Case #5977 (07/26/16)

Goop, Inc.

Moon Juice Action Dust and Brain Dust Dietary Supplements

Challenger: National Advertising Division.

Product Type: Dietary Supplements

Issues: Product Description; Performance Claims; Health and Safety Claims

Disposition: Modified/Discontinued

Basis of Inquiry: As part of its ongoing monitoring program and in conjunction with NAD's initiative with the Council for Responsible Nutrition, designed to expand NAD's review of advertising claims for dietary supplements, NAD reviewed advertising claims disseminated for the Moon Juice Action Dust and Brain Dust dietary supplements. The following claims served as the basis for NAD's inquiry:

Express Claims:

Action Dust

"Designed to support peak performance, stamina, and longevity, this formula helps regulate vital energy, encourages healthy metabolic function, and maximizes your ability to withstand stress and injury with ginseng, rhodiola, and more."

Packaging claims: "Medicinal Grade," "Bioactive Power Potion," "All Organic or Wild."

Brain Dust

"Made with enlightening herbs like astragalus and gingko, used for centuries by great thinkers and meditators, this adaptogenic elixir is designed to maintain healthy systems for superior cognitive flow, clarity, memory, creativity, alertness, and the capacity to handle stress."

Packaging claims: "Medicinal Grade," "Adaptogenic Potion," "All Organic or Wild."

Advertiser's Position:

In lieu of submitting substantiating evidence, the advertiser advised NAD in writing that it had elected to permanently discontinue the challenged claims.

Decision:

Goop is an online lifestyle publication offering "a tight curation of products and content" that was founded by celebrity Gwyneth Paltrow. Ms. Paltrow is currently the chief creative officer of Goop and she is featured prominently throughout the website. On its website Goop promotes and sells several dietary supplements made by Moon Juice.

NAD opened this monitoring case out of a concern regarding dietary supplements that are featured on Goop together with an apparent endorsement by Ms. Paltrow. In addition to being available for sale on the Goop online store, the products at issue were featured earlier this year on the website as recipe ingredients in "GP's Morning Smoothie." The description for the smoothie states that "Gwyneth [Paltrow] drinks one of these every morning, whether or not she's detoxing. Choose your

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Moon Juice moon dust depending on what the day ahead holds...brain before a long day at the office, sex dust before a date, etc." The "moon dusts" in question are described in the ingredients section of the recipe to provide various benefits (e.g. "Action Dust to soothe overworked muscles," "Brain Dust to combat mental fogginess," etc.). Each of the dusts featured in the recipe is hyperlinked to a separate page on the Goop website where a consumer can purchase the product. The purchasing page features the claims that NAD challenged (e.g. "Designed to support peak performance, stamina, and longevity, this formula helps regulate vital energy, encourages healthy metabolic function, and maximizes your ability to withstand stress and injury with ginseng, rhodiola, and more," and "Made with enlightening herbs like astragalus and gingko, used for centuries by great thinkers and meditators, this adaptogenic elixir is designed to maintain healthy systems for superior cognitive flow, clarity, memory, creativity, alertness, and the capacity to handle stress.").

The product efficacy claims on the Goop website and Ms. Paltrow's endorsement of the products impose an obligation on Goop as a marketer to verify that the products provide the benefits it claims. When marketing products for sale, an advertiser has an obligation to insure that the claims it makes for the product are truthful, accurate, and not misleading. The obligation to insure that advertising claims are truthful extends beyond the manufacturer of the product to affiliates who market the product. Third-party or affiliate entities who "persuad[e] the audience of the value or usefulness of a . . . product" engage in "national advertising" under NAD's *Policies and Procedures* and are considered themselves to be advertisers for those products. Goop's claims about the Moon Juice products amplified the target audience for the products. The advertising marketplace is changing and advertisers are increasingly using third parties, including endorsers, influencers, and affiliate marketers, to reach consumers. It is equally important that such third-party marketing claims be truthful, accurate, and not misleading.

In reliance on the advertiser's representation that these advertising claims have been permanently discontinued, NAD did not review these claims on their merits. The voluntarily discontinued claims will be treated, for compliance purposes, as though NAD recommended their discontinuance and the advertiser agreed to comply.

Advertiser's Statement:

Goop accepts the decision of the National Advertising Division and represents that the advertising at issue has been voluntarily and permanently discontinued. (#5977 AG, closed 7/26/2016)

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¹ FTC Guides Concerning Use of Endorsements and Testimonials in Advertising, 16 CFR §255.1(a) ("endorsements may not convey any express or implied representation that would be deceptive if made directly by the advertiser.").

² <u>Joyus, Inc. (Dr. Brandt's Needles No More Wrinkle Relaxing Cream)</u>, Report #5956, *NAD/CARU Case Reports* (May 2016) (While Joyus was not the manufacturer of the product at issue, Dr. Brandt's Needles No More Wrinkle Relaxing Cream, NAD nonetheless asked Joyus to substantiate the efficacy claims it made for the product).

³ NAD's *Policies and Procedures*, Sections 1.1(A) and (B).