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UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS: **Edith Ramirez, Chairwoman**
Julie Brill
Maureen K. Ohlhausen
Joshua D. Wright
Terrell McSweeny

In the Matter of	)	
L'ORÉAL USA, INC.,	)	**DOCKET NO. C-**
a corporation.	)	

COMPLAINT

The Federal Trade Commission, having reason to believe L'Oréal USA, Inc. ("Respondent"), a corporation, has 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 L'Oréal USA, Inc., is a Delaware corporation with its principal office or place of business at 575 Fifth Avenue, New York, NY 10017.

2. Respondent has advertised, labeled, offered for sale, sold, and distributed products to consumers, including the "Lancôme Génifique" and "L'Oréal Paris Youth Code" skincare products. These products are "cosmetics," within the meaning of Sections 12 and 15 of the Federal Trade Commission Act.

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

4. Respondent has conducted research to identify skincare ingredients that increase activity of genes responsible for the production of proteins associated with skin function. As set forth herein, Respondent represented that the Lancôme Génifique and L'Oréal Paris Youth Code products boost the activity of or target such genes, thereby resulting in visibly younger skin.

Lancôme Génifique Products

5. Respondent has marketed the Lancôme Génifique line of products since February 2009, including Génifique Youth Activating Concentrate, Génifique Repair Youth Activating Night Cream, Génifique Cream Serum, and Génifique Youth Activating Eye Concentrate. The Génifique

products are sold at prices ranging between $60 and $132 at Lancôme counters in department stores and beauty specialty stores nationwide.

6. From approximately February 2009 to April 2013, Respondent disseminated or caused to be disseminated advertisements, packaging, and promotional materials for the Lancôme Génifique products, including, but not necessarily limited to the attached Exhibits A through C. These materials contained the following statements:

A. **Youth is in your genes. *Reactivate it.*[1]**
See visibly younger skin in just 7 days.

GÉNIFIQUE
YOUTH ACTIVATING CONCENTRATE

At the very origin of your skin's youth: your genes.
Genes produce specific proteins. With age, their presence diminishes.
Now, boost genes' activity[2] and stimulate the production of youth proteins.[3]

Discover the skin you were born to have.
Breathtakingly beautiful, skin looks as if lit-from-within. Its youthful quality returns: cushiony soft, astonishingly even, dramatically refined.

Clinically proven. Use AM and PM for powerful skin results in 7 days.[4]

[Graph showing that 85% of users had perfectly luminous skin, 82% had astonishingly even skin, 91% had cushiony soft skin, and 82% found skin appearance is improved.]

Learn more at **lancome.com**

[1]Activate skin's youthful look. [2]In-vitro test on genes. [3]Clinical study on skin proteins, associated with young skin – France. [4]Based upon consumer evaluations in a clinical study, which also consists of expert evaluations

(Exhibit A, Génifique Youth Activating Concentrate print ad (July 2011)).

B. You sleep. Genes don't.
Wake up to visibly repaired skin. As if you had slept 2 extra hours.[1]

NEW
GÉNIFIQUE
REPAIR
YOUTH ACTIVATING NIGHT CREAM

During the night, **the speed of cell regeneration doubles.**
By screening over 4,000 genes, our laboratories identified

genes responsible for cellular regeneration.

Today, Lancôme creates Génifique Repair,
our first night care that **boosts the activity of genes.**[2]

Visibly repair and restore your skin while you sleep.
The first morning, skin looks smoother and fresher.
Night after night, skin is visibly younger and rested,
as if you had slept 2 extra hours.[1]

[1]Based upon consumer evaluations.[2] In-vitro test on genes.

10 YEARS OF RESEARCH – 7 INTERNATIONAL PATENTS

(Exhibit B, Génifique Repair Youth Activating Night Cream print ad (May 2010)).

C. **LANCOME TV – GÉNIFIQUE :15**

Voice over:	Youth is in your genes . . .
On screen:	Activate skin's youthful look.
Voice over:	Reactivate it.
On screen super:	Activate skin's youthful look.
Voice over:	Lancôme invents Génifique.
On screen:	GÉNIFIQUE Youth Activating Concentrate
On screen super:	Activate skin's youthful look.
Voice over:	Our first skincare that boosts the activity of genes.
On screen super:	In-vitro test on genes.
Voice over:	See visibly . . .
On screen super:	Based upon consumer evaluation.
Voice over:	. . . younger skin . . .
On screen super:	Based upon consumer evaluation.
Voice over:	. . . in just 7 days.
On screen:	Visibly younger skin in just 7 days
On screen super:	Based upon consumer evaluation.

Voice over:	Génifique. Lancôme.
On screen:	GÉNIFIQUE Youth Activating Concentrate

(Exhibit C, Génifique Youth Activating Concentrate 15-second TV ad (Feb. 2010)).

7. Respondent has represented with a bar graph that a clinical study proves that Génifique Youth Activating Concentrate produces "perfectly luminous" skin in 85% of women, "astonishingly even" skin in 82% of women, and "cushiony soft" skin in 91% of women, in seven days (*see* Exhibit A). In the study depicted in that bar graph, 34 women who applied Génifique twice daily for 8 weeks answered questionnaires about their experience with the product. The women answered each question on a nine-point scale, with one on the scale equivalent to "disagree completely" and nine equivalent to "agree completely." Among others, the questionnaire included the following three questions:

- Skin appears more radiant/luminous;
- Skin tone/complexion appears more even; and
- Skin feels softer.

8. Subjects were not asked to rate the magnitude of results achieved, but merely to indicate whether there was any improvement in a particular measure (*e.g.*, the women were not asked *how* radiant or luminous their skin felt after using Génifique, but how strongly they agreed or disagreed that there was *any* improvement in their skin's radiance or luminosity after using the product). While 85.3% of women gave a positive response to the question asking if their skin appeared more radiant/luminous after 7 days, only 35.5% of subjects indicated that they "agree[d] completely" that their skin was more luminous. Similarly, only 29.4% of women agreed completely with the statement that their skin tone appeared more even, and only 58.8% agreed completely with the statement that their skin felt softer.

L'Oréal Paris Youth Code Products

9. Respondent has marketed the L'Oréal Paris Youth Code line of products since November 2010, including Youth Code Serum Intense, Youth Code SPF 30 Day Lotion, Youth Code Day/Night Cream, Youth Code Eye Cream, and a Youth Code Clinical Strength Starter System comprised of three Youth Code products bundled together. The Youth Code products are sold at drugstores and mass market retail stores, with individual products priced at approximately $15-25 and the Clinical Strength Starter Set priced at approximately $25-35.

10. From approximately November 2010 to April 2013, Respondent disseminated or caused to be disseminated advertisements, packaging, and promotional materials for the L'Oréal Paris Youth Code products, including but not necessarily limited to the attached Exhibits D through F. These materials contained the following statements:

A. [Left side of print ad]

ONE DROP
INSTANTLY IMPROVES SKIN QUALITY

ONE WEEK
SKIN BEGINS TO LOOK YOUNGER

ONE MONTH
REVEAL THE NEW YOUTH OF YOUR SKIN**

[Center of print ad]

NOW, CRACK THE CODE
TO YOUNGER ACTING SKIN.

NEW
YOUTH CODE
Youth Regenerating Skincare

10 YEARS OF GENE RESEARCH
INTERNATIONAL PATENT

[Right side of print ad]

THE NEW ERA OF SKINCARE:
GENE SCIENCE.

Imagine, what if you could grow young?
Every great discovery begins by pushing the boundaries of science. After 10 years of research, now we know that recovery genes in youthful skin respond **5x faster** to aggressions than aging skin does. So even though you can't grow young, we now have the knowledge to help you begin cracking the code to younger acting skin.

[Bar graph depicting a "CLINICAL STUDY" indicating that "GENE RESPONSE TO AGGRESSIONS" is "5X FASTER" in "YOUTHFUL SKIN" compared to "AGING SKIN."]

A dramatic new possibility against
the signs of aging:
L'Oréal introduces Youth Regenerating Skincare:
New Youth Code Serum Intense with GenActiv

Technology.™ Designed to help increase skin's ability to recover faster from aggressions more like it did when it was younger.* With Youth Code, now you can instantly improve skin quality while revealing the new youth of your skin.**

Discover all of the Youth Code products and learn more about gene science:
LOREALPARIS.COM/YOUTHCODE

*Based on in-vitro testing **Skin is more youthful looking

(Exhibit D, Youth Code print ad (Feb. 2011)).

B. [Left side of print ad]

UNA GOTA
MEJORA AL INSTANTE EL ESTADO DE LA PIEL

UNA SEMANA
LA PIEL COMIENZA A LUCIR MÁS JOVEN

UN MES
DESCUBRE LA NUEVA JUVENTUD DE TU PIEL*

[Center of print ad]

AHORA, DESCIFRA EL CÓDIGO
PARA REJUVENECER LA PIEL.

NUEVO
YOUTH CODE
Youth Regenerating Skincare

10 AÑOS DE INVESTIGACIÓN GENÉTICA
PATENTE INTERNACIONAL

[Right side of print ad]

LA NUEVA ERA EN EL
CUIDADO FACIAL:
LA CIENCIA DE LOS GENES.
¿Te imaginas que con el paso de los años pudieras lucir más joven?
Todo gran descubrimiento comienza

sobrepasando los límites de la ciencia. Tras 10 años de investigación, ahora sabemos que los genes de recuperación de una piel joven reaccionan ante las agresiones 5 veces más rápido que los de una piel madura. Así que aunque no puedas detener el paso del tiempo, ahora tenemos los conocimientos para ayudarte a descifrar el código para rejuvenecer la piel.

[Bar graph depicting an "ESTUDIO CLÍNICO" indicating that "REACCIÓN DE LOS GENES ANTE LAS AGRESIONES" is "5 VECES MÁS RÁPIDO" in "PIEL JOVEN" compared to "PIEL MADURA."]

Un gran avance contra las señales del envejecimiento: L'Oréal presenta su gama de Cuidados Faciales Rejuvenecedores: Comenzando con el nuevo suero **Youth Code Serum Intense** con la Tecnología GenActiv.™ Diseñado para aumentar la capacidad de recuperación de la piel contra las agresiones como cuando era más joven.** Con Youth Code, podrás mejorar la apariencia de tu piel al instante y lucir su nueva juventud.*

Descubre todos los productos Youth Code y conoce más sobre la ciencia de los genes visitando: LOREALPARIS.COM/YOUTHCODE
*La piel adquiere una apariencia más joven
**Basado en pruebas in vitro

(Exhibit E, Youth Code print ad (Apr. 2011)).

C. [Front of Youth Code Clinical Strength Starter System package]

NEW
INNOVATION
FROM GENE
SCIENCE

L'ORÉAL®
PARIS
SKIN EXPERTISE

CLINICAL
STRENGTH

Starter
System

YOUTH CODE™

Youth Regenerating
Skincare

10 YEARS OF GENE RESEARCH
REDUCES SIGNS OF
STRESS, FATIGUE AND AGING

[Back of Youth Code Clinical Strength Starter System package]

YOUTH REGENERATING DISCOVERY
Innovation derived from GENE Science

After 10 years of research, L'Oréal scientists unlock the code of skin's youth by discovering a specific set of genes[1] that are responsible for skin's natural power of regeneration.

INTERNATIONAL PATENT[2]

GenActiv TECHNOLOGY™ . . .

[1] In-vivo study [2]Patented in Germany, Spain, France, UK, Italy, and Japan; US Pat. Pending

(Exhibit F, Youth Code product package).

11. Respondent has represented that the L'Oréal Paris Youth Code products target specific genes to make skin act younger and respond five times faster to aggressors such as stress, fatigue, and aging. The bar graph accompanying this representation in Complaint Exhibits D and E, titled "CLINICAL STUDY," presents the results of a study that did not involve a L'Oréal Paris Youth Code product, or the ingredients in any such product.

12. The study population in the clinical study referred to in Complaint Exhibits D and E included two groups of males: a "young" group with an average age of 27 years, and an "aged" group with an average age of 67 years. Both groups were subjected to repeated physical stress on the forearm, and gene expression (the process by which genes produce proteins) of skin cell samples was measured at several time points. The study concluded that expression of certain genes following physical stress was delayed in aged skin compared to young skin; specifically, the young skin expressed the same number of genes within six hours as aged skin expressed in 30 hours.

Count I

13. In connection with the advertising, promotion, offering for sale, or sale of the Lancôme Génifique Products, Respondent has represented, directly or indirectly, expressly or by implication, that:

A. Génifique Youth Activating Concentrate boosts the activity of genes, thereby resulting in visibly younger skin in seven days.

B. Génifique Repair Youth Activating Night Cream boosts the activity of the genes responsible for nighttime cellular regeneration, thereby resulting in visibly younger skin.

14. The representations set forth in Paragraph 13 were not substantiated at the time the representations were made.

Count II

15. In connection with the advertising, promotion, offering for sale, or sale of the Lancôme Génifique products, Respondent has represented, directly or indirectly, expressly or by implication, that scientific studies prove:

A. Génifique Youth Activating Concentrate boosts the activity of genes, thereby resulting in visibly younger skin in seven days.

B. Génifique Youth Activating Concentrate is clinically proven to produce perfectly luminous skin in 85% of women, astonishingly even skin in 82% of women, and cushiony soft skin in 91% of women, in seven days.

16. In fact, scientific studies do not prove the representations set forth in Paragraph 15. Therefore, the representations set forth in Paragraph 15 are false or misleading.

Count III

17. In connection with the advertising, promotion, offering for sale, or sale of the L'Oréal Paris Youth Code Products, Respondent has represented, directly or indirectly, expressly or by implication, that:

A. Youth Code targets specific genes to make skin look younger.

B. Youth Code targets specific genes to make skin act younger and respond five times faster to aggressors such as stress, fatigue, and aging.

18. The representations set forth in Paragraph 17 were not substantiated at the time the representations were made.

Count IV

19. In connection with the advertising, promotion, offering for sale, or sale of the L'Oréal Paris Youth Code products, Respondent has represented, directly or indirectly, expressly or by implication, that scientific studies prove:

A. Youth Code targets specific genes to make skin look younger.

B. Youth Code targets specific genes to make skin act younger and respond five times faster to aggressors such as stress, fatigue, and aging.

20. In fact, scientific studies do not prove the representations set forth in Paragraph 19. Therefore, the representations set forth in Paragraph 19 are false or misleading.

Violations of Sections 5 and 12

21. The acts and practices of Respondent 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 day of , 2014, has issued this complaint against Respondent.

By the Commission.

Donald S. Clark
Secretary