

Syllabus

IN THE MATTER OF

THE THOMAS MANAGEMENT CORPORATION, ET AL.

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

Docket 4422. Complaint, Dec. 18, 1940—Decision, June 5, 1942

Where two organizations and six individuals, engaged in sale and distribution of hair preparations for external and internal use, to wit—

I. A corporation to which, in consideration of certain payments, a common law trust granted the exclusive right to manufacture and sell all chemicals, products, and supplies used in the administration of the so-called "The Thomas Hair and Scalp Treatment," and which, in turn, agreed to sell and deliver supplies to any one licensed or authorized by said trust to give such treatments, and to no other, excepting sales by mail to individuals for home treatment; and which, furthermore, prepared newspaper advertisements to be purchased and used by owners of the various hair treatment offices, and, when desired, for a fee also performed services of selecting advertising media, selecting advertisements to be run, preparing financial statements, and buying certain supplies for such owners;

II. Said common law trust, owner of all the stock of said corporation and holder also of certain trade names, copyrights, formulae, and secret processes used by its licensees in the treatment of the hair and scalp according to "The Thomas" system, and which, as above noted, granted said corporation exclusive right to manufacture and sell all chemicals, etc. used in administration of hair and scalp treatment in question, and which also granted to others the exclusive right in designated territories to use said formulae, etc., in the administration of the treatment to the purchasing public; and

III. Six individuals, namely, the president of said corporation and life beneficiary of said trust, and five others, i. e., his wife, two sons and two daughters-in-law, themselves engaged, either separately or with others, in operating hair treatment offices in various cities under the name "The Thomas," which offices bought from said corporation all their supplies and all the home treatment kits which they sold;

In advertisements purchased by said individuals and widely disseminated through the mails, in newspapers and periodicals, by radio continuities, and by circulars, leaflets, pamphlets, and other advertising literature, directly and by implication—

(a) Represented that said preparations and treatments constituted a cure or remedy for dandruff or itching scalp and were effective in destroying the "fask bacillus of Unna," which was responsible for dandruff; would stop abnormal loss of hair, cause new hair to grow, and promote hair growth on thin and bald spots, preventing and curing baldness;

The facts being they had no therapeutic value in treatment of dandruff in excess of removal of dandruff scales, were not an effective treatment except in furnishing relief in cases which were not caused in systemic or constitutional conditions; would not destroy the germ in question, which,

Complaint

34 F. T. C.

furthermore, had not been proven to be an etiological factor of dandruff; and had no therapeutic properties which would otherwise be effective in bringing about the results above set forth; and

- (b) Falsely represented that their preparation "Trichovita" for internal use supplied elements essential to healthful growth of hair, and that their other preparation for such use, "Trichotone," rejuvenated the formative cells from which the hair grows, and that both were effective in stimulating hair growth;

With effect of misleading and deceiving a substantial portion of the purchasing public into the belief that such statements were true, thereby inducing it, because of such mistaken belief, to purchase the treatments and products in question:

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

Before *Mr. C. A. Vilas*, trial examiner.

Mr. Karl Stecher, for the Commission.

Pope, Ballard & Loos, of Washington, D. C., and *Rogers, Woodson & Rogers* and *Eckert & Peterson*, of Chicago, Ill., 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 The Thomas Management Corporation, a corporation, and Paul A. Thomas, Sr., Catherine M. Thomas, Paul A. Thomas, Jr., and Norbert J. Thomas, as individuals, and as officers of said corporation; Paul A. Thomas Trust, and Paul A. Thomas, Sr., Catherine M. Thomas, and Norbert J. Thomas, as individuals, and as trustees of said trust; and Ruth Thomas and Madeline Thomas, as individuals, 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. The Thomas Management Corporation, is a corporation, organized, existing, and doing business under and by virtue of the laws of the State of Illinois, with its principal office and place of business in the city of Chicago and State of Illinois. All of the stock of said corporation is owned by Paul A. Thomas Trust, hereinafter referred to. Paul A. Thomas, Sr., is president, Catherine M. Thomas is vice president, Paul A. Thomas, Jr., is treasurer, and Norbert J. Thomas is secretary of said corporation.

Paul A. Thomas Trust, is a common law trust, of which Paul A. Thomas, Sr., Catherine M. Thomas, and Norbert J. Thomas are trustees. Paul A. Thomas, Sr. is the sole beneficiary of said trust.

The principal office of said trust is in Chicago, Ill. Said trust owns all of the stock of The Thomas Management corporation, hereinabove referred to.

Paul A. Thomas, Sr., as an individual, operates places of business under the name "The Thomas" in the cities of Denver, Colo., Atlanta, Ga., Seattle, Wash., Minneapolis, Minn., Toledo, Ohio, and Portland, Oreg.

Paul A. Thomas, Jr. and Ruth Thomas, his wife, trading as copartners operate a place or places, of business under the name "The Thomas" in the city of Cleveland, Ohio.

Norbert J. Thomas, and Madeline Thomas, his wife, trading as copartners, operate a place, or places, of business under the name "The Thomas'" in the city of Detroit, Mich.

Catherine M. Thomas, as an individual, operates a place or places of business under the name "The Thomas'" in the city of Milwaukee, Wis.

Norbert J. Thomas and Paul A. Thomas, Jr., trading as copartners, operate places of business under the name "The Thomas'" in the cities of Chicago, Ill., New York, N. Y., Brooklyn, N. Y., Buffalo, N. Y., Rochester, N. Y., Los Angeles, Calif., Oakland, Calif., San Francisco, Calif., Baltimore, Md., Newark, N. J., Philadelphia, Pa., Pittsburgh, Pa., St. Louis, Mo., and Washington, D. C.

The respondent, The Thomas Management Corporation, also maintains and operates retail stores in the cities of Cincinnati, Ohio, Columbus, Ohio, Dayton, Ohio, Indianapolis, Ind., Louisville, Ky, Albany, N. Y., Boston, Mass., Milwaukee, Wis., New Orleans, La., Providence, R. I., and Syracuse, N. Y., which places of business are operated under the name "The Thomas'" and which deal exclusively in the products sold and distributed by the respondents.

The individual respondents, acting in conjunction and cooperation with the corporate respondent, direct and control all the business activities and policies of the various retail stores including the various stores operated by the individual respondents, either individually or as copartnerships. In connection with the control of the business activities of the various stores, the respondents prepare all advertising copy to be used by such stores which is forwarded by the corporate respondent to the various stores for insertion in newspapers and periodicals as directed by the respondents. Other and similar advertising is placed with newspapers and periodicals directly by the respondents.

PAR. 2. In the course and conduct of their business the respondents, for several years last past, have been engaged in the sale and distribution of various cosmetic and medicinal preparations for external and

Complaint

34 F. T. C.

internal use in the treatment of conditions of the hair and scalp. Respondents cause said preparations, when sold, to be transported from the place of business of the corporate respondent in the State of Illinois to the various retail stores, owned and operated as hereinabove set forth and to the purchasers thereof located in various other States of the United States and in the District of Columbia. Respondents maintain, and at all times mentioned herein have maintained, a course of trade in said cosmetic and medicinal preparations in commerce between and among the various States of the United States and in the District of Columbia.

PAR. 3. Respondents' methods of sale of their cosmetic preparations for the hair for external use fall into two classes. In the first class, respondents through extensive advertising to the effect that they can diagnose and cure scalp trouble, stop falling hair, and re-grow hair, induce persons to come to their places of business where the various cosmetic preparations for the hair are administered and sold to the purchaser. In the second class of cases, where it is not possible to have the purchaser come to their place of business at intervals to purchase their cosmetic preparations or have them administered by respondents, an assortment of products known as "Home Treatment Kits" are sold. These "Kits" contain the same cosmetic preparations for the hair as are sold and administered to the first class of customers herein referred to, and the purchaser of the Home Treatment Kit then administers the preparation himself. Respondents likewise sell to their customers medicinal preparations for internal use.

PAR. 4. 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 the United States mails and by various other means in commerce, as commerce is defined in the Federal Trade Commission Act, and respondents have also 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, misleading and deceptive statements and representations contained in said false advertisements, disseminated and caused to be disseminated, as hereinabove set forth, by the United States mails, by advertisements in newspapers and periodicals, by radio continuities, and by circulars, leaflets, pamphlets, and other advertising literature, are the following:

1305

Complaint

(At the side of this printing is a picture of a man in laboratory attire looking into a compound microscope.)

SO YOU WILL NEVER BE BALD.

Eighteen years ago Paul A. Thomas devised the first accurate, reliable method of treating local scalp disorders. Then, as today, Thomas treatment ended dandruff, stopped abnormal hairfall and promoted hair growth on thin and bald spots. It consistently produces these results—and because of its success, The Thomas' have grown to an organization with 45 offices throughout the United States and Canada.

Today Thomas treatment is more effective than it has ever been. New methods are constantly being tested and when something is proved to be of definite value, Thomas clients are the first to receive benefit. Basically, however, Thomas treatment remains the same, because no method has ever been found which produces results as consistently as does the original Thomas method.

Call for a free scalp examination today and see for yourself just how Thomas treatment ends dandruff, stops falling hair and promotes hair growth. Examination and treatment are always in private.

THE THOMAS

World's Leading Hair and Scalp Specialists—Forty-Five Offices

THESE MEN KNOW HOW TO END YOUR SCALP TROUBLES

Thomas Experts *know* that 14 local scalp conditions cause 90% of all baldness. They *know* how to recognize and overcome these local causes of hair-loss. They *know* how to effectively treat the three types of dandruff; how to rid your scalp of the causes of intense itching; and how to help promote normal hair growth on thin and bald spots.

Why continue, then to worry and waste your hair experimenting with "cure-alls?" Consult a Thomas expert today. See for yourself how The Thomas' twenty years of experience in treating a quarter-million persons has endowed Thomas experts with unmatched skill and ability in solving your particular scalp problem. Learn how Thomas treatment ends dandruff and promotes normal hair growth. No charge is ever made for a complete scalp examination. Come in today.

THE THOMAS'

World's
Leading Hair
& Scalp Experts
Forty Five
Offices

WHY BE BALD?

SEE THOMAS TODAY

Modern science has made it unnecessary for any man to fear baldness. It is known that baldness results from one or more of 14 local scalp disorders. Thomas experts recognize each of these 14 conditions and adapt the reliable, proved Thomas treatment to overcome the ones which are specifically causing your loss of hair. * * *

Complaint

34 F. T. C.

Within a remarkably short time after you start Thomas treatment your dandruff disappears, hair-fall stops, and new hair starts to grow in the thin and bald spots.

 WHY BECOME BALD?

HEED THESE DANGER SIGNALS

BALDNESS can be prevented! When your scalp becomes sick, obvious danger signals such as (1) thinning hair, (2) itching scalp, and (3) dandruff, warn you that a baldness-producing condition exists. You can prevent baldness by heeding these positive warnings and ridding your scalp of the local causes of hair loss which are attacking your hair-growing structure.

More than a quarter-million persons have avoided baldness by permitting The Thomas' to rid their scalps of local scalp ills. The Thomas' 20 years of experience endows them with unusual knowledge, skill, and ability to overcome any of the 14 local conditions which cause 90% of all baldness.

Over one-quarter million persons had Thomas' treatment. Today they enjoy healthy heads of hair.

It has been clearly demonstrated for twenty years that THOMAS' can re-grow hair.

 BALDNESS FOLLOWS DANDRUFF

Eight of the next ten bald-headed persons you meet became bald because they failed to rid their scalps of dandruff infection.

 THOMAS ENDS DANDRUFF GROWS HAIR

Dandruff clogs the hair follicle, causes itchy scalp, falling hair, and keeps new hair from replacing hair which has dropped out. Because there are several types of dandruff, cure-all surface remedies usually do not correct the trouble. One of the most dangerous types of dandruff is caused by a germ deep in the scalp, known as flask bacillia of Unna!

Thomas treatment attacks this destructive germ by modern therapeutic agents and restores the scalp to a normal healthy condition. When your scalp is once rid of baldness producing germs, hairfall stops, and new hair starts to grow again.

BALDNESS IS NOT INHERITED

Scientists who study the laws of inheritance have found that "acquired characteristics" are not inherited. Baldness is in all cases acquired many years after birth and it is therefore agreed that it is not inherited.

* * * * *

Forget the superstitious notion that hair can NEVER be regrown on thin or bald spots. Hair roots seldom die. Science tells us that more than 85% of all cases of hair loss are the "local" type—and consequently will respond to proper scalp treatment.

1305

Complaint

(A picture of a man with a beautiful head of dark hair, dressed in a white coat, beneath which is the following:)

BALDNESS

WORRY YOU

SEE ME TODAY! I am a Thomas scalp expert. I *know* how to recognize and treat the 14 local scalp troubles which cause 90% of all baldness. I *know* how to end your dandruff; how to stop your abnormal hair-fall; and how to promote normal hair growth for you. My knowledge and skill in treating local scalp conditions is based on The Thomas' 20 years of success.

Quit worrying about baldness! Thomas treatment has helped a quarter-million other persons to end scalp troubles, and Thomas can help you, too.

With respect to respondents' medicinal preparations for internal use, respondents make the following representations:

TRICHOVITA

LIFE FOR THE HAIR

A scientifically prepared mineralization product. Taken as directed re-mineralizes the system, supplying those elements essential to the healthful growth of the hair.

TRICHOTONE

A scientifically prepared hair stimulant. Taken as directed rejuvenates the matrix (the mother of the hair) from which the hair of the scalp grows.

PAR. 5. Through the use of the aforesaid statements and representations and others similar thereto not specifically set out herein, respondents represent directly and by implication that said preparations constitute a cure or remedy for dandruff and constitute a competent and effective treatment for all forms of dandruff and itching scalp; that said preparations have therapeutic properties which are effective in destroying the germ causing dandruff; that the use of said preparations will stop abnormal loss of hair, and cause new hair to grow, and promote the normal growth of hair on thin or bald spots; and that the use of said preparations will revive the growth of hair, prevent baldness and constitutes a cure or remedy for baldness and a competent and effective treatment therefor. Respondents further represent that the internal use of their preparation "Trichovita" supplies elements essential to the healthful growth of hair and that the internal use of their preparation "Trichotone" stimulates the hair and rejuvenates the formative cells from which the hair grows; and that both of said preparations are effective in stimulating the growth of hair.

Complaint

34 F. T. C.

PAR. 6. The aforesaid representations used and designated by the respondents as hereinbefore set out are grossly exaggerated, misleading and untrue. Respondents' preparations are composed of the following ingredients in various combinations:

Petrolatum,	Soft Soap,
Wool fat,	Resorcinol,
Mineral Oil,	Alcohol,
Castor Oil,	Phenolic material,
Glycerine,	Salicylic Acid,
Sulphur,	Boric Acid,
Calomel,	Quinine Bisulphate,
Oxyquinoline Sylphate,	Capsicum,
Pilocarpine,	Cantharides.

Respondents' preparations do not constitute a cure or remedy for dandruff or a competent or effective treatment for any form of dandruff or itching scalp in excess of furnishing temporary relief from the symptoms of itching and the temporary removing of dandruff scales. Said preparations, while having some therapeutic and germicidal qualities will not destroy the germ which allegedly causes dandruff. Said preparations have no therapeutic properties which would be effective in causing new hair to grow and their use will not stop the abnormal loss of hair or promote a normal growth of hair on thin and bald spots. Respondents' preparations will not revive the growth of hair and will not prevent baldness and are not a cure or remedy for baldness and have no therapeutic value in the treatment of baldness.

Respondents' preparations "Trichovita" and "Trichotone" do not supply elements essential to the growth of hair and have no therapeutic value whatsoever in stimulating the growth of hair and will not rejuvenate the formative cells from which hair grows.

PAR. 7. The use by the respondents of the foregoing false, deceptive and misleading statements and representations, disseminated as aforesaid, has had, and now has, the capacity and tendency to, and does, mislead and deceive a substantial portion of the purchasing public into the erroneous and mistaken belief that all such statements and representations are true, and induces a substantial portion of the purchasing public to purchase respondents' products hereinabove referred to because of such erroneous and mistaken belief, engendered as above set forth.

PAR. 8. The aforesaid acts and practices of the respondents 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 December 18, 1940, issued and subsequently served its complaint in this proceeding upon respondents, The Thomas Management Corporation, a corporation, and Paul A. Thomas, Sr., Catherine M. Thomas, Paul A. Thomas, Jr., and Norbert J. Thomas, individually, and as officers of said corporation; Paul A. Thomas Trust, and Paul A. Thomas, Sr., Catherine M. Thomas, and Norbert J. Thomas, individually, and as trustees of said trust; and Ruth Thomas and Madeline Thomas, individuals, charging them 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 answers thereto, testimony and other evidence were introduced before an examiner of the Commission theretofore duly designated by it. Thereafter, a stipulation was entered into whereby it was agreed that a statement of the facts signed and executed by counsel for respondents and Richard P. Whiteley, assistant chief counsel for the Federal Trade Commission, subject to the approval of the Commission, may be taken as facts in this proceeding in lieu of the taking of additional testimony and evidence in support of the charges stated in the complaint, or in opposition thereto, and that the said Commission may proceed upon said statement of facts and the record herein to make its report, stating its findings as to the facts and its conclusion based thereon (including inferences which it may draw from said stipulated facts and the evidence and record already made herein), and enter its order disposing of the proceeding without the presentation of argument or the filing of briefs. Respondents expressly waived the filing of a report upon the evidence by the trial examiner. Thereafter, this proceeding regularly came on for final hearing before the Commission on said complaint, answer, stipulation, and record, said stipulation having been approved, accepted, and filed; 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, The Thomas Management Corporation, is a corporation, organized and existing under and by virtue of the laws of the State of Illinois, having its principal place of business and office in Chicago, Ill.

Findings

34 F. T. C.

Respondent, Paul A. Thomas, Sr., is president of The Thomas Management Corporation and a trustee of respondent, Paul A. Thomas Trust.

Respondent, Catherine M. Thomas is vice president of The Thomas Management Corporation, and a trustee of respondent, Paul A. Thomas Trust.

Respondent, Paul A. Thomas, Jr., is treasurer of The Thomas Management Corporation.

Respondent, Norbert J. Thomas is secretary of The Thomas Management Corporation, and a trustee of the respondent, Paul A. Thomas Trust.

Respondent, Paul A. Thomas Trust is a common law trust having its principal office in Chicago, Ill. Paul A. Thomas, Sr., Catherine M. Thomas, and Norbert J. Thomas are trustees of said respondent and Paul A. Thomas, Sr., is the beneficiary for life of said trust. Said trust owns all of the stock of respondent The Thomas Management Corporation, and controls and directs, and has controlled and directed the policies and operations of said corporation.

Respondent, Paul A. Thomas, Sr., is the father of Paul A. Thomas, Jr., and Norbert J. Thomas, and is the husband of respondent, Catherine M. Thomas. Madeline Thomas is the divorced wife of Norbert J. Thomas. Ruth Thomas is the wife of Paul A. Thomas, Jr.

PAR. 2. Respondent, Paul A. Thomas Trust, in addition to owning all of the stock of respondent The Thomas Management Corporation, is the holder of certain trade names, copyrights, formulae, and secret processes used by its licensees in the treatment of conditions of the hair and scalp according to a system usually designated as "The Thomas'." In consideration of certain payments, it has granted to respondent The Thomas Management Corporation the exclusive right to manufacture and sell all chemicals, products, and supplies used in the administration of The Thomas' hair and scalp treatment. The Thomas Management Corporation has agreed that it will sell and deliver the necessary chemicals and supplies to any person, firm, or corporation licensed or authorized by the Paul A. Thomas Trust to give Thomas treatments for hair and scalp and will not sell any of such chemicals or supplies to any person, firm, or corporation not so licensed or authorized by said trust, except that this does not prohibit The Thomas Management Corporation from selling chemicals or supplies by mail to individuals for home treatment.

In return for certain specified payments, the Paul A. Thomas Trust grants to others the exclusive right in designated territories to use the formulae, trade names, copyright names, and secret processes

owned by the Trust in the conduct of the treatment offices for the administration of The Thomas' hair and scalp treatments to members of the public. Such agreements provide that the licensee shall use in such business only chemicals, products, and supplies furnished or authorized by said trust and that the licensee shall not charge less than certain minimum prices for various hair and scalp treatments offered to the public. The agreement contains provisions for securing payment of amounts which may be due under the terms thereof to the Paul A. Thomas Trust.

Pursuant to licenses from Paul A. Thomas Trust, the individual respondents in this proceeding, either separately or in conjunction with other respondents or in conjunction with others not respondents in this proceeding, operate hair treatment offices under the name The Thomas' in the following places:

Paul A. Thomas, Sr.-----	Atlanta, Georgia; Seattle, Washington; Minneapolis, Minnesota; Toledo, Ohio; and Portland, Oregon.
Paul A. Thomas, Jr., and Ruth Thomas-----	Cleveland, Ohio.
Norbert J. Thomas and Madeline Thomas-----	Detroit, Michigan.
Norbert J. Thomas, Paul A. Thomas, Jr., and Paul A. Thomas, Sr.-----	Chicago, Illinois.
Norbert J. Thomas, Paul A. Thomas, Jr., and F. Mills-----	Brooklyn, Rochester, Buffalo, and New York, New York.
Norbert J. Thomas, Paul A. Thomas, Jr., and Ruth Thomas-----	Los Angeles, Oakland, and San Francisco, California.
Norbert J. Thomas, Paul A. Thomas, Jr., and C. R. Swinehart-----	Baltimore, Maryland.
Norbert J. Thomas, Paul A. Thomas, Jr., and Catherine M. Thomas-----	Newark, New Jersey.
Norbert J. Thomas, Paul A. Thomas, Jr., and L. Mills-----	Pittsburgh, and Philadelphia, Pennsylvania.
Norbert J. Thomas, Paul A. Thomas, Jr., and E. Meyer-----	St. Louis, Missouri.
Norbert J. Thomas, Paul A. Thomas, Jr., and J. Kroll-----	Washington, D. C.

Findings

34 F. T. C.

Also pursuant to licenses from Paul A. Thomas Trust, the following parties conduct hair treatment offices under the name The Thomas' in the places designated:

G. L. McClellan	Cincinnati, Columbus, and Dayton, Ohio; Indianapolis, Indiana; and Louisville, Kentucky.
M. F. Gerrigaty	Albany, New York.
F. Mills	Boston, Massachusetts.
J. G. Stample	New Orleans, Louisiana.
W. T. Graham	Providence, Rhode Island.
H. P. Phares	Syracuse, New York.

Respondent, The Thomas Management Corporation, prepares advertisements relating to The Thomas' hair and scalp treatments and offers the same for sale to the owner or owners of the various hair treatment offices listed above, but does not itself advertise to the general public. Such of the advertisements so offered as may be desired by the owner or owners of the various treatment offices are purchased by them and run in newspapers of their selection. The owner or owners of some of the treatment offices employ The Thomas Management Corporation to select advertising media, select advertisements to be run, prepare financial statements, and buy certain supplies. For some offices the services performed by The Thomas Management Corporation include all those mentioned, and for other offices they are more limited. The services rendered to individual treatment offices are determined by the owner or owners thereof, and when The Thomas Management Corporation is employed it charges a fee for the services rendered.

Pursuant to the license from Paul A. Thomas Trust, the local treatment offices buy from The Thomas Management Corporation all of the products used by them in rendering hair and scalp treatments and also all of the "Home Treatment Kits" which they sell. The Thomas Management Corporation, pursuant to license from the Paul A. Thomas Trust, pays to said trust royalties on such sales for said license privileges.

Paul A. Thomas Trust does not control the business activities, policies, or advertising of the hair treatment offices owned by respondents, or by respondents and others not respondents except to maintain such inspection and supervision as may be necessary to insure that licensees conform to the terms of the license and pay the said trust such royalties as may be due it thereunder.

PAR. 3. Respondents who own and operate hair treatment offices have purchased from The Thomas Management Corporation advertisements prepared by that corporation, and the respondent purchasers have caused the advertisements so purchased to be run in

newspapers circulated by the United States mails and in States other than the States in which such newspapers are published. As a result of such advertisements some persons have and do, come from States other than the State in which such treatment offices are located to respondents' treatment offices to purchase Thomas treatments, and after coming to such treatment offices some of them purchase Thomas "Home Treatment Kits."

PAR. 4. The persons rendering Thomas treatments for the respondents operating treatment offices at the places heretofore specified, and the individual respondents themselves, are not doctors, dermatologists, hair and scalp specialists, or experts in the medical sense; cannot diagnose scalp and hair diseases; do not of themselves know that fourteen local scalp conditions cause ninety percent of all baldness; and do not of themselves know how to recognize the etiological factors of hair loss.

PAR. 5. In the course and conduct of its business, respondent, The Thomas Management Corporation, for several years last past has been engaged in the sale and distribution of various cosmetic and medicinal preparations for external and internal use in the treatment of conditions of the hair and scalp. Said respondent, causes said preparations, when sold to be transported from the place of business of the said respondent in the State of Illinois to the various treatment offices located, owned, and operated as hereinabove set forth.

Said respondent, The Thomas Management Corporation, has also shipped direct from its place of business in Chicago, Ill., to the ultimate purchasers or consumers thereof some "Home Treatment Kits" to persons in the State of Illinois, and has also shipped a few "Home Treatment Kits" to the ultimate purchasers or consumers thereof in States other than the State of Illinois who had previously purchased treatments or products from some one of the aforesaid Thomas treatment offices.

PAR. 6. Through extensive advertising to the effect that they can diagnose and cure scalp trouble, stop falling hair, and re-grow hair, respondents who operate treatment offices induce persons to come to their treatment offices. This business falls into two classes: (a) The sale of a course of treatment to persons coming to the treatment offices, in the course of which treatment most of the various preparations for the hair and scalp are administered and a few cosmetic preparations are given to the persons to be self-administered at home between treatments; and (b) the sale of an assortment of products

known as a "Home Treatment Kit" to persons who are unable to come to their place of business at intervals to have the cosmetic preparations administered by said respondents. These kits contain the same preparations for the hair and scalp as are sold and administered to the first class of customers herein referred to, and the purchaser of the "Home Treatment Kit" administers the preparations himself.

In addition to the preparations hereinabove referred to, respondents sell and deliver medicinal preparations for internal use known as "Trichotone" and "Trichovita."

PAR. 7. In the course and conduct of their aforesaid business, respondents who operate treatment offices have disseminated and are now disseminating, and have caused and are now causing the dissemination of, advertisements concerning their said treatments, as specified in paragraph 3; and said respondents, by the United States mails, and by various means in commerce, as "commerce" is defined in the Federal Trade Commission Act, have also disseminated and are now disseminating, and have caused and are now causing the dissemination of, advertisements concerning their said treatments for the purpose of inducing, and which are likely to induce, directly or indirectly, the purchase of their said treatments and products.

Among and typical of the statements and representations contained in said advertisements prepared by respondent, The Thomas Management Corporation, and disseminated and cause to be disseminated, as hereinabove set forth, by advertisements in newspapers and periodicals, by radio continuities, and by circulars, leaflets, pamphlets, and other advertising literature, are the following:

So you will never be
BALD

(Picture of man in laboratory attire
looking into a compound microscope)

Eighteen years ago Paul A. Thomas devised the first accurate, reliable method of treating local scalp disorders. Then, as today, Thomas treatment ended dandruff, stopped abnormal hairfall and promoted hair growth on thin and bald spots. It consistently produces these results—and because of its success, The Thomas' have grown to an organization with 45 offices throughout the United States and Canada.

Today Thomas treatment is more effective than it has ever been. New methods are constantly being tested and when something is proved to be of definite value, Thomas clients are the first to receive benefit.

Basically, however, Thomas treatment remains the same, because no method has ever been found which produces results as consistently as does the original Thomas method.

Call for a free scalp examination today and see for yourself just how Thomas treatment ends dandruff, stop falling hair and promotes hair growth. Examination and treatment are always in private.

1305

Findings

THE THOMAS'

World's Leading Hair and Scalp Specialists—Forty Five Offices

* * * * *

THESE MEN KNOW HOW TO END YOUR SCALP TROUBLES

Thomas Experts *know* that 14 local scalp conditions cause 90% of all baldness. They *know* how to recognize and overcome these local causes of hair-loss. They *know* how to effectively treat the three types of dandruff; how to rid your scalp of the causes of intense itching; and how to help promote normal hair growth on thin and bald spots.

Why continue, then to worry and waste your hair experimenting with "cure-alls?" Consult a Thomas expert today. See for yourself how The Thomas' twenty years of experience in treating a quarter-million persons has endowed Thomas Experts with unmatched skill and ability in solving your particular scalp problem. Learn how Thomas treatment ends dandruff and promotes normal hair growth. No charge is ever made for a complete scalp examination. Come in today.

THE THOMAS'

World's Leading Hair & Scalp Experts. Forty-Five Offices

* * * * *

WHY BE BALD?

SEE THOMAS TODAY

Modern science has made it unnecessary for any man to fear baldness. It is known that baldness results from one or more of 14 local scalp disorders. Thomas experts recognize each of these 14 conditions and adapt the reliable, proved Thomas treatment to overcome the ones which are specifically causing your loss of hair.

Within a remarkably short time after you start Thomas treatment your dandruff disappears, hair-fall stops, and new hair starts to grow on the thin and bald spots. * * *

* * * * *

WHY BECOME BALD?

Heed these Danger Signals—

Avoid the Road to Baldness

BALDNESS can be prevented! When your scalp becomes sick, obvious danger signals such as (1) thinning hair, (2) itching scalp, and (3) dandruff, warn you that a baldness-producing condition exists. You can prevent baldness by heeding these positive warnings and ridding your scalp of the local causes of hair loss which are attacking your hair-growing structure.

More than a quarter-million persons have avoided baldness by permitting The Thomas' to rid their scalps of local scalp ills. The Thomas' 20 years of experience endows them with unusual knowledge, skill, and ability to overcome any of the 14 local conditions which cause 90% of all baldness.

* * * * *

Over one-quarter million persons had THOMAS' treatment. Today they enjoy healthy heads of hair.

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Findings

34 F. T. C.

It has been clearly demonstrated for twenty years that THOMAS' can re-grow hair.

* * * * *

BALDNESS FOLLOWS DANDRUFF

Eight of the next ten bald-headed persons you meet became bald because they failed to rid their scalps of dandruff infection.

* * * * *

THOMAS ENDS DANDRUFF GROWS HAIR

Dandruff clogs the hair follicle, causes itchy scalp, falling hair, and keeps new hair from replacing hair which has dropped out. Because there are several types of dandruff, cure-all surface remedies usually do not correct the trouble. One of the most dangerous types of dandruff is caused by a germ deep in the scalp, known as *fungus bacilli* of Unna.

Thomas treatment attacks this destructive germ by modern therapeutic agents and restores the scalp to a normal healthy condition. When your scalp is once rid of baldness producing germs, hair-fall stops, and new hair starts to grow again.

* * * * *

BALDNESS IS NOT INHERITED

Scientists who study the laws of inheritance have found that "acquired characteristics" are not inherited. Baldness is in all cases acquired many years after birth and it is therefore agreed that it is not inherited.

* * * * *

Forget the superstitious notion that hair can NEVER be regrown on thin or bald spots. Hair roots seldom die. Science tells us that more than 85% of all cases of hair loss are the "local" type—and consequently will respond to proper scalp treatment.

* * * * *

BALDNESS WORRY YOU?

(Picture of white-coated man with a beautiful head of dark hair)

SEE ME TODAY. I am a Thomas scalp expert. I *know* how to recognize and treat the 14 local scalp troubles which cause 90% of all baldness. I *know* how to end your dandruff; how to stop your abnormal hair-fall; and how to promote normal hair growth for you. My knowledge and skill in treating local scalp conditions is based on The Thomas' 20 years of success.

Quit worrying about baldness! Thomas treatment has helped a quarter-million other persons to end scalp troubles, and Thomas can help you, too.

With respect to respondents' medicinal preparations for internal use, respondents make the following representations:

TRICHOVITA

LIFE FOR THE HAIR

A scientifically prepared mineralization product. Taken as directed re-mineralizes the system, supplying those elements essential to the healthful growth of the hair.

* * * * *

TRICHOTONE

A scientifically prepared hair stimulant. Taken as directed rejuvenates the matrix (the mother of the hair) from which the hair of the scalp grows.

The advertisements and excerpts from advertisements set out above are not all-inclusive but are merely illustrative of the statements and representations contained in respondents' advertising matter.

PAR. 8. The ingredients contained in various combinations in respondents' preparations for external application for the hair and scalp herein referred to are as follows:

Acid Boric	Coconut Oil Soap
Acid Lactic	Liquor Carbonis.
Acid Linoleic and	Methyl Salicylate.
Linolenic	Menthol.
Acid Salicylic	Oil—Castor.
Alcohol—Benzyl	Oil—Sulphonated Castor.
Alcohol—Cetyl	Oil—Cadeberry.
Balsam Peru	Oil—Mineral
Betanaphthol—Medicinal	Alcohol—Ethyl
Calomel	Oil—Olive Edible
Cantharides	Oil—Olive Sulphonated
Capsicum	Oil—Pine Needles (Siberian)
Ceresin	Oil—Theobroma
Cholestrin	Osyquinoline Sulphate.
Ethyl Acetate	Petrolatum
Eucalyptol	Pilocarpine Hydrochloride
Glycerin	Quinine Sulphate
Glycerin Monostearate	Resorcinol
Lanolin	Resorcinol Monacetate
Lecithin	Sulphur
Vitamin "D"	Thymol

The ingredients contained in the preparations for internal use are as follows:

Trichotone:	Trichovita:
Calcarea Phos. 3x.	Calcium Phosphate.
Magnesia Phos. 3x.	Precipitated Sulphur.
Ferrum Phos. 3x.	Silica.
Natrum Phos. 3x.	Reduced Iron.
Kali Phos. 3x.	Calcium Fluoride.
	Magnesium Phosphate.
	Magnesium Peroxide.

PAR. 9. Through the use of the aforesaid statements and representations, and others similar thereto not specifically set out herein, respondents represent directly and by implication, that said preparations and treatments constitute a cure or remedy for dandruff and constitute a competent and effective treatment for dandruff and itching scalp; that said preparations and treatments have therapeutic

Findings

34 F. T. C.

properties which are effective in destroying the germ allegedly causing dandruff (the flask bacillus of Unna); that the use of said preparations and treatments will stop abnormal loss of hair, cause new hair to grow, and promote the normal growth of hair on thin or bald spots; and that the use of said preparations and treatments will revive the growth of hair, prevent baldness, and constitute a cure or remedy for baldness and a competent and effective treatment therefor. Respondents further represent that the internal use of their preparation "Trichovita" supplies elements essential to the healthful growth of hair, and that the internal use of their preparation "Trichotone" stimulates the hair and rejuvenates the formative cells from which the hair grows; and that both of said preparations are effective in stimulating the growth of hair.

PAR. 10. Respondents' preparations do not constitute a cure or remedy for dandruff, or have therapeutic value in the treatment of dandruff in excess of the removal of the dandruff scales; nor are they an effective treatment for any form of itching scalp in excess of furnishing relief in cases which are not caused by systemic or constitutional conditions. Said preparations will not destroy the germ which allegedly causes dandruff (the flask bacillus of Unna), nor has it been proved that the flask bacillus of Unna is an etiological factor of dandruff. Said preparations have no therapeutic properties which would be effective in causing new hair to grow and their use will not prevent the abnormal loss of hair or promote a normal growth of hair on thin and bald spots. Respondents' preparations will not induce the growth of hair, will not prevent baldness, are not a cure or remedy for baldness, and have no effective therapeutic value in the treatment of baldness.

Respondents' preparations "Trichovita" and "Trichotone" do not supply elements essential to the growth of hair, have no therapeutic value whatsoever in stimulating the growth of hair, and will not rejuvenate the formative cells from which the hair grows.

PAR. 11. The use by the respondents of the foregoing false, deceptive, and misleading statements and representations, disseminated as aforesaid, has had, and now has, the capacity and tendency to, and does, mislead a substantial portion of the purchasing public into the belief that all such statements and representations are true, and because of such mistaken and erroneous belief engendered as above set forth, induces a substantial portion of the purchasing public to purchase respondents' treatments and products hereinabove referred to.

1305

Order

CONCLUSION

The aforesaid acts and practices of the respondents, as herein found, are all to the prejudice 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, the answers of the respondents, testimony and other evidence taken before an examiner of the Commission theretofore duly designated by it, and a stipulation as to the facts entered into between counsel for the respondents herein and Richard P. Whiteley, assistant chief counsel for the Commission, which provides, among other things, that without further evidence or other intervening procedure the Commission may issue and serve upon the respondents findings as to the facts and its conclusion based thereon and an order disposing of the proceeding, and the Commission having made its findings as to the facts and its conclusion that the respondents have violated the provisions of the Federal Trade Commission Act.

It is ordered, That the respondents, The Thomas Management Corporation, a corporation, and Paul A. Thomas, Sr., Catherine M. Thomas, Paul A. Thomas, Jr., and Norbert J. Thomas, individually, and as officers of said corporation; Paul A. Thomas Trust, and Paul A. Thomas, Sr., Catherine M. Thomas, and Norbert J. Thomas, individually, and as trustees of said trust; and Ruth Thomas and Madeline Thomas, individuals; jointly or severally, their representatives, agents, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale, and distribution of various cosmetic and medicinal preparations for external and internal use in the treatment of conditions of the hair and scalp, or any other preparations of substantially similar composition or possessing substantially similar properties, whether sold under the names now used or any other name or names, do forthwith cease and desist from directly or indirectly:

1. Disseminating or causing to be disseminated, by means of the United States mails, or by any means in commerce, as "commerce" is defined in the Federal Trade Commission Act, any advertisement which represents, directly or through inference:

- (a) That respondents' preparations constitute a cure or remedy for dandruff, or have therapeutic value in the treatment of dandruff,

Order

34 F. T. C.

in excess of the removal of dandruff scales; or are an effective treatment for any form of itching scalp in excess of affording temporary relief from the symptom of itching when such itching is not caused by systemic or constitutional conditions.

(b) That dandruff is caused by the flask bacilli of Unna and that said preparations will destroy such germs.

(c) That said preparations have therapeutic properties which are effective in inducing the growth of hair or in causing new hair to grow.

(d) That the use of said preparations will prevent the abnormal loss of hair or induce a normal growth of hair on thin and bald spots.

(e) That said preparations will prevent baldness, or are a cure or remedy for baldness, or have any effective therapeutic value in the treatment of baldness.

(f) That respondents' preparations "Trichovita" and "Trichoton" supply elements essential to the growth of hair, or have any therapeutic value in stimulating the growth of hair.

(g) That said preparations "Trichovita" and "Trichotone" will rejuvenate the formative cells from which hair grows.

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

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

ULTRA-VIOLET PRODUCTS, INC.

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

Docket 4407. Complaint, Dec. 7, 1940—Decision, June 8, 1942

Where a corporation, engaged in the manufacture and interstate sale and distribution of its "Life Lite" ultraviolet lamp; by means of advertisements in newspaper and periodicals, and other media, directly and by implication—

(a) Represented that its said product was a sun lamp which would afford benefits to the skin and to the general health comparable to those afforded by natural sunlight;

The facts being that sun lamps, as known and designated by physicians and chemists, emit ultraviolet rays within the range of natural sunlight, of from 2,900 to 3,900 angstrom units, while the wave length of 89.2 percent of the rays emitted by said "Life Lite" lamp was approximately 2,540 angstroms, placing it within the category of therapeutic lamps, rays of which are more intense and consequently harsher and more irritating to the skin than those emitted by the sun lamp; and benefits afforded by its said lamp to skin and general health could not be compared with natural sunlight because of said wide variation between the rays emanating from the two sources;

(b) Represented that use of its said lamp constituted a cure or competent treatment for such conditions as barber's itch, ringworm, athlete's foot, acne, eczema, psoriasis, shingles and erysipelas, and for sores and ulcers;

The facts being that while ultraviolet rays of the wave length emitted by said lamp possess bactericidal properties, such properties are effective only where the infection is limited to the surface of the skin, and while the lamp might stimulate healing of sores and ulcers, it would do so only where infection causing the condition was confined to the surface; and the other ailments and conditions above mentioned were due to bacteria or fungi existing below the surface of the skin where said rays were incapable of penetrating;

(c) Represented that its said lamp constituted a cure or competent treatment for asthma, hay fever, bronchitis, colds, sinus trouble, discharges from the ears, and anemia; and that it stimulated the tissues of the skin, built up resistance to disease, produced chemical reaction which kept the blood stream in balance, aided in overcoming a deficiency of either white or red corpuscles, produced a tonic effect upon the blood, and stimulated the endocrine glands;

The facts being it was incapable of building up resistance to disease, produced no chemical reaction with respect to the blood stream, aside from its said irritating effect afforded no stimulation to the skin and other claims above set forth were false; and

(d) Represented that its said lamp quieted and soothed the nerves, particularly the nerve endings in the skin; acted as an antacid by its alkalizing effect upon the body; improved metabolism, making the body strong, increasing vitality, and building new tissues; and improved general tone of the body and mental resistance, toning up the nervous system, inducing sleep, normalizing the chemistry of the body, and relieving pain;