

FTC v. Med Gen & FTC v. Tru-Vantage International, LLC

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Jeffrey A. Babener, principal attorney in the Portland, Oregon, law firm Babener & Associates, and editor of www.mlmllegal.com, represents many of the leading direct selling companies in the United States and abroad.

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FTC v. Med Gen & FTC v. Tru-Vantage International, LLC

Case: FTC v. Med Gen & FTC v. Tru-Vantage International, LLC (2001)

Subject Category: Federal agencies, FTC, Marketing

Agency Involved: Federal Trade Commission

Complaint Synopsis: Med Gen and Tru-Vantage marketed and sold a product called Snorenz, a product to be sprayed on the back of the throat to reduce or prevent snoring for 6 to 8 hours. The FTC brought a complaint, alleging that Med Gen and Tru-Vantage had no reasonable basis for the claims, and that Med Gen and Tru-Vantage failed to state that Snorenz did not treat sleep apnea and they failed to advise users of the severity of sleep apnea and the need for a physician consultation.

Consent Details: The proposed consent agreements would require Med Gen and Tru-Vantage to include a warning statement about sleep apnea on any product that is sold to treat snoring unless that product has been shown to effectively treat sleep apnea. Additionally Med Gen and Tru-Vantage must make clear when using testimonials in their marketing that users with atypical results are not the ordinary experience of users.

Practical Importance to Business of MLM/Direct Sales/Direct Selling/Network Marketing/Party Plan/Multilevel Marketing: Products marketed to treat the symptoms of a serious malady can be

treated like a product that is marketed to treat the malady itself. If a product is marketed to treat the symptoms of a serious or life-threatening malady the product's package ought to include a warning urging a user to seek a medical opinion.

FTC v. Med Gen & FTC v. Tru-Vantage International, LLC, 66 Fed. Reg. 17898 (April 4 2001): Med Gen and Tru-Vantage marketed and sold a product called Snorenz, a product to be sprayed on the back of the throat to reduce or prevent snoring for 6 to 8 hours. The FTC brought a complaint, alleging that Med Gen and Tru-Vantage had no reasonable basis for the claims, and that Med Gen and Tru-Vantage failed to state that Snorenz did not treat sleep apnea and they failed to advise users of the severity of sleep apnea and the need for a physician consultation.

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Tru-Vantage Analysis of Proposed Consent Order to Aid Public Comment

Analysis of Proposed Consent
Order to Aid Public Comment

The Federal Trade Commission has accepted an agreement, subject to final approval, to a proposed consent order from Tru-Vantage International, L.L.C. ("TVI" or the "proposed respondent").TVI is an infomercial producer. It also purchases media time, disseminates its infomercials, and fulfills the orders for products featured in the infomercials.

The proposed consent order has been placed on the public record for thirty (30) days for reception of comments by interested persons. Comments received during this period will become part of the public record. After thirty (30) days, the Commission will again review the agreement and the comments received and will decide whether it should withdraw from the agreement and take other appropriate action or make final the agreement's proposed order.

This matter concerns advertising and promotional practices related to the sale of Snorenz, a purported anti-snoring product. Snorenz is a dietary supplement consisting of oils and vitamins that is sprayed on the back of the throat of persons who snore. The Commission's complaint charges that TVI failed to have a reasonable basis for claims, which were contained in infomercials it produced to promote Snorenz, about the product's efficacy in (1) reducing or eliminating snoring or the sounds of snoring, (2) reducing or eliminating snoring or the sounds of snoring for six to eight hours, and (3) treating the symptoms of sleep apnea. The complaint also alleges that TVI lacked a reasonable basis to substantiate representations that testimonials from consumers who used Snorenz represented the typical and ordinary experience of users of the product. TVI is also charged with making false claims that clinical proof establishes the efficacy of Snorenz. Further the complaint alleges that that the proposed respondent failed to disclose that the product is not intended to treat sleep apnea; that sleep apnea is a potentially life-threatening disorder characterized by loud snoring, frequent interruptions of sleep, and daytime tiredness; and that persons experiencing those symptoms should seek medical attention.

Finally, the complaint alleges that TVI failed to disclose adequately that a material connection existed between a physician who appeared in the infomercials to endorse the product and the product's manufacturer and marketer, Med Gen, Inc. A separate consent settlement with Med Gen, Inc. (File No. 002-3211) is also being placed on the public record for comment.

Part I of the consent order requires that TVI possess competent and reliable scientific evidence to substantiate representations that Snorenz or any other food, drug, or dietary supplement reduces or eliminates snoring or the sound of snoring; reduces or eliminates snoring or the sound of snoring for any specified period of time through a single application; or eliminates, reduces or mitigates the symptoms of sleep apnea. Part II of the order requires that, for any product that has not been shown to be effective in the treatment of sleep apnea, TVI must affirmatively disclose, whenever it represents that a product is effective in reducing or eliminating snoring or the sounds of snoring, a warning statement about sleep apnea and the need for physician consultation. Part III of the order requires proposed respondent to substantiate any representation about the benefits, performance, efficacy, or safety of Snorenz or any other product, service or program. Part IV prohibits false claims about scientific support for any product, service, or program. Part V requires that, for any consumer endorsement or testimonial respondent uses to promote a product, service or program, it must either possess competent and reliable scientific evidence that the testimonial represents the typical or ordinary experience of users or make an affirmative disclosure that the testimonial is not typical. Part VI requires an affirmative disclosure of any material connection between TVI and any endorser or between an endorser and the marketer. Parts VII and VIII of the proposed order permit proposed respondent to make certain claims for drugs or dietary supplements, respectively, that are permitted in labeling under laws and/or regulations administered by the U.S. Food and Drug Administration.

The remainder of the proposed order contains standard requirements that respondent maintain advertising and any materials relied upon as substantiation for any representation covered by substantiation requirements under the order; distribute copies of the order to certain company officials and employees; notify the Commission of any change in the corporation that may affect compliance obligations under the order; and file one or more reports detailing its compliance with the order. Part XIII of the proposed order is a provision whereby the order, absent certain circumstances, terminates twenty years from the date of issuance.

This proposed order, if issued in final form, will resolve the claims alleged in the complaint against the named respondent. It is not the Commission's intent that acceptance of this consent agreement and issuance of a final decision and order will release any claims against any unnamed persons or entities associated with the conduct described in the complaint.

The purpose of this analysis is to facilitate public comment on the proposed order, and is not intended to constitute an official interpretation of the agreement and proposed order or to modify in any way their terms.

Med Gen Analysis of Proposed Consent Order to Aid Public Comment

Analysis of Proposed Consent Order to Aid Public Comment

The Federal Trade Commission has accepted an agreement, subject to final approval, to a proposed consent order from Med Gen, Inc. and its president, Paul Kravitz ("proposed respondents"). Proposed respondents market "Snorenz," a dietary supplement consisting of oils and vitamins that is sprayed on the back of the throat of persons who snore.

The proposed consent order has been placed on the public record for thirty (30) days for reception of comments by interested persons. Comments received during this period will become part of the public record. After thirty (30) days, the Commission will again review the agreement and the comments received and will decide whether it should withdraw from the agreement and take other appropriate action or make final the agreement's proposed order.

The Commission's complaint charges that proposed respondents failed to have a reasonable basis for claims they made about the product's efficacy in (1) reducing or eliminating snoring or the sounds of snoring, (2) reducing or eliminating snoring or the sounds of snoring for six to eight hours, and (3) treating the symptoms of sleep apnea. The complaint also alleges that proposed respondents lacked a reasonable basis to substantiate representations that testimonials from consumers who used Snorenz represented the typical and ordinary experience of users of the product. Proposed respondents are also charged with making false claims that clinical proof establishes the efficacy of Snorenz. Further, the complaint alleges that the proposed respondents failed to disclose adequately that the product is not intended to treat sleep apnea; that sleep apnea is a potentially life-threatening disorder characterized by loud snoring, frequent interruptions of sleep, and daytime tiredness; and that persons experiencing those symptoms should seek medical attention. Finally, the complaint alleges that proposed respondents failed to disclose that a material connection existed between Med Gen, Inc. and a physician who appeared in the infomercials to endorse Snorenz. Such claims appeared in infomercials promoting Snorenz that proposed respondents produced, or caused to be produced for them, [\(1\)](#) on Med Gen, Inc.'s website, and/or on labeling for the product.

Part I of the consent order requires that proposed respondents possess competent and reliable scientific evidence to substantiate representations that Snorenz or any other food, drug, or dietary supplement reduces or eliminates snoring or the sounds of snoring; reduces or eliminates snoring or the sounds of snoring for any specified period of time through a single application; or eliminates, reduces or mitigates the symptoms of sleep apnea. Part II of the order requires that, for any product that has not been shown to be effective in the treatment of sleep apnea, proposed respondents must affirmatively disclose, whenever they represent that a product is effective in reducing or eliminating snoring or the sounds of snoring, a warning statement about sleep apnea and the need for physician consultation. Part III of the order requires proposed respondents to substantiate any representation about the benefits, performance, efficacy, or safety of Snorenz or any other any other food, drug, or dietary supplement.

Part IV prohibits false claims about scientific support for any product, service, or program. Part V requires that, for any consumer endorsement or testimonial proposed respondents use to promote a product, service or program, they must either possess competent and reliable scientific evidence that the testimonial represents the typical or ordinary experience of users or make an affirmative disclosure that the testimonial is not typical. Part VI requires an affirmative disclosure of any material connection between proposed respondents and any endorser of their products. Parts VII and VIII of the proposed order permit proposed respondents to make certain claims for drugs or dietary supplements, respectively, that are permitted in labeling under laws and/or regulations administered by the U.S. Food and Drug Administration.

The remainder of the proposed order contains standard requirements that proposed respondents maintain advertising and any materials relied upon as substantiation for any representation covered by substantiation requirements under the order; distribute copies of the order to certain company officials and employees; notify the Commission of any change in the corporation that may affect compliance obligations under the order; and file one or more reports detailing their compliance with the order. Part XIV of the proposed order is a provision whereby the order, absent certain circumstances, terminates twenty years from the date of issuance.

This proposed order, if issued in final form, will resolve the claims alleged in the complaint against the named respondents. It is not the Commission's intent that acceptance of this consent agreement and issuance of a final decision and order will release any claims against any unnamed persons or entities associated with the conduct described in the complaint.

The purpose of this analysis is to facilitate public comment on the proposed order, and is not intended to constitute an official interpretation of the agreement and proposed order or to modify in any way their terms.

Endnote:

1. A separate consent settlement with a producer of several infomercials for Snorenz, Tru-Vantage International, L.L.C. (File No. 002-3210), is also being placed on the public record for comment.

<http://www.mlmllegal.com/legal-cases/Snorenz.php>