

UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION

In the Matter of)
)
2943174 Canada Inc., also doing)
business as UNITED RESEARCH CENTER, INC.,)
a corporation, and) DOCKET NO. C-3748
)
PATRICE RUNNER,)
individually and as an officer)
of the corporation.)
)

COMPLAINT

The Federal Trade Commission, having reason to believe that 2943174 Canada Inc., a corporation, and Patrice Runner, individually and as an officer of the corporation ("respondents"), have violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent 2943174 Canada Inc. is a Canadian corporation with its principal office or place of business at 1414 Place Bonaventure, Montreal, Quebec, H5A 1H3.
2. Respondent Patrice Runner is an officer of the corporate respondent. Individually or in concert with others, he formulates, directs, participates in, or controls the policies, acts, or practices of the corporation, including the acts or practices alleged in this complaint. His principal office or place of business is the same as that of 2943174 Canada Inc.
3. Respondents have advertised, offered for sale, sold, and distributed products to the public, including "Svelt-PATCH," a

skin patch that purports to melt away body fat. The Svelt-PATCH is a "drug" or "device" within the meaning of Sections 12 and 15 of the Federal Trade Commission Act. Advertisements for Svelt-PATCH have appeared in numerous publications, including but not limited to: TV Guide, Woman's Day, Cosmopolitan, Red Book Magazine, Woman's World, American Woman, McCalls, Complete Woman, Family Magazine, Ladies Home Journal, Women's Own, The National Enquirer, The Star, USAir, World Traveler, Luxury Lifestyle, Farm Magazine, Hemisphere, Soap Opera Digest, Dell Puzzle, Sterling Woman's Group, Low Fat Meals, Black Group, Grit, Destination, Hairdo Ideas, Harris Hairdo, Lose Weight Stay Fit, All Around Kentucky, Mother Earth News, True Story Plus, The Globe, The Examiner, The Sun, San Antonio, The Denver Post, The New York Daily News, The Weekly World News, The LA Daily News, The Chicago Sun Times, The Boston Globe, Newsday, The Topeka News, The New York Post, and have been distributed as free standing inserts through Valassis FSI.

4. The acts and practices of respondents alleged in this complaint have been in or affecting commerce, as "commerce" is defined in Section 4 of the Federal Trade Commission Act.

5. Respondents have disseminated or have caused to be disseminated advertisements for Svelt-PATCH, including but not necessarily limited to the attached Exhibit A (a newspaper advertisement). These advertisements contain the following statements:

"LOSING WEIGHT:

'Amazing Skin Patch Melts Away Body Fat'

Results of a study conducted for the United Research Center by G. Fleming

- **Clinically tested in the United States**

. . . .

Weight-loss patches have been scientifically tested in the USA and are used in European hospitals and clinics.

In the United States, Dr. Marvin Kaplan recently tested the weight-loss patch on 100 individuals.

. . . [H]ere are the results:

- The measured effectiveness of the weight-loss patch was 100%: absolutely *all* participants lost weight.

- Fifty-six percent of the participants lost at least 20 pounds in 2 months (between 20 and 71 pounds in only 2 months).
- Average weight losses [sic] in women was 4.9 pounds the first week, 12.8 pounds the first month, and 21.9 pounds in 2 months.
- Average weight loss in men was 4.7 pounds the first week, 15.7 pounds the first month, and 25.1 pounds in 2 months.

. . . .

Svelt PATCHES contain concentrated fucus. In contrast with most weight-loss products--which only work for a few hours following their consumption--*SveltPATCH* fucus is absorbed by your body, through the skin, *the entire* day and while you sleep--up to 24 hours per day.

. . . .

How fucus helps your body

- Controls your appetite.**
- Stimulates your metabolism**
- Maintains weight loss . . .**
- Reduces cholesterol**

(Exhibit A)

6. Through the means described in Paragraph 5, respondents have represented, expressly or by implication, that:

- A. Svelt-PATCH controls appetite.
- B. Svelt-PATCH significantly increases human metabolism.
- C. Svelt-PATCH significantly reduces body fat.
- D. Svelt-PATCH causes significant weight loss.
- E. Svelt-PATCH causes long-term or permanent weight loss.

F. Svelt-PATCH lowers serum cholesterol levels.

7. Through the means described in Paragraph 5, respondents have represented, expressly or by implication, that they possessed and relied upon a reasonable basis that substantiated the representations set forth in Paragraph 6 at the time the representations were made.

8. In truth and in fact, respondents did not possess and rely upon a reasonable basis that substantiated the representations set forth in Paragraph 6 at the time the representations were made. Therefore, the representation set forth in Paragraph 7 was, and is, false or misleading.

9. Through the means described in Paragraph 5, respondents have represented, expressly or by implication, that clinical evidence prove that Svelt-PATCH causes significant weight loss.

10. In truth and in fact, clinical evidence does not prove that Svelt-PATCH causes significant weight loss. Therefore, the representation set forth in Paragraph 9 was, and is, false or misleading.

11. The acts and practices of respondents as alleged in this complaint constitute unfair or deceptive acts or practices, and the making of false advertisements, in or affecting commerce in violation of Sections 5(a) and 12 of the Federal Trade Commission Act.

THEREFORE, the Federal Trade Commission this sixteenth day of June, 1997, has issued this complaint against respondents.

By the Commission.

Donald S. Clark
Secretary

SEAL:

[Exhibit A attached to paper copies of complaint, but not available in electronic form.]