

Complaint

IN THE MATTER OF

CLARA STANTON, TRADING AS CLARA STANTON,
DRUGGIST TO WOMEN

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

Docket 4327. Complaint, Oct. 2, 1940—Decision, Nov. 18, 1941

Where an individual engaged in interstate sale and distribution of her "Anti-Fat Tablets"; by advertisements in newspapers and periodicals, circulars, pamphlets and other advertising literature and through use of the aforesaid name; directly and by implication—

Represented that her said preparation constituted a cure or remedy for obesity and a competent and effective treatment therefor, and that use thereof would reduce excess fat gradually and safely and prevent obesity;

The facts being that it had no qualities effective in reducing excess fat and its use was of no value in preventing obesity, the various drugs contained therein being present in such minute quantities as to render them practically inert under conditions of use;

With the effect of misleading and deceiving a substantial portion of the purchasing public into the mistaken belief that such representations and implications were true, and of thereby causing it to purchase her product:

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

Before *Mr. William C. Reeves*, trial examiner.

Mr. Maurice C. Pearce and *Mr. Carrel F. Rhodes* 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 Clara Stanton, an individual, trading as Clara Stanton, Druggist to Women, herein-after referred to as the 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, Clara Stanton, is an individual trading under the name of Clara Stanton, Druggist to Women, and has her principal place of business at 313 Fourteenth Street, Denver, Colo. She is now, and for some time last past has been, engaged in the business of preparing and offering for sale and selling a preparation, containing drugs as defined in the Federal Trade Commission Act, designated "Anti-Fat Tablets." Respondent causes said product,

Complaint

34 F. T. C.

when sold by her, to be transported from her place of business in the State of Colorado to purchasers thereof at their respective points of location in various other States of the United States and in the District of Columbia. Respondent maintains, and at all times mentioned herein has maintained, a course of trade in said product in commerce among and between the various States of the United States and in the District of Columbia.

PAR. 2. In the course and conduct of her aforesaid business, the respondent has disseminated and is now disseminating, and has caused and is now causing the dissemination of, false advertisements concerning her said product by the United States mails and by various other means in commerce as commerce is defined in the Federal Trade Commission Act, and respondent has also disseminated and is now disseminating, and has caused and is now causing the dissemination of, false advertisements concerning her said product by various means for the purpose of inducing, and which are likely to induce, directly or indirectly, the purchase of her said product in commerce as commerce is defined in the Federal Trade Commission Act. Among, and typical of, the false, misleading and deceptive statements and representations contained in said false advertisements, disseminated and caused to be disseminated as hereinabove set forth, by advertisements in newspapers and periodicals, and by circulars, pamphlets and other advertising literature, are the following:

Anti-Fat Tablets—

If you would accentuate your charm and loveliness, stay slim. Clara Stanton's Anti-Fat Tablets have been sold 14 years. No thyroid and no laxatives are used in the formula.

They contain no laxatives, and no harmful ingredients for the normal woman.

I again repeat to the women whose excess weight is caused by usual factors and not unfortunate abnormalities, these Tablets are safe and harmless.

The rate of reduction varies with each individual. How long you may be required to continue the treatment depends upon the amount of weight you wish to reduce; your individual reaction to the treatment; the cooperation which you extend in the way of diet and exercise. In general I can only state that you should continue the treatment until your individual needs have been satisfied. You may continue the treatment for 90 days and if your needs have not entirely been filled, you may again commence the use of Clara Stanton's Anti-Fat Tablets for a similar period after an interval of ten days.

Continued, reasonable use, according to the directions, will ordinarily secure the desired results within 90 days.

Laziness and gluttony will cause obesity in themselves. If indulged in they may offset the losses of weight which are induced by use of Clara Stanton's Anti-Fat Tablets or any other reducing treatment.

Eat reasonably and exercise reasonably while taking Clara Stanton's Anti-Fat Tablets, and let your scales testify to the efficiency of the remedy.

PAR. 3. Through the use of the statements and representations hereinabove set forth and others similar thereto not specifically set out herein and through the use of the name "Anti-Fat Tablets," the respondent represents directly and by implication that her said preparation, "Anti-Fat Tablets," is a cure or remedy for obesity and constitutes a competent and effective treatment therefor, and that the use of said preparation will reduce excess fat gradually and safely and will prevent obesity.

PAR. 4. The aforesaid representations and things, used and disseminated by the respondent as hereinabove described, are grossly exaggerated, misleading and untrue. In truth and in fact "Anti-Fat Tablets" are not a cure or remedy for obesity and have no therapeutic value in the treatment of such condition. Said preparation has no properties which would be effective in reducing excess fat and its use would be of no value in preventing obesity.

Furthermore, said preparation is not safe and harmless by reason of the existence of potassium iodide as an ingredient in said preparation. The use of said preparation containing potassium iodide would be definitely harmful in the event those consuming said preparation had pulmonary tuberculosis in either the active or quiescent state. The indiscriminate use of said preparation by a person suffering from goiter might induce or aggravate toxic manifestations.

PAR. 5. Furthermore, the advertisements disseminated by the respondent as aforesaid constitute false advertisements for the reason that they fail to reveal facts material in the light of representations contained therein, and fail to reveal that the use of said preparation under the conditions prescribed in said advertisements or under such conditions as are customary or usual may result in serious and irreparable injury to health in that said advertisements do not contain any cautionary statement to the effect that said preparation should not be used by persons suffering from goiter of pulmonary tuberculosis in either the active or quiescent state.

PAR. 6. The use by the respondent of the name "Anti-Fat Tablets" and the use of the foregoing false and misleading representations respecting her said product has had, and now has, the capacity and tendency to and does mislead and deceive a substantial portion of the purchasing public into the mistaken and erroneous belief that such representations and implications are true, and cause a substantial portion of the purchasing public, because of such mistaken and erroneous belief, to purchase said product.

PAR. 7. The aforesaid acts and practices of the 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 October 2, A. D., 1940, issued and subsequently served its complaint on the respondent, Clara Stanton, an individual, trading as Clara Stanton, Druggist to Women, charging her 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 thereto, testimony and other evidence in support of the allegations of said complaint were introduced by Carrel F. Rhodes, attorney for the Commission, and in opposition to the allegations of the complaint by Joseph A. Myers, attorney for the respondent, before William C. Reeves, a trial examiner of the Commission theretofore duly designated by it, and said testimony and other evidence were duly recorded and filed in the office of the Commission. Thereafter, this proceeding regularly came on for final hearing before the Commission on said complaint, answer thereto, testimony and other evidence, report of the trial examiner upon the evidence, brief in support of the complaint, and letter of the respondent of October 14, 1941, which has been filed and considered as a brief in opposition to the complaint, 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, Clara Stanton, is an individual trading under the name of Clara Stanton, Druggist to Women, and has her principal place of business at 313 Fourteenth Street, Denver, Colo. Respondent is now, and for several years last past has been, engaged in the sale and distribution of a preparation, containing drugs, designated "Anti-Fat Tablets." Respondent causes said preparation, when sold by her, to be transported from her place of business in the State of Colorado to purchasers thereof located in various other States of the United States. Respondent maintains, and at all times mentioned herein has maintained, a course of trade in said preparation in commerce among and between the various States of the United States.

PAR. 2. In the course and conduct of her aforesaid business, the respondent has disseminated and is now disseminating, and has caused and is now causing the dissemination of, false advertisements concerning her said preparation, by the United States mails and by various other means in commerce as "commerce" is defined in the Federal Trade Commission Act, and respondent has also disseminated and is now disseminating, and has caused and is now causing the dissemination of, false advertisements concerning her said preparation by various means, for the purpose of inducing, and which are likely to induce, directly or indirectly, the purchase of her said preparation in commerce as "commerce" is defined in the Federal Trade Commission Act. Among and typical of the false, misleading, and deceptive statements and representations contained in said false advertisements, disseminated and caused to be disseminated as hereinabove set forth, by advertisements in newspapers and periodicals, and by circulars, pamphlets and other advertising literature, are the following:

Anti-Fat Tablets—

If you would accentuate your charm and loveliness, stay slim. Clara Stanton's Anti-Fat Tablets have been sold 14 years. No thyroid and no laxatives are used in the formula.

They contain no laxatives, and no harmful ingredients for the normal woman.

I again repeat to the women whose excess weight is caused by usual factors and not unfortunate abnormalities, these Tablets are safe and harmless.

The rate of reduction varies with each individual. How long you may be required to continue the treatment depends upon the amount of weight you wish to reduce; your individual reaction to the treatment; the cooperation which you extend in the way of diet and exercise. In general I can only state that you should continue the treatment until your individual needs have been satisfied. You may continue the treatment for 90 days and if your needs have not entirely been filled, you may again commence the use of Clara Stanton's Anti-Fat Tablets for a similar period after an interval of ten days.

Continued, reasonable use, according to the directions, will ordinarily secure the desired results within 90 days.

Laziness and gluttony will cause obesity in themselves. If indulged in they may offset the losses of weight which are induced by use of Clara Stanton's Anti-Fat Tablets or any other reducing treatment.

Eat reasonably and exercise reasonably while taking Clara Stanton's Anti-Fat Tablets, and let your scales testify to the efficiency of the remedy.

PAR. 3. Through the use of the statements and representations hereinabove set forth and others similar thereto not specifically set out herein and through the use of the name "Anti-Fat Tablets," the respondent represents, directly and by implication, that her said preparation, "Anti-Fat Tablets," is a cure or remedy for obesity and constitutes a competent and effective treatment therefor, and that the use of said preparation will reduce excess fat gradually and safely and will prevent obesity.

Conclusion

34 F. T. C.

PAR. 4. Respondent's preparation, "Anti-Fat Tablets," is made in accordance with the following formula:

Po. Ext. Pokeberries,	1/8 gr.
Fl. Ext. Bladder Wrack,	1/2 min.
Potassium Iodide,	1/8 gr.
Rochelle Salt,	1/2 gr.
Iodine (Keysall),	1/24 min.
Carbonated Vegetable,	3/8 gr.
Calcium Carbonate,	1/8 gr.
Sugar Milk, qs.	3 gr.

In her directions for use of her "Anti-Fat Tablets," the following appears:

Take one tablet after each meal, three times a day.

Continue treatment 60 to 90 days unless your weight has approached normal before that time.

NOTE.—Do not take more than 3 tablets a day. Discontinue treatment at end of 90 days. Wait 10 days; then resume as before.

PAR. 5. Respondent's preparation, "Anti-Fat Tablets," is not a cure or remedy for obesity and has no therapeutic value in the treatment of such condition. This preparation has no properties which are effective in reducing excess fat, and its use is of no value in preventing obesity. The various drugs contained in respondent's preparation are present in such minute quantities as to render these drugs practically inert under the conditions of use.

PAR. 6. The use by the respondent of the name "Anti-Fat Tablets" to designate and describe her preparation, and the use of the foregoing false and misleading representations regarding her said preparation have had, and now have, the capacity and tendency to, and do, mislead and deceive a substantial portion of the purchasing public into the mistaken and erroneous belief that such representations and implications are true, and cause a substantial portion of the purchasing public, because of such mistaken and erroneous belief, to purchase said preparation.

CONCLUSION

The aforesaid acts and practices of the 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

ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission, the answer of respondent, testimony and other evidence taken before William C. Reeves, a trial examiner of the Commission theretofore duly designated by it, in support of the allegations of said complaint and in opposition thereto, report of the trial examiner upon the evidence, and briefs filed herein, and the Commission having made its findings as to the facts and its conclusion that said respondent has violated the provisions of the Federal Trade Commission Act;

It is ordered, That the respondent, Clara Stanton, an individual, trading as Clara Stanton, Druggist to Women, or trading under any other name, her representatives, agents, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of her medicinal preparation known as "Anti-Fat Tablets," or any other preparation of substantially similar composition or possessing substantially similar properties, whether sold under the same name or under any other name, do forthwith cease and desist from directly or indirectly:

1. Disseminating, or causing to be disseminated, any advertisement by means of the United States mails or by any means in commerce as "commerce" is defined in the Federal Trade Commission Act, which advertisement represents, directly or through inference, that respondent's preparation is a cure or remedy for obesity, or that it has any therapeutic value in the treatment of obesity, or that said preparation has any properties which are effective in reducing excess fat, or that its use is of value in preventing obesity; or which advertisement uses the name "Anti-Fat Tablets," or any other name of similar import or meaning, to designate or describe respondent's preparation.

2. Disseminating, or causing to be disseminated, any advertisement by any means, for the purpose of inducing, or which is likely to induce, directly or indirectly, the purchase in commerce as "commerce" is defined in the Federal Trade Commission Act, of respondent's preparation, which advertisement contains any of the representations prohibited in paragraph 1 hereof.

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

IN THE MATTER OF

THRIFT SALES CORPORATION, TRADING AS FINANCE SERVICE SYSTEM, AND AS CHURCH EXTENSION BUREAU, AND GUSTAVE HEISS, INDIVIDUALLY AND AS AN OFFICER OF THE THRIFT SALES CORPORATION.

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

Docket 4489. Complaint, Apr. 19, 1941—Decision, Nov. 18, 1941

Where a corporation and its officer-director who formulated, controlled and directed its policies, acts and practices; engaged in the competitive interstate sale and distribution of sales promotion plans and articles of merchandise used in their operation, including watches, clocks, luggage, cutlery, pens, lamps, and tableware—

Furnished various devices and plans of merchandising which involved the operation of games of chance, gift enterprises or lottery schemes in the sale and distribution thereof to the ultimate consumer, a typical scheme involving use of a pushcard with 100 perforated disks concealing numbers and bearing names and pictures of motion picture actors and actresses, under a plan pursuant to which the person selecting the picture concealing the number corresponding with that under the card's master seal, received choice of several articles of merchandise illustrated in the advertising folder, of which the pushcard formed a part, certain numbers and the last punch entitled customers to choice of "Junior Gifts," and the amount paid for chance or the obtaining of a free chance was dependent upon the number secured; and thereby

Supplied to and placed in the hands of others the means of conducting lotteries in the sale of their merchandise in accordance with such plan, under which fact as to whether a purchaser received an article or nothing, and the amount, if any, to be paid for any merchandise received, were determined solely by lot or chance; contrary to an established public policy of the United States Government and in competition with many who, unwilling to use method involving chance or contrary to public policy, refrain therefrom; With the result that many persons were attracted by said sales plan and the element of chance involved therein, and were thereby induced to buy and sell such products in preference to those of said competitors; and with tendency and capacity unfairly to divert therefrom to themselves substantial trade in commerce:

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 acts and practices therein.

Before *Mr. John W. Addison*, trial examiner.

Mr. J. W. Brookfield, Jr. for the Commission.

Mr. Raymond M. Grossman, of Chicago, Ill., for respondents.