

Order

IN THE MATTER OF
ULTRA-VIOLET PRODUCTS, INC.

MODIFIED ORDER TO CEASE AND DESIST

Docket 4407. Order, June 7, 1945

Modified order, in accordance with decree below referred to, in proceeding in question, in which original order issued on June 8, 1942, 34 F. T. C. 1325, and in which the Circuit Court of Appeals for the Ninth Circuit on June 30, 1944, in *Ultra-Violet Products, Inc. v. Federal Trade Commission*, 143 F. (2d) 814, 38 F. T. C. 923, rendered its opinion, and on January 24, 1945 issued its decree modifying the aforesaid order in certain respects and affirming the same as therein modified—

Requiring respondent, its officers, etc., in connection with offer, etc., in commerce, of its therapeutic "Life Lite" lamp, to cease and desist from disseminating any advertisements, etc., which misrepresent the nature or benefits of said lamp, or qualities or properties thereof with respect to various ailments, or which fail to make certain disclosures with respect to use thereof, as in said order specified.

MODIFIED ORDER TO CEASE AND DESIST

This proceeding coming on for further hearing before the Federal Trade Commission and it appearing that on June 8, 1942, the Commission made its findings as to the facts herein and concluded therefrom that the respondent, Ultra-Violet Products, Inc., a corporation, had violated the provisions of the Federal Trade Commission Act, and on June 8, 1942, issued and subsequently served its order to cease and desist upon said respondent; and it further appearing that on January 24, 1945, the United States Circuit Court of Appeals for the Ninth Circuit issued its decree modifying the aforesaid order in certain respects and affirming said order as therein modified.

Now, therefore, Pursuant to the provisions of the Federal Trade Commission Act, the Commission issues this its modified order to cease and desist in conformity with said decree:

It is ordered, That said respondent, Ultra-Violet Products, Inc., a corporation, and its officers, agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of respondent's therapeutic lamp designated as "Life Lite," or any other lamp of substantially similar construction, whether sold under the same name or 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 represents, directly or by implication,

(a) that said lamp is a sun lamp; or that it affords benefits to the user comparable to those afforded by natural sunlight, other than the benefits resulting from the production of vitamin D, the benefits resulting from the bactericidal action of said lamp upon bacteria existing at the surface or outer layers of the skin, and the benefits resulting from the stimulation or irritation of the skin;

(b) that said lamp constitutes a cure or remedy or a competent or adequate treatment for barber's itch, ringworm, athlete's foot, acne, eczema, psoriasis, shingles, or erysipelas;

(c) that said lamp constitutes a cure or remedy for sores or ulcers, or that it constitutes a competent treatment therefor except insofar as it may stimulate the healing process in those cases in which the infection causing such conditions is confined to the surface of the skin;

(d) that said lamp possesses any therapeutic value in the treatment of asthma, hay fever, bronchitis, colds, sinus trouble, or discharges from the ears;

(e) that said lamp possesses any therapeutic value in the treatment of anemia;

(f) that said lamp builds up in the body resistance to diseases other than those benefited from the development in the body of vitamin D or the lamp's bactericidal action or stimulating effect on the outer layers of the skin;

(g) that said lamp has any tonic effect upon the blood, that it produces any chemical reaction with respect to the blood stream, or that it is of any assistance in overcoming a deficiency of white or red corpuscles;

(h) that said lamp builds up the resistance of the body to infection, or that it stimulates the endocrine glands;

(i) that said lamp affords any stimulation to the tissues of the skin in excess of such stimulation as may result from its irritating effect;

(j) that said lamp quiets or soothes the nerves or the nerve endings in the skin;

(k) that said lamp acts as an antacid or has any alkalizing effect upon the body;

(l) that said lamp improves the general tone of the body, makes the body strong, increases vitality, or improves mental reactions;

(m) that said lamp tones up the nervous system, induces sleep, or relieves pain;

(n) that said lamp normalizes the chemistry of the body, improves metabolism, or builds or aids in building new tissues, except insofar as such effects are related to the production of vitamin D resulting from the use of the lamp or from the stimulating or bactericidal effect of the lamp on the skin.

2. 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 fails to reveal that excessive exposure to said lamp either with respect to proximity or length of time may result in injury to the user; that said lamp should not be used in the case of pellagra, lupus erythematosus, or certain types of eczema; and that said lamp should never be used unless goggles are worn to protect the eyes; provided, however, that such advertisement need contain only the statement, "CAUTION: Use only as Directed," if and when the directions for use, wherever they appear on the label, in the labeling, or both on the label and in the labeling, contain a warning to the above effect.

3. 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 said lamp, which contains any representation prohibited in paragraph 1 hereof, or which fails to comply with the affirmative requirements set forth in paragraph 2 hereof.

It is further ordered, That said respondent corporation shall, within 30 days after service upon it of this order, file with the Commission a report in writing setting forth in detail the manner and form in which it has complied with this order.

Syllabus

IN THE MATTER OF

PECK AND HILLS FURNITURE COMPANY, INC.

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

Docket 5239. Complaint, Oct. 20, 1944—Decision, June 23, 1945

Where a corporation engaged in the operation in New York City of a so-called dealer or trade showroom for its interstate sale and distribution of household furniture and floor coverings—

- (a) Made false and deceptive representations concerning the values and prices of its said products through catalogs disseminated among small furniture dealers and interior decorators for inspection by their respective consumer purchasers, featuring the word "wholesale" on the cover page and showing a purported "list price" of the items illustrated, and in which, immediately inside the cover, there was included a perforated pink sheet—to be detached by the dealer or interior decorator before showing the catalog to prospective consumer purchasers—stating "YOUR DISCOUNT 60% From Catalog List Prices, But You Do Not Have to Figure It. Your cost is secretly shown in our numbering system. For example: 15J61-19 Each \$47.50," with the explanation that "the '15J61' was the pattern number and that '19' represented \$19.00, or dealer cost on the particular item listed at \$47.50 in the catalog," and the further statement "We show list price to enable you to sell your customer at a profit. Quoting 50% off list price will make a 25% markup over cost. TEAR THIS SHEET OUT"; and
- (b) Furnished small furniture dealers and interior decorators with so-called "courtesy cards" for prospective consumer purchasers of furniture, which, bearing its name and the words "Special Courtesy Card No. ——" together with the words "Wholesale Furniture, Floor Covering," requested it, over the name and address of the dealer, to "extend the courtesies of your wholesale showrooms to M—," and admitted only prospective consumer purchasers who presented such cards, or who were accompanied by a dealer or decorator to its showrooms, in which the furniture and floor coverings displayed were tagged with the list price shown in the aforesaid catalog or a price a little higher, and, after inspection, offered the prospect said products at approximately one-half the list prices;

The facts being that the prices for which its products were actually offered and sold were not, as thereby falsely represented and implied, special or wholesale prices or substantially less than regular retail selling prices; the so-called courtesy cards were not of value in the sense that they enabled holders to buy its products for less than its customary prices, and the "list" prices set forth in the catalog and on the tags actually were merely arbitrary figures that would, when reduced by 50%, indicate the approximate prices to be paid by the consumer purchaser;

With capacity and tendency to mislead and deceive a substantial portion of the purchasing public into the erroneous belief that the selling prices of its products were special or wholesale prices, or substantially less than the retail selling prices, and into the consequent purchase of substantial quantities thereof:

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

Mr. Joseph Callaway for the Commission.

Baar, Bennett & Fullen, of New York City, for respondent.