

Syllabus

IN THE MATTER OF

H. L. WILLIAMS TRADING AS WILLIAMS S. L. K.
LABORATORIESCOMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION
OF SECTION 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914*Docket 5179. Complaint, June 14, 1944—Decision, Dec. 6, 1946*

Where an individual engaged in interstate sale and distribution of two medicinal preparations designated "Rux Compound" and "Williams Formula"; in advertising in newspapers, periodicals, pamphlets, booklets, cards and other matter, and by radio broadcasts and other means—

- (a) Represented, directly and by implication, that said "Rux Compound" was absorbed by the blood stream in 4 minutes; salicylated the whole system, and was a proven method of relieving rheumatic pains;

The facts being that there is no such thing as salicylating the system; the use of salicylates does not constitute a proved method for relieving rheumatic pains; and, while salicylates are absorbed quickly, the time required in each case depends upon the individual, making it impossible to give a specific time which would fit all cases;

- (b) Represented that said preparation acted from the inside in four ways, namely, (a) by reducing rheumatic congestion; (b) by helping the body flush out irritating acids by its diuretic effect; (c) by helping to keep the blood alkaline by its antiacid effect; and (d) by soothing and relieving pain; and that it would relieve suffering from inflamed aching muscles, and rheumatic, neuritis, and neuralgic pain;

The facts being that said preparation would not effectively reduce rheumatic congestion; it could not make or keep the blood alkaline, the amount of available alkali in this preparation, when taken as directed, being wholly insufficient to make any significant shift of the pH of the blood or significantly alter the reaction of the blood; while it afforded quick, temporary, substantial—but not complete or permanent—relief of the pain of rheumatism, it would have no influence on the development or progress of any of the many conditions commonly referred to as "rheumatism"; and while it would reduce fever and pain in joints in acute rheumatic fever, and the swelling would gradually subside, it would not reduce swelling and congestion of joints in rheumatism;

- (c) Represented that every ingredient of said preparation acted directly on the source of pain; and that it was a stimulant diuretic and helped increase the flow of urine, thus aiding in flushing out irritating acids from the kidneys;

The facts being that acids do not accumulate or cause deposits in the kidneys and the kidneys do not retain irritating acids, and if such were a fact said preparation would not flush them out, as it had only a mild diuretic action; and none of the ingredients used therein acted directly upon the source or cause of pain; and

- (d) Represented that said preparation was unexcelled as an antipyretic and analgesic for common muscular pains and agony; that neuralgia spasms are caused by a toxic condition; and said preparation would help relieve such condition by stimulating the kidneys and liver and by acting as an analgesic:

Complaint

43 F. T. C.

The facts being that said product was excelled by many drugs and preparations as an antipyretic and analgesic; severe pains, such as neuralgic spasms involving the face and neck, cannot be relieved by salicylates, and such pains are not caused by toxic conditions, and stimulation of the kidneys or liver does not afford relief; and said "Compound" had no therapeutic value in the relief of pain in excess of providing temporary relief of minor pains; and

- (e) Represented falsely that its said "Williams Formula" stimulated digestion and acted upon the whole digestive system in a favorable manner; that its use eliminated waste material from the kidneys, built up the quality of the blood, was an iron tonic and increased the hemoglobin in the blood;

The facts being that the total amount of iron provided by the recommended doses thereof were not generally recognized as sufficient to combat effectively iron-deficiency anemia; and

- (f) Represented falsely that it contained natural herbs, was the equivalent of several good medicines in one and was effective in relieving acid-irritated kidneys and constipation; and
- (g) Failed in its advertisements of said "Williams Formula" to reveal material facts in that said formula contained the irritant laxative, cascara sagrada, because of which there was potential danger in its use when taken by one suffering from abdominal pains, stomach ache, cramps, nausea, vomiting or other symptoms of appendicitis;

With effect of misleading and deceiving a substantial portion of the purchasing public into the erroneous belief that said representations were true, and with capacity and tendency so to do, and thereby to induce a substantial portion of the public to purchase his said preparations:

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. D. C. Daniel for the Commission.

Mr. Charles Rowan, of Milwaukee, Wis., for respondent.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that H. L. Williams, an individual trading as Williams S. L. K. Laboratories, hereinafter referred to as respondent, has violated the provisions of said act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, stating its charges in that respect as follows:

PARAGRAPH 1. Respondent H. L. Williams is an individual trading and doing business under the trade name Williams S. L. K. Laboratories, with his principal place of business located at 647 West Virginia Street, in the city of Milwaukee, State of Wisconsin.

PAR. 2. Respondent is now, and for several years last past has been, engaged in the business of manufacturing, offering for sale and selling

in commerce, among other things, two medicinal preparations, designated "Rux Compound" and "Williams Formula."

Respondent has caused and now causes said preparations, when sold, to be transported from his principal place of business located in the city of Milwaukee, State of Wisconsin, to purchasers thereof located at points in various other States of the United States and in the District of Columbia. Respondent has, at all times herein mentioned, maintained, and now maintains, a course of trade in said preparations, in commerce, between and among various States of the United States and in the District of Columbia.

PAR. 3. In the course and conduct of the aforesaid business, the respondent has disseminated and is now disseminating, and has caused and is now causing the dissemination of, false advertisements concerning his said preparations by the United States mails and 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 said preparations, by various means, for the purpose of inducing, and which are likely to induce, directly or indirectly, the purchase of said preparations in commerce, as "commerce" is defined in the Federal Trade Commission Act.

Among and typical, but not all-inclusive, of the false, misleading and deceptive statements and representations contained in said advertisements disseminated and caused to be disseminated, as hereinabove set out, by the United States mails, by advertisements inserted in newspapers, magazines and periodicals having a general circulation, by pamphlets, booklets, cards and other printed or written matter, by radio broadcasts, and by various other means are the following:

Representations with respect to Rux Compound:

Make the famous RUX test for yourself! This alkalizing, salicylating action is entirely DIFFERENT from the old-fashioned "salves" and "liniments," and within 4 minutes is absorbed by your blood stream.

It salicylates the whole system and this is a proven method of relieving rheumatic pains in a great majority of cases.

* * * if you suffer from *Rheumatic pains* * * * get Williams *Rux*, spelled R-U-X * * * because RUX is a pure liquid that acts quickly to relieve pain from the inside where the pain starts. Authorities say * * * NO better compound can be made today, to safely and effectively relieve rheumatic pain suffering!

* * * quick effective relief to folks suffering from the pains of rheumatism, neuritis, neuralgia or lumbago * * * Williams RUX gets to the source of the trouble.

RUX ACTS IN FOUR WAYS

Rux acts from the Inside, in four amazing ways. First, by acting on the congestion and feverishness of Rheumatic pain; second, by helping the body flush

Complaint

43 F. T. C.

out irritating acids by its diuretic effect; third, by helping to keep the blood alkaline by its anti-acid effect; and fourth, by soothing and relieving pain so that your muscles are relaxed and can be exercised to increase the blood circulation.

If you are suffering from inflamed, aching muscles, and the agony of Rheumatic, Neuritic or Neuralgic Pain—you owe it to yourself and to your family to try RUX Compound. Every ingredient of this pure, powerful, medicine can act directly on your pain and give you **TRUE PAIN RELIEF**.

RUX is a stimulant Diuretic to the Kidneys and helps increase the flow, thus aiding in flushing out irritating acids which may, at times cause painful deposits. RUX also contains Alkalizers and Salicylates recommended by famous doctors for Pain Relief. RUX is a **PURE** and **FULL STRENGTH** medicine, unexcelled as an antipyretic and analgesic for common muscular pains and agony.

NEURALGIC PAIN—

Neuralgia spasms sometimes involve the entire neck and face, and cause excruciating pain on account of a "toxic" condition. RUX will help relieve the pain in common Neuralgic Conditions, by stimulating your kidneys and liver, and by acting as an analgesic.

Representations with respect to Williams Formula:**STOMACH—**

Williams Formula acts on the Stomach, Bowels, and Kidneys. It acts within a short time on the stomach, as a stomachic, improving appetite and stimulating digestion, and tends to relieve excessive burning stomach acidity which causes terrible stomach pains.

KIDNEYS—

Williams Formula acts as a mild stimulant diuretic to increase the flow of urine and the elimination of the waste material from the kidneys, which is so important to good health.

BLOOD—

Williams Formula helps build up the quality of the blood by containing iron for increasing **HEMOGLOBIN** of the blood deficient in iron.

Are you one of the many unhappy people who suffer from sour gas pains, constipation, acid irritated kidneys? Modern, enlightened men and women are finding **QUICK RELIEF** by using "**WILLIAMS FORMULA**." This medicine acts on your irritated Kidneys, Lazy Colon, and even your blood—thru the action of pure natural herbs and other wonderful ingredients.

This remarkable medicine is a compound of Natural Herbs and other valuable ingredients which start right to work giving relief, just like taking several good medicines in one.

**A MILD TONIC AND STOMACHIC MILDLY LAXATIVE AND DIURETIC.
AN IRON TONIC.**

PAR. 4. By and through the use of the statements hereinabove set out and others similar thereto, not specifically set out herein, all of which purport to be descriptive of the therapeutic and curative properties of "Rux Compound," respondent has represented and now represents, directly and by implication, that the alkalizing and salicylating effect of "Rux Compound" is entirely different from old-fashioned salves and liniments and is absorbed by the blood stream in four minutes; that said preparation salicylates the whole system, and it is a

proven method of relieving rheumatic pains; that it acts from the inside in four ways:

1. By reducing rheumatic congestion;
2. By helping the body flush out irritating acids by its diuretic effect;
3. By helping to keep the blood alkaline by its antiacid effect; and
4. By soothing and relieving pain;

that said preparation will relieve suffering from inflamed aching muscles, and rheumatic, neuritic, and neuralgic pain; that every ingredient thereof acts directly on the source of pain; that said preparation is a stimulant diuretic and helps increase the flow of urine, thus aiding in flushing out irritating acids from the kidneys; that it is unexcelled as an antipyretic and analgesic for common muscular pains and agony; that neuralgia spasms are caused by a toxic condition, and said preparation will help relieve such condition by stimulating the kidneys and liver and by acting as an analgesic.

By means of the aforesaid statements and representations, respondent represents, directly and by implication, that the preparation designated "Williams Formula" stimulates digestion and acts upon the whole digestive system in a favorable manner; that its use eliminates waste material from the kidneys, builds up the quality of the blood, is an iron tonic and increases the hemoglobin in the blood; that it contains natural herbs, is the equivalent of several good medicines in one and is effective in relieving acid irritated kidneys and constipation.

PAR. 5. The aforesaid statements and representations are grossly exaggerated, false, misleading and deceptive. In truth and in fact the alkalizing and salicylating effect of "Rux Compound" is substantially the same as the pain-relieving action of salves and liniments. There is no such thing as salicylating the system, and it cannot be stated that the use of salicylates constitutes a proven method for relieving rheumatic pains. No specific time can be stated within which the effective ingredients of this preparation will be absorbed in the blood stream. "Rux Compound" does not effectively reduce rheumatic congestion. The kidneys do not retain irritating acids, and if such were the fact this preparation would not flush them out as it has only a mild diuretic action. "Rux Compound" cannot make or keep the blood alkaline. None of the ingredients used in the compound act directly upon the source of or the cause of pain. Acids do not accumulate in the kidneys or cause deposits in the kidneys. This product is excelled by many drugs and preparations as antipyretics and analgesics. Severe pains, such as neuralgic spasms involving the face and neck, cannot be relieved by salicylates. Such pains are not caused

Complaint

43 F. T. C.

by toxic conditions, and stimulation of the kidneys or liver will not afford relief. "Rux Compound" has no therapeutic value in the relief of pain in excess of providing temporary relief of minor pains.

In truth and in fact, the preparation "Williams Formula" will not effectively stimulate digestion. It will not eliminate waste material from the kidneys or build up the quality of the blood. It is not an iron tonic and will not increase the hemoglobin content of the blood to any significant degree. It is not composed of natural herbs, in whole or in part, is not the equivalent of several good medicines, will not act upon the whole digestive system. While it will, by its laxative action, cause an evacuation of the bowels, it will not relieve constipation or the effects of acid irritated kidneys.

PAR. 6. Respondent's advertisements of the products designated "Williams Formula," disseminated as aforesaid, constitute, false advertisements for the further reason that they fail to reveal facts material in the light of such representations and material with respect to the consequences which may result from the use of the preparation to which the advertisements relate, under the conditions prescribed in said advertisements and under such conditions as are customary and usual.

Respondent's advertisements of the product designated "Williams Formula" fail to reveal therein the material fact that it contains the drug cascara sagrada, which is an irritant laxative, and because of the presence of this drug in said preparation there is a potential danger in its use when taken by one suffering from abdominal pains, stomach ache, cramps, nausea, vomiting or other symptoms of appendicitis.

PAR. 7. The use by the respondent of the foregoing false, deceptive and misleading advertisements, statements and representations has had, and now has, the tendency and capacity to and does mislead and deceive a substantial portion of the purchasing public into the erroneous and mistaken belief that said advertisements, statements and representations are true and that the preparation "Williams Formula" is safe and harmless for use and may be taken without ill effects, and to induce a substantial portion of the public, because of such erroneous and mistaken belief, to purchase respondent's said medicinal preparations.

PAR. 8. 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 June 14, 1944, issued and thereafter served its complaint in this proceeding upon said respondent, H. L. Williams, an individual trading as Williams S. L. K. Laboratories, charging him with the use of unfair and deceptive acts and practices in commerce in violation of the provisions of said Act. Respondent filed no answer in this proceeding. Thereafter, a stipulation was entered into whereby it was stipulated and agreed that a statement of facts signed and executed by counsel for respondent and Richard P. Whiteley, Assistant Chief Counsel for the Federal Trade Commission, subject to the approval of the Commission, may be taken as the facts in this proceeding, and in lieu of evidence, in support of the charges stated in the complaint or in opposition thereto, and that the Commission may proceed upon said statement of facts to make its report stating its findings as to the facts (including inferences which it may draw from the said stipulated facts) and its conclusion based thereon, and enter its order disposing of the proceeding without the presentation of argument or the filing of briefs. Respondent specifically waived the filing of a trial examiner's report upon the evidence. Thereafter, this proceeding regularly came on for final hearing before the Commission on said complaint and stipulation, said stipulation having been approved, accepted, and filed; and the Commission, having duly considered the same and being now fully advised in the premises, finds that the 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 H. L. Williams is an individual trading and doing business under the trade name Williams S. L. K. Laboratories, with his principal place of business located at 647 West Virginia Street, Milwaukee, Wis.

PAR. 2. Respondent is now, and for several years last past has been, engaged in the business of manufacturing, offering for sale, and selling in commerce, among other things, two medicinal preparations, designated "Rux Compound" and "Williams Formula." Respondent has caused, and now causes, said preparations, when sold, to be transported from his principal place of business located in Milwaukee, Wisconsin, to purchasers thereof located at points in various other States of the United States and in the District of Columbia. Respondent has maintained at all times herein mentioned, and now maintains, a course of trade in commerce in said prepara-

tions between and among various States of the United States and in the District of Columbia.

PAR. 3. In the course and conduct of the aforesaid business, the respondent has disseminated and is now disseminating, and has caused and is now causing the dissemination of, false advertisements concerning his said preparations 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 said preparations, by various means, for the purpose of inducing, and which are likely to induce, directly or indirectly, the purchase of said preparations in commerce, as "commerce" is defined in the Federal Trade Commission Act.

Among and typical, but not all-inclusive, of the false, misleading, and deceptive statements and representations contained in said false advertisements, disseminated and caused to be disseminated, as hereinabove set out, by the United States mails, by advertisements inserted in newspapers, magazines, and periodicals having a general circulation, by pamphlets, booklets, cards, and other printed or written matter, by radio broadcasts, and by various other means are the following:

Representations with respect to Rux Compound:

Make the famous RUX test for yourself! This alkalizing, salicylating action is entirely DIFFERENT from the old-fashioned "salves" and "liniments," and within 4 minutes is absorbed by your blood stream.

It salicylates the whole system and this is a proven method of relieving rheumatic pains in a great majority of cases.

* * * If you suffer from *Rheumatic pains* * * * get Williams *Rux*, spelled R-U-X * * * because RUX is a pure liquid that acts quickly to relieve pain from the inside where the pain starts. Authorities say * * * NO better compound can be made today, to safely and effectively relieve rheumatic pain suffering!

* * * quick effective relief to folks suffering from the pains of rheumatism, neuritis, neuralgia or lumbago * * * Williams RUX gets to the source of the trouble.

RUX ACTS IN FOUR WAYS

Rux acts from the Inside, in four amazing ways. First, by acting on the congestion and feverishness of Rheumatic pain; second, by helping the body flush out irritating acids by its diuretic effect; third, by helping to keep the blood alkaline by its anti-acid effect; and fourth, by soothing and relieving pain, so that your muscles are relaxed and can be exercised to increase the blood circulation.

If you are suffering from inflamed, aching muscles, and the agony of Rheumatic, Neuritic or Neuralgic Pain—you owe it to yourself and to your family

to try RUX Compound. Every ingredient of this pure powerful, medicine can act directly on your pain and give you TRUE PAIN RELIEF.

RUX is a stimulant Diuretic to the Kidneys and helps increase the flow, thus aiding in flushing out irritating acids which may, at times cause painful deposits. RUX also contains Alkalizers and Salicylates recommended by famous doctors for Pain Relief. RUX is a PURE and FULL STRENGTH medicine, unexcelled as an antipyretic and analgesic for common muscular pains and agony.

NEURALGIC PAIN—

Neuralgia spasm sometimes involve the entire neck and face, and cause excruciating pain on account of a "toxic" condition. RUX will help relieve the pain in common Neuralgic Conditions, by stimulating your kidneys and liver, and by acting as an analgesic.

Representations with respect to Williams Formula :

STOMACH—

Williams Formula acts on the Stomach, Bowels, and Kidneys. It acts within a short time on the stomach, as a stomachic, improving appetite and stimulating digestion, and tends to relieve excessive burning stomach acidity which causes terrible stomach pains.

KIDNEYS—

Williams Formula acts as a mild stimulant diuretic to increase the flow of urine and the elimination of the waste material from the kidneys, which is so important to good health.

BLOOD—

Williams Formula helps build up the quality of the blood by containing iron for increasing HEMOGLOBIN of the blood deficient in iron.

Are you one of the many unhappy people who suffer from sour gas pains, constipation, acid irritated kidneys? Modern, enlightened men and women are finding QUICK RELIEF by using "WILLIAMS FORMULA." This medicine acts on your irritated kidneys, Lazy Colon, and even your blood—thru the action of pure natural herbs and other wonderful ingredients.

This remarkable medicine is a compound of Natural Herbs and other valuable ingredients which start right to work giving relief, just like taking several good medicines in one.

**A MILD TONIC AND STOMACHIC MILDLY LAXATIVE AND DIURETIC
AN IRON TONIC.**

PAR. 4. By and through the use of the statements hereinabove set out and others similar thereto, not specifically set out herein, all of which purport to be descriptive of the therapeutic and curative properties of "RUX Compound," respondent has represented, and now represents, directly and by implication, that "Rux Compound" is absorbed by the blood stream in four minutes; that said preparation salicylates the whole system, and it is a proven method of relieving rheumatic pains; that it acts from the inside in four ways:

1. By reducing rheumatic congestion;
2. By helping the body flush out irritating acids by its diuretic effect;
3. By helping to keep the blood alkaline by its anti-acid effect; and
4. By soothing and relieving pain;

that said preparation will relieve suffering from inflamed aching muscles, and rheumatic, neuritis, and neuralgic pain; that every ingredient thereof acts directly on the source of pain; that said preparation is a stimulant diuretic and helps increase the flow of urine, thus aiding in flushing out irritating acids from the kidneys; that it is unexcelled as an antipyretic and analgesic for common muscular pains and agony; that neuralgia spasms are caused by a toxic condition, and said preparation will help relieve such condition by stimulating the kidneys and liver and by acting as an analgesic.

By means of the aforesaid statements and representations, respondent represents, directly and by implication, that the preparation designated "Williams Formula" stimulates digestion and acts upon the whole digestive system in a favorable manner; that its use eliminates waste material from the kidneys, builds up the quality of the blood, is an iron tonic and increases the hemoglobin in the blood; that it contains natural herbs, is the equivalent of several good medicines in one and is effective in relieving acid-irritated kidneys and constipation.

PAR. 5. The aforesaid statements and representations are false, misleading, and deceptive. In truth and in fact there is no such thing as salicylating the system, and the use of salicylates does not constitute a proved method for relieving rheumatic pains. No specific time can be stated within which the effective ingredients of this preparation will be absorbed in the blood stream. Salicylates are absorbed quickly, but the time required in each case depends upon the individual, making it impossible to give a specific time which would fit all cases. "Rux Compound" does not effectively reduce rheumatic congestion. "Rux Compound" affords quick, temporary, substantial—but not complete or permanent—relief of the pain of rheumatism. It does not cure rheumatism itself and will have no influence on the development or progress of any of the many conditions commonly referred to as "rheumatism." "Rux Compound" will reduce fever and pain in joints in acute rheumatic fever, when taken as directed, and the swelling will gradually subside, but it will not reduce swelling and congestion of joints in rheumatism. Acids do not accumulate or cause deposits in the kidneys. The kidneys do not retain irritating acids, and if such were a fact this preparation would not flush them out, as it has only a

mild diuretic action. "Rux Compound" cannot make or keep the blood alkaline. The amount of available alkali in this preparation, when taken as directed, is wholly insufficient to make any significant shift of the pH of the blood or significantly alter the reaction of the blood. None of the ingredients used in this product acts directly upon the source or cause of pain. This product is excelled by many drugs and preparations as antipyretics and analgesics. Severe pains, such as neuralgic spasms involving the face and neck, cannot be relieved by salicylates. Such pains are not caused by toxic conditions, and stimulation of the kidneys or liver will not afford relief. "Rux Compound" has no therapeutic value in the relief of pain in excess of providing temporary relief of minor pains.

In truth and in fact, the preparation "Williams Formula" will not effectively stimulate digestion. It will not eliminate waste material from the kidneys or build up the quality of the blood. It is not an iron tonic, and will not increase the hemoglobin content of the blood to any significant degree. The total amount of iron provided by the recommended daily doses of "Williams Formula" is not a generally recognized therapeutic daily dose of iron sufficient to combat effectively iron-deficiency anemia. "Williams Formula" is not composed in whole or in part of natural herbs; is not the equivalent of several good medicines; will not act upon the whole digestive system. While it will, by its laxative action, cause an evacuation of the bowels, it will not relieve constipation or the effects of acid-irritated kidneys.

PAR. 6. Respondent's advertisements of the product designated "Williams Formula," disseminated as aforesaid, are false advertisements for the further reason that they fail to reveal facts material in the light of such representations, and material with respect to the consequences which may result from the use of the preparation to which the advertisements relate under the conditions prescribed in said advertisements and under such conditions as are customary and usual.

Respondent's advertisements of the product designated "Williams Formula" fail to reveal therein the material fact that it contains the drug cascara sagrada, which is an irritant laxative, and that because of the presence of this drug in said preparation there is a potential danger in its use when taken by one suffering from abdominal pains, stomach ache, cramps, nausea, vomiting, or other symptoms of appendicitis.

PAR. 7. The use by the respondent of the foregoing false, misleading, and deceptive advertisements, statements, and representations has had, and now has, the tendency and capacity to, and does, mislead and deceive a substantial portion of the purchasing public into the erroneous and mistaken belief that said advertisements, statements,

Order

43 F. T. C.

and representations are true, and to induce a substantial portion of the public, because of such erroneous and mistaken belief, to purchase respondent's said medicinal preparations.

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 TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint (respondent having filed no answer herein) and a stipuation as to the facts entered into between the respondent herein and Richard P. Whiteley, Assistant Chief Counsel for the Commission, which stipulation provides, among other things, that without further evidence or other intervening procedure the Commission may issue and serve upon the respondent herein findings as to the facts and 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 said respondent has violated the provisions of the Federal Trade Commission Act:

It is ordered, That the respondent, H. W. Williams, trading as Williams S. L. K. Laboratories, or under any other name, his representatives, agents, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of respondent's medicinal preparations "Rux Compound" and "Williams Formula," or any other medicinal preparations of substantially similar composition or possessing substantially similar properties, whether sold under the same names or under any other names, do forthwith cease, and desist 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 by implication:

A. With respect to said medicinal preparation "Rux Compound":

(1) That said preparation will salicylate the system.

(2) That said preparation constitutes a proved method for relieving rheumatic pains.

(3) That the ingredients of said preparation will be absorbed in the blood stream within any specific period of time.

(4) That said preparation will reduce congestion of the joints in rheumatism.

(5) That said preparation affords complete or permanent relief from the pain of rheumatism.

(6) That irritating acids accumulate in the kidneys, or that said preparation will flush out the kidneys.

(7) That said preparation will keep the blood alkaline.

(8) That the ingredients of said preparation, or any of them, act directly upon the source or cause of pain.

(9) That said preparation is unexcelled as an antipyretic and analgesic for common pains and agony.

(10) That neuralgia spasms are caused by a toxic condition, or that said preparation will relieve the pain of neuralgia spasms.

(11) That said preparation has any therapeutic value in the relief of pain in excess of providing temporary relief of minor pain.

B. With respect to said medicinal preparation "Williams Formula":

(1) That said preparation will stimulate digestion.

(2) That its use

(a) Eliminates waste material from the kidneys.

(b) Builds up the quality of the blood.

(3) That said preparation is an iron tonic which will significantly increase the hemoglobin content of the blood.

(4) That said preparation contains natural herbs.

(5) That said preparation is the equivalent of several good medicines.

(6) That said preparation will act on the whole digestive system.

(7) That said preparation is effective in the treatment of constipation in excess of affording temporary relief by reason of its laxative qualities.

(8) That said preparation will relieve irritated kidneys.

2. 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 fails to reveal that the medicinal preparation "Williams Formula" should not be used by one suffering from abdominal pains, nausea, vomiting, or any other symptom of appendicitis; *provided, however*, that any such advertisement need contain only the statement, "CAUTION: Use Only as Directed," if and when the direction 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, 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 said preparations, any advertisement which contains any representation prohibited in paragraph 1 hereof or which fails to comply with the provisions of paragraph 2 hereof.

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

Complaint

IN THE MATTER OF

C. H. ROBINSON CO. AND NASH-FINCH CO.

COMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION OF SUBSEC. (c) OF SEC. 2 OF AN ACT OF CONGRESS APPROVED OCT. 15, 1914, AS AMENDED BY AN ACT APPROVED JUNE 19, 1936

Docket 4589. Complaint, Sept. 12, 1941—Decision, Jan. 6, 1947

Where a corporation engaged in the produce brokerage business, which acted as an intermediary in transactions for sale or purchase of fruits and vegetables by numerous buyers and sellers, maintaining about 27 branch offices throughout the United States, and the outstanding stock of which was substantially all owned by a corporation, which engaged in the wholesale grocery business in the western half of the United States, operated about 60 branches, and placed through said brokerage corporation orders for a substantial part of its fruit and vegetable requirements with sellers mostly located in other states—

- (a) Received from such sellers, on purchases for said wholesale grocery, brokerage, fees or commissions consisting of a percentage of the sales price or a specified sum allowed on each carload, crate, basket, lug, or bag, and distributed the substantial sum resulting in earnings and profits therefrom to stockholders through dividend payments; and

Where aforesaid wholesale grocer—

- (b) Received and accepted thereby brokerage upon its own purchases by means of aforesaid transactions in which said first named corporation acted under its control and in fact for and on its behalf, and by means of said corporation's dividend payments:

Held, That such receipt and acceptance from sellers of brokerage fees and commissions by said corporation upon the purchases of a buyer while it was under the control of or acting in fact for such buyer, and the receipt and acceptance of brokerage, including such dividend payments, by said wholesale grocer upon its own purchases, were in violation of the provisions of subsection (c) of section 2 of the Clayton Act as amended.

Mr. Edward S. Ragsdale and Mr. Eldon P. Schrup for the Commission.

Stinchfield, Mackall, Crounse & Moore, of Minneapolis, Minn., for respondents.

COMPLAINT

The Federal Trade Commission, having reason to believe that the parties respondent named in the caption hereof and hereinafter more particularly designated and described, since June 19, 1936, have violated and are now violating the provisions of subsection (c) of section 2 of the Clayton Act (U. S. C. title 16, sec. 15) as amended by the Robinson-Patman Act, approved June 19, 1936, hereby issues its complaint stating its charges with respect thereto as follows: