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Complaint

respondents' agents, representatives and employees, directly or through any corporate, partnership, sole proprietorship, or other device in connection with the sale of citrus fruit or fruit products in commerce, as "commerce" is defined in the Clayton Act, do forthwith cease and desist from:

Paying, granting or allowing, directly or indirectly, to any buyer or to anyone acting for or in behalf of, or who is subject to the direct or indirect control of such buyer, anything of value as a commission, brokerage, or other compensation, or any allowance or discount in lieu thereof, upon or in connection with any sale of citrus fruit or fruit products to such buyer for his own account.

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
RU-EX, INC., ET AL.

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

Docket C-1. Complaint, Oct. 17, 1961—Decision, Oct. 17, 1961

Consent order requiring St. Paul, Minn., distributors of their "Ru-Ex Compound" to cease falsely representing in advertising the therapeutic effect of lemon juice used with the preparation in the treatment of arthritis and related diseases.

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 Ru-Ex, Inc., a corporation and William H. Fraser and Reggie L. Fraser, individually and as officers of said corporation, 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. Respondent Ru-Ex, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Minnesota, with its principal office and place of business located at 2457 University Avenue, St. Paul, Minnesota.

Respondents William H. Fraser and Reggie L. Fraser are officers of the corporate respondent. They formulate, direct and control the

policies, acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. Their address is the same as that of the corporate respondent.

PAR. 2. Respondents are now, and have been for more than one year last past, engaged in the sale and distribution of a preparation containing ingredients which come within the classification of drugs as the term "drug" is defined in the Federal Trade Commission Act.

The designation used by respondents for said preparation, the formula thereof and directions for use are as follows:

Designation: Ru-Ex Compound

Quantitative formula for a can of Ru-Ex Compound:

Cerelose Dextrose, 2.063 oz.

Sodium Salicylate, 1.212 oz.

Sodium Citrate, 0.851 oz.

Citric Acid, 0.117 oz.

Bulyl Parasept, 0.007 oz.

Methyl Salicylate

Thiamin Chloride, Tablets, 26 mgm.

Directions:

1. Squeeze the juice of four fresh juicy lemons, strain them through a strainer or a clean porous cloth into a clean quart milk bottle or mason jar, adding warm water (not boiling) to make a full quart.

2. Pour this mixture into a clean container that will hold more than a quart. (This is for mixing purposes only.) Add the entire contents of the Ru-Ex package and stir the mixture well.

3. Pour the entire mixture back into a quart bottle or jar. Keep covered and in a cool place. To secure the best results take according to directions.

Take three tablespoonfuls in half glass of water after breakfast and three tablespoonfuls in half glass of water after your evening meal.

Stir the medicine each time before using, but do not heat or warm it. Keep jar well covered and in a cool place. This package will make a quantity of medicine that lasts approximately two weeks' time.

PAR. 3. Respondents cause the said preparation when sold, to be transported from their place of business in the State of Minnesota to purchasers thereof located in various other States of the United States. Respondents maintain, and at all times mentioned herein have maintained, a course of trade in said preparation in commerce as "commerce" is defined in the Federal Trade Commission Act. The volume of business in such commerce has been and is substantial.

PAR. 4. In the course and conduct of their said business, respondents have disseminated, and caused the dissemination of, certain advertisements concerning the 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 newspapers, magazines and other advertising media, for the purpose of inducing and which were likely to

induce, directly or indirectly, the purchase of said preparation, and have disseminated and caused the dissemination of, advertisements concerning said preparation 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 preparation in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 5. Among and typical of the statements and representations contained in said advertisements disseminated as hereinabove set forth are the following:

LEMON JUICE RECIPE CHECKS RHEUMATIC AND ARTHRITIS PAINS

If you suffer rheumatic, arthritis or neuritis pain, try this simple inexpensive home recipe that thousands are using. Get a can of RU-EX Compound, a 2 weeks supply, today. Mix it with a quart of water, add the juice of 4 lemons. It's easy! No trouble at all and pleasant. You need only 3 tablespoonfuls 2 times a day. Often within 48 hours—sometimes overnight—splendid results are obtained. If the pains do not quickly leave and if you do not feel better, return the empty can and RU-EX will cost you nothing. You are the sole judge as RU-EX is sold by your druggist on a money back guarantee. Over 7 million cans used. Proof of wonderful results.

PAR. 6. Through the use of said advertisements respondents have represented and are now representing, directly or by implication:

1. That lemon juice used in conjunction with the preparation RU-EX Compound exerts a therapeutic effect on all kinds of arthritis, rheumatism and neuritis or on the symptoms or manifestations of all kinds of arthritis, rheumatism and neuritis.

2. That RU-EX Compound taken as directed will afford quick, complete and permanent relief of the pains and aches of all kinds of arthritis, rheumatism and neuritis.

PAR. 7. The said advertisements 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. In truth and in fact:

1. Lemon juice used alone or in conjunction with RU-EX Compound exerts no therapeutic effect on any kind of arthritis, rheumatism or neuritis or on any of the symptoms or manifestations of any kind of arthritis, rheumatism, neuritis.

2. RU-EX Compound, however, taken will not afford quick, complete or permanent relief of the pains or aches of any kind of arthritis, rheumatism or neuritis, or have any therapeutic effect upon any of the symptoms or manifestations of any such diseases or disorders in excess of affording temporary relief of the minor aches and pains thereof.

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PAR. 8. The dissemination by respondents of the false advertisements, as aforesaid, constituted, and now constitutes, unfair and deceptive acts and practices, in commerce, within the intent and meaning 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 hereof 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, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as set forth in the complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Ru-Ex, Inc., is a corporation organized existing and doing business under and by virtue of the laws of the State of Minnesota, with its principal office and place of business located at 2457 University Avenue, St. Paul, Minnesota.

Respondents William H. Fraser and Reggie L. Fraser are officers of the corporate respondent and their address is the same as that of the corporate respondent.

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

ORDER

It is ordered, That respondents Ru-Ex, Inc., a corporation, and its officers, and William H. Fraser and Reggie L. Fraser, individually and as officers of said corporation, and respondents' 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 "Ru-Ex Compound", or any other medicinal or drug preparation of substantially the same formula, whether sold under this name or any other names, do forthwith cease and desist from:

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

(a) Represents that lemon juice, however used, exerts any therapeutic effect on any kind of arthritis, rheumatism or neuritis or on the symptoms or manifestations thereof.

(b) Represents that any ingredient of, or substance to be used in conjunction with, said preparation exerts any therapeutic effect on any disease or ailment or on the symptoms or manifestations of any disease or ailment, when in fact such ingredient or substance exerts no such therapeutic effect.

(c) Represents that the therapeutic value of such preparation is other than that of temporary relief of the minor aches and pains of arthritis, rheumatism or neuritis.

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

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

FRANK P. BECKER, INC., ET AL.

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

Docket C-2. Complaint, Oct. 17, 1961—Decision, Oct. 17, 1961

Consent order requiring New York City distributors of perfumes and toilet waters, along with other kinds of merchandise, to cease representing falsely in advertising and labeling that their perfumes had been "Nationally advertised since 1940 Vogue, Mademoiselle, Harper's Bazaar"; that excessive amounts were usual retail selling prices; that products labeled with the corresponding initials were the same as those sold under the well-known brand names "Chanel", "Arpege", "Crepe de Chine", "White Shoulders", and "My Sin"; and through use of the picture of the Eiffel Tower, the words "Paris Inspired", "Ellyn Deleith, Inc. . . . Distributor", etc., that its "Blue Flame" perfume was manufactured in France.

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 Frank P. Becker, Inc., a corporation, and Frank P. Becker, individually and as an officer of said corporation, 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. Frank P. Becker, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its principal office and place of business located at 209 West 38th Street, in the City of New York, State of New York.

Respondent Frank P. Becker is an individual and an officer of said corporate respondent. He formulates, directs and controls the acts and practices of the corporate respondent. His address is the same as that of the corporate respondent.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale, sale and distribution of perfumes and toilet waters to distributors and jobbers and to retailers for resale to the public.

In addition respondents act as sales representatives and distributors for manufacturers and dealers in various kinds of merchandise including sporting goods. Respondents also design and prepare packaging, advertising and other kinds of sales promotional material for said firms.

PAR. 3. In the course and conduct of their business, respondents now cause, and for some time last past have caused, their said products, when sold, to be shipped from their place of business in the State of New York to purchasers thereof located in various other states of the United States and in the District of Columbia, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business, and for the purpose of inducing the sale of their said products, respondents have made certain statements in advertising and in labeling with respect to the public acceptance, extent of advertising, price, origin, quality and other characteristics of said products. Typical and illustrative of the foregoing are the following:

On an advertising flyer or circular which features a picture of the Eiffel Tower appear the words: "Paris Inspired Ellyn Deleith Golden Ensemble Magnificent BLUE FLAME fragrance inspired in France . . . Complete 4 pc. set \$25.00 . . . ED Ellyn Deleith, Inc. Eau de toilette Distributor New York . . . Nationally advertised since 1940 Vogue, Mademoiselle, Harper's Bazaar . . . ED Ellyn Deleith Parfum".

Substantially similar advertisements are disseminated for respondents' one ounce package of Blue Flame perfume and respondents' Blue Flame perfume atomizer except that the price amounts are stated to be \$16.50. Said perfumes also carry pre-ticketed price amounts of \$16.50.

Certain of respondents' advertising literature for its "Spray Mist" perfume carries the statements "Paris Inspired 'Ellyn Deleith' Crystalier 'Spray Mist' perfume! . . . Five most popular fragrances: 'A' 'C' 'CC' 'MS' 'WS'".

The packages containing said "Spray Mist" perfume in addition to the said pre-ticketed price amount of \$16.50 (in some instances \$10.00) have imprinted thereon one of the aforesaid letters or groups of letters.

PAR. 5. Through the use of the aforesaid statements, and others of similar import but not specifically set forth herein, respondents have represented, directly or indirectly:

1. That said products have been frequently and continuously advertised from 1940 to the present time in Vogue, Mademoiselle and Bazaar magazines.

2. That the aforesaid price amounts are the usual and customary retail selling prices of said products in the trade areas in which they are offered for sale.

3. That said products labeled with the initial "C", "A", "CC", "WS" and "MS" are the same as the perfumes sold under the brand names of "Chanel" by Chanel, Inc., New York, N.Y., "Arpege" by Lanvin Parfums, Inc., New York, N.Y., "Crepe de Chine" by Millot, Inc., New York, N.Y., "White Shoulders" by Parfums Evyan, Inc., New York, N.Y. and "My Sin" by Lanvin Parfums, Inc., New York, N.Y. respectively.

4. Through the use of the picture of the Eiffel Tower, the words "Paris Inspired" and "inspired in France", particularly in the context of advertisements containing fictitiously high price amounts, representations of being nationally advertised, representations that Ellyn Deleith is the distributor and other representations contained in the above quoted advertisements of respondents' Blue Flame perfume, that said perfume was manufactured or compounded or originated in France.

