

IN THE MATTER OF
NICHOLAS SAGE TRADING AS GEO-MINERAL CO.

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

Docket 5666. Complaint, June 20, 1949—Decision, June 14, 1950

The generic term "anemia" embraces a considerable number of disease conditions, and it is only in that very small percentage of the cases of anemia encountered in medical practice, which is caused by an inadequate intake of iron in the diet, that a preparation such as that involved in the instant case would have any therapeutic value or be effective in enriching the blood or intending to produce rich red blood; and such a preparation would not be of value in the treatment of iron deficiency anemia resulting from an inadequate absorption of iron by the intestine or an increased loss of iron as in chronic bleeding; or in the treatment of pernicious anemia and other macrocytic anemias or those caused by derangements of the blood-forming organs of the body or conditions resulting in increased destruction of red blood cells; or in that of anemia secondary to severe or chronic diseases such as cancer, kidney disease, infections, etc.

Such symptoms or conditions as headaches, nervousness and dizzy spells, lack of vitality, energy, ambition, sparkle in the eyes and brilliance of the mind, poor appetite, underweight, weakened sexual powers and similar conditions may be due to anemia resulting from an inadequate intake of iron in the diet or to any of the numerous other types of anemia, and may also be due to a wide variety of disease conditions which are in no wise related to anemia. In only an extremely small percentage of persons having the aforesaid symptoms, however, are they the result of anemia due to a simple deficiency of iron in the diet, and it is only in said extremely small percentage of cases that such a preparation as that involved in the instant case would have any therapeutic value in their correction or relief.

Where an individual engaged in the interstate sale and distribution of a preparation designated as "Geo-Mineral" from his place of business and from his suppliers to dealers and individuals; in advertising in various newspapers and by other means—

- (a) Falsely represented that his said Geo-Mineral, taken as directed, was a competent and effective treatment for and would cure stomach and kidney ailments, bloating, constipation, bowel adhesions, rheumatism, arthritis and neuritis, and would relieve the pains of rheumatism and arthritis;
- (b) Represented that it was a competent and effective treatment for and would cure headaches and nervousness or dizzy spells and would restore vitality, energy or weakened sexual power, improve appetite, and increase weight and energy, build the blood, and correct dullness, tiredness, laziness, poor appetite or a lack of ambition to work or play, or of sparkle in the eyes or of mental brilliance, or similar symptoms or conditions;

The facts being it was of no value for the treatment of such conditions except in those very limited instances in which they are due solely to an iron deficiency diet rather than to numerous other possible causes;

- (c) Falsely represented that said preparation contained no drug and restored health without use of drugs, and contained the same minerals in therapeutic amounts as were found in the best mineral spring water and would produce the benefits ordinarily ascribed to the use of such mineral water;
- (d) Represented falsely that said preparation kept the colon free from waste matter, and that black stools and evidences of impurities in the urine demonstrated such results;

The facts being that any black color of the stools following the taking of the preparation was due to the chemical reaction of the iron compounds therein with sulphur compounds in the fecal matter and had no therapeutic significance; and use thereof would not cause impurities to appear in the urine; and

- (e) Represented that 65 percent of all persons over 35 suffer from nutritional mineral-iron anemia and that when a person is nervous, dull, tired, or lazy, has headaches and dizzy spells, lacks ambition to work or play and has a poor appetite, and when eyes lack sparkle and the mind lacks brilliance, or other similar condition exists, such symptoms indicate a lack of minerals in the blood, and that use of said preparation as directed would correct them and restore health to all persons who might suffer ill health;

The facts being there are no reliable medical statistics showing that 65 percent or any other percent of persons over 35 suffer from such anemia; and as respects symptoms above set out, said preparation, as heretofore noted, would be of value in only a relatively small number of cases;

With tendency and capacity to mislead and deceive a substantial portion of the purchasing public into the erroneous belief that such statements were true, and thereby induce its purchase of his said preparation:

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.

In concluding, in the instant proceeding, that certain of the advertising statements made by respondent as above set out were false and deceptive, the Commission, as in other cases heretofore presented to it for determination, took into consideration the innuendoes and suggestions contained therein. Thus, in offering said product for correction or cure of designated symptoms or conditions, for which it would be of benefit only in an extremely small percentage of instances, and would not be of benefit in the numerous other instances due to causes other than a deficiency of iron in the diet, respondent suggested not only that such symptoms or conditions might be due to the cause for which the product was beneficial but also that there was a likelihood that they were in fact due to such cause, a representation which, if made by suggestion and unaccompanied by an appropriate disclosure of the likelihood of other causes of the symptoms or conditions, is as false and deceptive as one made categorically, and is therefore subject to the exercise of the Commission's corrective action in the same manner and to the same extent as though made by affirmative statement.

Mr. Morton Nesmith for the Commission.

Barksdale, Abbott & Thies, of St. Louis, Mo., and *Mr. Max Siskind*, of Washington, D. C., for respondent.

Complaint

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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 Nicholas Sage, trading as Geo-Mineral Co., hereinafter referred to as respondent, has violated the provisions of said act, and it appearing to the Commission that a proceeding by it would be in the public interest, hereby issues its complaint, stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Nicholas Sage is an individual trading and doing business as Geo-Mineral Co. with his office and principal place of business located at 276 Arcade Building, St. Louis, Mo.

PAR. 2. Said respondent is now and has been for several years last past engaged in the business of selling and distributing a preparation containing drugs as "drug" is defined in the Federal Trade Commission Act. The designation used by the respondent for his preparation and the formula and directions for its use, are as follows:

Designation: Geo-Mineral.

Formula: An aqueous solution containing:

Ferric sulfate.....	4.22 g. per 100 cc.
Ferrous sulfate.....	0.04 g. per 100 cc.
Aluminum sulfate.....	0.93 g. per 100 cc.
Calcium sulfate.....	0.19 g. per 100 cc.
Magnesium sulfate.....	0.33 g. per 100 cc.
Phosphoric acid.....	0.020 g. per 100 cc.
Manganese.....	0.0065 g. per 100 cc.
Copper.....	less than 0.001 g. per 100 cc.

Directions for use:

IMPORTANT: NEVER TAKE GEO-MINERAL UNDILUTED. Take one teaspoonful twice daily, in a full glass of water, or fruit juice if preferred. Take Geo-Mineral after meals.

The respondent causes said drug preparation when sold to be shipped from his place of business in the State of Missouri and from his suppliers from their places of business in the States of Georgia and Missouri to dealers and individuals located in various other States of the United States and in the District of Columbia. Said dealers in turn sell such drug preparation to the general public. Respondent maintains and at all times mentioned herein has maintained a course of trade in said preparation in commerce between and among the various States of the United States and in the District of Columbia. His volume of business in said drug preparation in such commerce is substantial.

PAR. 3. In the course and conduct of his business respondent since March 21, 1938, has disseminated and caused the dissemination of certain advertisements concerning said preparation by the United States mails and by various means in commerce as "commerce" is defined in the Federal Trade Commission Act, including but not limited to advertisements inserted in Aurora Beacon News, Aurora, Ill., various issues between June 1, 1948, and February 1949; Elgin Courier-News, Elgin, Ill., various issues between June 1, 1948, and February 1949; Herald-News, Joliet, Ill., various issues between June 1, 1948, to February 1949; Daily News Tribune, La Salle, Ill., issues of February 2, 9, and 23, 1949; News Gazette, Champaign, Ill., issues of January 5 and 26, February 2, 9, 16, and 23, 1949; the Nashville Banner, Nashville, Tenn., issue of April 28, 1948; Montgomery Advertiser, Montgomery, Ala., issues of April 8 and 30, 1948; Miami Herald, Miami, Fla., issue of August 12, 1948, and Richmond Times-Dispatch, Richmond, Va., issue of December 11, 1947, and on various other dates in the years of 1947, 1948, and 1949; and respondent has disseminated, and caused the dissemination of advertisements concerning his said preparation, by various means, including but not limited to the advertisements referred to above, for the purposes of inducing and which were likely to induce, directly or indirectly, the purchase of the said preparation in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. Among the statements and representations contained in said advertisements disseminated as aforesaid, are the following:

[Statements and representations set out here at length in the complaint are published in the findings at p. 928, and are omitted here in the interest of brevity.]

PAR. 5. Through the use of the statements in the advertisements hereinabove set forth¹ and others of the same import, not specifically set out herein, respondent represented that his preparation Geo-Mineral, taken as directed, is a competent and effective treatment for and will cure stomach ailments, kidney ailments, bloating, constipation, bowel adhesions, rheumatism, arthritis, neutritis, headaches, nervousness, and dizzy spells; will restore vitality, energy, and weakened sexual powers; will improve the appetite and increase the weight of the user; that its use will relieve the pains of rheumatism and arthritis; that said preparation does not contain drugs and restores health without the use of drugs; that it contains the same minerals in therapeutic amounts as are found in the mineral waters of the best

¹ Set out in full in the findings, as above set forth, and omitted here in the interest of brevity.

mineral springs and that the use of the preparation will produce the benefits ordinarily ascribed to the use of such mineral waters; that its use will enrich the blood and build rich, red blood; that said preparation keeps the colon free from waste matter, and that the black stools and evidences of impurities in the urine demonstrate these results; that 65 percent of all persons over 35 years of age suffer from nutritional mineral-iron anemia; that when a person is nervous, dull, tired, lazy, has headaches and dizzy spells, lacks ambition to work or plan, has a poor appetite, when eyes lack sparkle and the mind brilliance or when other similar conditions exist, such conditions indicate lack of minerals in the blood and that the use of the said preparation, as directed, will correct them and that its use will restore health to all persons who may suffer ill health.

PAR. 6. The aforesaid advertisements² are misleading in material respects and are "false advertisements" as that term is defined in the Federal Trade Commission Act. In truth and in fact, respondent's preparation Geo-Mineral has no value in the treatment of stomach ailments, kidney ailments, bloating, constipation, bowel adhesions, neuritis, rheumatism, and arthritis and the pains thereof; and, except to the extent hereinafter set forth, has no value in the treatment of headaches, nervousness and dizzy spells, lack of vitality, energy, ambition, sparkle in the eyes and brilliance of the mind, poor appetite, underweight, weakened sexual powers and similar conditions, in building rich, red blood and in restoring or benefitting the health of the user. Practically all of the ingredients contained in said preparation are drugs and any results obtained through its use are by reason of a drug contained therein. It does not contain the same minerals as exist in water from the best mineral springs and the benefits obtained through its use are not comparable to those following the use of such waters. Said preparation will not keep the colon free from waste matter. Black stools and evidences of impurities in the urine are not indicative of any such result. Any black color of the stools following the taking of the preparation is due to the chemical reaction of the iron compound in the preparation with sulfur compounds in the fecal matter and has no therapeutic significance. The use of the preparation will not cause impurities to appear in the urine. There are no reliable medical statistics showing that 65 percent or any other percent of persons over 35 suffer from nutritional mineral-iron anemia.

PAR. 7. There are a considerable number of disease conditions embraced under the generic term "anemia"; some of these anemias result

² See footnote on p. 923.

from a deficiency of iron in the body, while the remainder result from a variety of other causes. Only that type of anemia involving a deficiency of iron in the body which has resulted from an inadequate intake of iron in the diet may be benefited by Geo-Mineral taken as directed; the preparation is not of value in the treatment of iron deficiency anemia resulting from an inadequate absorption of iron by the intestine or an increased loss of iron as in chronic bleeding; the preparation would also be without value in the treatment of pernicious anemia and other marocytic anemias, or the anemias caused by derangements of the blood-forming organs of the body or conditions resulting in increased destruction of red blood cells; it is also without value in the treatment of anemia secondary to severe or chronic diseases such as cancer, kidney disease, infections, etc. Of the cases of anemia encountered in medical practice, only a very small percentage is caused by an inadequate intake of iron in the diet, and it is only in this very small percentage of cases that Geo-Mineral may have any therapeutic value; also, it is only in this very small percentage of cases of anemia that the preparation would be effective in enriching the blood or in tending to produce rich, red blood.

Such symptoms or conditions as headaches, nervousness and dizzy spells, lack of vitality, energy, ambition, sparkle in the eyes and brilliance of the mind, poor appetite, underweight, weakened sexual powers and similar conditions may be due to anemia resulting from an inadequate intake of iron in the diet; these symptoms may also be due to any of the numerous other types of anemia and they may also be due to a wide variety of disease conditions which are in no wise related to anemia. In only an extremely small percentage of persons having the aforementioned symptoms are the symptoms the result of anemia due to a simple deficiency of iron in the diet, and it is only in this extremely small percentage of cases that Geo-Mineral will have any therapeutic value in the correction or relief of the aforementioned symptoms.

PAR. 8. The use by the respondent of the aforesaid statements and representations disseminated as aforesaid, has had and now has the tendency and capacity to mislead and deceive a substantial portion of the purchasing public into the erroneous and mistaken belief that all of such statements are true and to induce a substantial portion of the purchasing public, because of such erroneous and mistaken belief, to purchase respondent's said preparation.

PAR. 9. The aforesaid acts and practices of the respondent, as herein alleged, are all to the prejudice and injury of the public and consti-

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tute 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 20, 1949, issued and subsequently served its complaint in this proceeding upon the respondent, Nicholas Sage, trading as Geo-Mineral Co., charging him with the use of unfair and deceptive acts and practices in commerce in violation of the provisions of said act. Thereafter, counsel supporting the complaint moved that the complaint herein be amended in certain respects, counsel for respondent interposed answer in opposition to the granting of such motion, and counsel supported the complaint and counsel for respondent subsequently joined in a request to the Commission that the motion to amend be withdrawn, which request has been granted by the Commission. Respondent, on December 2, 1949, filed answer to the complaint in which answer respondent admits all the material allegations of fact set forth in the complaint and waives all intervening procedure and further hearings as to the facts. Thereafter, this proceeding regularly came on for final hearing before the Commission upon the complaint and the answer thereto; 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 Nicholas Sage is an individual formerly trading and doing business as Geo-Mineral Co. with his office and principal place of business located at 276 Arcade Building, St. Louis, Mo.

PAR. 2. Said respondent is now and has been for several years last past engaged in the business of selling and distributing a preparation, designated as "Geo-Mineral," containing drugs as "drug" is defined in the Federal Trade Commission Act. The formula for respondent's preparation and directions for its use, are as follows:

Formula: An aqueous solution containing:

Ferric sulfate.....	4.22 g. per 100 cc.
Ferrous sulfate.....	0.04 g. per 100 cc.
Aluminum sulfate.....	0.93 g. per 100 cc.
Calcium sulfate.....	0.19 g. per 100 cc.
Magnesium sulfate.....	0.33 g. per 100 cc.

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Phosphoric acid-----	0.020 g. per 100 cc.
Manganese -----	0.0065 g. per 100 cc.
Copper-----	less than-- 0.001 g. per 100 cc.

Directions for use:

IMPORTANT: NEVER TAKE GEO-MINERAL UNDILUTED. Take one teaspoonful twice daily, in a full glass of water, or fruit juice if preferred. Take Geo-Mineral after meals.

The respondent causes said drug preparation when sold to be shipped from his place of business in the State of Missouri and from his suppliers from their places of business in the States of Georgia and Missouri to dealers and individuals located in various other States of the United States and in the District of Columbia. Said dealers in turn sell such drug preparation to the general public. Respondent maintains and at all times mentioned herein has maintained a course of trade in said preparation in commerce between and among the various States of the United States and in the District of Columbia. His volume of business in said drug preparation in such commerce is substantial.

PAR. 3. In the course and conduct of his business respondent, since March 21, 1938, has disseminated and caused the dissemination of certain advertisements concerning said preparation by the United States mails and by various means in commerce as "commerce" is defined in the Federal Trade Commission Act, including but not limited to advertisements inserted in various issues of the Aurora Beacon News, Aurora, Ill., appearing between June 1, 1948, and February 1949; Elgin Courier-News, Elgin, Ill., various issues between June 1, 1948, and February 1949; Herald-News, Joliet, Ill., various issues between June 1, 1948, to February 1949; Daily News Tribune, La Salle, Ill., issues of February 2, 9, and 23, 1949; News Gazette, Champaign, Ill., issues of January 5 and 26, February 2, 9, 16, and 23, 1949; the Nashville Banner, Nashville, Tenn., issue of April 28, 1948; Montgomery Advertiser, Montgomery, Ala., issues of April 8 and 30, 1948; Miami Herald, Miami, Fla., issue of August 12, 1948, and Richmond Times-Dispatch, Richmond, Va., issue of December 11, 1947, and on various other dates in the years of 1947, 1948, and 1949; and respondent has disseminated, and caused the dissemination of advertisements concerning his said preparation, by various means, including but not limited to the advertisements referred to above, for the purpose of inducing and which were likely to induce, directly or indirectly, the purchase of the said preparation in commerce, as "commerce" is defined in the Federal Trade Commission Act.

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PAR. 4. Among the statements and representations contained in said advertisements disseminated as aforesaid, are the following:

YOU CAN ENJOY
GOOD HEALTH

STOMACH AILMENTS, WEAK KIDNEYS, RHEUMATIC PAINS, ARTHRITIS, NEURITIS, and such complaints as Headaches, Nervousness, Acids, Toxins, Bloating, Lack of Vitality, Energy, Poor Appetite, Underweight, Dizzy Spells.

Drugless Health!

NO MATTER how long you have been suffering from stomach, kidney, and rheumatic distress, and what drugs you have tried before, you can, now, hope for relief if you take GEO-MINERAL. With your eyes SEE the results 7 days after you start taking it.

DRUGGISTS, Chemists cannot make GEO-MINERAL. It comes from the earth—Nature's laboratory. Contains NO dope, NO alcohol, NO oil. ONLY Nature's minerals—the oldest, most reliable remedy for rheumatism, arthritis, kidney, and stomach ailments.

Wonder Minerals

FOR THOUSANDS of years sufferers, on advice of doctors, go to mineral springs to get cure, or relief. The late President Roosevelt used to go to Mineral Springs in Georgia. He was helped or would not have gone there twice a year.

WE HAVE all heard of the miraculous springs of Lourdes, France, and famous Thronion in ancient Grece, where, according to legend, Hercules, the god of eternal strength and youth, drank its waters and bathed to be forever young.

IF YOU ARE a sufferer, and cannot go to the mineral springs, try GEO-MINERAL which contains a blend of the same minerals that can be found at the world's best springs. The minerals in it may work miracles.

Amazing Results

WATCH your elimination from your bowels two or three days after you start using GEO-MINERAL. The waste, black as coal, will break away and you will SEE it! Also examine your urine. You may see impurities—poisonous waste—coming out of your kidneys, and feel the relief. Be sure to watch for all this to realize its priceless value.

MEDICAL records show 65% of men and women over 35 suffer from nutritional mineral-iron anemia. When you feel nervous, dull, tired, lazy, have dizzy spells, no ambition to work or play, a poor appetite; when your eyes lack that bright spark and your mind brilliance; when headaches get the best of you, and you feel old before your time, and life seems not worth living, with worry wearing you down—it may be simply lack of minerals in your blood. GEO-MINERAL is then what you need.

100% Guaranteed!

WE URGE everyone to try GEO-MINERAL. Do not hesitate one moment. Go to your drug store now. Get one bottle. Use it one week. If you are not 100 percent satisfied, we will refund your money.

REGARDLESS of how long you have been suffering, and how many medicines you have tried before, GEO-MINERAL may be the remedy you need!

TRY it today; It may do wonders for you—and be the best investment for your health. Make you feel, eat, sleep, work, and enjoy life better. GEO-MINERAL: 1 bottle \$1.10, p for \$6.00.

* * * when the sexual powers weaken and life seems not worth living
* * * GEO-MINERALS is then what you need.

GOOD NEWS FOR SICK PEOPLE

STOMACH AILMENTS, WEAK KIDNEYS, RHEUMATIC PAINS, ARTHRITIS, NEURITIS, and such complaints as Headaches, Nervousness, Acids, Toxins, Bloating, Lack of Vitality, Energy, Poor Appetite, Underweight, Dizzy Spells.

Drugless Health

IF YOU ARE a sufferer of these ailments, try GEO-MINERAL. You may be astonished at the results. You need not guess—you will see facts. GEO-MINERAL comes from the earth—Nature's Laboratory. Contains NO dope, NO alcohol, NO oil. ONLY Nature's minerals, the oldest, most reliable remedy for rheumatism, arthritis, kidney, and stomach ailments.

GEO-MINERALS will enrich your blood, help to make you strong, full of pep, life and energy. Lack of minerals in the blood causes anemia, headaches, nervousness. Minerals generate mental brilliancy, give sparkling eyes, red cheeks, fight disease, build up health.

RHEUMATISM, arthritis are dreadful diseases. Acid condition in the blood is often their cause. What could be the remedy? For thousands of years, minerals have been used to relieve the pain and suffering of these ills. People, on the advice of doctors, go to mineral springs to find cure or relief. The late President Roosevelt used to go to Warm Springs in Georgia. He was helped or he would not have gone there regularly twice a year.

Amazing Results

YEAR after year, people rush to mineral springs and spas, to drink and bathe in their miraculous water. We have all heard of the wondrous springs of Lourdes, France, and famous Thronion in ancient Greece where, according to legend, Hercules, the god of eternal strength and youth, drank its waters and bathed to be forever young.

GEO-MINERAL contains minerals you get at the world's best springs. Watch your elimination from your bowels a day or two after using it. The waste, black as the color of your shoes, will start to break away, and you will SEE it. Also examine your urine. You may see impurities—poisonous waste—coming out of your kidneys, relieving you. And then realize the priceless value of GEO-MINERAL.

WE URGE everyone to try GEO-MINERAL. Do not hesitate one moment. Get one bottle. Use it one week. If you are not 100 percent satisfied we will refund your money in full. Try it today! It may do wonders for you—and be the best investment for your health. Make you feel, eat, sleep, work, and enjoy life better.

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SICK!

STOMACH AILMENTS, WEAK KIDNEYS,
RHEUMATIC PAINS, ARTHRITIS,
NEURITIS, and such complaints as
Headaches, Nervousness, Acids,
Toxins, Bloating, Lack of Vitality,
Energy, Poor Appetite, Underweight,
Dizzy Spells.

Drugless Health

* * * * *

Rich Red Blood

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Wonder Minerals

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Amazing Results

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100% Guaranteed!

NEWS

STOMACH AILMENTS, WEAK KIDNEYS,
RHEUMATIC PAINS, ARTHRITIS, NEURITIS

Drugless Health!

* * * * *

Amazing Results

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Wonder Minerals

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Read What They Say!

* * * * *

100% Guaranteed

HEALTH NEWS

Constipation is the cause of this atonic abnormal colon. Keep colon free from poisonous waste matter.

Spastic constipation—This condition is often caused by over use of harsh cathartics, physics.

Bowel Adhesions—Proper diet, keeping colon clean, always helps to avoid the condition of this colon.

PAR. 5. Through the use of the statements in the advertisements hereinabove set forth and others of the same import, not specifically set out herein, respondent represented that his preparation Geo-Mineral, taken as directed, is a competent and effective treatment for and will cure stomach ailments, kidney ailments, bloating, constipation, bowel adhesions, rheumatism, arthritis, neuritis, headaches, nervousness, and dizzy spells; will restore vitality, energy, and weakened sexual powers; will improve the appetite and increase the weight of the user; that its use will relieve the pains of rheumatism and arthritis; that said preparation does not contain drugs and restores health without the use of drugs; that it contains the same minerals in therapeutic amounts as

are found in the mineral waters of the best mineral springs and that the use of the preparation will produce the benefits ordinarily ascribed to the use of such mineral waters; that its use will enrich the blood and build rich, red blood; that said preparation keeps the colon free from waste matter, and that the black stools and evidences of impurities in the urine demonstrate these results; that 65 percent of all persons over 35 years of age suffer from nutritional mineral-iron anemia; that when a person is nervous, dull, tired, lazy, has headaches and dizzy spells, lacks ambition to work or play, has a poor appetite, when eyes lack sparkle and the mind brilliance or when other similar conditions exist, such conditions indicate a lack of minerals in the blood and that the use of the said preparation, as directed, will correct them and that its use will restore health to all persons who may suffer ill health.

PAR. 6. The aforesaid advertisements are misleading in material respects and are "false advertisements" as that term is defined in the Federal Trade Commission Act. In truth and in fact, respondent's preparation Geo-Mineral has no value in the treatment of stomach ailments, kidney ailments, bloating, constipation, bowel adhesions, neuritis, rheumatism and arthritis, and the pains thereof; and, except to the extent hereinafter set forth, has no value in the treatment of headaches, nervousness and dizzy spells, lack of vitality, energy, ambition, sparkle in the eyes and brilliance of the mind, poor appetite, underweight, weakened sexual powers and similar conditions, in building rich, red blood and in restoring or benefiting the health of the user. Practically all of the ingredients contained in said preparation are drugs and any results obtained through its use are by reason of a drug contained therein. It does not contain the same minerals as exist in water from the best mineral springs and the benefits obtained through its use are not comparable to those following the use of such waters. Said preparation will not keep the colon free from waste matter. Black stools and evidence of impurities in the urine are not indicative of any such result. Any black color of the stools following the taking of the preparation is due to the chemical reaction of the iron compounds in the preparation with sulfur compounds in the fecal matter and has no therapeutic significance. The use of the preparation will not cause impurities to appear in the urine. There are no reliable medical statistics showing that 65 percent or any other percent of persons over 35 suffer from nutritional mineral-iron anemia.

PAR. 7. There are a considerable number of disease conditions embraced under the generic term "anemia"; some of these anemias

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result from a deficiency of iron in the body, while the remainder result from a variety of other causes. Only that type of anemia involving a deficiency of iron in the body which has resulted from an inadequate intake of iron in the diet may be benefited by Geo-Mineral taken as directed; the preparation is not of value in the treatment of iron deficiency anemia resulting from an inadequate absorption of iron by the intestine or an increased loss of iron as in chronic bleeding; the preparation would also be without value in the treatment of pernicious anemia and other macrocytic anemias, or the anemias caused by derangements of the blood-forming organs of the body or conditions resulting in increased destruction of red blood cells; it is also without value in the treatment of anemia secondary to severe or chronic diseases such as cancer, kidney disease, infections, etc. Of the cases of anemia encountered in medical practice, only a very small percentage is caused by an inadequate intake of iron in the diet, and it is only in this very small percentage of cases that Geo-Mineral may have any therapeutic value; also, it is only in this very small percentage of cases of anemia that the preparation would be effective in enriching the blood or in tending to produce rich, red blood.

Such symptoms or conditions as headaches, nervousness and dizzy spells, lack of vitality, energy, ambition, sparkle in the eyes and brilliance of the mind, poor appetite, underweight, weakened sexual powers and similar conditions may be due to anemia resulting from an inadequate intake of iron in the diet; these symptoms may also be due to any of the numerous other types of anemia and they may also be due to a wide variety of disease conditions which are in no wise related to anemia. In only an extremely small percentage of persons having the aforementioned symptoms are the symptoms the result of anemia due to a simple deficiency of iron in the diet, and it is only in this extremely small percentage of cases that Geo-Mineral will have any therapeutic value in the correction or relief of the aforementioned symptoms.

PAR. 8. The use by the respondent of the aforesaid statements and representations disseminated as aforesaid, has had and now has the tendency and capacity to mislead and deceive a substantial portion of the purchasing public into the erroneous and mistaken belief that all of such statements are true and to induce a substantial portion of the purchasing public, because of such erroneous and mistaken belief, to purchase respondent's said preparation.

CONCLUSION

The aforesaid acts and practices of the respondent, as herein found, are all to the prejudice and injury of the public and constitute unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

In concluding that certain of the advertising statements disseminated by respondent are false and deceptive, the Commission here, as in other cases heretofore presented to it for determination, has taken into consideration the innuendoes and suggestions contained in the advertising.

In such advertisements, the product is offered for the correction or cure of designated symptoms or conditions. It will be of benefit, however, only in that extremely small percentage of instances where the symptoms stem from anemia due to a deficiency of iron in the diet. Obviously, the causes of such symptoms or conditions are so numerous that their mere existence creates no reasonable likelihood that they will be benefited by respondent's preparation. In representing the product as an effective treatment for the symptoms enumerated, respondent suggests not only that they may be due to the cause for which the product is beneficial, but also that there is a likelihood that they are in fact due to such cause. If such a representation be made in a categorical statement and if in the majority of cases the symptoms or conditions are due to causes in the treatment of which the product advertised will have no benefit whatsoever, the representation is false and clearly deceptive. A representation to the same effect made under the same circumstances except by suggestion instead of categorically and unaccompanied, as in the present case, by an appropriate disclosure of the likelihood of other causes of the symptoms or the conditions, is equally false and by reason of such falsity is subject to the exercises of the Commission's corrective action in the same manner and to the same extent as though the representation were made by affirmative statement.

ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission and answer by respondent admitting all the material allegations of fact set forth in the complaint and waiving further intervening procedure and hearings as to the said facts, and the Commission having made its findings

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as to the facts and its conclusion that respondent has violated the provisions of the Federal Trade Commission Act:

It is ordered, That Nicholas Sage, individually and trading under the name of Geo-Mineral Co., or any other name, and his agents, representatives, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale, or distribution of the preparation designated "Geo-Mineral," or any other preparation of substantially similar composition or possessing substantially similar properties, whether sold under the same name or any other name, do forthwith cease and desist from:

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) That said preparation, when used as directed, is a competent or effective treatment for, or will cure, stomach or kidney ailments, bloating, constipation, bowel adhesions, rheumatism, arthritis, neuritis, or will relieve the pains of rheumatism or arthritis, or that it has any value in the treatment of such conditions.

(b) That said preparation is a competent or effective treatment for, or will cure, headaches, nervousness or dizzy spells, or will restore vitality, energy, or weakened sexual powers, will improve appetite or increase weight, or will enrich or build the blood, or will correct dullness, tiredness, laziness, poor appetite, or a lack of ambition to work or play, or sparkle in the eye, or of mental brilliance, or similar symptoms and conditions, unless such representations be expressly limited to those instances in which the symptoms and conditions to be treated are due solely to iron deficiency resulting from an inadequate intake of iron in the diet, and unless such advertisement discloses that such of the aforesaid symptoms and conditions to which the statements thereof may relate are caused less frequently by anemia due to a simple deficiency of iron in the diet than by other causes and that when such symptoms and conditions are due to other causes this preparation will not be effective in relieving or correcting them.

(c) That said preparation does not contain drugs or influences health without the use of drugs.

(d) That said preparation contains the same minerals in therapeutic amounts as are found in mineral waters of well known mineral springs, or that its use will produce the benefits ordinarily ascribed to the use of such mineral waters.

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(e) That said preparation keeps the colon free from waste matter, or that black stools and apparent impurities in the urine demonstrate the value of respondent's product in eliminating waste.

(f) That any percentage or number of persons are suffering from nutritional mineral-iron anemia unless such statement is based on authoritative and reliable medical statistics.

(g) That said preparation will restore health to all persons who may suffer from ill health.

2. 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 of said product in commerce, as "commerce" is defined in the Federal Trade Commission Act, any advertisement which contains any of the representations prohibited in paragraph 1 hereof.

It is further ordered, That the respondent, Nicholas Sage, 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.

Commissioner Mason concurring except as to the qualifications contained in paragraph 1 (b) hereof.

IN THE MATTER OF
GUSTAVE GOLDSTEIN TRADING AS HUMANIA HAIR
GOODS & SPECIALTY CO.

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

Docket 5249. Complaint, Nov. 21, 1944—Decision, June 16, 1950

Where an individual engaged in the interstate sale of certain cosmetic preparations for the skin, hair, and scalp; in advertising in catalogs distributed throughout the United States by the mails and by other means in commerce—

- (a) Represented that his "B. Paul's Compound" for coloring the hair was composed of harmless ingredients and could be used without harmful effects; notwithstanding the fact that by virtue of its pyrogallic acid content, a caustic, use thereof would under certain conditions irritate the skin and mucous membranes;
- (b) Falsely represented that "Herolin Skin Cream" provided a competent and effective treatment for superficial pimples and skin marks of external origin;
- (c) Represented that "Henry's Super-Light Working Oil," "Working Oil," and "Henry's Sulphur Lanolin Treatment for Hair and Scalp" were competent and effective treatments for itchy scalp and dandruff, and that "Henry's Sulphur Lanolin Treatment" for hair and scalp was a competent and effective treatment for baldness, falling hair, itchy scalp, and dandruff;

The facts being that while said preparations might in most cases temporarily relieve itching of the scalp caused by minor scalp disorders and might make loose dandruff scales less noticeable by matting them to the hair and scalp, none of them was a competent, effective, or adequate treatment for many of the underlying causes of itching scalp or dandruff; use thereof would not relieve itching in some scalp conditions; and use of said last-named preparation would not prevent falling hair or baldness and was not a competent or effective treatment therefor; and

- (d) Falsely represented that "Humania Dandruff Treatment" was a competent and effective treatment for dandruff and would cure it;

With tendency and capacity to mislead and deceive a substantial portion of the purchasing public into the erroneous belief that such representations were true and thereby induce its purchase of substantial quantities of 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.

In said proceeding in which the complaint also charged, and in which the Commission had theretofore found, as set forth in its prior findings issued on April 27, 1945, 40 F. T. C. 466, that respondent's advertisements concerning certain of his preparations constituted false advertisements for failure to reveal certain potential dangers in the use thereof, in that—

1. Said "B. Paul's Compound," when applied to the skin was potentially dangerous by reason of its pyrogallic acid content—as to which it appeared,