a mild astringent in the case of an oily skin; and their said powder was not nonallergic to all persons;
- (b) Represented that use of their "Muscle Oil" would prevent crow's feet, wrinkles, and sagging facial muscles, and that it would penetrate beneath the surface of the skin and beneficially affect underlying facial muscles; facts being it would not accomplish said results, nor penetrate the skin sufficiently to benefit the underlying muscles, since types of oils used in said product are not absorbed through the skin to any appreciable extent and facial muscles are nourished by the blood, and wrinkles and sagging facial muscles are due, among other things, to shrinking of the skin, and diminution in muscular vigor and later life and to occupational concentration, under which conditions said preparation would have no beneficial effect;
- (c) Represented that their "Skin Cleanser" would penetrate the skin and prevent coarse pores, pimples, blackheads, bad complexions, rough skin texture, and skin eruptions; facts being that it would not thus penetrate, or prevent coarse pores, pimples, etc.; cleansers, greases, and soaps will not penetrate the skin, although to the extent of aiding in removal of dead cells on surfaces thereof they will possibly prevent roughness; and a skin cleanser has no beneficial effect upon a rough skin produced by faulty nutrition or disease; and
- (d) Represented that their "Skin Food Cream" or "Anti-Wrinkle Cream" would nourish the skin, was a tonic for the underlying nerves, and smoothed out and prevented lines and wrinkles; facts being nutrition for the skin is taken from the blood that circulates through it, and not from substances that may be rubbed thereon; said preparation had no effect whatsoever upon the

underlying nerves and, for reasons above stated with respect to said "Muscle Oil," would not prevent lines and wrinkles in the skin;

With tendency and capacity, through inclusion of word "Food" in former product, to mislead and deceive purchasers into the mistaken belief that it actually served as a food for and nourished the skin, and with capacity and tendency, through aforesaid various false and misleading representations, to mislead and deceive members of the purchasing public into the erroneous belief that such representations were true, and into purchase of substantial quantities of said products because of such belief, with result that trade was diverted unfairly to them from their competitors in commerce who do not misrepresent their respective products:

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.

Before *Mr. Randolph Preston*, trial examiner.

Mr. R. P. Bellinger for the Commission.

Mr. M. Manning Marcus, of Washington, D. C., 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 Gordon-Gordon, Ltd., a corporation, and Princess Pat, Ltd., a corporation 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 public interest, hereby issues its complaint, stating its charges in that respect as follows:

PARAGRAPH 1. Respondents, Gordon-Gordon, Ltd., and Princess Pat, Ltd., are corporations organized and existing under and by virtue of the laws of the State of Illinois and having their office and principal place of business in the city of Chicago, State of Illinois. Respondent, Princess Pat, Ltd., is a subsidiary of and is owned and controlled by respondent, Gordon-Gordon, Ltd. Respondent, Gordon-Gordon, Ltd., directs and controls the sales policy and other activities of respondent, Princess Pat, Ltd., with respect to the acts and practices of said respondent described herein.

Respondent, Gordon-Gordon, Ltd., is now and has been for several years last past engaged in the business of manufacturing and compounding a line of cosmetics collectively designated as Princess Pat, among which are the cosmetics designated "Princess Pat Powder," "Muscle Oil," "Skin Cleanser," and "Skin Food Cream" or "Anti-Wrinkle Cream." Respondent, Gordon-Gordon, Ltd., sells and dis-

tributes said cosmetics through and by means of respondent, Princess Pat, Ltd.

Respondent, Princess Pat, Ltd., is now and has been for several years last past engaged in the business of selling and distributing said cosmetics to dealers, jobbers, and other purchasers thereof. Said respondent causes said products, when sold, to be transported from its place of business in the State of Illinois to the purchasers thereof at their respective points of location in various States of the United States, other than in the State of Illinois, and in the District of Columbia. Respondents maintain, and at all times mentioned herein have 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. 2. In the course and conduct of their business respondents are, and have been during all the times mentioned herein, in substantial competition with other corporations and with individuals, firms, and partnerships engaged in the sale and distribution of cosmetics in commerce among and between the various States of the United States and in the District of Columbia. Among said competitors of respondents are many who do not misrepresent the quality and effectiveness in use of their respective products.

PAR. 3. In the course and conduct of their aforesaid business, the respondents have disseminated and are now disseminating, and have caused and are now causing the dissemination of false advertisements concerning their said products, by United States mail, by insertion in newspapers and periodicals having a general circulation and also in circulars or other printed or written matter, all of which are distributed in commerce among and between the various States of the United States and in the District of Columbia; and by continuities broadcast from radio stations which have sufficient power to, and do, convey the programs emanating therefrom to listeners located in various States of the United States other than the State in which said broadcasts originate and by other means in commerce, as commerce is defined in the Federal Trade Commission Act, for the purpose of inducing and which are likely to induce, directly or indirectly, the purchase of their said products; and have disseminated and are now disseminating, and have caused and are now causing the dissemination of, false advertisements concerning their said products, by various means, for the purpose of inducing, and which are likely to induce, directly or indirectly, the purchase of their said products in

commerce, as commerce is defined in the Federal Trade Commission Act. Among, and typical of, the false statements and representations contained in said advertisements, disseminated and caused to be disseminated, as aforesaid, are the following:

1. As to "Princess Pat Powder"—

Have you heard how orris root and other pore-clogging ingredients can irritate the skin, and produce unsightly roughness? Perhaps you think you are in no danger from such powder—listen! If you don't have a chemical analysis of the powder you now use—change to Princess Pat, which is guaranteed pure—guaranteed to be entirely free from any harmful ingredients. It is the only powder with an almond base. And—almond, you know—has been proved a beautifier since long before Cleopatra upset men's hearts and destinies.

Constant contact of almond keeps the skin soft and pliant, creating lasting beauty while it adorns.

You will enjoy this truly different powder. Its exquisite smoothness and unusual cleansing quality are due to the almond base—A Princess Pat secret formula. Almond smooths and refines the skin, prevents coarse pores. This powder is non-allergic.

This will introduce the only powder with an almond base. Almond base keeps the skin from coarse pores and blackheads.

2. As to respondent's preparation "Muscle Oil"—

Soft, rounded chins; firm, beautiful throats; lovely facial contours; these depend upon the supporting muscle structure. Deep beneath the surface lies the cause * * * deep must be the treatment.

Madam reasons—knows that aid for the underlying muscle structure must go deep. Penetration indeed must be the effect that makes firm, tired, drooping muscles. Reasoning thus, Madam inevitably selects the only muscle oil that is Double Strength—Princess Pat.

Princess Pat Irradiated Muscle Oil (contains Vitamin D) for crow's feet, wrinkles, sagging.

3. As to respondents' preparation "Skin Cleanser"—

And Princess Pat has made the most important contributions to practical results in keeping the skin beautiful and youthful. One of the most important is our Skin Cleanser which removes pore film. You will find it a most delightful cream—one that seems actually to melt from the pores all dust, dirt and waste accumulations. It gets down beneath the surface of the pores. It removes all the dirt that has settled in from the outside and all the waste that is trying to force its way out from the inside. When perspiration and the oil from the sebaceous glands intermingle and decompose, there is formed upon the skin a fatty acid which, if neglected, makes all sorts of skin troubles—coarse pores, pimples, blackheads, and generally bad complexion. Princess Pat Skin Cleanser is a gentle solution which neutralizes the fatty acid, thus removing the cause of such ills. Pore film is a glaze of fatty acid. Pore film chokes and seals the pores * * * suffocates the skin. Princess Pat Skin Cleanser, by dissolving pore film has freer access to the pores. It cleanses to the depth of the pores, frees skin completely of all dust, dirt and pore waste.

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4. As for respondents' preparation "Skin Food Cream" or "Anti-Wrinkle Cream"—

Nourishing cream? Assuredly. Madam's skin suffers daily theft of natural oils which are essential to beauty. Ardent sun, reckless winds, changing temperatures, nervous strain, worry * * * all take toll.

Madame can meet this situation by giving back to the skin that which is taken from it * * * just do so or betray yourself in time * * * suffering loss of skin pliancy, premature wrinkles and rough, muddy sagging skin.

The cream is a veritable caress to the skin * * * an exquisite relaxation for the drawn outer tissues * * * a marvelous tonic for underlying nerves and cushioning structure cells.

By the means and in the manner aforesaid, the respondents represent directly and by implication that face powders containing orris root and other ingredients different from the ingredients contained in the respondents' Princess Pat Powder cause the pores of the skin to clog, irritate the skin and cause skin roughness; that almond is beneficial to the skin, smooths the skin and prevents coarse pores; that the use of respondents' said powder keeps the skin soft and pliant, prevents coarse pores and blackheads and soothes and protects the skin; and that said powder is non-allergic to all persons.

By the means and in the manner aforesaid, respondents represent that the use of their preparation designated "Muscle Oil" will prevent crow's feet, wrinkles and sagging facial muscles and that such preparation will penetrate beneath the surface of the skin and beneficially affect the underlying facial muscles.

By the means and in the manner aforesaid respondents represent that their said preparation designated "Skin Cleanser" will penetrate beneath the surface of the skin and the use of such preparation will prevent coarse pores, pimples, blackheads, bad complexions, rough skin texture, and skin eruptions.

By the means and in the manner aforesaid and by means of the use of the terms designating such preparation, respondents represent that their preparation designated "Skin Food Cream" or "Anti-Wrinkle Cream" nourishes and feeds the skin, is a tonic for the underlying nerves and smooths out and prevents lines and wrinkles.

PAR. 4. The aforesaid statements and representations by the respondents, used and disseminated in the manner above described, are grossly exaggerated, misleading, and untrue. In truth and in fact, face powder made of orris root, and other ingredients, does not clog the pore openings of the skin to which such powders are applied as to cause irritation or roughness of the skin. The application of almond to the skin has no beneficial effect on the skin. The use of respondents' "Princess Pat Powder" will not keep the skin soft and

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pliant or prevent coarse pores and blackheads. The preparation "Princess Pat Powder" is not non-allergic to all persons. The use of respondents' said powder will not soothe or protect the skin.

The use of said "Muscle Oil" will not prevent crow's feet, wrinkles, or sagging facial muscles. Such preparation will not penetrate beneath the surface of the skin and will not beneficially affect the underlying facial muscles.

The said "Skin Cleanser" will not penetrate beneath the surface of the skin. The use of said preparation will not prevent coarse pores, pimples, blackheads, bad complexions, rough skin texture, or skin eruptions.

The use of said "Skin Food Cream" or "Anti-Wrinkle Cream" does not nourish or feed the skin, is not a tonic for the underlying nerves, and will not smooth out or prevent lines or wrinkles.

PAR. 5. The use by the respondents of the aforesaid false and misleading statements and representations disseminated as aforesaid, has had, and now has, the capacity and tendency to, and does, mislead and deceive members of the purchasing public, situated in various States of the United States and in the District of Columbia, into the erroneous and mistaken belief that the aforesaid statements and representations are and were true and into the purchase of substantial quantities of respondents' said products because of said erroneous and mistaken belief. As a result thereof trade has been diverted unfairly to the respondents from their said competitors in commerce among and between the various States of the United States and in the District of Columbia who do not misrepresent the quality and effectiveness in use of their respective products. In consequence thereof, injury has been, and is now being, done by respondents to competition in commerce among and between the various States of the United States and in the District of Columbia.

PAR. 6. 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 the 22d day of May 1939, issued and thereafter served its complaint in this proceeding upon the respondents Gordon-Gordon, Ltd., and Princess Pat, Ltd., charging them

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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 thereto, testimony and other evidence in support of the allegations of the complaint were introduced by R. P. Bellinger, attorney for the Commission, and in opposition to the allegations of the complaint by M. M. Marcus, attorney for the respondents, before Randolph Preston, an examiner of the Commission theretofore duly designated by it, and said testimony and other evidence were duly filed in the office of the Commission. Thereafter the proceeding came regularly on for final disposition by the Commission on the said complaint, the answer thereto, testimony, and other evidence, briefs in support of the complaint and in opposition thereto, and the oral arguments of counsel aforesaid; 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 Gordon-Gordon, Ltd., and Princess Pat, Ltd., are corporations organized and existing under and by virtue of the laws of the State of Illinois, having their principal office and place of business at 2709 South Wells Street, in the city of Chicago, State of Illinois. Respondent Princess Pat, Ltd., is the selling agent of respondent Gordon-Gordon, Ltd., and both of said respondent corporations are owned, managed, operated, and controlled by M. Martin Gordon and Patricia Gordon, husband and wife, who together dominate and direct the sales policies and other activities of both respondents in respect to the acts and practices thereof.

Respondent Gordon-Gordon, Ltd., is now, and has been for several years last past, engaged in the business of manufacturing a line of cosmetics designated "Princess Pat," among which are the cosmetics "Princess Pat Powder," "Muscle Oil," or "Princess Pat Irradiated Muscle Oil," "Skin Cleanser," and "Skin Food Cream" or "Anti-Wrinkle Cream."

Respondent Princess Pat, Ltd., is now, and has been for several years last past, the selling agent for respondent Gordon-Gordon, Ltd., engaged in the business of selling and distributing said cosmetics, as aforesaid, to jobbers and other dealers. Said respondent causes said products, when sold, to be transported from its place of business in the State of Illinois to the purchasers thereof located

in various States of the United States other than the State of Illinois, and in the District of Columbia. Respondents maintain, and at all times herein mentioned have maintained, a course of trade in said products in commerce between and among various States of the United States and the District of Columbia.

PAR. 2. In the course and conduct of their business said respondents are, and have been at all times mentioned herein, in substantial competition with other corporations, individuals, firms, and partnerships engaged in the sale and distribution of cosmetics in commerce among and between the various States of the United States and in the District of Columbia. Among the said competitors of respondents are many who do not misrepresent the quality and effectiveness of their respective products.

PAR. 3. In the course and conduct of their aforesaid businesses and for the purpose of inducing the purchase of their said products in commerce, the respondents, acting in conjunction and cooperation with each other, have made many statements and representations concerning the quality and effectiveness of their aforesaid products and the harmful effect of certain products sold by their competitors, by means of circulars, labels, and other printed and written matter distributed among prospective customers and by means of radio broadcasts. Among and typical of such statements and representations so disseminated are the following:

Statements and representations with respect to "Princess Pat Powder":

Have you heard how orris root and other pore-clogging ingredients can irritate the skin and produce unsightly roughness? Perhaps you think you are in no danger from such powder—Listen! If you don't have a chemical analysis of the powder you now use—change to Princess Pat, which is guaranteed pure—guaranteed to be entirely free from any harmful ingredients. It is the only powder with an almond base. And almond, you know—has been proved a beautifier since long before Cleopatra upset men's hearts and destinies.

Constant contact of almond keeps the skin soft and pliant, creating lasting beauty while it adorns.

You will enjoy this truly different powder. Its exquisite smoothness and unusual cleansing quality are due to the almond base—A Princess Pat secret formula. Almond smooths and refines the skin, prevents coarse pores. This power is non-allergic.

This will introduce the only powder with an almond base. Almond base keeps the skin from coarse pores and blackheads.

Statements and representations with respect to respondent's product "Muscle Oil":

Soft rounded chins; firm, beautiful throats; lovely facial contours; these depend upon the supporting muscle structure. Deep beneath the surface lies the cause * * * deep must be the treatment.

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Madam reasons—knows that aid for the underlying muscle structure must go deep. Penetration indeed must be the effect that makes firm, tired, drooping muscles. Reasoning thus, Madam inevitably selects the only muscle oil that is double strength—Princess Pat.

Princess Pat Irradiated Muscle Oil (Contains Vitamin D) for crow's feet, wrinkles, sagging.

Statements and representations with respect to respondent's product "Skin Cleanser":

And Princess Pat has made the most important contributions to practical results in keeping the skin beautiful and youthful. One of the most important is our Skin Cleanser, which removes pore film. You will find it a most delightful cream—one that seems actually to melt from the pores all dust, dirt and waste accumulations. It gets down beneath the surface of the pores. It removes all the dirt that has settled in from the outside and all the waste that is trying to force its way out from the inside. When perspiration and the oil from the sebaceous glands intermingle and decompose, there is formed upon the skin a fatty acid which, if neglected, makes all sorts of skin trouble—coarse pores, pimples, blackheads and generally bad complexion. Princess Pat Skin Cleanser is a gentle solution which neutralizes the fatty acid, thus removing the cause of such ills. Pore film is a glaze of fatty acid. Pore film chokes and seals the pores * * * suffocates the skin. Princess Pat Skin Cleanser, by dissolving pore film, has free access to the pores. It cleanses to the depths of the pores, frees skin completely of all dust, dirt and pore waste.

Statements and representations with respect to the respondents' product "Skin Food Cream" or "Anti-Wrinkle Cream":

Nourishing cream? Assuredly. Madam's skin suffers daily theft of natural oils which are essential to beauty. Ardent sun, reckless winds, changing temperatures, nervous strain, worry * * * all take toll.

Madame can meet this situation by giving back to the skin that which is taken from it * * * just do so or betray yourself in time * * * suffering loss of skin pliancy, premature wrinkles and rough, muddy sagging skin.

The cream is a veritable caress to the skin * * * and exquisite relaxation for the drawn outer tissues * * * a marvelous tonic for underlying nerves and cushioning structure cells.

PAR. 4. Through the use of the above statements and representations, all of which purport to be descriptive of the quality and effectiveness of their said cosmetics and the harmful effects of certain ingredients used in face powder by their competitors, the respondents represent that the use of face powders containing orris root causes the pores of the skin to clog, irritates the skin and causes skin roughness; that the use of respondents' "Princess Pat Powder" smoothes the skin, prevents coarse pores and blackheads, makes and keeps the skin smooth, soft, and pliant and that respondents' powder is non-allergic to all persons.

Through the use of the above statements and representations respecting the preparation "Muscle Oil" respondents represent that the use of said preparations will prevent crow's feet, wrinkles, and sagging facial muscles and that such preparation will penetrate beneath the surface of the skin and beneficially affect the underlying facial muscles.

Through the use of the above statements and representations with reference to the preparation "Skin Cleanser" the respondents represent that said preparation will penetrate beneath the surface of the skin and use thereof will prevent coarse pores, pimples, blackheads, bad complexions, rough skin texture, and skin eruptions.

Through the use of the above statements and representations with respect to the preparation "Skin Food Cream" or "Anti-Wrinkle Cream" the respondents represent that said preparation will nourish the skin, is a tonic for the underlying nerves, and smoothes out and prevents lines and wrinkles.

PAR. 5. The evidence shows that respondents' "Princess Pat Powder" contains almond powder, stearate of zinc, oxide of zinc, and talc; that respondents' "Muscle Oil" consists of a mixture of vegetable oils, such as almond oil, peanut oil, and olive oil with an unknown Vitamin D content; that respondents' "Skin Cleanser" is composed largely of beeswax, mineral oil, and ozokerite wax; that respondents' "Skin Food Cream" or "Anti-Wrinkle Cream" is composed largely of beeswax, mineral oil, ozokerite wax, and lanolin.

PAR. 6. The evidence shows, and the Commission finds, that there are two kinds of pores in the skin, sweat pores and sebaceous pores. Orris root as an ingredient in face powder has no clogging effect upon the sweat pores, as the secretory pressure from within is always sufficient to cause the flow of sweat. Oily secretions come from the sebaceous pores. The secretion of this oily substance is much slower than that through the sweat pores, but there is no indication that orris root will clog the sebaceous pores. Face powder containing orris root does not generally cause irritation or skin roughness. Some persons are allergic to orris root and the use of face powder containing this substance by such persons would tend to cause irritation of the skin and a consequent roughness thereof. Tests have shown that from 10 percent to 24 percent of the persons tested might be so affected. At the time of the hearing in this case, only about 10 percent of face powder manufacturers used orris root as an ingredient. Respondents' face powder will not smooth the skin, prevent coarse pores and blackheads, nor will it keep the skin soft and pliant for the same reasons hereinafter set forth respecting re-

spondents' other products. The almond base for respondents' powder has no beneficial effect upon the skin other than that of a mild astringent in the case of an oily skin. Respondents' face powder is not nonallergic to all persons.

The evidence shows, and the Commission finds, that respondents' preparation "Muscle Oil" will not prevent crows' feet, wrinkles, and sagging muscles and will not penetrate beneath the surface of the skin to the extent that the use thereof will beneficially affect the underlying muscles. The types of oils used in this product are not absorbed through the skin to any appreciable extent. The facial muscles are nourished by the blood, and any substance that might penetrate through the skin would not reach the muscles but would be absorbed in the blood and subsequently digested. Wrinkles and sagging facial muscles are caused in several ways: the stretching of the skin at the height of the physical and mental efficiency and a subsequent shrinking in later life; the diminution in muscular vigor caused by aging and lack of exercise sometimes exaggerated by disease; and by occupational concentration. Respondents' preparation has no beneficial effect under such conditions.

The evidence shows, and the Commission finds, that respondents' "Skin Cleanser" will not penetrate the surface of the skin or prevent coarse pores, pimples, blackheads, bad complexions, rough skin texture, and skin irritations. Cleansers, greases, and soaps that are put on and rubbed off the skin will not penetrate into or under the skin. They will aid in the removal of dead cells on the surface of the skin, and to that extent might prevent roughness of the skin, but to no greater extent than the ordinary use of soap and towel. Rough skin is produced by faulty nutrition or disease, such as a disturbance of the thyroid gland. A skin cleanser has no beneficial effect under such conditions.

The evidence shows, and the Commission finds, that respondents' "Skin Food Cream" or "Anti-Wrinkle Cream" will not nourish the skin, is not a tonic for the underlying nerves, and will not smooth out and prevent lines and wrinkles in the skin. Nutrition for the skin is taken from the blood that circulates through the skin and not from substances that may be rubbed on the skin. Such preparation has no effect whatsoever upon the underlying nerves, and for the reasons already stated with respect to respondents' Muscle Oil this preparation would not prevent lines and wrinkles in the skin.

Respondents' use of the name "Skin Food Cream" for one of its products, by reason of the inclusion of the word "Food" in such name, has the tendency and capacity to mislead and deceive purchasers

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into the mistaken belief that such product actually serves as a food for and nourishes the skin.

PAR. 7. The use by the respondents of the aforesaid false and misleading statements and representations disseminated as aforesaid has had, and now has, the capacity and tendency to mislead and deceive members of the purchasing public into the erroneous and mistaken belief that the aforesaid statements and representations are and were true and into the purchase of substantial quantities of respondents' said products because of such erroneous and mistaken belief. As a result thereof trade has been diverted unfairly to the respondents from their said competitors in commerce among and between the various States of the United States who do not misrepresent the quality and effectiveness of their respective products.

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 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 respondents, testimony, and other evidence taken before Randolph Preston, an examiner of the Commission theretofore duly designated by it, in support of the allegations of said complaint and in opposition thereto, briefs filed herein, and oral arguments by R. P. Bellinger, counsel for the Commission, and by M. Manning Marcus, counsel for the respondents, and the Commission having made its findings as to the facts and its conclusion that said respondents have violated the provisions of the Federal Trade Commission Act.

It is ordered, That the respondents, Gordon-Gordon, Ltd., a corporation, and Princess Pat, Ltd., a corporation, their officers, representatives, agents, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale, or distribution of their face powder designated "Princess Pat Powder," their preparation variously designated "Muscle Oil" and "Princess Pat Irradiated Muscle Oil," their preparation designated "Skin Cleanser" and the preparation designated "Skin Food Cream" or "Anti-wrinkle Cream," or any products of substantially similar compositions or possessing

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substantially similar properties, whether sold under the same names or under any other names, in commerce, as commerce is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, directly or indirectly:

1. That orris root as an ingredient in face powder will clog the pores of the skin or will cause skin irritation and roughness unless such representations are limited to those cases in which the user is allergic to orris root.

2. That "Princess Pat Powder" is nonallergic to all persons; that the application of said powder to the skin will smooth the skin, or make the skin soft or pliant, or that it will prevent coarse pores and blackheads.

3. That the use of respondents' preparation designated as "Muscle Oil" and "Princess Pat Irradiated Muscle Oil," will prevent crow's feet, wrinkles, or sagging facial muscles or that said preparation will penetrate beneath the surface of the skin and beneficially affect the underlying facial muscles.

4. That respondents' preparation "Skin Cleanser" will penetrate beneath the surface of the skin, or that its use will prevent coarse pores, pimples, blackheads, bad complexions, skin eruptions, or rough skin texture.

5. That respondents' preparation "Skin Food Cream" or "Anti-wrinkle Cream," will nourish or feed the skin; or that said preparation is a tonic for the underlying nerves or will smooth out or prevent lines or wrinkles.

6. Using any designation for its product formerly known as "Skin Food Cream" and as "Anti-wrinkle Cream" which includes the word "Food."

It is further ordered, That the respondents 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.

Syllabus

IN THE MATTER OF
COLONIAL DRUG COMPANY, AND M. A. YOUNKMANCOMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION
OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 28, 1914*Docket 4260. Complaint, Jan. 24, 1941¹—Decision, May 16, 1941*

Where a corporation and its president, who managed and controlled its activities with reference to the practices below set forth, engaged in interstate sale and distribution of their "Natural Mineral Extract" medicinal preparation, as an external and internal treatment for various diseases, ailments, and disorders; by means of advertisements disseminated through the mails and otherwise—

- (a) Represented, directly and by implication, that external application of said Extract constituted a cure or remedy and competent and effective treatment for eczema, acne, athlete's foot and other skin conditions, burns, colds, cuts, scratches, old sores, cold sores, sore swollen feet, infections, sore throat, tonsillitis, bleeding gums, fever blisters, enlarged prostate glands, hemorrhoids, and insect bites or stings;
- (b) Represented that internal use thereof would purify the blood, constituted a tonic for rundown anemic conditions, supplied minerals essential to bodily health or vigor, and constituted a cure or remedy for indigestion, stomach and intestinal disorders, ulceration of the stomach, kidney and bladder disorders, high and low blood pressure, rheumatism, liver trouble, coughs, emaciation, boils, carbuncles, and other rundown conditions of the blood, and a competent and effective treatment therefor; and
- (c) Represented that said preparation had germicidal, antiseptic and astringent properties, was beneficial in treatment of female disorders, and was a competent and effective treatment for ill-nourished, backward, and defective children;

Facts being it had no therapeutic value other than that of a mild laxative and mild diuretic, had no germicidal, antiseptic, or astringent properties, used externally or internally it was of no value in the treatment of the diseases and ailments listed, and it was not a tonic or blood purifier;

With the effect of misleading and deceiving substantial portion of purchasing public into the erroneous belief that such advertisements were true, and of inducing it, because of such belief, to purchase said medicinal product:

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. Donovan R. Divet for the Commission.

Mr. E. D. Brewer, of Tulsa, Okla., for respondents.

¹ Amended.