

emergence of a successor corporation, the creation or dissolution or subsidiaries or any other change in the corporation which may affect compliance obligations arising out of the order.

It is further ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which they have complied with this order.

IN THE MATTER OF

SUGAR INFORMATION, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT

Docket C-2308. Complaint, Nov. 1, 1972—Decision, Nov. 1, 1972

Consent order requiring two sugar industry trade associations of New York City, among other things to cease making false and unsubstantiated weight reduction claims for refined sugar and misrepresenting its nutritional value in weight-reduction dieting. Respondents are further required to run full-page corrective ads in various publications listed in the order.

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 Sugar Information, Inc., Sugar Association, Inc., and Leo Burnett Company, Inc., corporations, hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondents Sugar Information, Inc., and Sugar Association, Inc., are trade associations organized, existing and doing business as corporations under and by virtue of the laws of the State of New York, with their principal office and place of business located at 254 West 31st Street, New York, New York. Respondents Sugar Information, Inc., and Sugar Association, Inc., were organized and are maintained for the purpose of promoting, fostering and advancing the interests of their members who consist of firms engaged in busi-

nesses relating to the sugar industry, including but not limited to growers, refiners, and processors.

PAR. 2. Respondent Leo Burnett Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at Prudential Plaza, Chicago, Illinois.

PAR. 3. Respondents Sugar Association, Inc., and Sugar Information, Inc., have been and now are engaged in a wide range of activities of mutual interest to their members including but not limited to the dissemination, publishing, and distribution of advertisements and promotional material concerning the uses, purposes, utility, characteristics and effects of sugar, which comes within the classification of "food," as said term is defined in the Federal Trade Commission Act.

PAR. 4. Respondent Leo Burnett Company, Inc., is now, and for some time last past has been, an advertising agency of Sugar Association, Inc., and Sugar Information, Inc., and now and for some time last past, has prepared and placed for publication and has caused the dissemination of advertising material, including but not limited to the advertising referred to herein, to promote the sale of sugar, and products containing sugar, which come within the classification of "food," as said term is defined in the Federal Trade Commission Act.

PAR. 5. In the course and conduct of their said businesses, respondents have disseminated, and caused the dissemination of certain advertisements concerning sugar and products containing sugar 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 magazines and other advertising media, for the purpose of inducing and which were likely to induce, directly or indirectly, the purchase of said products; and have disseminated, and caused the dissemination of, advertisements concerning said products by various means, including but not limited to the aforesaid media, for the purpose of inducing and which were likely to induce, directly or indirectly, the purchase of said products in commerce as "commerce" is defined in the Federal Trade Commission Act.

PAR. 6. Typical of the statements and representations in said advertisements, disseminated as aforesaid, but not all inclusive thereof, are the following:

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Diet device

Snack on some candy about an hour before lunch.

Sugar's quick energy can be the willpower you need to eat less.

Surprise! Sugar isn't a bad guy.
The sugar in a soft drink or ice
cream cone slowly before bedtime
turns into energy fast.
And that energy could be just
the energy you need to stay fit.

to those extra helpings of medicine.
That's why Sugar is a good guy.
Surprise!
Sugar is only 18 calories per
teaspoon, and it's all energy.

Sugar Information
General Post Office Box 66, New York, N.Y. 10108

494-841-73-46

The "fat time of day:"
you're really hungry and ready
to eat two of everything.
Here's how sugar can help.

*"If sugar can fill
that hollow feeling,
I'm all for it."*



The "fat time of day" is when you're over-hungry
and want to overeat.

That's when your appestat* is turned up high.
To turn your appestat back to low, take a little sugar in
a soft drink, or a candy bar, shortly before mealtime.

Sugar turns into energy faster than any other food.

Sugar helps keep your appetite down, your energy up
—and—helps slip you safely past the "fat time of day."

*Sugar...only 18 calories per teaspoon,
and it's all energy.*

*A natural center in the hypothalamus
controls the appetite. —
Webster's Third New International Dictionary

Stress enough into
hand, new coupe model
Dodge by the clock,
see the new
part time. Send for
partly in handline

Sugar Information

P. O. Box 1000, Grand Central Station, New York, New York 10017

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Diet hint:



Have a soft drink before your main meal.

Sugar just might be the willpower you need to curb your appetite.

It's hard to resist today's soft drinks. But your appetite is still in control. Sugar makes them taste so good, your appetite does the heavy lifting.

Then, when mealtime comes, you're less apt to overeat. Willpower never tasted so good. Sugar... only 18 calories per teaspoon, and it's all energy.

Sugar Information
General Post Office Box 64, New York, N.Y. 10101

The "fat time of day:"
it's when your appetite is
telling you to overeat.
Read how sugar can help.

"You mean sugar can help me
stay in a fit state?"



You're hungry as a bear—and your appetite
is turned up high.

Sugar helps tame your appetite by turning down your appetat.
The sugar in a soft drink or a candy bar
(shortly before mealtime) turns into energy almost immediately.

Your "fat time of day" is now your sweet time of day,
because when you do eat, you're less apt to overeat.
Sugar... only 18 calories per teaspoon.
and it's all energy.

Sugar Information

For a good reason is the fact that sugar
is essential to regular appetite.
Warner's Third Step International Distributors

The "fat time of day:" that's when eating becomes over-eating. Read how sugar can keep it from happening.

"Right now, I need all the help I can get."



The "fat time of day" is at mealttime. When you're really hungry and likely to overeat. That's the time your appestat* is turned up. The trick is to turn down your appestat shortly before mealtime. A little sugar, in a soft drink, or a candy bar can be a big help. Sugar turns into energy faster than any other food. Sugar helps your appetite stay down while your energy stays up. And you're safely past the "fat time of day." Sugar... only 18 calories per teaspoon and it's all energy.

*A neural center in the hypothalamus believed to regulate appetite.
Webster's Third New International Dictionary

Sugar Information
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The "fat time of day:
you're starving and want
to stuff yourself. Read how
sugar comes to the rescue.



When that hollow feeling hits, it means your appetat*
is turned way up.

Sugar turns it down faster than anything.

In fact, sugar in a soft drink or a dish of ice cream shortly
before mealtime turns into energy almost immediately.

With sugar, your appetite (and appetat) stay down...
your energy (and morale) stay up.

With sugar, the "fat time of day" is past and you win.
Victory is sweet.

Sugar... only 18 calories per teaspoon,
and it's all energy.

*A sweet center in the hypothalamus
helps to regulate appetite...
Walker's Third New International Dictionary

Sugar Information

P. O. Box 1000, Grand Central Station, New York, New York 10010

Diet dodges



...the sugar craving subsides shortly before lunch.

**Sugar can be the
willpower you
need to under eat.**

There's a good chance you'll have the
willpower to under eat at mealtimes
if you're low on sugar. Sugar is the
fuel that keeps your metabolism
running. When you're low on sugar,
your metabolism slows down and you
lose the willpower to eat.

Sugar Information
General Post Office Box 99, New York, N.Y. 10001

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PAR. 7. Through the use of said advertisements and others similar thereto not specifically set out herein, disseminated as aforesaid, respondents have represented and are now representing, directly and by implication, that:

A. There is a reasonable basis from which to conclude that the consumption of sugar, and foods containing sugar, such as soft drinks, ice cream cones, or candy bars, before meals contributes significantly and reliably to the reduction of human weight and to the maintenance of reduced human weight.

B. Consumption of sugar and foods containing sugar, such as soft drinks, ice cream cones, or candy bars, before meals will result in reduced daily caloric intake.

C. Sugar is a uniquely suitable source of energy for persons attempting to lose weight or to prevent weight gain, because it provides more energy per calorie than other foods.

PAR. 8. In truth and in fact:

A. Respondents had no reasonable basis from which to conclude that the consumption of sugar, and foods containing sugar, such as soft drinks, ice cream cones, or candy bars, before meals contributes significantly and reliably to the reduction of human weight and to the maintenance of reduced human weight.

B. Consumption of sugar and foods containing sugar such as soft drinks, ice cream cones, or candy bars, before meals may result in increased daily caloric intake.

C. Sugar is not a uniquely suitable source of energy, in terms of the quantity of energy provided per calorie, for persons attempting to lose weight or to prevent weight gain. All foods contain the same amount of energy per calorie, since calories are a measurement of the energy value of food.

Therefore, the advertisements referred to in Paragraph Six were and are misleading in material respects and constituted, and now constitute, "false advertisements" as that term is defined in the Federal Trade Commission Act, and the statements and representations set forth in Paragraphs Six and Seven were, and are, false, misleading and deceptive.

PAR. 9. Respondents have represented, through the use of the aforesaid advertisements and otherwise, directly and by implication, that consumption of sugar and foods containing sugar before meals is an effective means of reducing human weight and maintaining reduced human weight. There existed at the time of said representations no reasonable basis to support said representations pertaining to the health and dietary qualities of said food products.

Therefore, the aforesaid acts and practices were, and are, false, misleading, deceptive and unfair.

PAR. 10. In the course and conduct of its aforesaid business, and at all times mentioned herein, respondents Sugar Association, Inc., and Sugar Information, Inc., as agents or representatives of its membership constituency, have been, and now are, in substantial competition, in commerce, with corporations, firms and individuals representing or engaged in the food industry.

PAR. 11. In the course and conduct of its aforesaid business, and at all times mentioned herein, respondent Leo Burnett Company, Inc., has been, and now is, in substantial competition in commerce with other advertising agencies.

PAR. 12. The use by respondents of the aforesaid false, misleading and deceptive statements, representations and practices and the dissemination of the aforesaid "false advertisements" has had, and now has, the capacity and tendency to mislead members of the consuming public into the erroneous and mistaken belief that said statements and representations were and are true and into the purchase of substantial quantities of sugar and products containing sugar.

PAR. 13. The aforesaid acts and practices of respondents including the dissemination of "false advertisements," as herein alleged, were and are all to the prejudice and injury of the public and of respondents' competitors and constituted, and now constitute, unfair and deceptive acts and practices in commerce and unfair methods of competition in commerce in violation of Sections 5 and 12 of the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereto with violation of the Federal Trade Commission Act, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Act, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days, and having duly considered the comments filed thereafter pursuant to Section 2.34(b) of its rules, respondents then having submitted an agreement modified in light of said comments, now in further conformity with the procedure prescribed in Section 2.34(b) of its rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondents Sugar Information, Inc., and Sugar Association, Inc., are each corporations organized, existing and doing business under and by virtue of the laws of the State of New York, with their offices and principal places of business located at 254 West 31st Street, in the city of New York, State of New York.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

I. *It is ordered*, That respondents Sugar Information, Inc., and Sugar Association, Inc., corporations, and their officers, agents, representatives and employees, only as officers, agents, representatives and employees of Sugar Information, Inc., and Sugar Association, Inc., directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of refined sugar and products containing refined sugar forthwith cease and desist from:

1. Disseminating, or causing the dissemination of, 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, that:

(a) Refined sugar makes any contribution to weight reduction or to the prevention of weight gain, unless there exists a reasonable basis from which respondents could draw such a conclusion.

(b) Refined sugar supplies food energy uniquely suitable for persons attempting to lose weight or prevent weight gain.

(c) For purposes of weight reduction or the prevention of weight gain, food energy supplied by refined sugar acts other than as a body fuel.

2. Disseminating, or causing the dissemination of, any advertisement concerning dieting undertaken for the purposes of weight reduction or the prevention of weight gain by means of the United States mails or by any means in commerce as "commerce" is defined in the Federal Trade Commission Act, which misrepresents in any manner the nutritional value of refined sugar.

It is provided, however, That nothing contained in this order shall be construed as prohibiting accurate representations of refined sugar's role in and contribution to a balanced diet undertaken for the purpose of weight reduction or for the prevention of weight gain, where supported by competent scientific or medical authority, or as prohibiting accurate representation of any non-nutritional characteristic of refined sugar.

A statement as to the qualities or attributes of refined sugar can amount to an implied uniqueness claim if it is made in a context which conveys an impression of uniqueness for refined sugar. However, statements as to the qualities or attributes of refined sugar covered by this order will not constitute a violation thereof for the sole reason that such statements could also be made with respect to other products.

3. Disseminating, or causing the dissemination of, any advertisement by means of the United States mails or by any means for the purpose of inducing or which is likely to induce, directly or indirectly, the purchase of refined sugar in commerce, as "commerce" is defined in the Federal Trade Commission Act, which contains any of the representations, acts or practices prohibited in subparagraph 1 or the misrepresentation prohibited in subparagraph 2 above.

II. *It is further ordered and agreed,* That respondents Sugar Information, Inc., and Sugar Association, Inc., cause dissemination of a full-page printed message in the following publications and issues thereof:

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|------------------------|---------------|
| 1. McCall's | December 1972 |
| 2. Saturday Review | December 1972 |
| 3. National Geographic | February 1973 |
| 4. Time | February 1973 |
| 5. Vogue | February 1973 |
| 6. Parents | April 1973 |
| 7. Reader's Digest (B) | April 1973 |

The aforesaid message shall contain a clear and conspicuous disclosure as follows:

Do you recall the messages we brought you in the past about sugar? How something with sugar in it before meals could help you curb your appetite?

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We hope you didn't get the idea that our little diet tip was any magic formula for losing weight. Because there are no tricks, or shortcuts, the whole diet subject is very complicated. Research hasn't established that consuming sugar before meals will contribute to weight reduction or even keep you from gaining weight.

It is provided, however, That in the event the effective date of this order occurs after the final date on which an advertisement may be submitted for placement in any of the specified publications and issues thereof, the aforesaid message may be placed in a subsequent issue of the same magazine(s).

It is further ordered, That respondents shall forthwith distribute a copy of this order to each of their operating divisions.

It is further ordered, That respondents notify the Commission at least thirty (30) days prior to any proposed change in the corporate respondents such as dissolution, assignment or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries or any other change in the corporations which may affect compliance obligations arising out of the order.

It is further ordered, That respondents shall, within sixty (60) days after service of this order upon them, each file with the Commission a report, in writing, setting forth in detail the manner and form of their compliance with this order.

IN THE MATTER OF

LEO BURNETT COMPANY, INC.