

Complaint

IN THE MATTER OF

COLLECTIFY LLCCONSENT ORDER, ETC. IN REGARD TO ALLEGED VIOLATIONS OF
SEC. 5 OF THE FEDERAL TRADE COMMISSION ACT*Docket No. C-4272; File No. 092 3142**Complaint, November 9, 2009 - Decision, November 9, 2009*

This consent order addresses respondent Collectify, LLC, providers of software and consulting services to businesses with employees residing outside of origin. Respondent manages tax and payroll issues for employees that work outside their country of residence. The complaint alleges the respondent violated Section 5 of the FTC Act by making false and misleading representations concerning Collectify, LLC's participation in the Safe Harbor privacy framework. Safe Harbor is an international program for international data transfer between the U.S. and the European Union. Respondent advertised an incorrect status as to its compliance with the program. The order prohibits Collectify, LLC from making misrepresentations about its membership in any privacy, security, or any other compliance program sponsored by the government or any other third party.

Participants

For the *Commission: Molly Crawford and Katie Ratté*

For the *Respondents: Karl M. Zielaznicki, Troutman Sanders, LLP.*

COMPLAINT

The Federal Trade Commission, having reason to believe that Collectify LLC ("respondent") 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 Collectify LLC ("Collectify") is a Delaware corporation with its principal office or place of business at 235 East 73rd Street, Suite 3C, New York, New York 10012.
2. Respondent is in the business of selling comprehensive cataloguing software to consumers over the internet, including through a website (www.collectify.com).

Complaint

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

4. Since at least September 2001, respondent has set forth on its website, www.collectify.com, privacy policies and statements about its practices, including statements related to its participation in the Safe Harbor privacy framework agreed upon by the U.S. and the European Union (“U.S.-EU Safe Harbor Framework” or “Safe Harbor”).

U.S.-EU SAFE HARBOR FRAMEWORK

5. The U.S.-EU Safe Harbor Framework provides a method for U.S. companies to transfer personal data outside of Europe that is consistent with the requirements of the European Union Directive on Data Protection (“Directive”). Enacted in 1995, the Directive sets forth European Union (“EU”) requirements for privacy and the protection of personal data. Among other things, it requires EU Member States to implement legislation that prohibits the transfer of personal data outside the EU, with exceptions, unless the European Commission (“EC”) has made a determination that the recipient jurisdiction’s laws ensure the protection of such personal data. *See* Directive 95/46/EC of the European Parliament and of the Council (Oct. 24, 1995), *available at* <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31995L0046:EN:HTML>. This determination is commonly referred to as meeting the EU’s “adequacy” standard.

6. To satisfy the EU adequacy standard for certain commercial transfers, the U.S. Department of Commerce (“Commerce”) and the EC negotiated the U.S.-EU Safe Harbor Framework, which went into effect in 2000. The Safe Harbor allows U.S. companies to transfer personal data lawfully from the EU. To join the Safe Harbor, a company must self-certify to Commerce that it complies with seven principles and related requirements that have been deemed to meet the EU’s adequacy standard.

7. Companies under the jurisdiction of the U.S. Federal Trade Commission (“FTC”), as well as the U.S. Department of

Complaint

Transportation, are eligible to join the Safe Harbor. A company under the FTC's jurisdiction that self-certifies to the Safe Harbor principles but fails to implement them may be subject to an enforcement action based on the FTC's deception authority under Section 5 of the Federal Trade Commission Act.

8. Commerce maintains a public website, www.export.gov/safeharbor, where it posts the names of companies that have self-certified to the Safe Harbor. The listing of companies indicates whether their self-certification is "current" or "not current." Companies are required to re-certify every year in order to retain their status as "current" members of the Safe Harbor framework. According to the Safe Harbor website, "Organizations should notify the Department of Commerce if their representation to the Department is no longer valid. Failure to do so could constitute a misrepresentation." See Safe Harbor List, available at <http://web.ita.doc.gov/safeharbor/shlist.nsf/webPages/safe+harbor+list>.

VIOLATIONS OF SECTION 5 OF THE FTC ACT

9. In October 2001, respondent submitted to Commerce a self-certification to the Safe Harbor. Respondent renewed that self-certification in October 2002 and October 2003.

10. In October 2004, respondent did not renew its self-certification to the Safe Harbor, and Commerce updated respondent's status to "not current" on its public website. Until July 2009, respondent did not renew its self-certification to the Safe Harbor and was in "not current" status on Commerce's website. (Exhibit A, Declaration of Damon C. Greer).

11. Since at least September 2001 to the present, respondent has disseminated or caused to be disseminated privacy policies and statements on the www.collectify.com website, including, but not limited to, the following statements:

This Privacy Policy complies with the U.S. Department of Commerce Safe Harbor Privacy Principles, as approved by the European Commission.

Complaint

Collectify is in the process of certifying its compliance with the U.S. Department of Commerce.

Exhibit B, Oct. 2001 Privacy Policy; Exhibit C, Feb. 2003 Privacy Policy; Exhibit D, Dec. 2004 Privacy Policy; Exhibit E, Dec. 2005 Privacy Policy; Exhibit F, Dec. 2008 Privacy Policy.

12. Through the means described in Paragraph 11, respondent represented, expressly or by implication, that it is seeking self-certification to, or is a current participant in, the Safe Harbor.

13. In truth and in fact, from October 2004 to July 2009, respondent did not seek self-certification to, and was not a current participant in, the Safe Harbor. Therefore, the representations set forth in Paragraph 11 were, and are, false or misleading.

14. The acts and practices of respondents as alleged in this complaint constitute unfair or deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act.

THEREFORE, the Federal Trade Commission this ninth day of November, 2009, has issued this complaint against respondent.

By the Commission.

Complaint

Exhibit A

UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION

In the Matter of)	
)	
)	
COLLECTIFY LLC,)	DOCKET NO.
a limited liability company.)	
)	
_____)	

DECLARATION OF DAMON C. GREER

I, Damon C. Greer, based upon my personal knowledge concerning matters to which I am competent to testify, hereby declare as follows:

1. I am the Associate Director for Electronic Commerce in the Office of Technology and Electronic Commerce at the U.S. Department of Commerce ("Commerce"), and I am the lead administrator of the U.S.-E.U. Safe Harbor Framework.
2. Commerce is not a party to the captioned matter.
3. Commerce is responsible for developing and overseeing the U.S.-EU Safe Harbor Framework ("Safe Harbor"), a voluntary program that provides U.S. companies with a method for receiving personal data lawfully from the European Union. To join the Safe Harbor, a company must self-certify to Commerce that it complies with a set of principles that have been deemed to meet the EU's adequacy standard.
4. As Associate Director, I am responsible for maintaining an accurate list of those companies that self-certify to Commerce that they comply with the Safe Harbor principles. As part of my responsibilities, I oversee a public website, www.export.gov/safeharbor, where I post the names of companies that have self-certified. The listing of companies indicates, among other things, whether their self-certification is "current" or "not current." Companies are required to re-certify every year on the anniversary of the date they first self-certified in order to retain their status as "current" members of the Safe Harbor framework.
5. In October 2001, Collectify LLC ("Collectify") submitted a self-certification to Commerce, which it renewed in October 2002 and October 2003. Collectify's next self-certification was due in October 2004.
6. Collectify did not submit a self-certification by the October 2004 deadline, and as a result

FEDERAL TRADE COMMISSION DECISIONS
VOLUME 148

Complaint

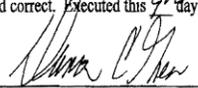
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have not received any documents or information from Collectify to renew its self-certification. Collectify is in "not current" status on the Commerce website.

I declare under penalty of perjury under the Laws of the United States of America that the foregoing is true and correct. Executed this 7th day of June, 2009, in Washington, D.C.



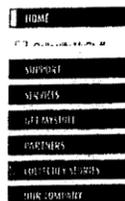
Damon C. Greer
Associate Director for Electronic Commerce
Office of Technology and Electronic Commerce
U.S. Department of Commerce

Complaint

Exhibit B

Collectify || Privacy Policy

Page 1 of 4



This Privacy Policy governs Collectify LLC's ("Collectify") treatment of personally identifiable information that Collectify collects when you use its Collectify.com website ("Collectify.com"). This Privacy Policy also covers Collectify's treatment of any personally identifiable information that Collectify's business partners share with Collectify. This Privacy Policy does not apply to the practices of companies that Collectify does not own or control, or to people that Collectify does not employ or manage.

By using Collectify.com, you agree to the collection and use of your personal information, as described in this Privacy Policy.

This Privacy Policy was last updated on July 4, 2001. In the event that Collectify changes this Privacy Policy, Collectify will post notice of the change prominently on Collectify.com. In addition, if you have registered on Collectify.com, Collectify will contact you via email to notify you about the changes.

I. Information Collection Practices

A. Information Collectify Collects:

1. **Information You Provide:** Collectify collects information that identifies you personally when you register on Collectify.com, when you purchase Collectify software online, and when you use certain Collectify products or services. Collectify may also receive information that identifies you personally from its business partners.
 - a. When you register online, you share your email address and password.
 - b. When you use the services provided on Collectify.com, you share all information that you input.
 - c. When you order Collectify software online, you share your name, email address, telephone number, billing address, delivery address, credit/charge card number and credit/charge card expiration date.
2. **Information Collectify Automatically Receives:** Collectify automatically receives and records information on its server logs from your browser, including your IP address, cookie information, and the pages on the website you visited.
 - a. **Cookies:** A "cookie" is a small piece of information that a web browser can store temporarily on your hard drive. Most web browsers automatically accept cookies, unless you change your browser settings to prevent it from accepting them.
 - b. **Collectify Cookies:** Collectify may set and access Collectify.com cookies on your computer. These cookies may contain some of the personal information you have provided to Collectify.
 - c. **Third Party Cookies:** Collectify may also allow other companies that are presenting advertisements on Collectify.com to set and access their cookies on your computer. Other companies' use of their cookies are subject to their own privacy policies, not this one. Advertisers or other companies do not have access to Collectify.com's cookies.
3. **No Other Information:** Collectify does not collect any information from you, other than stated above. Collectify only uses information it collects about you in the ways described in this Privacy Policy. Collectify will not use your information in any other way without first obtaining your consent.

Use of This Website By Children: Collectify does not knowingly solicit information from children under 13, nor does it knowingly market to children under 13. If you

Complaint

as a child under 13, please do not use Collectify.com. If you are a parent of a child under the age of 13, and your child has used Collectify.com, you may contact Collectify at privacy@collectify.com, and Collectify will delete any personally identifiable information about your child as soon as reasonably possible.

II. Information Use, Sharing, And Disclosure

- A. Information Collectify Uses: Collectify may use the information it collects to notify you about changes to Collectify.com, software updates, and special offers Collectify thinks that you will find valuable.
- B. Information Collectify Shares:
1. Service Providers: Collectify employs third party service providers to perform certain functions on its behalf. These service providers will have access to your personal information only to the degree it is necessary to provide the product or service you have requested. In addition, Collectify will require all service providers to afford the same level of privacy protection as required by this Privacy Policy.
 - a. Collectify shares your name, billing address, credit/charge card number and credit/charge card expiration date with the service providers that process Collectify's credit/charge card orders.
 - b. Collectify shares your delivery address and phone number with the facilities that fulfill orders, and the couriers that ship and deliver the software.
 - c. Collectify may share your email address with service providers that manage the email messages Collectify sends to Collectify.com users.
 - d. Collectify may share your personal information with a service provider that provides customer service for Collectify.
 2. Sale of Information: Collectify does not sell, trade, or rent your personal information to others without your permission. You may opt-in to allow Collectify to share or disclose your information to third parties when you register. You may change your preferences by sending an email message to privacy@collectify.com.
 3. Aggregate Statistics: Collectify may provide aggregate statistics about its customers, sales, website traffic patterns, and related website information to reputable third parties. This aggregate information will not include any information that personally identifies you.
 4. Legal Reasons: Collectify will share your personal information, if required to do so by subpoena, court order, or other legal processes. Collectify may share your personal information if it finds that your actions on Collectify.com violate the Terms and Conditions or any of its other usage guidelines for specific products or services.

III. Information Accuracy, Reliability and Security

A. Checking And Correcting Your Information:

1. Checking Information: If you wish to know what information Collectify has collected about you, and how Collectify has used this information, please email Collectify at privacy@collectify.com.
2. Correcting Information: Collectify gives you the ability to edit your account information and preferences at any time by sending an email message to privacy@collectify.com.
3. Deleting Information: You may request deletion of your Collectify.com account or any other information Collectify has collected about you by sending an email message to privacy@collectify.com.

B. Reliability, Security and Integrity of Data:

1. Reliability: Collectify promises to keep the data it collects about you accurate and reliable. Collectify will use commercially reasonable efforts to prevent data it collects about you from being misused in any way.
2. Security: Collectify protects your account information with your password. In certain areas, Collectify uses industry standard security protocols (e.g. "SSL" technology) to protect data transmissions to Collectify.com.
3. Integrity: Collectify uses commercially reasonable efforts to ensure that your information is reliable for its intended use, accurate, complete, and

Complaint

current

IV. Contacting Collectify

1. **Privacy Officer:** Patrick Bouge is the privacy compliance officer of Collectify. The privacy compliance officer is responsible for monitoring Collectify's compliance with this Privacy Policy. Patrick Bouge can be reached via the contact information below.
2. **Contact Information:** If you have any questions about this Privacy Policy, you may contact Collectify by any of the means listed below:
 - a. Email: privacy@collectify.com.
 - b. Postal Mail: 2015 Drummond Street #401, Montreal, QC, H3G 1W7, Canada.
 - c. Telephone: (514) 932-1500.
 - d. Facsimile: (514) 932-4990.

V. Compliance with Laws and Enforcement

- A. **Compliance:** Collectify has used its best efforts to comply with all applicable laws.
 1. **Canada:** This Privacy Policy complies with the requirements of the Canadian Personal Information Protection and Electronic Documents Act and the Quebec Act Respecting The Protection of Personal Information In The Private Sector.
 2. **European Union:** This Privacy Policy complies with U.S. Department of Commerce Safe Harbor Privacy Principles, as approved by the European Commission. Collectify is in the process of certifying its compliance with the U.S. Department of Commerce.
 3. **United States:** This Privacy Policy complies with the requirements of the Children's Online Privacy Protection Act ("COPPA").
- B. **Enforcement:** If you believe that Collectify has violated this Privacy Policy or is violating any laws, or you wish to make a complaint about Collectify's use of your information, you may contact any of the government agencies listed below.
 1. **Canada:**
 - a. **Office of the Privacy Commissioner of Canada:** You may contact the Office of the Privacy Commissioner of Canada by mail at 112 Kent Street, Ottawa, Ontario, K1A 1H3, or by telephone at 1-800-282-1376. In addition, you may visit the Office of the Privacy Commissioner of Canada's website at <http://www.privcom.gc.ca>.
 - b. **La Commission d'accès à l'information du Québec:** You may contact La Commission by mail at 575, rue St. Amable, Bureau 110, Québec, Québec, G1R 2G4, or by telephone at 1-418-529-7741. In addition, you may visit La Commission's website at <http://www.cai.gouv.qc.ca>.
 2. **United States:**
 - a. **Federal Trade Commission (the "FTC"):** You may file a complaint with the FTC by visiting its website at <http://www.ftc.gov>.
 - b. **International Trade Administration (the "ITA"):** You may contact the ITA by visiting its website at <http://www.ita.doc.gov>, or by telephone at 1-800-USA-TRADE.
 - c. **Internet Fraud Complaint Center (the "IFCC"):** The IFCC is a partnership between the Federal Bureau of Investigation and the National White Collar Crime Center. The IFCC's mission is to address fraud committed over the Internet. You may file a complaint with the IFCC by visiting its website at <http://www.ifcc.gov>.
 - d. **New York State Attorney General:** You may file a complaint with the New York State Office of the Attorney General Internet Bureau by visiting the bureau's website at http://www.oag.state.ny.us/internet_complaints/.
- C. **Dispute Resolution:** In the event you have a dispute with Collectify regarding this Privacy Policy, or Collectify's use of your personal information, you may communicate with data protection authorities located in Europe, as well as the government agencies listed above.

Complaint

Collectify || Privacy Policy

Page 4 of 4

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Complaint

Exhibit C



collectify

"Identify. Classify. Collectify. Definitive cataloging software."



Privacy Policy

HOME
 COLLECTIFY SOFTWARE
 SOFTWARE
 SERVICES
 SUPPORT
 ABOUT US
 CONTACT US
 OUR HISTORY

Collectify
 SOFTWARE FOR BUSINESS

This Privacy Policy governs Collectify LLC's ("Collectify") treatment of personally identifiable information that Collectify collects when you use its Collectify.com website ("Collectify.com"). This Privacy Policy also covers Collectify's treatment of any personally identifiable information that Collectify's business partners share with Collectify. This Privacy Policy does not apply to the practices of companies that Collectify does not own or control, or to people that Collectify does not employ or manage.

By using Collectify.com, you agree to the collection and use of your personal information, as described in this Privacy Policy.

This Privacy Policy was last updated on July 4, 2001. In the event that Collectify changes this Privacy Policy, Collectify will post notice of the change prominently on Collectify.com. In addition, if you have registered on Collectify.com, Collectify will contact you via email to notify you about the changes.

1. Information Collection Practices

A. Information Collectify Collects:

1. **Information You Provide:** Collectify collects information that identifies you personally when you register on Collectify.com, when you purchase Collectify software online, and when you use certain Collectify products or services. Collectify may also receive information that identifies you personally from its business partners.

- a. When you register online, you share your email address and password.
- b. When you use the services provided on Collectify.com, you share all information that you input.
- c. When you order Collectify software online, you share your name, email address, telephone number, billing address, delivery address, credit/charge card number and credit/charge card expiration date.

2. **Information Collectify Automatically Receives:** Collectify automatically receives and records information on its server logs from your browser, including your IP address, cookie information, and the pages on the website you visited.

- a. **Cookies:** A "cookie" is a small piece of information that a web browser can store temporarily on your hard drive. Most web browsers automatically accept cookies, unless you change your browser settings to prevent it from accepting them.
- b. **Collectify Cookies:** Collectify may set and access Collectify.com cookies on your computer. These cookies may contain some of the personal information you have provided to Collectify.
- c. **Third Party Cookies:** Collectify may also allow other companies that are presenting advertisements on Collectify.com to set and access their cookies on your computer. Other companies' use of their cookies are subject to their own privacy policies, not this one. Advertisers or other companies do not have access to Collectify.com's cookies.

3. **No Other Information:** Collectify does not collect any information from you, other than stated above. Collectify only uses information it collects about you in the ways described in this Privacy Policy. Collectify will not use your information in any other way without first obtaining your consent.

4. **Use of This Website by Children:** Collectify does not knowingly solicit information from children under 13, nor does it knowingly market to children under 13. If you are a child under 13, please do not use Collectify.com. If you are a parent of a child under the age of 13, and your child has used Collectify.com, you may contact

Complaint

Collectify || Privacy Policy

Page 2 of 4

Collectify at www.collectify.com, and Collectify will delete any personally identifiable information about your child as soon as reasonably possible.

II. Information Use, Sharing, And Disclosure

A. Information Collectify Uses: Collectify may use the information it collects to notify you about changes to Collectify.com, software updates, and special offers Collectify thinks that you will find valuable.

B. Information Collectify Shares:

1. Service Providers: Collectify employs third party service providers to perform certain functions on its behalf. These service providers will have access to your personal information only to the degree it is necessary to provide the product or service you have requested. In addition, Collectify will require all service providers to afford the same level of privacy protection as required by this Privacy Policy.
 - a. Collectify shares your name, billing address, credit/charge card number and credit/charge card expiration date with the service providers that process Collectify's credit/charge card orders.
 - b. Collectify shares your delivery address and phone number with the facilities that fulfill orders, and the couriers that ship and deliver the software.
 - c. Collectify may share your email address with service providers that manage the email messages Collectify sends to Collectify.com users.
 - d. Collectify may share your personal information with a service provider that provides customer service for Collectify.
2. Sale of Information: Collectify does not sell, trade, or rent your personal information to others without your permission. You may opt-in to allow Collectify to share or disclose your information to third parties when you register. You may change your preferences by sending an email message to privacy@collectify.com.
3. Aggregate Statistics: Collectify may provide aggregate statistics about its customers, sales, website traffic patterns, and related website information to reputable third parties. This aggregate information will not include any information that personally identifies you.
4. Legal Reasons: Collectify will share your personal information, if required to do so by subpoena, court order, or other legal processes. Collectify may share your personal information if it finds that your actions on Collectify.com violate the Terms and Conditions or any of its other usage guidelines for specific products or services.

III. Information Accuracy, Reliability and Security

A. Checking And Correcting Your Information

1. Checking Information: If you wish to know what information Collectify has collected about you, and how Collectify has used this information, please email Collectify at privacy@collectify.com.
2. Correcting Information: Collectify gives you the ability to edit your Account information and preferences at any time by sending an email message to privacy@collectify.com.
3. Deleting Information: You may request deletion of your Collectify.com account or any other information Collectify has collected about you by sending an email message to privacy@collectify.com.

B. Reliability, Security and Integrity of Data.

1. Reliability: Collectify promises to keep the data it collects about you accurate and reliable. Collectify will use commercially reasonable efforts to prevent data it collects about you from being misused in any way.
2. Security: Collectify protects your account information with your password. In certain areas, Collectify uses industry standard secure socket layer (SSL) encryption to protect data transmissions to Collectify.com.
3. Integrity: Collectify uses commercially reasonable efforts to ensure that your information is reliable for its stated use, accurate, complete and current.

Complaint

IV. Contacting Collectify

1. **Privacy Officer:** Patrick Rouge is the privacy compliance officer at Collectify. The privacy compliance officer is responsible for monitoring Collectify's compliance with this Privacy Policy. Patrick Rouge can be reached via the contact information below.
2. **Contact Information:** If you have any questions about this Privacy Policy, you may contact Collectify by any of the means listed below:
 - a. Email: privacy@collectify.com.
 - b. Postal Mail: 2015 Drummond Street #401, Montreal, QC, H3G 1W7, Canada.
 - c. Telephone: (514) 932-1500.
 - d. Facsimile: (514) 932-8990.

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 3. **United States:** This Privacy Policy complies with the requirements of the Children's Online Privacy Protection Act ("COPPA").
- B. **Enforcement:** If you believe that Collectify has violated this Privacy Policy or is violating any laws, or you wish to make a complaint about Collectify's use of your information, you may contact any of the government agencies listed below.
 1. **Canada:**
 - a. **Office of the Privacy Commissioner of Canada:** You may contact the Office of the Privacy Commissioner of Canada by mail at 112 Kent Street, Ottawa, Ontario, K1A 0H3, or by telephone at 1-800-282-1376. In addition, you may visit the Office of the Privacy Commissioner of Canada's website at <http://www.priv.com.gc.ca>.
 - b. **La Commission d'accès à l'information du Québec:** You may contact La Commission by mail at 575, rue St. Amable, Bureau 110, Québec, Québec, G1R 2G4, or by telephone at 1-418-528-7741. In addition, you may visit La Commission's website at <http://www.ca.i.gouv.qc.ca>.
 2. **United States:**
 - a. **Federal Trade Commission (the "FTC"):** You may file a complaint with the FTC by visiting its website at <http://www.ftc.gov>.
 - b. **International Trade Administration (the "ITA"):** You may contact the ITA by visiting its website at <http://www.ita.doc.gov>, or by telephone at 1-800-USA-TRADE.
 - c. **Internet Fraud Complaint Center (the "IFCC"):** The IFCC is a partnership between the Federal Bureau of Investigation and the National White Collar Crime Center. The IFCC's mission is to address fraud committed over the Internet. You may file a complaint with the IFCC by visiting its website at <http://www.ifccfb.gov>.
 - d. **New York State Attorney General:** You may file a complaint with the New York State Office of the Attorney General Internet Bureau by visiting the bureau's website at http://www.oag.state.ny.us/internet_complaint/.
- C. **Dispute Resolution:** In the event you have a dispute with Collectify regarding this Privacy Policy, or Collectify's use of your personal information, Collectify will cooperate with data protection authorities located in Europe, as well as the enforcement agencies listed above.

Complaint

Collectify | Privacy Policy

Page 4 of 4

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Complaint

Exhibit D

Collectify LLC || Great Cataloging Software || Privacy Policy

Page 1 of 3



"Identify. Classify. Collectify.
Definitive cataloging software."



PRIVACY POLICY

This Privacy Policy governs Collectify LLC's ("Collectify") treatment of personally identifiable information that Collectify collects when you use its Collectify.com website ("Collectify.com"). This Privacy Policy also covers Collectify's treatment of any personally identifiable information that Collectify's business partners share with Collectify. This Privacy Policy does not apply to the practices of companies that Collectify does not own or control, or to people that Collectify does not employ or manage.

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 - a. When you register online, you share your email address and password.
 - b. When you use the services provided on Collectify.com, you share all information that you input.
 - c. When you order Collectify software online, you share your name, email address, telephone number, billing address, delivery address, credit/charge card number and credit/charge card expiration date.
2. **Information Collectify Automatically Receives:** Collectify automatically receives and records information on its server logs from your browser, including your IP address, cookie information, and the pages on the website you visited.
 - a. **Cookies:** A "cookie" is a small piece of information that a web browser can store temporarily on your hard drive. Most web browsers automatically accept cookies, unless you change your browser settings to prevent it from accepting them.
 - b. **Collectify Cookies:** Collectify may set and access Collectify.com cookies on your computer. These cookies may contain some of the personal information you have provided to Collectify.
 - c. **Third-Party Cookies:** Collectify may also allow other companies that are presenting advertisements on Collectify.com to set and access their cookies on your computer. Other companies' use of their cookies are subject to their own privacy policies, not this one. Advertisers or other companies do not have access to Collectify.com's cookies.
3. **No Other Information:** Collectify does not collect any information from you, other than stated above. Collectify only uses information it collects about you in the ways described in this Privacy Policy. Collectify will not use your information in any other way without first obtaining your consent.

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Complaint

Collectify LLC || Great Cataloging Software || Privacy Policy

Page 2 of 3

II. Information Use, Sharing, And Disclosure

A. Information Collectify Uses: Collectify may use the information it collects to notify you about changes to Collectify.com, software updates, and special offers Collectify thinks that you will find valuable.

B. Information Collectify Shares:

1. Service Providers: Collectify employs third party service providers to perform certain functions on its behalf. These service providers will have access to your personal information only to the degree it is necessary to provide the product or service you have requested. In addition, Collectify will require all service providers to afford the same level of privacy protection as required by this Privacy Policy.

a. Collectify shares your name, billing address, credit/charge card number and credit/charge card expiration date with the service providers that process Collectify's credit/charge card orders.

b. Collectify shares your delivery address and phone number with the facilities that fulfill orders, and the couriers that ship and deliver the software.

c. Collectify may share your email address with service providers that manage the email messages Collectify sends to Collectify.com users.

d. Collectify may share your personal information with a service provider that provides customer service for Collectify.

2. Sale of Information: Collectify does not sell, trade, or rent your personal information to others without your permission. You may opt-in to allow Collectify to share or disclose your information to third parties when you register. You may change your preferences by sending an email message to privacy@collectify.com.

3. Aggregate Statistics: Collectify may provide aggregate statistics about its customers, sales, website traffic patterns, and related website information to reputable third parties. This aggregate information will not include any information that personally identifies you.

4. Legal Reasons: Collectify will share your personal information, if required to do so by subpoena, court order, or other legal processes. Collectify may share your personal information if it finds that your actions on Collectify.com violate the Terms and Conditions or any of its other usage guidelines for specific products or services.

III. Information Accuracy, Reliability and Security**A. Checking And Correcting Your Information:**

1. Checking Information: If you wish to know what information Collectify has collected about you, and how Collectify has used this information, please email Collectify at privacy@collectify.com.

2. Correcting Information: Collectify gives you the ability to edit your account information and preferences at any time by sending an email message to privacy@collectify.com.

3. Deleting Information: You may request deletion of your Collectify.com account or any other information Collectify has collected about you by sending an email message to privacy@collectify.com.

B. Reliability, Security and Integrity of Data:

1. Reliability: Collectify promises to keep the data it collects about you accurate and reliable. Collectify will use commercially reasonable efforts to prevent data it collects about you from being misused in any way.

2. Security: Collectify protects your account information with your password. In certain areas, Collectify uses industry-standard secure socket layer ("SSL") encryption to protect data transmissions to Collectify.com.

3. Integrity: Collectify uses commercially reasonable efforts to ensure that your information is reliable for its intended use, accurate, complete and current.

IV. Contacting Collectify

1. Privacy Officer: Franklin Silverstone is the privacy compliance officer of Collectify. The privacy compliance officer is responsible for monitoring Collectify's compliance with this Privacy Policy. Franklin Silverstone can be reached via the contact information below.

2. Contact Information: If you have any questions about this Privacy Policy, you may contact Collectify by any of the means listed below.

Complaint

- a. Email: privacy@collectify.com.
 - b. Postal Mail: 2015 Drummond Street #401, Montreal, QC, H2G 1W7, Canada.
 - c. Telephone: (514) 932-1900.
 - d. Facsimile: (514) 932-8900.
- V. **Compliance with Laws and Enforcement**
- A. **Compliance:** Collectify has used its best efforts to comply with all applicable laws.
1. **Canada:** This Privacy Policy complies with the requirements of the Canadian Personal Information Protection and Electronic Documents Act and the Quebec Act Respecting The Protection of Personal Information In The Private Sector.
 2. **European Union:** This Privacy Policy complies with U.S. Department of Commerce Safe Harbor Privacy Principles, as approved by the European Commission. Collectify is in the process of certifying its compliance with the U.S. Department of Commerce.
 3. **United States:** This Privacy Policy complies with the requirements of the Children's Online Privacy Protection Act ("COPPA").
- B. **Enforcement:** If you believe that Collectify has violated this Privacy Policy or is violating any laws, or you wish to make a complaint about Collectify's use of your information, you may contact any of the government agencies listed below.
1. **Canada:**
 - a. **Office of the Privacy Commissioner of Canada:** You may contact the Office of the Privacy Commissioner of Canada by mail at 112 Kent Street, Ottawa, Ontario, K1A 1H3, or by telephone at 1-800-282-1376. In addition, you may visit the Office of the Privacy Commissioner of Canada's website at <http://web.archive.org/web/20041206113441/http://www.privcom.gc.ca/>
 - b. **La Commission d'Accès à l'Information du Québec:** You may contact La Commission by mail at 575, rue St. Amable, Bureau 1.10, Québec, Québec, G1R 2G4, or by telephone at 1-418-528-7741. In addition, you may visit La Commission's website at <http://web.archive.org/web/20041206113441/http://www.cai.gouv.qc.ca/>
 2. **United States:**
 - a. **Federal Trade Commission (the "FTC"):** You may file a complaint with the FTC by visiting its website at <http://web.archive.org/web/20041206113441/http://www.ftc.gov/>.
 - b. **International Trade Administration (the "ITA"):** You may contact the ITA by visiting its website at <http://web.archive.org/web/20041206113441/http://www.ita.doc.gov/>, or by telephone at 1-800-USA-TRADE.
 - c. **Internet Fraud Complaint Center (the "IFCC"):** The IFCC is a partnership between the Federal Bureau of Investigation and the National White Collar Crime Center. The IFCC's mission is to address fraud committed over the Internet. You may file a complaint with the IFCC by visiting its website at <http://web.archive.org/web/20041206113441/http://www.ifccfb.gov/>.
 - d. **New York State Attorney General:** You may file a complaint with the New York State Office of The Attorney General Internet Bureau by visiting the bureau's website at http://web.archive.org/web/20041206113441/http://www.osg.state.ny.us/internet_complaint/
- C. **Dispute Resolution:** In the event you have a dispute with Collectify regarding this Privacy Policy, or Collectify's use of your personal information, Collectify will cooperate with data protection authorities located in Europe, as well as the enforcement agencies listed above.

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This webpage validates to the W3C's XHTML 1.0 and CSS specifications

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Exhibit E

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Page 1 of 3



collectify

"Identify. Classify. Collectify. Definitive cataloging software."



PRIVACY POLICY

This Privacy Policy governs Collectify LLC's ("Collectify") treatment of personally identifiable information that Collectify collects when you use its Collectify.com website ("Collectify.com"). This Privacy Policy also covers Collectify's treatment of any personally identifiable information that Collectify's business partners share with Collectify. This Privacy Policy does not apply to the practices of companies that Collectify does not own or control, or to people that Collectify does not employ or manage.

By using Collectify.com, you agree to the collection and use of your personal information, as described in this Privacy Policy.

This Privacy Policy was last updated on July 4, 2009. In the event that Collectify changes this Privacy Policy, Collectify will post notice of the change prominently on Collectify.com. In addition, if you have registered on Collectify.com, Collectify will contact you via email to notify you about the changes.

I. Information Collection Practices

A. Information Collectify Collects:

1. **Information You Provide:** Collectify collects information that identifies you personally when you register on Collectify.com, when you purchase Collectify software online, and when you use certain Collectify products or services. Collectify may also receive information that identifies you personally from its business partners.
 - a. When you register online, you share your email address and password.
 - b. When you use the services provided on Collectify.com, you share all information that you input.
 - c. When you enter Collectify software online, you share your name, email address, telephone number, billing address, delivery address, credit/charge card number and credit/charge card expiration date.
2. **Information Collectify Automatically Receives:** Collectify automatically receives and records information on its server logs from your browser, including your IP address, cookie information, and the pages on the website you visited.
 - a. **Cookies:** A "cookie" is a small piece of information that a web browser can store temporarily on your hard drive. Most web browsers automatically accept cookies, unless you change your browser settings to prevent it from accepting them.
 - b. **Collectify Cookies:** Collectify may set and access Collectify.com cookies on your computer. These cookies may contain some of the personal information you have provided to Collectify.
 - c. **Third Party Cookies:** Collectify may also allow other companies that are providing advertisements on Collectify.com to set and access their cookies on your computer. Other companies' use of their cookies are subject to their own privacy policies, not this one. Advertisers or other companies do not have access to Collectify.com's cookies.
3. **No Other Information:** Collectify does not collect any information from you, other than stated above. Collectify only uses information it collects about you in the ways described in this Privacy Policy. Collectify will not use your information in any other way without first obtaining your consent.
4. **Use of this Website by Children:** Collectify does not knowingly solicit information from children under 13, nor does it knowingly market to children under 13. If you are a child under 13, please do not use Collectify.com. If you are a parent of a child under the age of 13, and your child has used Collectify.com, you may contact Collectify at admin@collectify.com, and Collectify will delete any personally identifiable information about your child as soon as reasonably possible.

II. Information Use, Sharing, and Disclosure

1. **Information Collectify Uses:** Collectify may use the information it collects to notify you about changes to Collectify.com, software updates, and special offers. Collectify thinks that you will find valuable.
2. **Information Collectify Shares:**
 1. **Service Providers:** Collectify employs third party service providers to perform certain business tasks on its behalf. These service providers will have access to your personal information only to the extent it is necessary to provide the product or service you have requested. In addition, Collectify will transfer all service providers to afford the same level of privacy.

Complaint

Information as required by this Privacy Policy

- A. Collectify stores your e-mail, home address, credit/debit card number and card number, and expiration date with the service providers that provide collectify.com's charge card services.
 - B. Collectify shares your delivery address and phone number with the facilities that handle orders, and the courier that ship and deliver the software.
 - C. Collectify may share your email address with service providers that manage the email messages Collectify sends to Collectify.com users.
 - D. Collectify may share your personal information with a service provider that provides customer service for Collectify.
2. **Sale of Information:** Collectify does not sell, trade, or rent your personal information to others without your permission. You may opt in to allow Collectify to share or disclose your information to third parties when you register. You may change your preferences by sending an email message to privacy@collectify.com.
 3. **Aggregate Statistics:** Collectify may provide aggregate statistics about its customers, sales, website traffic patterns, and related website information to reputable third parties. This aggregate information will not include any information that personally identifies you.
 4. **Legal Reasons:** Collectify will share your personal information, if required to do so by subpoena, court order, or other legal processes. Collectify may share your personal information if it finds that your actions on Collectify.com violate the Terms and Conditions or any of its other usage guidelines for specific products or services.

III. Information Accuracy, Reliability and Security

A. Checking And Correcting your Information:

1. **Checking Information:** If you wish to know what information Collectify has collected about you, and how Collectify has used this information, please email Collectify at privacy@collectify.com.
2. **Correcting Information:** Collectify gives you the ability to edit your account information and preferences at any time by sending an email message to privacy@collectify.com.
3. **Deleting Information:** You may request deletion of your Collectify.com account or any other information Collectify has collected about you by sending an email message to privacy@collectify.com.

B. Reliability, Security and Integrity of Data:

1. **Reliability:** Collectify promises to keep the data it collects about you accurate and reliable. Collectify will use commercially reasonable efforts to prevent data it collects about you from being misused in any way.
2. **Security:** Collectify protects your account information with your password. In certain areas, Collectify uses industry-standard secure socket layer ("SSL") encryption to protect data transmissions to Collectify.com.
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IV. Contacting Collectify

1. **Privacy Officer:** Franklin Silverstone is the privacy compliance officer of Collectify. The privacy compliance officer is responsible for monitoring Collectify's compliance with this Privacy Policy. Franklin Silverstone can be reached via the contact information below.
2. **Contact Information:** If you have any questions about this Privacy Policy, you may contact Collectify by any of the means listed below:
 - a. Email: privacy@collectify.com
 - b. Postal Mail: 2015 Commercial Street - #101, Montreal, QC, H 3A 1R7, Canada.
 - c. Telephone: (514) 932-1500
 - d. Facsimile: (514) 932-8780

V. Compliance with Laws and Enforcement

- a. **Enforcement:** Collectify has used its best efforts to comply with all applicable laws.
 1. **Canada:** This Privacy Policy complies with the requirements of the Canadian Personal Information Protection and Electronic Information Act and the Quebec Act Respecting The Protection of Personal Information in the Private Sector.
 2. **European Union:** This Privacy Policy complies with U.S. Department of Commerce Safe Harbor Privacy Principles, as required by the European Commission. Collectify is in the process of entering its compliance with the U.S. Department of Commerce.
 3. **United States:** This Privacy Policy complies with the requirements of the California Online Privacy Protection Act ("OPPA").

Complaint

B. If you do not wish to be contacted by Collectify concerning this Privacy Policy or its use, you may wish to be added to some or all of the following lists of your preference. You may contact any of the agencies listed below:

1. Canada

- a. Office of the Privacy Commissioner of Canada: You may contact the Office of the Privacy Commissioner at 41, rue St-Jacques, 1102 Kent Street, Ottawa, Ontario, K1A 1S2, or by telephone at 1-800-277-0174. In addition, you may visit the Office of the Privacy Commissioner of Canada's website at <http://web.archive.org/web/20051221185844/http://www.priv.gc.ca/>.
- b. La Commission d'accès à l'information du Québec: You may contact La Commission by mail at 575, rue St. Antoine, Bureau 110, Québec, Québec, Q1P 1K8, or by telephone at 1-418-329-7741. In addition, you may visit La Commission's website at <http://web.archive.org/web/20051221185844/http://www.cai.quebec.ca/>.

2. United States

- a. Federal Trade Commission (the "FTC"): You may file a complaint with the FTC by visiting its website at <http://web.archive.org/web/20051221185844/http://www.ftc.com/>.
- b. International Trade Administration (the "ITA"): You may contact the ITA by visiting its website at <http://web.archive.org/web/20051221185844/http://www.ita.doc.gov/>, or by telephone at 1-800-USA-TRADE.
- c. Internet Fraud Complaint Center (the "IFCC"): The IFCC is a partnership between the Federal Bureau of Investigation and the Internet White Collar Crime Center. The IFCC's mission is to address fraud committed over the Internet. You may file a complaint with the IFCC by visiting its website at <http://web.archive.org/web/20051221185844/http://www.ifccbu.com/>.
- d. New York State Attorney General: You may file a complaint with the New York State Office of the Attorney General Internet Bureau by visiting the Bureau's website at <http://web.archive.org/web/20051221185844/http://www.oag.state.ny.us/interet/complaint/>.

C. Dispute Resolution: In the event you have a dispute with Collectify regarding this Privacy Policy, or Collectify's use of your personal information, Collectify will cooperate with data protection authorities located in Europe, as well as the following agencies listed above:

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This webpage adheres to the [W3C's HTML 4.01](#) and [CSS specifications](#).

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<http://www.collectify.com/new/privacy.php>

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Privacy Policy

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By using Collectify.com, you agree to the collection and use of your personal information, as described in this Privacy Policy.

This Privacy Policy was last updated on October 31, 2007. In the event that Collectify changes this Privacy Policy, Collectify will post notice of the change prominently on Collectify.com. In addition, if you have registered on Collectify.com, Collectify will contact you via email to notify you about the changes.

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 - a. When you register online, you share your email address and password.
 - b. When you use the services provided on Collectify.com, you share all information that you input.
 - c. When you order Collectify software online, you share your name, email address, telephone number, billing address, delivery address, credit/charge card number and credit/charge card expiration date.
2. **Information Collectify Automatically Receives:** Collectify automatically receives and records information on its server logs from your browser, including your IP address, cookie information, and the pages on the website you visited.
 - a. **Cookies:** A "cookie" is a small piece of information that a web browser can store temporarily on your hard drive. Most web browsers automatically accept cookies, unless you change your browser settings to prevent it from accepting them.
 - b. **Collectify Cookies:** Collectify may set and access Collectify.com cookies on your computer. These cookies may contain some of the personal information you have provided to Collectify.
 - c. **Third Party Cookies:** Collectify may also allow other companies that are presenting advertisements on Collectify.com to set and access their cookies on your computer. Other companies' use of their cookies are subject to their own privacy policies, not this one. Advertisers or other companies do not have access to Collectify.com's cookies.
3. **No Other Information:** Collectify does not collect any information from you, other than stated above. Collectify only uses information it collects about you in the ways described in this Privacy Policy. Collectify will not use

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<http://www.collectify.com/new/privacy.php>

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 3. **Integrity:** Collectify uses commercially reasonable efforts to ensure that your information is reliable for its intended use, accurate, complete and current.

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- B. **Contact Information:** If you have any questions about this Privacy Policy, you may contact Collectify by any of the means listed below:
1. **Email:** privacy@collectify.com.
 2. **Postal Mail:** 2015 Drummond Street #401, Montreal, QC, H3G 1W7, Canada.
 3. **Facsimile:** (514) 932-8990.

V. Compliance with Laws and Enforcement

A. **Compliance:** Collectify has used its best efforts to comply with all applicable laws.

1. **Canada:** This Privacy Policy complies with the requirements of the Canadian Personal Information Protection and Electronic Documents Act and the Quebec Act Respecting The Protection of Personal Information In The Private Sector.
2. **European Union:** This Privacy Policy complies with U.S. Department of Commerce Safe Harbor Privacy Principles, as approved by the European Commission. Collectify is in the process of certifying its compliance with the U.S. Department of Commerce.
3. **United States:** This Privacy Policy complies with the requirements of the Children's Online Privacy Protection Act ("COPPA").

B. **Enforcement:** If you believe that Collectify has violated this Privacy Policy or is violating any laws, or you wish to make a complaint about Collectify's use of your information, you may contact any of the government agencies listed below.

1. **Canada:**
 - a. **Office of the Privacy Commissioner of Canada:** You may contact the Office of the Privacy Commissioner of Canada by mail at 112 Kent Street, Ottawa, Ontario, K1A 1H3, or by telephone at 1-800-282-1376. In addition, you may visit the Office of the Privacy Commissioner of Canada's website at <http://www.privcom.gc.ca>.
 - b. **La Commission d'accès à l'information du Québec:** You may contact La Commission by mail at 575, rue St. Amable, Bureau 1.10, Québec, Québec, G1R 2G4, or by telephone at 1-418-528-7741. In addition, you may visit La Commission's website at <http://www.ca.gouv.qc.ca>.
2. **United States:**
 - a. **Federal Trade Commission (the "FTC"):** You may file a complaint with the FTC by visiting its website at <http://www.ftc.gov>.
 - b. **International Trade Administration (the "ITA"):** You may contact the ITA by visiting its website at <http://www.ita.doc.gov>, or by telephone at 1-800-USA-TRADE.
 - c. **Internet Fraud Complaint Center (the "IFCC"):** The IFCC is a partnership between the Federal Bureau of Investigation and the National White Collar Crime Center. The IFCC's mission is to address fraud committed over the Internet. You may file a complaint with the IFCC by visiting its website at <http://www.ifccfbi.gov>.
 - d. **New York State Attorney General:** You may file a complaint with the New York State Office of The Attorney General Internet Bureau by visiting the bureau's website at http://www.oag.state.ny.us/internet_complaint/.

C. **Dispute Resolution:** In the event you have a dispute with Collectify regarding this Privacy Policy, or Collectify's use of your personal information, Collectify will cooperate with data protection authorities located in Europe, as well as the enforcement agencies listed above.

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Decision and Order

DECISION AND ORDER

The Federal Trade Commission, having initiated an investigation of certain acts and practices of the Respondent named in the caption hereof, and the Respondent having been furnished thereafter with a copy of a draft of Complaint, which the Bureau of Consumer Protection proposed to present to the Commission for its consideration and which, if issued, would charge the Respondent with violation of the Federal Trade Commission Act; and

The Respondent and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the Respondent of all the jurisdictional facts set forth in the aforesaid draft complaint, a statement that the signing of the agreement is for settlement purposes only and does not constitute an admission by the Respondent that the law has been violated as alleged in such complaint, or that any of the facts as alleged in such complaint, other than jurisdictional facts, are true, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the Respondent has violated the Federal Trade Commission Act, and that a complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days for the receipt and consideration of public comments, now in further conformity with the procedure prescribed in Section 2.34 of its Rules, 16 C.F.R. § 2.34, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Collectify LLC is a Delaware corporation with its principal office or place of business at 235 East 73rd Street, Suite 3C, New York, New York 10012.
2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the

Decision and Order

Respondent, and the proceeding is in the public interest.

ORDER

DEFINITIONS

For purposes of this Order, the following definitions shall apply:

- A. Unless otherwise specified, “respondent” shall mean Collectify LLC and its subsidiaries, divisions, affiliates, successors and assigns.
- B. “Commerce” shall mean as defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. § 44.

I.

IT IS ORDERED that respondent and its officers, agents, representatives, and employees, directly or through any corporation, subsidiary, division, website, or other device, in connection with the advertising, marketing, promotion, offering for sale, or sale of any product or service, in or affecting commerce, shall not misrepresent in any manner, expressly or by implication, the extent to which respondent is a member of, adheres to, complies with, is certified by, is endorsed by, or otherwise participates in any privacy, security, or any other compliance program sponsored by the government or any other third party.

II.

IT IS FURTHER ORDERED that respondent shall maintain and upon request make available to the Federal Trade Commission for inspection and copying, a print or electronic copy of, for a period of five (5) years from the date of preparation or dissemination, whichever is later, all documents relating to compliance with this order, including but not limited to:

Decision and Order

- A. all advertisements, promotional materials, and any other statements containing any representations covered by this order, with all materials relied upon in disseminating the representation; and
- B. any documents, whether prepared by or on behalf of respondent, that call into question respondent's compliance with this order.

III.

IT IS FURTHER ORDERED that respondent shall deliver a copy of this order to all current and future principals, officers, directors, and managers, and to all current and future employees, agents, and representatives having responsibilities relating to the subject matter of this order, and shall secure from each such person a signed and dated statement acknowledging receipt of the order. Respondent shall deliver this order to such current personnel within thirty (30) days after service of this order, and to such future personnel within thirty (30) days after the person assumes such position or responsibilities.

IV.

IT IS FURTHER ORDERED that respondent shall notify the Commission at least thirty (30) days prior to any change in the corporation(s) that may affect compliance obligations arising under this order, including, but not limited to: a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor corporation; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this order; the proposed filing of a bankruptcy petition; or a change in the corporate name or address. *Provided, however,* that, with respect to any proposed change in the corporation(s) about which respondent learns fewer than thirty (30) days prior to the date such action is to take place, respondent shall notify the Commission as soon as is practicable after obtaining such knowledge. All notices required by this Part shall be sent by certified mail to the Associate Director, Division of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, Washington, D.C. 20580.

Decision and Order

V.

IT IS FURTHER ORDERED that respondent shall, within sixty (60) days after service of this order, and at such other times as the Commission may require, file with the Commission a report, in writing, setting forth in detail the manner and form in which it has complied with this order.

VI.

This order will terminate on November 9, 2029, or twenty (20) years from the most recent date that the United States or the Commission files a complaint (with or without an accompanying consent decree) in federal court alleging any violation of the order, whichever comes later; *provided, however*, that the filing of such a complaint will not affect the duration of:

- A. any Part in this order that terminates in fewer than twenty (20) years;
- B. this order's application to any respondent that is not named as a defendant in such complaint; and
- C. this order if such complaint is filed after the order has terminated pursuant to this Part.

Provided, further, that if such complaint is dismissed or a federal court rules that respondent did not violate any provision of the order, and the dismissal or ruling is either not appealed or upheld on appeal, then the order as to such respondent will terminate according to this Part as though the complaint had never been filed, except that the order will not terminate between the date such complaint is filed and the later of the deadline for appealing such dismissal or ruling and the date such dismissal or ruling is upheld on appeal.

By the Commission.

Analysis to Aid Public Comment

ANALYSIS OF CONSENT ORDER TO AID PUBLIC COMMENT

The Federal Trade Commission (“FTC” or “Commission”) has accepted, subject to final approval, a consent agreement from Collectify, Inc. (“Collectify”).

The proposed consent order has been placed on the public record for thirty (30) days for receipt 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 appropriate action or make final the agreement’s proposed order.

This matter concerns alleged false or misleading representations that Collectify made to consumers concerning its participation in the Safe Harbor privacy framework (“Safe Harbor”) agreed upon by the U.S. and the European Union (“EU”). It is among the Commission’s first cases to challenge deceptive claims about the Safe Harbor. The Safe Harbor provides a mechanism for U.S. companies to transfer data outside the EU consistent with European law. To join the Safe Harbor, a company must self-certify to the U.S. Department of Commerce (“Commerce”) that it complies with seven principles and related requirements. Commerce maintains a public website, www.export.gov/safeharbor, where it posts the names of companies that have self-certified to the Safe Harbor. The listing of companies indicates whether their self-certification is “current” or “not current.” Companies are required to re-certify every year in order to retain their status as “current” members of the Safe Harbor framework.

Collectify sells comprehensive cataloguing software to consumers over the internet, including through a website (www.collectify.com). According to the Commission’s complaint, since at least September 2001, Collectify has set forth on its website, www.collectify.com, privacy policies and statements about its practices, including statements related to its participation in the Safe Harbor privacy framework.

Analysis to Aid Public Comment

The Commission's complaint alleges that Collectify falsely represented that it was a current participant in the Safe Harbor when, in fact, from October 2004 until July 2009, Collectify was not a current participant in the Safe Harbor. The Commission's complaint alleges that in October 2001, Collectify submitted a Safe Harbor self-certification, which it renewed in October 2002 and October 2003. Collectify did not renew its self-certification in October 2004 and was in "not current" status on the Commerce website until it renewed its self-certification in July 2009.

Part I of the proposed order prohibits Collectify from making misrepresentations about its membership in any privacy, security, or any other compliance program sponsored by the government or any other third party.

Parts II through VI of the proposed order are reporting and compliance provisions. Part II requires Collectify to retain documents relating to its compliance with the order for a five-year period. Part III requires dissemination of the order now and in the future to persons with responsibilities relating to the subject matter of the order. Part IV ensures notification to the FTC of changes in corporate status. Part V mandates that Collectify submit an initial compliance report to the FTC, and make available to the FTC subsequent reports. Part VI is a provision "sunsetting" the order after twenty (20) years, with certain exceptions.

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

Complaint

IN THE MATTER OF

**CSE, INC. D/B/A MAD MOD,
CHRIS SAETVEIT,
AND
CYNDI SAETVEIT**

CONSENT ORDER, ETC. IN REGARD TO ALLEGED VIOLATIONS OF
SEC. 5 OF THE FEDERAL TRADE COMMISSION ACT AND THE
TEXTILE FIBER PRODUCTS IDENTIFICATION ACT

*Docket No. C-4280; File No. 082 3181
Complaint, December 15, 2009 - Decision, December 15, 2009*

This consent order addresses allegations that CSE, Inc., also doing business as Mad Mod, a producer, seller and distributor of a textile fiber product called “Bamboo Comfort” throughout the United States, made deceptive advertising claims about its product in violation of Section 5 of the FTC Act. Respondents sold textile fiber products that were misbranded or falsely or deceptively advertised as bamboo fiber. The respondent did not comply with the Textile Act or the Textile Rules and Regulations. The order prohibits the respondents from advertising a product is made of bamboo, or bamboo fiber, or manufactured using an environmentally friendly process, or is anti-microbial, unless the representation is true, non-misleading, and, at the time it is made, respondents possess and rely upon competent and reliable scientific evidence that substantiates the representation.

Participants

For the *Commission*: Melinda Claybaugh and Korin Ewing.

For the *Respondents*: Chris Saetveit and Cyndi Saetveit,
Owners, pro se.

COMPLAINT

The Federal Trade Commission, having reason to believe that CSE, Inc. also doing business as Mad Mod (“Mad Mod”), a corporation, and Chris Saetveit and Cyndi Saetveit, individually and as owners of the corporation (“Respondents”), have violated the provisions of the Federal Trade Commission Act, 15 U.S.C. § 41, *et seq.*, the Textile Fiber Products Identification Act, 15 U.S.C. § 70, *et seq.*, and the Rules and Regulations promulgated

Complaint

thereunder, 16 C.F.R. Part 303, and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent Mad Mod is a Tennessee corporation with its principal office or place of business at 504 4th Avenue South, Nashville, Tennessee 37210.

2. Respondents Chris Saetveit and Cyndi Saetveit are the owners of Mad Mod. Individually or in concert with others, they formulate, direct, or control the policies, acts, or practices of the corporation, including the acts or practices alleged in this complaint. Their principal offices or places of business are the same as that of Mad Mod.

3. 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, 15 U.S.C. § 44.

4. Respondents manufacture, advertise, market, promote, offer to sell, sell, and distribute a line of textile fiber products called “Bamboo Comfort,” throughout the United States, using both Mad Mod’s own website, www.mad-mod.com, and other retailers.

5. Respondents price the textile fiber products that they manufacture, market, promote, distribute, and sell at a premium compared to other, similar products in the marketplace.

6. In advertisements to induce consumers to purchase their textile fiber products, Respondents make or have made various claims, on their website and elsewhere, concerning the fiber content and anti-microbial characteristics of their textile fiber products, as well as the environmentally friendly manufacturing processes used to make their products, including, but not limited to, the following:

Complaint

A. **Mad Mod Website (www.mad-mod.com)**

1. bamboo comfort

Go to the Products page, then click Bamboo Comfort to see our line of 100% bamboo fiber items, including our new blankets!

(Homepage, Exhibit A at 1).

2. **Bamboo Comfort**

. . . By applying an exclusive, eco-friendly manufacturing process to the fastest growing plant on earth, Bamboo fiber offers comfort with a conscience. Bamboo Comfort, a new textile line at Mad Mod, introduces ultra-soft, 100% bamboo fiber textiles with socioeconomic and environmental benefits that aren't found in any other textile fibers in the market today.

* * * *

Characteristics:

- Bamboo fibers possess natural anti-microbial agents

* * * *

(“Products” page, Exhibit A at 2-3).

3. **Mad Mod – Established 2003**

* * * *

We have also developed our own line of 100% bamboo textiles. Back in 2005 before being ‘green’ was even popular, Bamboo Comfort was formed. We now offer 100% bamboo fiber towels

Complaint

and blankets which are luxurious to the touch AND environmentally friendly.

(“About Us” page, Exhibit A at 4).

4. 100% Bamboo Bath Towel Set

This is our best and most durable 100% bamboo fiber bath towel set yet! They have an ultra-luxurious feel with 3 to 4 times the absorbency of cotton towels.

(“Shop Here” page, Exhibit A at 5).

B. **Product Label**

bamboo comfort

100% bamboo

(Exhibit B).

C. **Product Packaging**

bamboo comfort

Bamboo fiber is a sustainable textile that is highly absorbent, naturally antibacterial and luxuriously soft.

To care for your bamboo towels, machine-wash on delicate cycle and tumble-dry on low. Bleach and fabric softeners damage the bamboo fiber and should not be used on Bamboo Comfort products.

(Exhibit C).

7. The textile fiber products manufactured, marketed, promoted, distributed, and sold by Respondents consist of rayon and not actual bamboo fibers woven into fabric.

Complaint

8. Rayon is the generic name for a type of regenerated, or manufactured, fiber made from cellulose. Rayon is manufactured by taking purified cellulose from a plant source, also called a cellulose precursor, and converting it to a viscous solution by dissolving it in one or more chemicals, such as sodium hydroxide. The chemical solution is then forced through spinnerets and into an acidic bath where it solidifies into fibers.

9. The process used to manufacture rayon from cellulose involves hazardous chemicals. *See* 40 C.F.R. Part 63 (“National Emissions Standards for Hazardous Air Pollutants: Cellulose Products Manufacturing”).

10. “[H]azardous air pollutants (HAP) emitted from cellulose products manufacturing operations” include carbon disulfide, carbonyl sulfide, ethylene oxide, methanol, methyl chloride, propylene oxide, and toluene. 40 C.F.R. § 63.5480.

11. Many plant sources may be used as cellulose precursors for rayon fabric, including cotton linters (short cotton fibers), wood pulp, and bamboo. Regardless of the source of the cellulose used, however, the manufacturing process involves the use of hazardous chemicals and the resulting fiber is rayon and not cotton, wood, or bamboo fiber.

12. Respondents do not state that their textile fiber products are rayon, nor, assuming that bamboo is the source of the cellulose used in their textile fiber products, do Respondents state that their textile fiber products are rayon made from bamboo. Moreover, on the pages of their website stating the claims set forth in Paragraph 6, Respondents do not provide any description of the chemical process used to manufacture their textile fiber products.

13. Respondents sell or have sold their textile fiber products without including in the proper place on the product label the name of the country where each such product was processed or manufactured.

14. Respondents advertise or have advertised their textile fiber products for sale on the www.mad-mod.com website without

Complaint

including in the description of the product a clear and conspicuous statement that the product was either made in U.S.A., imported, or both.

VIOLATIONS OF SECTION 5 OF THE FTC ACT**FALSE OR MISLEADING REPRESENTATIONS**

15. Through the means described in Paragraph 6, Respondents represent or have represented, expressly or by implication, that:

- A. Their textile fiber products are bamboo fiber;
- B. Their textile fiber products are manufactured using an environmentally friendly process; and
- C. Their textile fiber products retain anti-microbial properties of the bamboo plant.

16. In truth and in fact:

- A. Respondents' textile fiber products are not bamboo fiber, but instead are rayon, a regenerated cellulose fiber;
- B. Respondents' textile fiber products are not manufactured using an environmentally friendly process but rather a process that involves the use of toxic chemicals and results in the emission of hazardous air pollutants; and
- C. Respondents' textile fiber products do not retain anti-microbial properties of the bamboo plant.

17. Therefore, the representations set forth in Paragraph 15 were, and are, false or misleading, and the making of such representations constitutes a deceptive act or practice, in or affecting commerce, in violation of Section 5(a) of the Federal Trade Commission Act.

Complaint

UNSUBSTANTIATED REPRESENTATIONS

18. Through the means described in Paragraph 6, Respondents represent or have represented, expressly or by implication, that they possessed and relied upon a reasonable basis that substantiated the representations set forth in Paragraph 15, at the time the representations were made.

19. In truth and in fact, Respondents did not possess and rely upon a reasonable basis that substantiated the representations set forth in Paragraph 15, at the time the representations were made.

20. Therefore, the representation set forth in Paragraph 18 was, and is, false or misleading, and the making of such representation constitutes a deceptive act or practice, in or affecting commerce, in violation of Section 5(a) of the Federal Trade Commission Act.

**TEXTILE FIBER PRODUCTS IDENTIFICATION ACT
and RULES AND REGULATIONS**

21. The Textile Fiber Products Identification Act, 15 U.S.C. § 70, *et seq.* (“Textile Act”), governs, *inter alia*, the labeling and advertising of textile fiber products introduced, manufactured for introduction, delivered for introduction, sold, advertised, or offered for sale in commerce. *See* 15 U.S.C. § 70a.

22. Under the Textile Act, a textile fiber product is “misbranded if it is falsely or deceptively stamped, tagged, labeled, invoiced, advertised, or otherwise identified as to the name or amount of constituent fibers contained therein.” 15 U.S.C. § 70b(a).

23. Pursuant to the Textile Act, 15 U.S.C. § 70e(c), the Federal Trade Commission has promulgated Rules and Regulations for its administration and enforcement (“Textile Rules and Regulations”). *See* 16 C.F.R. Part 303. The Textile Rules and Regulations state:

- A. All textile fiber products must carry permanent, affixed labels stating the recognized generic names of

Complaint

the constituent fibers, as well as indicating, among other things, the “percentages by weight of the constituent fibers present in the textile fiber product, excluding permissive ornamentation, in amounts of 5 percent or more,” as well as the “name of the country where such product was processed or manufactured.” 16 C.F.R. § 303.16(a)(1), (a)(3); *see also* 16 C.F.R. §§ 303.6, 303.15 and 303.33;

- B. In advertising textile fiber products in promotional materials disseminated to ultimate consumers in print or by electronic means, other than by broadcast, where the consumer is solicited to purchase such textile products without examining the actual product purchased, the description of the product must contain a clear and conspicuous statement that the product was either made in U.S.A., imported, or both. 16 C.F.R. § 303.34;
- C. In advertising and labeling textile fiber products, no generic name for a manufactured fiber may be used until such generic name has been “established or otherwise recognized by the Commission,” 16 C.F.R. § 303.8, and such generic names must be used when identifying the fiber content in the information required in such labels and advertisements, 16 C.F.R. § 303.6;
- D. The only generic terms for fibers manufactured from regenerated cellulose that have been established or otherwise recognized by the FTC are rayon, viscose, modal, cupro, and lyocell. *See* 16 C.F.R. § 303.7(d);
- E. “Words, coined words, symbols or depictions, (a) which constitute or imply the name or designation of a fiber which is not present in the product, (b) which are phonetically similar to the name or designation of such a fiber, or (c) which are only a slight variation of spelling from the name or designation of such a fiber shall not be used in such a manner as to represent or imply that such fiber is present in the product.” 16

Complaint

C.F.R. § 303.18. Any term used in advertising, including internet advertising, that constitutes or connotes the name or presence of a textile fiber is deemed to be an implication of fiber content. 16 C.F.R. § 303.40; and

- F. Any information or representations included in advertising or labeling of a textile fiber product that is not required under the Textile Act or the Textile Rules and Regulations “shall in no way be false, deceptive, or misleading as to fiber content and shall not include any names, terms, or representations prohibited by the [Textile] Act and regulations. Such non-required information or representations shall not be set forth or so used as to interfere with, minimize, or detract from the required information.” 16 C.F.R. § 303.42(b); 16 C.F.R. § 303.41(d); *see also* 16 C.F.R. § 303.17.

24. A violation either of the Textile Act or of the Textile Rules and Regulations constitutes an unfair and deceptive act or practice in violation of the Federal Trade Commission Act. *See* 15 U.S.C. §§ 70a and 70e.

**VIOLATIONS OF THE TEXTILE ACT
AND THE TEXTILE RULES AND REGULATIONS**

25. As set forth in Paragraph 6, Respondents have:

- A. labeled their textile fiber products as consisting of bamboo; and
- B. advertised the fiber content of their textile fiber products using the terms “bamboo” and “bamboo fiber.”

26. In truth and in fact, Respondents’ textile fiber products are not bamboo fiber but are rayon, a regenerated cellulose fiber.

Complaint

27. As set forth in Paragraphs 13 and 14, Respondents have:

- A. failed to include in the proper place on the labels of their textile fiber products the name of the country where the products were processed or manufactured; and
- B. advertised and sold their textile fiber products on the www.mad-mod.com website without including in the description of each product a clear and conspicuous statement that the product was either made in U.S.A., imported, or both.

28. Through the means described in Paragraphs 6, 13, and 14, Respondents have manufactured for introduction, introduced, advertised, offered for sale, or sold textile fiber products that are misbranded or falsely or deceptively advertised, as prohibited by Sections 70a and 70b of the Textile Act, 15 U.S.C. § 70, *et seq.*, and in violation of Sections 303.6, 303.8, 303.16, 303.17, 303.18, 303.33, 303.34, 303.40, 303.41, and 303.42 of the Textile Rules and Regulations, 16 C.F.R. Part 303.

29. Respondents' violations of the Textile Act and of the Textile Rules and Regulations constitute deceptive acts or practices, in or affecting commerce, in violation of Section 5(a) of the Federal Trade Commission Act.

THEREFORE, the Federal Trade Commission, this fifteenth day of December, 2009, has issued this complaint against Respondents.

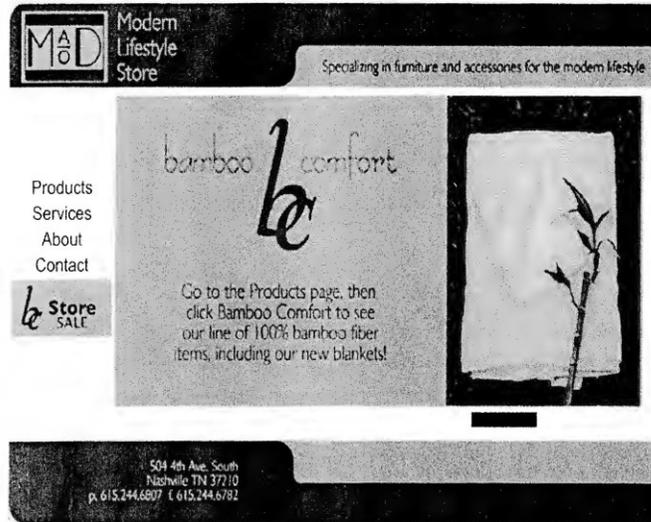
By the Commission.

Complaint

Exhibit A

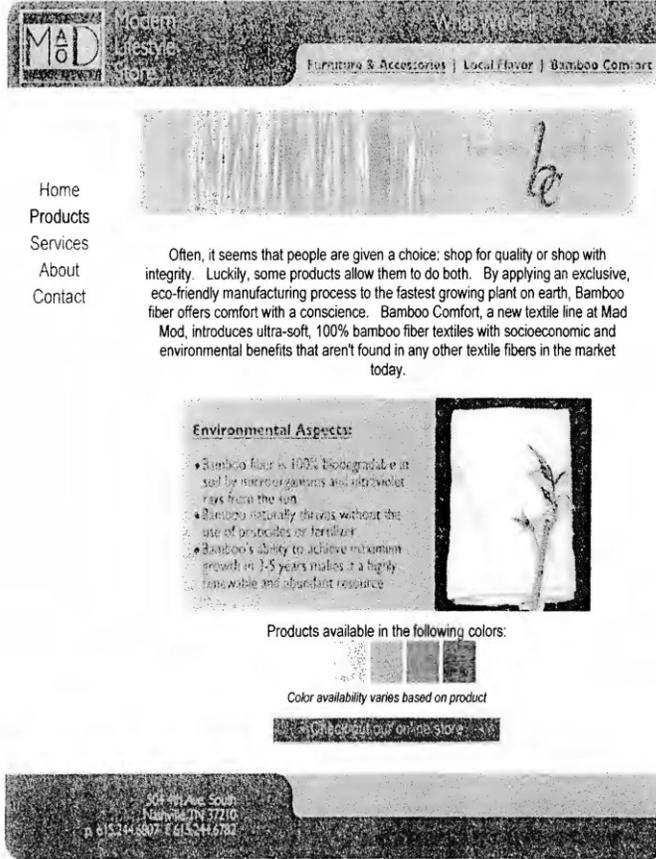
Nashville, TN Modern Lifestyle Store - Mad Mod | Home

Page 1 of 1



Home | Products | Services | About | Contact
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Webmaster: Jamie Renner, Renner Web Design

Complaint

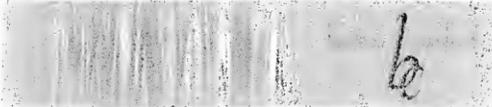


Complaint

Document #8



- Home
- Products
- Services
- About
- Contact



Often, it seems that people are given a choice: shop for quality or shop with integrity. Luckily, some products allow them to do both. By applying an exclusive, eco-friendly manufacturing process to the fastest growing plant on earth, Bamboo fiber offers comfort with a conscience. Bamboo Comfort, a new textile line at Mad Mod, introduces ultra-soft, 100% bamboo fiber textiles with socioeconomic and environmental benefits that aren't found in any other textile fibers in the market today.

Characteristics:

- Bamboo fibers possess natural anti-microbial agents
- The oblong hollow structure naturally equips bamboo fiber with the traits of high moisture absorbency and excellent ventilation
- Bamboo fiber is extremely soft
- Bamboo Comfort textiles are dyed with organic reactive dyes



Products available in the following colors:



Color availability varies based on product

[Check out our online store](#)



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 Webmaster: Jamie Renner, Renner Web Design

Complaint

Mad Mod - Modern Furniture, home accents, gifts

Page 1 of 1

Mad Mod
a modern lifestyle store

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Terms and Conditions

About Us

Mad Mod - Established 2003

Mad Mod specializes in modern home furnishings, home accents, and gifts. Mad Mod carries everything modern including bedroom suites, luxury recliners, sofas, chairs, dining and coffee tables, vases, pillows, gifts, accessories and much more. We have also developed our own line of 100% bamboo textiles. Back in 2005 before being "green" was even popular, Bamboo Comfort was formed. We now offer 100% bamboo fiber towels and blankets which are luxurious to the touch AND environmentally friendly. More Bamboo Comfort products are being developed and will soon be offered to the general public. Bamboo Comfort products have been featured in *The Wall Street Journal*, *National Geographic's - Green Guide*, HGTV's - *I Want That! Baths*, *Aray* magazine, *Cool Green Stuff* (Book), *Renew* magazine (Australia) and other national and international publications.

In addition to our products, Mad Mod provides staging services for individuals or Realtors looking to sell residential property. We also provide staging services for other clients. *Staging services for residential clients.*

Mad Mod 524 4th Ave. S. Nashville, TN 37210 615 244 6807 p. 615 244 6782 f
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http://www.mad-mod.com/

Mad Mod - Modern Furniture, home accents, gifts

Page 1 of 1

Bamboo Comfort Bed Linens

Shipping Info Color

BTS

Quantity 1 USD 69.00

VIEW CART

Hold the Ctrl key while clicking to add multiple quantities

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http://www.mad-mod.com/

Complaint

Exhibit B



Exhibit C

bamboo *bc* comfort

Bamboo fiber is a sustainable textile that is highly absorbent, naturally antibacterial and luxuriously soft.

To care for your bamboo towels, machine-wash on delicate cycle and tumble-dry on low. Bleach and fabric softeners damage the bamboo fiber and should not be used on Bamboo Comfort products.

100% bamboo fiber

Decision and Order

DECISION AND ORDER

The Federal Trade Commission (“Commission”) having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft complaint that the Bureau of Consumer Protection proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge the respondents with violations of the Federal Trade Commission Act, 15 U.S.C. § 45 *et seq.*, the Textile Fiber Products Identification Act, 15 U.S.C. § 70, *et seq.*, and the Rules and Regulations promulgated thereunder, 16 C.F.R. Part 303; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order (“consent agreement”), an admission by the respondents of all the jurisdictional facts set forth in the aforesaid draft complaint, a statement that the signing of said consent agreement is for settlement purposes only and does not constitute an admission by the respondents that the law has been violated as alleged in the complaint, or that any of the facts as alleged in such complaint, other than jurisdictional facts, are true, and waivers and other provisions as required by the Commission’s Rules; and

The Commission having thereafter considered the matter and having determined that it has reason to believe that the respondents have violated said Acts and Rules, and that a complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such consent agreement on the public record for a period of thirty (30) days for the receipt and consideration of public comments, and having duly considered the comments received from interested persons pursuant to section 2.34 of its Rules, now in conformity with the procedure prescribed in Section 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent CSE, Inc. also doing business as Mad Mod, is a Tennessee corporation with its principal

Decision and Order

place of business at 504 4th Avenue South, Nashville, Tennessee 37210.

2. Respondents Chris Saetveit and Cyndi Saetveit are the owners of Mad Mod. Individually or in concert with others, they formulate, direct, or control the policies, acts, or practices of the corporation. Their principal offices or places of business are the same as that of Mad Mod.
3. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the Respondents, and the proceeding is in the public interest.

ORDER

DEFINITIONS

For purposes of this order, the following definitions shall apply:

- A. “Commerce” shall mean as defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. § 44.
- B. “Competent and reliable scientific evidence” shall mean tests, analyses, research, studies, or other evidence based on the expertise of professionals in the relevant area, that has been conducted and evaluated in an objective manner by persons qualified to do so, using procedures generally accepted in the profession to yield accurate and reliable results.
- C. “Covered product” shall mean any or all of the following: (1) any article of wearing apparel, costume or accessory, drapery, floor covering, furnishing, bedding, or other textile good of a type customarily used in a household, regardless of where used in fact, that is made, in whole or in part, of yarn or fabric; or (2) any fiber, yarn or fabric, whether in the finished or

Decision and Order

unfinished state, used or intended for use in any such textile good.

- D. “Fiber trademark” shall mean a word or words used to identify a particular fiber sold by a person and to distinguish it from fibers of the same generic class sold by others, as defined in 16 C.F.R. § 303.1(r).
- E. “Generic name of any manufactured fiber” shall mean any name for a textile fiber established and defined by the Commission pursuant to Section 70e(c) of the Textile Fiber Products Identification Act, as set forth in 16 C.F.R. § 303.7.
- F. “Manufactured fiber” shall mean any fiber derived by a process of manufacture from any substance which, at any point in the manufacturing process, is not a fiber, as defined in 15 U.S.C. § 70(d).
- G. “Required information” shall mean such information as is required to be disclosed on labels or invoices and in advertising under the Textile Fiber Products Identification Act, 15 U.S.C. § 70 *et seq.*, and under the Rules and Regulations promulgated thereunder, 16 C.F.R. Part 303, as defined in 16 C.F.R. § 303.1(e).
- H. Unless otherwise specified, “respondents” shall mean CSE, Inc. also doing business as Mad Mod, a corporation, its successors and assigns and its officers and owners; Chris Saetveit and Cyndi Saetveit, individually and as owners of the corporation; and each of the above’s agents, representatives, and employees.

I.

IT IS ORDERED that respondents, directly or through any corporation, subsidiary, division, or other device, in connection with the manufacturing, labeling, advertising, promotion, offering for sale, sale, or distribution of any covered product in or

Decision and Order

affecting commerce, shall not make any representation, in any manner, expressly or by implication:

- A. That such covered product
1. is made of bamboo or bamboo fiber, including, but not limited to, through the use of a fiber trademark or other descriptive term or name for a product or product line, *e.g.*, Bamboo Comfort;
 2. is manufactured using an environmentally friendly process; or
 3. is anti-microbial or retains the anti-microbial properties of any material from which it is made,
- unless the representation is true, non-misleading, and, at the time it is made, respondents possess and rely upon competent and reliable scientific evidence that substantiates the representation; or
- B. About the benefits, performance, or efficacy of such covered product,
- unless the representation is true, non-misleading, and, at the time it is made, respondents possess and rely upon competent and reliable evidence, which when appropriate must be competent and reliable scientific evidence, that substantiates the representation.

II.

Provided, however, that nothing in this order shall prohibit respondents from describing a covered product using the generic name of any manufactured fiber and identifying bamboo as the cellulose source for such fiber, *e.g.*, rayon made from bamboo, so long as such representation is true, non-misleading, complies with the Textile Fiber Products Identification Act, 15 U.S.C. § 70, *et seq.* (“Textile Act”) and with the Rules and Regulations promulgated thereunder, 16 C.F.R. Part 303 (“Textile Rules”), and, at the time such representation is made, respondents possess

Decision and Order

and rely upon competent and reliable scientific evidence that substantiates the representation.

III.

IT IS FURTHER ORDERED that respondents, directly or through any corporation, subsidiary, division, or other device, in connection with the manufacturing, labeling, advertising, promotion, offering for sale, sale, or distribution of any covered product in or affecting commerce, shall not fail to comply with any provision of the Textile Fiber Products Identification Act, 15 U.S.C. § 70, *et seq.* (“Textile Act”), or of the Rules and Regulations promulgated thereunder, 16 C.F.R. Part 303 (“Textile Rules”), copies of which are attached hereto as “Appendix A,” or of the Textile Act or Textile Rules as they may hereafter be amended, including but not limited to:

- A. Selling, offering for sale, or advertising in commerce any covered product that is falsely or deceptively stamped, tagged, labeled, invoiced, advertised, or otherwise identified as to the name or amount of constituent fibers contained therein, 15 U.S.C. §§ 70a, 70b;
- B. Selling, offering for sale, or advertising in commerce any covered product that does not have a stamp, tag, label, or other means of identification on or affixed to the inside center of the neck midway between the shoulder seams or, if such product does not contain a neck, in the most conspicuous place on the inner side of such product, unless it is on or affixed on the outer side of such product, or in the case of hosiery items on the outer side of such product or package, 15 U.S.C. § 70b(j);
- C. Failing to use the recognized generic name of any manufactured fiber in the required information in any labels, invoices, or advertising of any covered product, 16 C.F.R. §§ 303.6 and 303.7;

Decision and Order

- D. Failing to include all required information on labels for any covered product and in any written advertisement disseminated for a covered product that is used to aid, promote, or assist, directly or indirectly, in the sale or offering for sale of such covered product, including identifying:
1. the generic names and percentages by weight of the constituent fibers present in the covered product, in amounts of 5 percent or more and in the order of predominance set forth in 16 C.F.R. § 303.16(a)(1);
 2. the name or registered identification number issued by the Commission of the manufacturer or of one or more persons marketing or handling the covered product; and
 3. the name of the country where such covered product was processed or manufactured, as provided for in § 303.33,
- 15 U.S.C. § 70b(b); 16 C.F.R. §§ 303.16 and 303.42(a);
- E. Failing to ensure that any fiber trademark or generic name used on the label of or in any advertising for any covered product:
1. is not false, deceptive, or misleading as to fiber content; and
 2. does not indicate, directly or indirectly, that the covered product is composed wholly or in part of a particular fiber, when such is not the case,
- 16 C.F.R. §§ 303.17(d) and 303.41(d);
- F. Failing to ensure that any non-required information or representations used on the label of or in the advertising for any covered product:

Decision and Order

1. do not interfere with, minimize, detract from, or conflict with required information;
2. do not include any names, terms, or representations prohibited by the Textile Act or Rules; and
3. are not false, deceptive, or misleading,

16 C.F.R. §§ 303.16(c) and 303.42(b);

- G. Where a covered product is advertised in such manner as to require disclosure of the information required by the Textile Act and Textile Rules, failing to include all parts of the required information in immediate conjunction with each other in legible and conspicuous type or lettering of equal size and prominence, 16 C.F.R. § 303.42(a);
- H. Failing to ensure that, where a covered product is advertised in print or by electronic means, other than by broadcast, using materials that solicit consumers to purchase such products by mail, telephone, electronic mail, or some other method without examining the actual product purchased, the description of the product includes a clear and conspicuous statement that the product was either made in U.S.A., imported, or both. 16 C.F.R. §§ 303.1(u) and 303.34;
- I. Where a fiber trademark is used in advertising a covered product, failing:
1. to include the generic name of the fiber contained in such covered product in immediate proximity to and in conjunction with such fiber trademark; and
 2. to include a full disclosure of the fiber content information required by the Textile Act and Textile Rules in at least one instance in any such advertisement,

16 C.F.R. § 303.41;

Decision and Order

- J. Failing to ensure that any words, coined words, symbols or depictions used in the labeling or advertising of a covered product which:
1. constitute or imply the name or designation of a fiber;
 2. are phonetically similar to the name or designation of a fiber; or
 3. are only a slight variation of spelling from the name or designation of a fiber
- are not used in such a manner as to represent or imply that such fiber is present in the covered product, unless such fiber is actually present in that product, 16 C.F.R. § 303.18; and
- K. Failing to maintain for at least three years proper records for any covered products manufactured by respondents, including records showing the fiber content, 15 U.S.C. § 70d(b); 16 C.F.R. § 303.39.

IV.

IT IS FURTHER ORDERED that respondent CSE, Inc. also doing business as Mad Mod, and its successors and assigns, and respondents Chris Saetveit and Cyndi Saetveit shall, for five (5) years after the last date of dissemination of any representation covered by this order, maintain and upon request make available to the Federal Trade Commission for inspection and copying:

- A. All advertisements, labeling, packaging and promotional materials containing the representation;
- B. All materials that were relied upon in disseminating the representation;
- C. All tests, reports, studies, surveys, demonstrations, or other evidence in its possession or control that contradict, qualify, or call into question the

Decision and Order

representation, or the basis relied upon for the representation, including complaints and other communications with consumers or with governmental or consumer protection organizations; and

- D. All acknowledgments of receipt of this order obtained pursuant to Part V.

V.

IT IS FURTHER ORDERED that respondent CSE, Inc. also doing business as Mad Mod, and its successors and assigns, and respondents Chris Saetveit and Cyndi Saetveit shall deliver a copy of this order to all current and future principals, members, officers, directors, and managers, and to all current and future employees, agents, and representatives having responsibilities with respect to the subject matter of this order, and shall secure from each such person a signed and dated statement acknowledging receipt of the order. Respondents shall deliver this order to current personnel within thirty (30) days after the date of service of this order, and to future personnel within thirty (30) days after the person assumes such position or responsibilities.

VI.

IT IS FURTHER ORDERED that respondent CSE, Inc. also doing business as Mad Mod, and its successors and assigns, and respondents Chris Saetveit and Cyndi Saetveit shall notify the Commission at least thirty (30) days prior to any change with regard to CSE, Inc. also d/b/a Mad Mod, or any business entity that any respondent directly or indirectly controls, or has an ownership interest in, that may affect compliance obligations arising under this order, including but not limited to formation of a new business entity; a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor entity; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this order; the proposed filing of a bankruptcy petition; or a change in the business or corporate name or address. *Provided, however*, that, with respect to any proposed change about which respondents

Decision and Order

learn less than thirty (30) days prior to the date such action is to take place, respondents shall notify the Commission as soon as is practicable after obtaining such knowledge. All notices required by this Part shall be sent by certified mail to the Associate Director, Division of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue, N.W., Washington, D.C. 20580.

VII.

IT IS FURTHER ORDERED that respondents Chris Saetveit and Cyndi Saetveit, for a period of five (5) years after the date of issuance of this order, each shall notify the Commission of the discontinuance of his or her current business or employment, or of his or her affiliation with any new business or employment. The notice shall include the respondent's new business address and telephone number, and a description of the nature of the business or employment and his or her duties and responsibilities. All notices required by this Part shall be sent by certified mail to the Associate Director, Division of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue, N.W., Washington, D.C. 20580.

VIII.

IT IS FURTHER ORDERED that respondent CSE, Inc. also doing business as Mad Mod, and its successors and assigns, and respondents Chris Saetveit and Cyndi Saetveit shall, within sixty (60) days after the date of service of this order, file with the Commission a true and accurate report, in writing, setting forth in detail the manner and form in which they have complied with this order. Within ten (10) days of receipt of written notice from a representative of the Commission, respondents each shall submit additional true and accurate written reports.

IX.

This order will terminate on December 15, 2029, or twenty (20) years from the most recent date that the United States or the Federal Trade Commission files a complaint (with or without an accompanying consent decree) in federal court alleging any

Decision and Order

violation of the order, whichever comes later; *provided, however*, that the filing of such a complaint will not affect the duration of:

- A. Any Part in this order that terminates in less than twenty (20) years;
- B. This order's application to any respondent that is not named as a respondent in such complaint; and
- C. This order if such complaint is filed after the order has terminated pursuant to this Part.

Provided, further, that if such complaint is dismissed or a federal court rules that the respondents did not violate any provision of the order, and the dismissal or ruling is either not appealed or upheld on appeal, then the order will terminate according to this Part as though the complaint had never been filed, except that the order will not terminate between the date such complaint is filed and the later of the deadline for appealing such dismissal or ruling and the date such dismissal or ruling is upheld on appeal.

By the Commission.

Decision and Order

Appendix A

From the U.S. Code Online via GPO Access
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 [Laws in effect as of January 3, 2006]
 [CITE: 15USC70]

TITLE 15--COMMERCE AND TRADE

CHAPTER 2--FEDERAL TRADE COMMISSION; PROMOTION OF EXPORT TRADE AND
PREVENTION OF UNFAIR METHODS OF COMPETITION

SUBCHAPTER V--TEXTILE FIBER PRODUCTS IDENTIFICATION

Sec. 70. Definitions

As used in this subchapter--

- (a) The term "person" means an individual, partnership, corporation, association or any other form of business enterprise.
- (b) The term "fiber" or "textile fiber" means a unit of matter which is capable of being spun into a yarn or made into a fabric by bonding or by interlacing in a variety of methods including weaving, knitting, braiding, felting, twisting, or webbing, and which is the basic structural element of textile products.
- (c) The term "natural fiber" means any fiber that exists as such in the natural state.
- (d) The term "manufactured fiber" means any fiber derived by a process of manufacture from any substance which, at any point in the manufacturing process, is not a fiber.
- (e) The term "yarn" means a strand of textile fiber in a form suitable for weaving, knitting, braiding, felting, webbing, or otherwise fabricating into a fabric.
- (f) The term "fabric" means any material woven, knitted, felted, or otherwise produced from, or in combination with, any natural or manufactured fiber, yarn, or substitute therefor.
- (g) The term "household textile articles" means articles of wearing apparel, costumes and accessories, draperies, floor coverings, furnishings, beddings, and other textile goods of a type customarily used in a household regardless of where used in fact.
- (h) The term "textile fiber product" means--
- (1) any fiber, whether in the finished or unfinished state, used or intended for use in household textile articles;
 - (2) any yarn or fabric, whether in the finished or unfinished state, used or intended for use in household textile articles; and
 - (3) any household textile article made in whole or in part of yarn or fabric;

except that such term does not include a product required to be labeled under the Wool Products Labeling Act of 1939 [15 U.S.C. 60 et seq.].

- (i) The term "effixed" means attached to the textile fiber product in any manner.
- (j) The term "Commission" means the Federal Trade Commission.
- (k) The term "commerce" means commerce among the several States or with foreign nations, or in any Territory of the United States or in the District of Columbia, or between any such Territory and another, or between any such Territory and any State or foreign nation or between the District of Columbia and any State or Territory or foreign nation.
- (l) The term "Territory" includes the insular possessions of the United States, and also any Territory of the United States.
- (m) The term "ultimate consumer" means a person who obtains a textile fiber product by purchase or exchange with no intent to sell or exchange such textile fiber product in any form.

(Pub. L. 85-897, Sec. 2, Sept. 2, 1958, 72 Stat. 1717.)

References in Text

The Wool Products Labeling Act of 1939, referred to in subsec.

Decision and Order

(h) (3), is act Oct. 14, 1940, ch. 871, 54 Stat. 1128, as amended, which is classified generally to subchapter III (Sec. 68 et seq.) of this chapter. For complete classification of this Act to the Code, see Short Title note set out under section 68 of this title and Tables.

Effective Date

Section 15 of Pub. L. 85-897 provided that: "This Act [this subchapter] shall take effect eighteen months after enactment [Sept. 2, 1958], except for the promulgation of rules and regulations by the Commission, which shall be promulgated within nine months after the enactment of this Act. The Commission shall provide for the exception of any textile fiber product acquired prior to the effective date of this Act."

Short Title

Section 1 of Pub. L. 85-897 provided: "That this Act [this subchapter] may be cited as the 'Textile Fiber Products Identification Act'."

Separability

Section 13 of Pub. L. 85-897 provided that: "If any provision of this Act [this subchapter], or the application thereof to any person, as that term is herein defined, is held invalid, the remainder of the Act and the application of the remaining provisions to any person shall not be affected thereby."

Decision and Order

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 [CITE: 15USC70a]

TITLE 15--COMMERCE AND TRADE

CHAPTER 2--FEDERAL TRADE COMMISSION; PROMOTION OF EXPORT TRADE AND
PREVENTION OF UNFAIR METHODS OF COMPETITION

SUBCHAPTER V--TEXTILE FIBER PRODUCTS IDENTIFICATION

Sec. 70a. Violations of Federal Trade Commission Act

- (a) Introduction or manufacture for introduction into commerce, sale, advertising or offering for sale in commerce

The introduction, delivery for introduction, manufacture for introduction, sale, advertising, or offering for sale, in commerce, or the transportation or causing to be transported in commerce, or the importation into the United States, of any textile fiber product which is misbranded or falsely or deceptively advertised within the meaning of this subchapter or the rules and regulations promulgated thereunder, is unlawful, and shall be an unfair method of competition and an unfair and deceptive act or practice in commerce under the Federal Trade Commission Act [15 U.S.C. 41 et seq.].

- (b) Sale, offering for sale, advertising, delivery, transportation of products advertised for sale in commerce

The sale, offering for sale, advertising, delivery, transportation, or causing to be transported, of any textile fiber product which has been advertised or offered for sale in commerce, and which is misbranded or falsely or deceptively advertised, within the meaning of this subchapter or the rules and regulations promulgated thereunder, is unlawful, and shall be an unfair method of competition and an unfair and deceptive act or practice in commerce under the Federal Trade Commission Act [15 U.S.C. 41 et seq.].

- (c) Sale, offering for sale, advertising, delivery, transportation of products after shipment in commerce

The sale, offering for sale, advertising, delivery, transportation, or causing to be transported, after shipment in commerce, of any textile fiber product, whether in its original state or contained in other textile fiber products, which is misbranded or falsely or deceptively advertised, within the meaning of this subchapter or the rules and regulations promulgated thereunder, is unlawful, and shall be an unfair method of competition and an unfair and deceptive act or practice in commerce under the Federal Trade Commission Act [15 U.S.C. 41 et seq.].

- (d) Application of section to common carrier, freight forwarder, etc.

This section shall not apply--

- (1) to any common carrier or contract carrier or freight forwarder with respect to a textile fiber product received, shipped, delivered, or handled by it for shipment in the ordinary course of its business;
- (2) to any processor or finisher in performing a contract for the account of a person subject to the provisions of this subchapter if the processor or finisher does not change the textile fiber content of the textile fiber product contrary to the terms of such contract;
- (3) with respect to the manufacture, delivery for transportation, transportation, sale, or offering for sale of a

Decision and Order

textile fiber product for exportation from the United States to any foreign country;

(4) to any publisher or other advertising agency or medium for the dissemination of advertising or promotional material, except the manufacturer, distributor, or seller of the textile fiber product to which the false or deceptive advertisement relates, if such publisher or other advertising agency or medium furnishes to the Commission, upon request, the name and post office address of the manufacturer, distributor, seller, or other person residing in the United States, who caused the dissemination of the advertising material; or

(5) to any textile fiber product until such product has been produced by the manufacturer or processor in the form intended for sale or delivery to, or for use by, the ultimate consumer: Provided, That this exemption shall apply only if such textile fiber product is covered by an invoice or other paper relating to the marketing or handling of the textile fiber product and such invoice or paper correctly discloses the information with respect to the textile fiber product which would otherwise be required under section 70b of this title to be on the stamp, tag, label, or other identification and the name and address of the person issuing the invoice or paper.

(Pub. L. 85-897, Sec. 3, Sept. 2, 1958, 72 Stat. 1718.)

References in Text

The Federal Trade Commission Act, referred to in subsecs. (a) to (c), is act Sept. 26, 1914, ch. 311, 38 Stat. 717, as amended, which is classified generally to subchapter I (Sec. 41 et seq.) of this chapter. For complete classification of this Act to the Code, see section 58 of this title and Tables.

Decision and Order

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 [Laws in effect as of January 3, 2006]
 [Document affected by Public Law 9 Section](1)]
 [Document affected by Public Law 9 Section](2)]
 [CITE: 15USC70b]

TITLE 15--COMMERCE AND TRADE

CHAPTER 2--FEDERAL TRADE COMMISSION; PROMOTION OF EXPORT TRADE AND
PREVENTION OF UNFAIR METHODS OF COMPETITION

SUBCHAPTER V--TEXTILE FIBER PRODUCTS IDENTIFICATION

Sec. 70b. Misbranded and falsely advertised textile fiber
products

(a) False or deceptive identification

Except as otherwise provided in this subchapter, a textile fiber product shall be misbranded if it is falsely or deceptively stamped, tagged, labeled, invoiced, advertised, or otherwise identified as to the name or amount of constituent fibers contained therein.

(b) Stamp, tag, label or other means of identification; contents

Except as otherwise provided in this subchapter, a textile fiber product shall be misbranded if a stamp, tag, label, or other means of identification, or substitute therefor authorized by section 70c of this title, is not on or affixed to the product showing in words and figures plainly legible, the following:

(1) The constituent fiber or combination of fibers in the textile fiber product, designating with equal prominence each natural or manufactured fiber in the textile fiber product by its generic name in the order of predominance by the weight thereof if the weight of such fiber is 5 per centum or more of the total fiber weight of the product, but nothing in this section shall be construed as prohibiting the use of a nondeceptive trademark in conjunction with a designated generic name: Provided, That exclusive of permissible ornamentation, any fiber or group of fibers present in an amount of 5 per centum or less by weight of the total fiber content shall not be designated by the generic name or the trademark of such fiber or fibers, but shall be designated only as "other fiber" or "other fibers" as the case may be, but nothing in this section shall be construed as prohibiting the disclosure of any fiber present in a textile fiber product which has a clearly established and definite functional significance where present in the amount contained in such product.

(2) The percentage of each fiber present, by weight, in the total fiber content of the textile fiber product, exclusive of ornamentation not exceeding 5 per centum by weight of the total fiber content: Provided, That, exclusive of permissible ornamentation, any fiber or group of fibers present in an amount of 5 per centum or less by weight of the total fiber content shall not be designated by the generic name or trademark of such fiber or fibers, but shall be designated only as "other fiber" or "other fibers" as the case may be but nothing in this section shall be construed as prohibiting the disclosure of any fiber present in a textile fiber product which has a clearly established and definite functional significance where present in the amount stated: Provided further, That in the case of a textile fiber product which contains more than one kind of fiber, deviation in the fiber content of any fiber in such product, from the amount stated on the stamp, tag, label, or other identification shall not be a misbranding under this section unless such deviation is in excess of reasonable tolerances

Decision and Order

which shall be established by the Commission: And provided further, That any such deviation which exceeds said tolerances shall not be a misbranding if the person charged proves that the deviation resulted from unavoidable variations in manufacture and despite due care to make accurate the statements on the tag, stamp, label, or other identification.

(3) The name, or other identification issued and registered by the Commission, of the manufacturer of the product or one or more persons subject to section 70a of this title with respect to such product.

(4) If it is an imported textile fiber product the name of the country where processed or manufactured.

(5) If it is a textile fiber product processed or manufactured in the United States, it be so identified.

(c) False or deceptive advertisement

For the purposes of this subchapter, a textile fiber product shall be considered to be falsely or deceptively advertised if any disclosure or implication of fiber content is made in any written advertisement which is used to aid, promote, or assist directly or indirectly in the sale or offering for sale of such textile fiber product, unless the same information as that required to be shown on the stamp, tag, label, or other identification under subsection (b)(1) and (2) of this section is contained in the heading, body, or other part of such written advertisement, except that the percentages of the fiber present in the textile fiber product need not be stated.

(d) Additional information allowed

In addition to the information required in this section, the stamp, tag, label, or other means of identification, or advertisement may contain other information not violating the provisions of this subchapter.

(e) Labelling of packages

For purposes of this subchapter, in addition to the textile fiber products contained therein, a package of textile fiber products intended for sale to the ultimate consumer shall be misbranded unless such package has affixed to it a stamp, tag, label, or other means of identification bearing the information required by subsection (b) of this section, with respect to such contained textile fiber products, or is transparent to the extent it allows for the clear reading of the stamp, tag, label, or other means of identification on the textile fiber product, or in the case of hosiery items, this section shall not be construed as requiring the affixing of a stamp, tag, label, or other means of identification to each hosiery product contained in a package if (1) such hosiery products are intended for sale to the ultimate consumer in such package, (2) such package has affixed to it a stamp, tag, label, or other means of identification bearing, with respect to the hosiery products contained therein, the information required by subsection (b) of this section, and (3) the information on the stamp, tag, label, or other means of identification affixed to such package is equally applicable with respect to each textile fiber product contained therein.

(f) Fabric severed from bolts, pieces or rolls of fabric

This section shall not be construed as requiring designation of the fiber content of any portion of fabric, when sold at retail, which is severed from bolts, pieces, or rolls of fabric labeled in accordance with the provisions of this section at the time of such sale: Provided, That if any portion of fabric severed from a bolt, piece, or roll of fabric is in any manner represented as containing percentages of natural or manufactured fibers, other than that which is set forth on the labeled bolt, piece, or roll, this section shall be applicable thereto.

Decision and Order

and the information required shall be separately set forth and segregated as required by this section.

(g) Advertisement of textile product by use of name or symbol of fur-bearing animal

For the purposes of this subchapter, a textile fiber product shall be considered to be falsely or deceptively advertised if the name or symbol of any fur-bearing animal is used in the advertisement of such product unless such product, or the part thereof in connection with which the name or symbol of a fur-bearing animal is used, is a fur or fur product within the meaning of the Fur Products Labeling Act (15 U.S.C. 69 et seq.): Provided, however, That where a textile fiber product contains the hair or fiber of a fur-bearing animal, the name of such animal, in conjunction with the word "fiber", "hair", or "blend", may be used.

(h) Reused stuffing

For the purposes of this subchapter, a textile fiber product shall be misbranded if it is used as stuffing in any upholstered product, mattress, or cushion after having been previously used as stuffing in any other upholstered product, mattress, or cushion, unless the upholstered product, mattress, or cushion containing such textile fiber product bears a stamp, tag, or label approved by the Commission indicating in words plainly legible that it contains reused stuffing.

(i) Mail order catalog or promotional material

For the purposes of this subchapter, a textile fiber product shall be considered to be falsely or deceptively advertised in any mail order catalog or mail order promotional material which is used in the direct sale or direct offering for sale of such textile fiber product, unless such textile fiber product description states in a clear and conspicuous manner that such textile fiber product is processed or manufactured in the United States of America, or imported, or both.

(j) Location of stamp, tag, label, or other identification

For purposes of this subchapter, any textile fiber product shall be misbranded if a stamp, tag, label, or other identification conforming to the requirements of this section is not on or affixed to the inside center of the neck midway between the shoulder seams or, if such product does not contain a neck, in the most conspicuous place on the inner side of such product, unless it is on or affixed on the outer side of such product, or in the case of hosiery items on the outer side of such product or package.

(k) Marking of certain sock products

(1) Notwithstanding any other provision of law, socks provided for in subheading 6115.92.90, 6115.93.90, 6115.99.18, 6111.20.60, 6111.30.50, or 6111.90.50 of the Harmonized Tariff Schedule of the United States, as in effect on September 1, 2003, shall be marked as legibly, indelibly, and permanently as the nature of the article or package will permit in such a manner as to indicate to the ultimate consumer in the United States the English name of the country of origin of the article. The marking required by this subsection shall be on the front of the package, adjacent to the size designation of the product, and shall be set forth in such a manner as to be clearly legible, conspicuous, and readily accessible to the ultimate consumer.

(2) Exceptions.--Any package that contains several different types of goods and includes socks classified under subheading 6115.92.90, 6115.93.90, 6115.99.18, 6111.20.60, 6111.30.50, or 6111.90.50 of the Harmonized Tariff Schedule of the United States, as in effect on September 1, 2003, shall not be subject to the requirements of paragraph (1).

Decision and Order

(Pub. L. 85-897, Sec. 4, Sept. 2, 1958, 72 Stat. 1719; Pub. L. 89-35, Secs. 1, 2, June 5, 1965, 79 Stat. 124; Pub. L. 98-417, title III, Secs. 301-303, Sept. 24, 1984, 98 Stat. 1603, 1604; Pub. L. 108-429, title II, Sec. 2004(h)(1), Dec. 3, 2004, 118 Stat. 2594.)

References in Text

The Harmonized Tariff Schedule of the United States, referred to in subsec. (k), is not set out in the Code. See Publication of Harmonized Tariff Schedule note set out under section 1202 of Title 19, Customs Duties.

The Fur Products Labeling Act, referred to in subsec. (g), is act Aug. 8, 1951, ch. 298, 65 Stat. 175, as amended, which is classified generally to subchapter IV (Sec. 69 et seq.) of this chapter. For complete classification of this Act to the Code, see Short Title note set out under section 69 of this title and Tables.

Amendments

2004--Subsec. (k). Pub. L. 108-429 added subsec. (k).

1984--Subsec. (b)(5). Pub. L. 98-417, Sec. 301, added par. (5).

Subsec. (e). Pub. L. 98-417, Sec. 302, amended subsec. (e) generally. Prior to amendment, subsec. (e) read as follows: "This section shall not be construed as requiring the affixing of a stamp, tag, label, or other means of identification to each textile fiber product contained in a package if (1) such textile fiber products are intended for sale to the ultimate consumer in such package, (2) such package has affixed to it a stamp, tag, label, or other means of identification bearing, with respect to the textile fiber products contained therein, the information required by subsection (b) of this section, and (3) the information on the stamp, tag, label, or other means of identification affixed to such package is equally applicable with respect to each textile fiber product contained therein."

Subsecs. (i), (j). Pub. L. 98-417, Sec. 303, added subsecs. (i) and (j).

1965--Subsec. (b)(1). Pub. L. 89-35, Sec. 1, inserted "", but nothing in this section shall be construed as prohibiting the disclosure of any fiber present in a textile fiber product which has a clearly established and definite functional significance where present in the amount contained in such product".

Subsec. (b)(2). Pub. L. 89-35, Sec. 2, inserted "", but nothing in this section shall be construed as prohibiting the disclosure of any fiber present in a textile fiber product which has a clearly established and definite functional significance where present in the amount stated".

Effective Date of 2004 Amendment

Pub. L. 108-429, title II, Sec. 2004(h)(2), Dec. 3, 2004, 118 Stat. 2594, provided that: "The amendment made by paragraph (1) [amending this section] shall take effect on the date that is 15 months after the date of enactment of this Act (Dec. 3, 2004), and on and after the date that is 15 months after such date of enactment, any provision of part 303 of title 16, Code of Federal Regulations, that is inconsistent with such amendment shall not apply."

Effective Date of 1984 Amendment

Amendment by Pub. L. 98-417 effective 90 days after Sept. 24, 1984, see section 307 of Pub. L. 98-417, set out as a note under section 68b of this title.

Decision and Order

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TITLE 15--COMMERCE AND TRADE

CHAPTER 2--FEDERAL TRADE COMMISSION; PROMOTION OF EXPORT TRADE AND
PREVENTION OF UNFAIR METHODS OF COMPETITION

SUBCHAPTER V--TEXTILE FIBER PRODUCTS IDENTIFICATION

Sec. 70c. Removal of stamp, tag, label, or other identification

(a) Removal or mutilation after shipment in commerce

After shipment of a textile fiber product in commerce it shall be unlawful, except as provided in this subchapter, to remove or mutilate, or cause or participate in the removal or mutilation of, prior to the time any textile fiber product is sold and delivered to the ultimate consumer, any stamp, tag, label, or other identification required by this subchapter to be affixed to such textile fiber product, and any person violating this section shall be guilty of an unfair method of competition, and an unfair or deceptive act or practice, under the Federal Trade Commission Act [15 U.S.C. 41 et seq.].

(b) Substitution of stamp, tag, etc.

Any person--

(1) introducing, selling, advertising, or offering for sale, in commerce, or importing into the United States, a textile fiber product subject to the provisions of this subchapter, or

(2) selling, advertising, or offering for sale a textile fiber product whether in its original state or contained in other textile fiber products, which has been shipped, advertised, or offered for sale, in commerce,

may substitute for the stamp, tag, label, or other means of identification required to be affixed to such textile product pursuant to section 70b(b) of this title, a stamp, tag, label, or other means of identification conforming to the requirements of section 70b(b) of this title, and such substituted stamp, tag, label, or other means of identification shall show the name or other identification issued and registered by the Commission of the person making the substitution.

(c) Affixing of stamp, tag, etc. to individual unit of broken package

If any person other than the ultimate consumer breaks a package which bears a stamp, tag, label, or other means of identification conforming to the requirements of section 70b of this title, and if such package contains one or more units of a textile fiber product to which a stamp, tag, label, or other identification conforming to the requirements of section 70b of this title is not affixed, such person shall affix a stamp, tag, label, or other identification bearing the information on the stamp, tag, label, or other means of identification attached to such broken package to each unit of textile fiber product taken from such broken package.

(Pub. L. 85-897, Sec. 5, Sept. 2, 1958, 72 Stat. 1720.)

References in Text

The Federal Trade Commission Act, referred to in subsec. (a), is act Sept. 26, 1914, ch. 311, 38 Stat. 717, as amended, which is classified generally to subchapter I (Sec. 41 et seq.) of this chapter. For

Decision and Order

complete classification of this Act to the Code, see section 58 of this title and Tables.

Decision and Order

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TITLE 15--COMMERCE AND TRADE

CHAPTER 2--FEDERAL TRADE COMMISSION; PROMOTION OF EXPORT TRADE AND
PREVENTION OF UNFAIR METHODS OF COMPETITION

SUBCHAPTER V--TEXTILE FIBER PRODUCTS IDENTIFICATION

Sec. 70d. Records

(a) Maintenance and preservation by manufacturer

Every manufacturer of textile fiber products subject to this subchapter shall maintain proper records showing the fiber content as required by this subchapter of all such products made by him, and shall preserve such records for at least three years.

(b) Maintenance and preservation by person substituting stamp, tag, etc.

Any person substituting a stamp, tag, label, or other identification pursuant to section 70c(b) of this title shall keep such records as will show the information set forth on the stamp, tag, label, or other identification that he removed and the name or names of the person or persons from whom such textile fiber product was received, and shall preserve such records for at least three years.

(c) Neglect or refusal to maintain or preserve records

The neglect or refusal to maintain or preserve the records required by this section is unlawful, and any person neglecting or refusing to maintain such records shall be guilty of an unfair method of competition, and an unfair or deceptive act or practice, in commerce, under the Federal Trade Commission Act [15 U.S.C. 41 et seq.].

[Pub. L. 85-897, Sec. 6, Sept. 2, 1958, 72 Stat. 1721.]

References in Text

The Federal Trade Commission Act, referred to in subsec. (c), is act Sept. 26, 1914, ch. 311, 38 Stat. 717, as amended, which is classified generally to subchapter I (Sec. 41 et seq.) of this chapter. For complete classification of this Act to the Code, see section 58 of this title and Tables.

Decision and Order

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[Laws in effect as of January 3, 2006]
[CITE: 15USC70e]

TITLE 15--COMMERCE AND TRADE

CHAPTER 2--FEDERAL TRADE COMMISSION; PROMOTION OF EXPORT TRADE AND
PREVENTION OF UNFAIR METHODS OF COMPETITION

SUBCHAPTER V--TEXTILE FIBER PRODUCTS IDENTIFICATION

Sec. 70e. Enforcement

(a) Enforcement by Federal Trade Commission

Except as otherwise specifically provided herein, this subchapter shall be enforced by the Federal Trade Commission under rules, regulations, and procedure provided for in the Federal Trade Commission Act [15 U.S.C. 41 et seq.].

(b) Terms of Federal Trade Commission Act incorporated into this subchapter

The Commission is authorized and directed to prevent any person from violating the provisions of this subchapter in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act [15 U.S.C. 41 et seq.] were incorporated into and made a part of this subchapter; and any such person violating the provisions of this subchapter shall be subject to the penalties and entitled to the privileges and immunities provided in said Federal Trade Commission Act, in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though the applicable terms and provisions of the said Federal Trade Commission Act were incorporated into and made a part of this subchapter.

(c) Rules and regulations by Federal Trade Commission

The Commission is authorized and directed to make such rules and regulations, including the establishment of generic names of manufactured fibers, under and in pursuance of the terms of this subchapter as may be necessary and proper for administration and enforcement.

(d) Inspection, analyses, tests, etc.

The Commission is authorized to cause inspections, analyses, tests, and examinations to be made of any product subject to this subchapter.

(Pub. L. 85-897, Sec. 7, Sept. 2, 1950, 72 Stat. 1721.)

References in Text

The Federal Trade Commission Act, referred to in subsecs. (a) and (b), is act Sept. 26, 1914, ch. 311, 38 Stat. 717, as amended, which is classified generally to subchapter I (Sec. 41 et seq.) of this chapter. For complete classification of this Act to the Code, see section 58 of this title and Tables.

Decision and Order

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[Laws in effect as of January 3, 2006]
[CITE: 15USC70f]

TITLE 15--COMMERCE AND TRADE

CHAPTER 2--FEDERAL TRADE COMMISSION; PROMOTION OF EXPORT TRADE AND
PREVENTION OF UNFAIR METHODS OF COMPETITION

SUBCHAPTER V--TEXTILE FIBER PRODUCTS IDENTIFICATION

Sec. 70f. Injunction proceedings

Whenever the Commission has reason to believe--

(a) that any person is doing, or is about to do, an act which by section 70a, 70c, 70d, 70g, or 70h(b) of this title is declared to be unlawful; and

(b) that it would be to the public interest to enjoin the doing of such act until complaint is issued by the Commission under the Federal Trade Commission Act [15 U.S.C. 41 et seq.] and such complaint is dismissed by the Commission or set aside by the court on review or until an order to cease and desist made thereon by the Commission has become final within the meaning of the Federal Trade Commission Act,

the Commission may bring suit in the district court of the United States or in the United States court of any Territory, for the district or Territory in which such person resides or transacts business, to enjoin the doing of such act and upon proper showing a temporary injunction or restraining order shall be granted without bond.

(Pub. L. 85-897, Sec. 8, Sept. 2, 1958, 72 Stat. 1721.)

References in Text

The Federal Trade Commission Act, referred to in text, is act Sept. 26, 1914, ch. 311, 38 Stat. 717, as amended, which is classified generally to subchapter I (Sec. 41 et seq.) of this chapter. For complete classification of this Act to the Code, see section 58 of this title and Tables.

Decision and Order

From the U.S. Code Online via GPO Access
{wais.access.gpo.gov}
{Laws in effect as of January 3, 2006}
{CITE: 15USC70g}

TITLE 15--COMMERCE AND TRADE

CHAPTER 2--FEDERAL TRADE COMMISSION; PROMOTION OF EXPORT TRADE AND
PREVENTION OF UNFAIR METHODS OF COMPETITION

SUBCHAPTER V--TEXTILE FIBER PRODUCTS IDENTIFICATION

Sec. 70g. Exclusion of misbranded textile fiber products

All textile fiber products imported into the United States shall be stamped, tagged, labeled, or otherwise identified in accordance with the provisions of section 70b of this title, and all invoices of such products required pursuant to section 1484 of title 19, shall set forth, in addition to the matter therein specified, the information with respect to said products required under the provisions of section 70b(b) of this title, which information shall be in the invoices prior to their certification, if such certification is required pursuant to section 1484 of title 19. The falsification of, or failure to set forth the required information in such invoices, or the falsification or perjury of the consignee's declaration provided for in section 1485 of title 19, insofar as it relates to such information, is unlawful, and shall be an unfair method of competition, and an unfair and deceptive act or practice, in commerce under the Federal Trade Commission Act [15 U.S.C. 41 et seq.]; and any person who falsifies, or perjures the consignee's declaration insofar as it relates to such information, may henceforth be prohibited by the Commission from importing, or participating in the importation of, any textile fiber product into the United States except upon filing bond with the Secretary of the Treasury in a sum double the value of said products and any duty thereon, conditioned upon compliance with the provisions of this subchapter. A verified statement from the manufacturer or producer of such products showing their fiber content as required under the provisions of this subchapter may be required under regulation prescribed by the Secretary of the Treasury.

(Pub. L. 85-897, Sec. 9, Sept. 2, 1958, 72 Stat. 1722.)

References in Text

The Federal Trade Commission Act, referred to in text, is act Sept. 26, 1914, ch. 311, 38 Stat. 717, as amended, which is classified generally to subchapter I (Sec. 41 et seq.) of this chapter. For complete classification of this Act to the Code, see section 58 of this title and Tables.

Decision and Order

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[Laws in effect as of January 3, 2006]
[CITE: 15USC70h]

TITLE 15--COMMERCE AND TRADE

CHAPTER 2--FEDERAL TRADE COMMISSION; PROMOTION OF EXPORT TRADE AND
PREVENTION OF UNFAIR METHODS OF COMPETITION

SUBCHAPTER V--TEXTILE FIBER PRODUCTS IDENTIFICATION

Sec. 70h. Guaranty

(a) Avoidance of liability; requirements

No person shall be guilty of an unlawful act under section 70a of this title if he establishes a guaranty received in good faith, signed by and containing the name and address of the person residing in the United States by whom the textile fiber product guaranteed was manufactured or from whom it was received, that said product is not misbranded or falsely invoiced under the provisions of this subchapter. Said guaranty shall be (1) a separate guaranty specifically designating the textile fiber product guaranteed, in which case it may be on the invoice or other paper relating to said product; or (2) a continuing guaranty given by seller to the buyer applicable to all textile fiber products sold to or to be sold to buyer by seller in a form as the Commission, by rules and regulations, may prescribe; or (3) a continuing guaranty filed with the Commission applicable to all textile fiber products handled by a guarantor in such form as the Commission by rules and regulations may prescribe.

(b) Furnishing false guaranty

The furnishing of a false guaranty, except where the person furnishing such false guaranty relies on a guaranty to the same effect received in good faith signed by and containing the name and address of the person residing in the United States by whom the product guaranteed was manufactured or from whom it was received, is unlawful, and shall be an unfair method of competition, and an unfair and deceptive act or practice, in commerce, within the meaning of the Federal Trade Commission Act [15 U.S.C. 41 et seq.].

(Pub. L. 85-897, Sec. 10, Sept. 2, 1958, 72 Stat. 1722.)

References in Text

The Federal Trade Commission Act, referred to in subsec. (b), is act Sept. 26, 1914, ch. 311, 38 Stat. 717, as amended, which is classified generally to subchapter I (Sec. 41 et seq.) of this chapter. For complete classification of this Act to the Code, see section 58 of this title and Tables.

Decision and Order

From the U.S. Code Online via GPO Access
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[Laws in effect as of January 3, 2006]
[CITE: 15USC70i]

TITLE 15--COMMERCE AND TRADE

CHAPTER 2--FEDERAL TRADE COMMISSION; PROMOTION OF EXPORT TRADE AND
PREVENTION OF UNFAIR METHODS OF COMPETITION

SUBCHAPTER V--TEXTILE FIBER PRODUCTS IDENTIFICATION

Sec. 70i. Criminal penalty

(a) Any person who willfully does an act which by section 70a, 70c, 70d, 70g, or 70h(b) of this title is declared to be unlawful shall be guilty of a misdemeanor and upon conviction shall be fined not more than \$5,000 or be imprisoned not more than one year, or both, in the discretion of the court: Provided, That nothing in this section shall limit any other provision of this subchapter.

(b) Whenever the Commission has reason to believe that any person is guilty of a misdemeanor under this section, it may certify all pertinent facts to the Attorney General. If, on the basis of the facts certified, the Attorney General concurs in such belief, it shall be his duty to cause appropriate proceedings to be brought for the enforcement of the provisions of this section against such person.

(Pub. L. 85-897, Sec. 11, Sept. 2, 1958, 72 Stat. 1723.)

Decision and Order

From the U.S. Code Online via GPO Access
 [wais.access.gpo.gov]
 [Laws in effect as of January 3, 2006]
 [CITE: 15USC70j]

TITLE 15--COMMERCE AND TRADE

CHAPTER 2--FEDERAL TRADE COMMISSION; PROMOTION OF EXPORT TRADE AND
PREVENTION OF UNFAIR METHODS OF COMPETITION

SUBCHAPTER V--TEXTILE FIBER PRODUCTS IDENTIFICATION

Sec. 70j. Exemptions

(a) None of the provisions of this subchapter shall be construed to apply to--

- (1) upholstery stuffing, except as provided in section 70b(h) of this title;
- (2) outer coverings of furniture, mattresses, and box springs;
- (3) linings or interlinings incorporated primarily for structural purposes and not for warmth;
- (4) filling or padding incorporated primarily for structural purposes and not for warmth;
- (5) stiffenings, trimmings, facings, or interfacings;
- (6) backings of, and paddings or cushions to be used under, floor coverings;
- (7) sewing and handicraft threads;
- (8) bandages, surgical dressings, and other textile fiber products, the labeling of which is subject to the requirements of the Federal Food, Drug and Cosmetic Act of 1938, as amended [21 U.S.C. 301 et seq.];
- (9) waste materials not intended for use in a textile fiber product;
- (10) textile fiber products incorporated in shoes or overshoes or similar outer footwear;
- (11) textile fiber products incorporated in headwear, handbags, luggage, brushes, lampshades, or toys, catamenial devices, adhesive tapes and adhesive sheets, cleaning cloths impregnated with chemicals, or diapers.

The exemption provided for any article by paragraph (3) or (4) of this subsection shall not be applicable if any representation as to fiber content of such article is made in any advertisement, label, or other means of identification covered by section 70b of this title.

(b) The Commission may exclude from the provisions of this subchapter other textile fiber products (1) which have an insignificant or inconsequential textile fiber content, or (2) with respect to which the disclosure of textile fiber content is not necessary for the protection of the ultimate consumer.

(Pub. L. 85-897, Sec. 12, Sept. 2, 1958, 72 Stat. 1723.)

References in Text

The Federal Food, Drug and Cosmetic Act of 1938, referred to in subsec. (a) (8), is act June 25, 1938, ch. 675, 52 Stat. 1040, as amended, which is classified generally to chapter 9 (Sec. 301 et seq.) of Title 21, Food and Drugs. For complete classification of this Act to the Code, see section 301 of Title 21 and Tables.

Decision and Order

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[Laws in effect as of January 3, 2006]
[CITE: 15USC70k]

TITLE 15--COMMERCE AND TRADE

CHAPTER 2--FEDERAL TRADE COMMISSION; PROMOTION OF EXPORT TRADE AND
PREVENTION OF UNFAIR METHODS OF COMPETITION

SUBCHAPTER V--TEXTILE FIBER PRODUCTS IDENTIFICATION

Sec. 70k. Application of other laws

The provisions of this subchapter shall be held to be in addition to, and not in substitution for or limitation of, the provisions of any other Act of the United States.

(Pub. L. 85-897, Sec. 14, Sept. 2, 1958, 72 Stat. 1724.)

Decision and Order

§ 301.46

indirectly in labeling, invoicing or advertising such products. (For example, a fur product made by the skin-on-skin method should not be represented as having been made by the letout method.)

(b) Where a fur product is made by the method known in the trade as letting-out, or is made of fur which has been sheared or plucked, such facts may be set out in labels, invoices and advertising.

§ 301.46 Reference to guaranty by Government prohibited.

No representation nor suggestion that a fur or fur product is guaranteed under the act by the Government, or any branch thereof, shall be made in the labeling, invoicing or advertising in connection therewith.

§ 301.47 Form of separate guaranty.

The following is a suggested form of separate guaranty under section 10 of the Act which may be used by a guarantor residing in the United States, on and as part of an invoice in which the merchandise covered is listed and specified and which shows the date of such document, the date of shipment of the merchandise and the signature and address of the guarantor:

We guarantee that the fur products or furs specified herein are not misbranded nor falsely nor deceptively advertised or invoiced under the provisions of the Fur Products Labeling Act and rules and regulations thereunder.

§ 301.48 Continuing guaranty filed with Federal Trade Commission.

(a)(1) Under section 10 of the Act any person residing in the United States and handling fur or fur products may file a continuing guaranty with the Federal Trade Commission. When filed with the Commission a continuing guaranty shall be fully executed in duplicate. Forms for use in preparing continuing guaranties shall be supplied by the Commission upon request.

(2) Continuing guaranties filed with the Commission shall continue in effect until revoked. The guarantor shall promptly report any change in business status to the Commission.

(3) The prescribed form for a continuing guaranty is found in § 303.38(b)

16 CFR Ch. I (1-1-08 Edition)

of this chapter. The form is available upon request from the Textile Section, Enforcement Division, Federal Trade Commission, 600 Pennsylvania Avenue, NW, Washington, DC 20580.

(b) Any person who has a continuing guaranty on file with the Commission may, during the effective date of the guaranty, give notice of such fact by setting forth on the invoice or other paper covering the marketing or handling of the product guaranteed the following: "Continuing guaranty under the Fur Products Labeling Act filed with the Federal Trade Commission."

(c) Any person who falsely represents in writing that he has a continuing guaranty on file with the Federal Trade Commission when such is not a fact shall be deemed to have furnished a false guaranty under section 10(b) of the Act.

[26 FR 3188, Apr. 14, 1961, as amended at 48 FR 12517, Mar. 25, 1983; 63 FR 7517, Feb. 13, 1998; 63 FR 71563, Dec. 28, 1998]

§ 301.48a Guaranties not received in good faith.

A guaranty shall not be deemed to have been received in good faith within the meaning of section 10(a) of the Act:

(a) Unless the recipient of such guaranty shall have examined the required label, required invoice and advertisement relating to the fur product or fur so guaranteed;

(b) If the recipient of the guaranty has knowledge that the fur or fur product guaranteed is misbranded, falsely invoiced or falsely advertised.

[26 FR 3188, Apr. 14, 1961]

§ 301.49 Deception in general.

No furs nor fur products shall be labeled, invoiced, or advertised in any manner which is false, misleading or deceptive in any respect.

PART 303—RULES AND REGULATIONS UNDER THE TEXTILE FIBER PRODUCTS IDENTIFICATION ACT**Sec.**

- 303.1 Terms defined.
- 303.2 General requirements.
- 303.3 Fibers present in amounts of less than 5 percent.
- 303.4 English language requirement.

Decision and Order

Federal Trade Commission

§ 303.1

- 303.5 Abbreviations, ditto marks, and asterisks prohibited.
- 303.6 Generic names of fibers to be used.
- 303.7 Generic names and definitions for manufactured fibers.
- 303.8 Procedure for establishing generic names for manufactured fibers.
- 303.9 Use of fur-bearing animal names and symbols prohibited.
- 303.10 Fiber content of special types of products.
- 303.11 Floor coverings containing backings, fillings, and paddings.
- 303.12 Trimmings of household textile articles.
- 303.13 Sale of remnants and products made of remnants.
- 303.14 Products containing unknown fibers.
- 303.15 Required label and method of affixing.
- 303.16 Arrangement and disclosure of information on labels.
- 303.17 Use of fiber trademarks and generic names on labels.
- 303.18 Terms implying fibers not present.
- 303.19 Name or other identification required to appear on labels.
- 303.20 Registered identification numbers.
- 303.21 Marking of samples, swatches, or specimens and products sold therefrom.
- 303.22 Products containing linings, interlinings, fillings, and paddings.
- 303.23 Textile fiber products containing superimposed or added fibers.
- 303.24 Pile fabrics and products composed thereof.
- 303.25 Sectional disclosure of content.
- 303.26 Ornamentation.
- 303.27 Use of the term "All" or "100%."
- 303.28 Products contained in packages.
- 303.29 Labeling of pairs or products containing two or more units.
- 303.30 Textile fiber products in form for consumer.
- 303.31 Invoice in lieu of label.
- 303.32 Products containing reused stuffing.
- 303.33 Country where textile fiber products are processed or manufactured.
- 303.34 Country of origin in mail order advertising.
- 303.35 Use of terms "virgin" or "new."
- 303.36 Form of separate guaranty.
- 303.37 Form of continuing guaranty from seller to buyer.
- 303.38 Continuing guaranty filed with Federal Trade Commission.
- 303.39 Maintenance of records.
- 303.40 Use of terms in written advertisements that imply presence of a fiber.
- 303.41 Use of fiber trademarks and generic names in advertising.
- 303.42 Arrangement of information in advertising textile fiber products.
- 303.43 Fiber content tolerances.
- 303.44 Products not intended for use subject to the act.
- 303.45 Exclusions from the act.

AUTHORITY: 15 U.S.C. 70 et seq.

SOURCE: 24 FR 4480, June 2, 1959, unless otherwise noted.

§ 303.1 Terms defined.

As used in this part, unless the context otherwise specifically requires:

(a) The term *Act* means the *Textile Fiber Products Identification Act* (approved September 2, 1958, 85th Congress, 2d Sess.; 15 U.S.C. 70, 72 Stat. 1717).

(b) The terms *rule*, *rules*, *regulations*, and *rules and regulations* mean the rules and regulations prescribed by the Commission pursuant to section 7(c) of the Act.

(c) The definition of terms contained in section 2 of the Act shall be applicable also to such terms when used in rules promulgated under the Act.

(d) The term *United States* means the several States, the District of Columbia, and the Territories and possessions of the United States.

(e) The terms *required information* and *information required* mean such information as is required to be disclosed on labels or invoices and in advertising under the Act and regulations.

(f) The terms *label*, *labels*, *labeled*, and *labeling* mean the stamp, tag, label, or other means of identification, or authorized substitute therefor, required to be on or affixed to textile fiber products by the Act and regulations and on which the information required is to appear.

(g) The terms *marketing or handling* and *marketed or handled*, when applied to textile fiber products, mean any one or all of the transactions set forth in section 3 of the Act.

(h) The terms *invoice* and *invoice or other paper* mean an account, order, memorandum, list, or catalog, which is issued to a purchaser, consignee, bailee, correspondent, agent, or any other person, in writing or in some other form capable of being read and preserved in a tangible form, in connection with the marketing or handling of any textile fiber product transported or delivered to such person.

(i) The term *outer coverings of furniture, mattresses, and box springs* means those coverings as are permanently incorporated in such articles.

Decision and Order

§ 303.2

16 CFR Ch. I (1-1-08 Edition)

(j) The term *wearing apparel* means any costume or article of clothing or covering for any part of the body worn or intended to be worn by individuals.

(k) The term *beddings* means sheets, covers, blankets, comforters, pillows, pillowcases, quilts, bedspreads, pads, and all other textile fiber products used or intended to be used on or about a bed or other place for reclining or sleeping but shall not include furniture, mattresses or box springs.

(l) The term *headwear* means any textile fiber product worn exclusively on or about the head or face by individuals.

(m) The term *backings*, when applied to floor coverings, means that part of a floor covering to which the pile, face, or outer surface is woven, tufted, hooked, knitted, or otherwise attached, and which provides the structural base of the floor covering. The term *backing* shall also include fabrics attached to the structural base of the floor covering in such a way as to form a part of such structural base, but shall not include the pile, face, or outer surface of the floor covering or any part thereof.

(n) The term *elastic material* means a fabric composed of yarn consisting of an elastomer or a covered elastomer.

(o) The term *coated fabric* means any fabric which is coated, filled, impregnated, or laminated with a continuous-film-forming polymeric composition in such a manner that the weight added to the base fabric is at least 35 percent of the weight of the fabric before coating, filling, impregnation, or lamination.

(p) The term *upholstered product* means articles of furniture containing stuffing and shall include mattresses and box springs.

(q) The term *ornamentation* means any fibers or yarns imparting a visibly discernible pattern or design to a yarn or fabric.

(r) The term *fiber trademark* means a word or words used by a person to identify a particular fiber produced or sold by him and to distinguish it from fibers of the same generic class produced or sold by others. Such term shall not include any trade mark, product mark, house mark, trade name or other name which does not identify a particular fiber.

(s) The term *wool* means the fiber from the fleece of the sheep or lamb or hair of the Angora or Cashmere goat (and may include the so-called specialty fibers from the hair of the camel, alpaca, llama, and vicuna) which has never been reclaimed from any woven or felted wool product.

(t) The term *recycled wool* means (1) the resulting fiber when wool has been woven or felted into a wool product which, without ever having been utilized in any way by the ultimate consumer, subsequently has been made into a fibrous state, or (2) the resulting fiber when wool or reprocessed wool has been spun, woven, knitted, or felted into a wool product which, after having been used in any way by the ultimate consumer, subsequently has been made into a fibrous state.

(u) The terms *mail order catalog* and *mail order promotional material* mean any materials, used in the direct sale or direct offering for sale of textile products, that are disseminated to ultimate consumers in print or by electronic means, other than by broadcast, and that solicit ultimate consumers to purchase such textile products by mail, telephone, electronic mail, or some other method without examining the actual product purchased.

[24 FR 4493, June 2, 1959, as amended at 45 FR 44263, July 1, 1980; 50 FR 15106, Apr. 17, 1985; 53 FR 7517, Feb. 12, 1988]

§ 303.2 General requirements.

(a) Each textile fiber product, except those exempted or excluded under section 12 of the Act, shall be labeled or invoiced in conformity with the requirements of the Act and regulations.

(b) Any advertising of textile fiber products subject to the Act shall be in conformity with the requirements of the Act and regulations.

(c) The requirements of the Act and regulations shall not be applicable to products required to be labeled under the Wool Products Labeling Act of 1939 (Pub. L. 76-850, 15 U.S.C. 68, 54 Stat. 1128).

(d) Any person marketing or handling textile fiber products who shall cause or direct a processor or finisher to label, invoice, or otherwise identify any textile fiber product with required information shall be responsible under

Decision and Order

Federal Trade Commission

§ 303.6

the Act and regulations for any failure of compliance with the Act and regulations by reason of any statement or omission in such label, invoice, or other means of identification utilized in accordance with his direction: *Provided*, That nothing herein shall relieve the processor or finisher of any duty or liability to which he may be subject under the Act and regulations.

§ 303.3 Fibers present in amounts of less than 5 percent.

(a) Except as permitted in sections 4(b)(1) and 4(b)(2) of the Act, as amended, no fiber present in the amount of less than 5 percent of the total fiber weight shall be designated by its generic name or fiber trademark in disclosing the constituent fibers in required information, but shall be designated as "other fiber." When more than one of such fibers are present in a product, they shall be designated in the aggregate as "other fibers." *Provided*, however, that nothing in this section shall be construed as prohibiting the disclosure of any fiber present in a textile fiber product which has a clearly established and definite functional significance when present in the amount contained in such product, as for example:

96 percent Acetate
4 percent Spandex.

(b) In making such disclosure, all of the provisions of the Act and regulations in this part setting forth the manner and form of disclosure of fiber content information, including the provisions of §§ 303.17 and 303.41 of this part relating to the use of generic names and fiber trademarks, shall be applicable.

(63 FR 7518, Feb. 13, 1998)

§ 303.4 English language requirement.

All required information shall be set out in the English language. If the required information appears in a language other than English, it also shall appear in the English language. The provisions of this section shall not apply to advertisements in foreign language newspapers or periodicals, but such advertising shall in all other respects comply with the Act and regulations.

§ 303.5 Abbreviations, ditto marks, and asterisks prohibited.

(a) In disclosing required information, words or terms shall not be designated by ditto marks or appear in footnotes referred to by asterisks or other symbols in required information, and shall not be abbreviated except as permitted in § 303.33(e) of this part.

(b) Where the generic name of a textile fiber is required to appear in immediate conjunction with a fiber trademark in advertising, labeling, or invoicing, a disclosure of the generic name by means of a footnote, to which reference is made by use of an asterisk or other symbol placed next to the fiber trademark, shall not be sufficient in itself to constitute compliance with the Act and regulations.

(24 FR 4480, June 2, 1959, as amended at 65 FR 75196, Dec. 1, 2000)

§ 303.6 Generic names of fibers to be used.

(a) Except where another name is permitted under the Act and regulations, the respective generic names of all fibers present in the amount of 5 percent or more of the total fiber weight of the textile fiber product shall be used when naming fibers in the required information; as for example: "cotton," "rayon," "silk," "linen," "nylon," etc.

(b) Where a textile fiber product contains the hair or fiber of a fur-bearing animal present in the amount 5 percent or more of the total fiber weight of the product, the name of the animal producing such fiber may be used in setting forth the required information, provided the name of such animal is used in conjunction with the words "fiber," "hair," or "blend," as for example:

80 percent Rabbit hair.
20 percent Nylon.
or
80 percent Silk.
20 percent Mink fiber.

(c) The term *fur fiber* may be used to describe the hair or fur fiber or mixtures thereof of any animal or animals other than the sheep, lamb, Angora goat, Cashmere goat, camel, alpaca, llama or vicuna where such hair or fur fiber or mixture is present in the

Decision and Order

§ 303.7

amount of 5 per centum or more of the total fiber weight of the textile fiber product and no direct or indirect representations are made as to the animal or animals from which the fiber so designated was obtained; as for example:

60 percent Cotton.
40 percent Fur fiber.
or
50 percent Nylon.
30 percent Mink hair.
20 percent Fur fiber.

(d) Where textile fiber products subject to the Act contain (1) wool or (2) recycled wool in amounts of five per centum or more of the total fiber weight, such fibers shall be designated and disclosed as wool or recycled wool as the case may be.

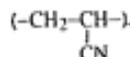
[24 FR 4402, June 2, 1959, as amended at 45 FR 44283, July 1, 1980]

§ 303.7 Generic names and definitions for manufactured fibers.

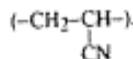
Pursuant to the provisions of section 7(c) of the Act, the Commission hereby establishes the generic names for manufactured fibers, together with their respective definitions, set forth in this section, and the generic names for manufactured fibers, together with their respective definitions, set forth in International Organization for Standardization ISO 2076: 1990(E), "Textiles—Man-made fibres—Generic names." This incorporation by reference was approved by the Director of the Federal Register in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. Copies may be obtained from the American National Standards Institute, 11 West 42nd St., 13th floor, New York, NY 10036. Copies may be inspected at the Federal Trade Commission, Room 130, 600 Pennsylvania Avenue, NW., Washington, DC 20580, or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to: http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html.

(a) *Acrylic*. A manufactured fiber in which the fiber-forming substance is any long chain synthetic polymer composed of at least 85 percent by weight of acrylonitrile units

16 CFR Ch. I (1-1-08 Edition)

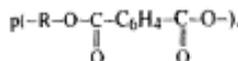


(b) *Modacrylic*. A manufactured fiber in which the fiber-forming substance is any long chain synthetic polymer composed of less than 85 percent but at least 35 percent by weight of acrylonitrile units

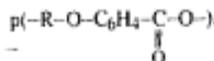


except fibers qualifying under paragraph (j)(2) of this section and fibers qualifying under paragraph (q) of this section. (Sec. 7, 72 Stat. 1717; 15 U.S.C. section 70e)

(c) *Polyester*. A manufactured fiber in which the fiber-forming substance is any long chain synthetic polymer composed of at least 85% by weight of an ester of a substituted aromatic carboxylic acid, including but not restricted to substituted terephthalate units,



and para substituted hydroxy-benzoate units,



Where the fiber is formed by the interaction of two or more chemically distinct polymers (of which none exceeds 85% by weight), and contains ester groups as the dominant functional unit (at least 85% by weight of the total polymer content of the fiber), and which, if stretched at least 100%, durably and rapidly reverts substantially to its unstretched length when the tension is removed, the term *elastereil-p* may be used as a generic description of the fiber.

(d) *Rayon*—A manufactured fiber composed of regenerated cellulose, as well as manufactured fibers composed

Decision and Order

Federal Trade Commission

§ 303.7

of regenerated cellulose in which substituents have replaced not more than 15% of the hydrogens of the hydroxyl groups. Where the fiber is composed of cellulose precipitated from an organic solution in which no substitution of the hydroxyl groups takes place and no chemical intermediates are formed, the term *lyocell* may be used as a generic description of the fiber.

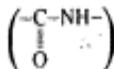
(e) *Acetate*. A manufactured fiber in which the fiber-forming substance is cellulose acetate. Where not less than 92 percent of the hydroxyl groups are acetylated, the term *triacetate* may be used as a generic description of the fiber.

(f) *Saran*. A manufactured fiber in which the fiber-forming substance is any long chain synthetic polymer composed of at least 80 percent by weight of vinylidene chloride units ($-\text{CH}_2-\text{CCl}_2-$).

(g) *Azlon*. A manufactured fiber in which the fiber-forming substance is composed of any regenerated naturally occurring proteins.

(h) *Nytril*. A manufactured fiber containing at least 85 percent of a long chain polymer of vinylidene dinitrile ($-\text{CH}_2-\text{C}(\text{CN})_2-$) where the vinylidene dinitrile content is no less than every other unit in the polymer chain.

(i) *Nylon*. A manufactured fiber in which the fiber-forming substance is a long-chain synthetic polyamide in which less than 85 percent of the amide



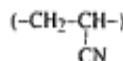
linkages are attached directly to two aromatic rings.

(j) *Rubber*. A manufactured fiber in which the fiber-forming substance is comprised of natural or synthetic rubber, including the following categories:

(1) A manufactured fiber in which the fiber-forming substance is a hydrocarbon such as natural rubber, polyisoprene, polybutadiene, copolymers of dienes and hydrocarbons, or amorphous (noncrystalline) polyolefins.

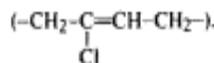
(2) A manufactured fiber in which the fiber-forming substance is a copolymer

of acrylonitrile and a diene (such as butadiene) composed of not more than 50 percent but at least 10 percent by weight of acrylonitrile units



The term *lastrite* may be used as a generic description for fibers falling within this category.

(3) A manufactured fiber in which the fiber-forming substance is a polychloroprene or a copolymer of chloroprene in which at least 35 percent by weight of the fiber-forming substance is composed of chloroprene units



(k) *Spandex*. A manufactured fiber in which the fiber-forming substance is a long chain synthetic polymer comprised of at least 85 percent of a segmented polyurethane.

(l) *Vinal*. A manufactured fiber in which the fiber-forming substance is any long chain synthetic polymer composed of at least 50 percent by weight of vinyl alcohol units ($-\text{CH}_2-\text{CHOH}-$), and in which the total of the vinyl alcohol units and any one or more of the various acetal units is at least 85 percent by weight of the fiber.

(m) *Olefin*. A manufactured fiber in which the fiber-forming substance is any long chain synthetic polymer composed of at least 85 percent by weight of ethylene, propylene, or other olefin units, except amorphous (noncrystalline) polyolefins qualifying under paragraph (j)(1) of this section [Rule 7]. Where the fiber-forming substance is a cross-linked synthetic polymer, with low but significant crystallinity, composed of at least 95 percent by weight of ethylene and at least one other olefin unit, and the fiber is substantially elastic and heat resistant, the term *lastol* may be used as a generic description of the fiber.

(n) *Vinyon*. A manufactured fiber in which the fiber-forming substance is

Decision and Order

§ 303.8

any long chain synthetic polymer composed of at least 85 percent by weight of vinyl chloride units ($-\text{CH}_2-\text{CHCl}-$).

(o) *Metallic*. A manufactured fiber composed of metal, plastic-coated metal, metal-coated plastic, or a core completely covered by metal.

(p) *Glass*. A manufactured fiber in which the fiber-forming substance is glass.

(q) *Anidez*. A manufactured fiber in which the fiber-forming substance is any long chain synthetic polymer composed of at least 50 percent by weight of one or more esters of a monohydric alcohol and acrylic acid, $\text{CH}_2=\text{CH}-\text{COOH}$.

(r) *Novoloid*. A manufactured fiber containing at least 85 percent by weight of a cross-linked novolac.

(s) *Aramid*. A manufactured fiber in which the fiber-forming substance is a long-chain synthetic polyamide in which at least 85 percent of the amide



linkages are attached directly to two aromatic rings.

(t) *Sulfar*. A manufactured fiber in which the fiber-forming substance is a long chain synthetic polysulfide in which at least 85% of the sulfide ($-\text{S}-$) linkages are attached directly to two (2) aromatic rings.

(u) *PBI*. A manufactured fiber in which the fiber-forming substance is a long chain aromatic polymer having reoccurring imidazole groups as an integral part of the polymer chain.

(v) *Elastozester*. A manufactured fiber in which the fiber-forming substance is a long-chain synthetic polymer composed of at least 50% by weight of aliphatic polyether and at least 35% by weight of polyester, as defined in 16 CFR 303.7(c).

(w) *Melamine*. A manufactured fiber in which the fiber-forming substance is a synthetic polymer composed of at least 50% by weight of a cross-linked melamine polymer.

(x) *Fluoropolymer*. A manufactured fiber containing at least 95% of a long-chain polymer synthesized from aliphatic fluorocarbon monomers.

16 CFR Ch. I (1-1-08 Edition)

(y) *PLA*. A manufactured fiber in which the fiber-forming substance is composed of at least 85% by weight of lactic acid ester units derived from naturally occurring sugars.

(Sec. 6, 72 Stat. 1717; 15 U.S.C. 70e)

[24 FR 4480, June 2, 1959; 24 FR 5737, July 17, 1959, as amended at 31 FR 2652, Feb. 11, 1966; 31 FR 3002, Feb. 22, 1966; 34 FR 14595, Sept. 19, 1969; 38 FR 21782, Aug. 13, 1973; 38 FR 34115, Dec. 11, 1973; 39 FR 1834, Jan. 15, 1974; 51 FR 20807, 20809, June 9, 1986; 61 FR 16307, Apr. 15, 1996; 62 FR 20344, May 23, 1997; 63 FR 7518, Feb. 13, 1998; 63 FR 38174, July 2, 1998; 63 FR 71583, Dec. 28, 1998; 65 FR 75156, Dec. 1, 2000; 67 FR 4963, Feb. 1, 2002; 67 FR 70839, Nov. 27, 2002; 68 FR 3816, Jan. 27, 2003; 69 FR 18803, Apr. 9, 2004]

§ 303.8 Procedure for establishing generic names for manufactured fibers.

(a) Prior to the marketing or handling of a manufactured fiber for which no generic name has been established or otherwise recognized by the Commission, the manufacturer or producer thereof shall file a written application with the Commission, requesting the establishment of a generic name for such fiber, stating therein:

(1) The reasons why the applicant's fiber should not be identified by one of the generic names established by the Commission in § 303.7 of this part;

(2) The chemical composition of the fiber, including the fiber-forming substances and respective percentages thereof, together with samples of the fiber;

(3) Suggested names for consideration as generic, together with a proposed definition for the fiber;

(4) Any other information deemed by the applicant to be pertinent to the application, including technical data in the form of test methods;

(5) The earliest date on which the application proposes to market or handle the fiber in commerce for other than developmental or testing purposes.

(b) Upon receipt of the application, the Commission will, within sixty (60) days, either deny the application or assign to the fiber a numerical or alphabetical symbol for temporary use during further consideration of such application.

Decision and Order

Federal Trade Commission

§ 303.10

(c) After taking the necessary procedure in consideration of the application, the Commission in due course shall establish a generic name or advise the applicant of its refusal to grant the application and designate the proper existing generic name for the fiber.

[24 FR 4460, June 2, 1959, as amended at 63 FR 7518, Feb. 13, 1998]

§ 303.9 Use of fur-bearing animal names and symbols prohibited.

(a) The advertising or the labeling of a textile fiber product shall not contain any names, words, depictions, descriptive matter, or other symbols which connote or signify a fur-bearing animal, unless such product or the part thereof in connection with which the names, words, depictions, descriptive matter, or other symbols are used is a fur product within the meaning of the Fur Products Labeling Act.

(b) Subject to the provisions of paragraph (a) of this section and § 303.6 of this part, a textile fiber product shall not be described or referred to in any manner in an advertisement or label with:

(1) The name or part of the name of a fur-bearing animal, whether as a single word or a combination word, or any coined word which is phonetically similar to a fur-bearing animal name, or which is only a slight variation in spelling of a fur-bearing animal name or part of the name. As for example, such terms as "Ermine," "Mink," "Persian," "Broadtail," "Beaverton," "Marmink," "Sableton," "Lam," "Pershian," "Minx," or similar terms shall not be used.

(2) Any word or name symbolic of a fur-bearing animal by reason of conventional usage or by reason of its close relationship with fur-bearing animals. As for example, such terms as "guardhair," "underfur," and "mutation," or similar terms, shall not be used.

(c) Nothing contained herein shall prevent:

(1) The nondeceptive use of animal names or symbols in referring to a textile fiber product where the fur of such animal is not commonly or commercially used in fur products, as that term is defined in the Fur Products La-

beling Act, as for example "kitten soft", "Bear Brand", etc.

(2) The nondeceptive use of a trademark or trade name containing the name, symbol, or depiction of a fur-bearing animal unless:

(i) The textile fiber product in connection with which such trademark or trade name is used simulates a fur or fur product; or

(ii) Such trademark or trade name is used in any advertisement of a textile fiber product together with any depiction which has the appearance of a fur or fur product; or

(iii) The use of such trademark or trade name is prohibited by the Fur Products Labeling Act.

[24 FR 4460, June 2, 1959, as amended at 28 FR 722, Jan. 16, 1963]

§ 303.10 Fiber content of special types of products.

(a) Where a textile product is made wholly of elastic yarn or material, with minor parts of non-elastic material for structural purposes, it shall be identified as to the percentage of the elastomer, together with the percentage of all textile coverings of the elastomer and all other yarns or materials used therein.

Where a textile fiber product is made in part of elastic material and in part of other fabric, the fiber content of such fabric shall be set forth sectionally by percentages as in the case of other fabrics. In such cases the elastic material may be disclosed by describing the material as elastic followed by a listing in order of predominance by weight of the fibers used in such elastic, including the elastomer, where such fibers are present by 5 per centum or more with the designation "other fiber" or "other fibers" appearing last when fibers required to be so designated are present. An example of labeling under this paragraph is:

Front and back non-elastic sections:

50 percent Acetate.

50 percent Cotton.

Elastic: Rayon, cotton, nylon, rubber.

(b) Where drapery or upholstery fabrics are manufactured on hand-operated looms for a particular customer after the sale of such fabric has been consummated, and the amount of the

Decision and Order

§ 303.11

order does not exceed 100 yards (91.44 m) of fabric, the required fiber content disclosure may be made by listing the fibers present in order of predominance by weight with any fiber or fibers required to be designated as "other fiber" or "other fibers" appearing last, as for example:

Rayon
Wool
Acetate
Metallic
Other fibers

(c)(1) Where a manufactured textile fiber is essentially a physical combination or mixture of two or more chemically distinct constituents or components combined at or prior to the time of extrusion, which components if separately extruded would each fall within different existing definitions of textile fibers as set forth in § 303.7 of this part (Rule 7), the fiber content disclosure as to such fiber, shall for all purposes under the regulations in this part (1) disclose such fact in the required fiber content information by appropriate nondeceptive descriptive terminology, such as "biconstituent fiber" or "multiconstituent fiber," (ii) set out the components contained in the fiber by the appropriate generic name specified in § 303.7 of this part (Rule 7) in the order of their predominance by weight, and (iii) set out the respective percentages of such components by weight.

(2) If the components of such fibers are of a matrix-fibril configuration, the term *matrix-fibril fiber* or *matrix fiber* may be used in setting forth the information required by this paragraph.

(3) Examples of proper fiber content designations under this paragraph are:

100% Biconstituent Fiber
(65% Nylon, 35% Polyester)
80% Matrix Fiber (60% Nylon, 40% Polyester)
15% Polyester
5% Rayon

(4) All of the provisions as to fiber content disclosures contained in the Act and regulations, including the provisions relative to fiber content tolerances and disclosures of fibers present in amounts of less than 5 percentum of the total fiber weight, shall also be ap-

16 CFR Ch. I (1-1-08 Edition)

plicable to the designations and disclosures prescribed by this paragraph.

[35 FR 7044, July 26, 1960, as amended at 30 FR 14253, Nov. 13, 1965; 34 FR 12134 July 19, 1969; 61 FR 11544, Mar. 21, 1996]

§ 303.11 Floor coverings containing backings, fillings, and paddings.

In disclosing the required fiber content information as to floor coverings containing exempted backings, fillings, or paddings, the disclosure shall be made in such manner as to indicate that it relates only to the face, pile, or outer surface of the floor covering and not to the backing, filling, or padding. Examples of the form of marking these types of floor coverings as to fiber content are as follows:

100% Cotton Pile
Face—60% Rayon, 40% Cotton
Outer Surface—100% Wool

§ 303.12 Trimmings of household textile articles.

(a) Trimmings incorporated in articles of wearing apparel and other household textile articles may, among other forms of trim, include: (1) Rickrack, tape, belting, binding, braid, labels (either required or non-required), collars, cuffs, wrist bands, leg bands, waist bands, gussets, gores, welts, and findings, including superimposed garters in hosiery, and elastic materials and threads inserted in or added to the basic product or garment in minor proportion for holding, reinforcing or similar structural purposes; (2) decorative trim, whether applied by embroidery, overlay, applique, or attachment; and (3) decorative patterns or designs which are an integral part of the fabric out of which the household textile article is made: *Provided*, That such decorative trim or decorative pattern or design, as specified in paragraphs (a) (2) and (3) of this section, does not exceed 15 percent of the surface area of the household textile article. If no representation is made as to the fiber content of the decorative trim or decoration, as provided for in paragraphs (a) (2) and (3) of this section, the fiber content designation of the basic fabric shall be followed by the statement "exclusive of decoration."

Decision and Order

Federal Trade Commission

§ 303.14

(b) The term *findings* may also include elastic material which constitutes a part of the basic fabric or material out of which the household textile article is made, where such elastic material does not exceed 20 percent of the surface area of the household textile article: *Provided*, That the required information as to fiber content of products subject to this paragraph is followed by the statement "exclusive of elastic."

§ 303.13 Sale of remnants and products made of remnants.

(a) In disclosing the required fiber content information as to remnants of fabric which are for practical purposes of unknown or undeterminable fiber content:

(1) The fiber content disclosure of such remnants of fabrics may be designated in the required information as "remnants of undetermined fiber content."

(2) Where such remnants of fabrics are displayed for sale at retail, a conspicuous sign may, in lieu of individual labeling, be used in immediate conjunction with such display, stating with respect to required fiber content disclosure that the goods are "remnants of undetermined fiber content."

(3) Where textile fiber products are made of such remnants, the required fiber content information of the products may be disclosed as "made of remnants of undetermined fiber content." If any representations as to fiber content are made with respect to such remnants, the provisions of this paragraph shall not apply.

(b) Where remnants of fabrics are marketed or handled in bales, bundles, or packages and are all of the same fiber content or are designated in the manner permitted by paragraph (a) of this section, the individual remnants need not be labeled if the bales, bundles, or packages containing such remnants are labeled with the required information including fiber content percentages or the designation permitted by paragraph (a) of this section.

(c) Where remnants of fabrics of the same fiber content are displayed for sale at retail, a conspicuous sign may, in lieu of individual labeling, be used in immediate conjunction with such display,

stating the fiber content information with respect to such remnants; as for example: "remnants, 100 percent cotton," "remnants, 50 percent rayon, 50 percent acetate," etc.

§ 303.14 Products containing unknown fibers.

(a) Where a textile fiber product is made from miscellaneous scraps, rags, odd lots, secondhand materials, textile by-products, or waste materials of unknown, and for practical purposes, undeterminable fiber content, the required fiber content disclosure may, when truthfully applicable, in lieu of the fiber content disclosure otherwise required by the Act and regulations, indicate that such product is composed of miscellaneous scraps, rags, odd lots, textile by-products, secondhand materials (in case of secondhand materials, words of like import may be used) or waste materials, as the case may be, of unknown or undetermined fiber content, as for example:

Made of miscellaneous scraps of undetermined fiber content
100% unknown fibers—rags
All undetermined fibers—textile by-products
100% miscellaneous odd lots of undetermined fiber content
Secondhand materials—fiber content unknown
Made of unknown fibers—waste materials

(b) Where a textile fiber product is made in part from miscellaneous scraps, rags, odd lots, textile by-products, secondhand materials or waste materials of unknown and, for practical purposes, undeterminable fiber content together with a percentage of known or determinable fibers, the required fiber content disclosure may, when truthfully applicable, in lieu of the fiber content disclosure otherwise required by the Act and regulations, indicate the percentage of miscellaneous scraps, rags, odd lots, secondhand materials (in case of secondhand materials, words of like import may be used), textile by-products, or waste materials of unknown or undetermined fiber content and the percentage of known fibers, as for example:

45% Rayon
30% Acetate
25% Miscellaneous scraps of undetermined fiber content.

Decision and Order

§ 303.15

60% Cotton
 40% Unknown fibers—waste materials.
 40% Acrylic
 20% Modacrylic
 40% Undetermined fibers—odd lots.
 50% Polyester
 30% Cotton
 20% Textile by-products of undetermined fiber content.
 50% Rayon
 50% Secondhand materials—fiber content unknown.
 45% Acetate
 30% Cotton
 25% Miscellaneous rags—undetermined fiber content.

(c) No representation as to fiber content shall be made as to any textile product or any portion of a textile fiber product designated as composed of unknown or undetermined fibers. If any such representation is made, a full and complete fiber content disclosure shall be required.

(d) Nothing contained in this section shall excuse a full disclosure as to fiber content if the same is known or practically ascertainable.

[25 FR 4317, May 14, 1960]

§ 303.15 Required label and method of affixing.

(a) A label is required to be affixed to each textile product and, where required, to its package or container in a secure manner. Such label shall be conspicuous and shall be of such durability as to remain attached to the product and its package throughout any distribution, sale, resale and until sold and delivered to the ultimate consumer.

(b) Each textile fiber product with a neck must have a label disclosing the country of origin affixed to the inside center of the neck midway between the shoulder seams or in close proximity to another label affixed to the inside center of the neck. The fiber content and RN or name of the company may be disclosed on the same label as the country of origin or on another conspicuous and readily accessible label or labels on the inside or outside of the garment. On all other textile products, the required information shall be disclosed on a conspicuous and readily accessible label or labels on the inside or outside of the product. The country of

16 CFR Ch. I (1-1-08 Edition)

origin disclosure must always appear on the front side of the label. Other required information may appear either on the front side or the reverse side of a label, provided that the information is conspicuous and readily accessible.

(c) In the case of hosiery products, this section shall not be construed as requiring the affixing of a label to each hosiery product contained in a package if, (1) such hosiery products are intended for sale to the ultimate consumer in such package, (2) such package has affixed to it a label bearing the required information for the hosiery products contained in the package, and (3) the information on the label affixed to the package is equally applicable to each textile fiber product contained therein.

(d) Socks provided for in subheading 6115.92.90, 6115.93.90, 6115.99.18, 6111.20.60, 6111.30.50, or 6111.90.50 of the Harmonized Tariff Schedule of the United States, as in effect on September 1, 2003, shall be marked, as legibly, indelibly, and permanently as the nature of the article or package will permit, to disclose the English name of the country of origin. This disclosure shall appear on the front of the package, adjacent to the size designation of the product, and shall be set forth in such a manner as to be clearly legible, conspicuous, and readily accessible to the ultimate consumer. *Provided, however,* any package that contains several different types of goods and includes socks classified under subheading 6115.92.90, 6115.93.90, 6115.99.18, 6111.20.60, 6111.30.50, or 6111.90.50 of the Harmonized Tariff Schedule of the United States, as in effect on September 1, 2003, shall not be subject to the requirements of this subsection.

[50 FR 15106, Apr. 17, 1985, as amended at 63 FR 7518, Feb. 13, 1998; 70 FR 73369, Dec. 12, 2005]

§ 303.16 Arrangement and disclosure of information on labels.

(a) Subject to the provisions of § 303.15(b), information required by the Act and regulations in this part may appear on any label or labels attached to the textile fiber product, including the care label required by 16 CFR part 423, provided all the pertinent requirements of the Act and regulations in

Decision and Order

Federal Trade Commission

§ 303.19

this part are met and so long as the combination of required information and non-required information is not misleading. The required information shall include the following:

(1) The generic names and percentages by weight of the constituent fibers present in the textile fiber product, excluding permissive ornamentation, in amounts of 5 percent or more and any fibers disclosed in accordance with § 303.3(a) shall appear in order of predominance by weight with any percentage of fiber or fibers required to be designated as "other fiber" or "other fibers" appearing last.

(2) The name, provided for in § 303.19, or registered identification number issued by the Commission, of the manufacturer or of one or more persons marketing or handling the textile fiber product.

(3) The name of the country where such product was processed or manufactured, as provided for in § 303.33.

(b) All parts of the required information shall be set forth in such a manner as to be clearly legible, conspicuous, and readily accessible to the prospective purchaser. All parts of the fiber content information shall appear in type or lettering of equal size and conspicuousness.

(c) Subject to the provisions of § 303.17, any non-required information or representations placed on the product shall not minimize, detract from, or conflict with required information and shall not be false, deceptive, or misleading.

(d) Non-deceptive terms which are properly and truthfully descriptive of a fiber may be used in conjunction with the generic name of such fiber; as for example: "100 percent cross-linked rayon," "100 percent solution dyed acetate," "100 percent combed cotton," "100 percent nylon 66," etc.

[24 FR 4480, June 2, 1959, as amended at 25 FR 4317, May 14, 1960; 30 FR 14254, Nov. 13, 1965; 30 FR 15313, Dec. 11, 1965; 50 FR 15107, Apr. 17, 1985; 53 FR 31315, Aug. 18, 1988; 63 FR 7519, Feb. 13, 1998]

§ 303.17 Use of fiber trademarks and generic names on labels.

(a) A non-deceptive fiber trademark may be used on a label in conjunction with the generic name of the fiber to

which it relates. Where such a trademark is placed on a label in conjunction with the required information, the generic name of the fiber must appear in immediate conjunction therewith, and such trademark and generic name must appear in type or lettering of equal size and conspicuousness.

(b) Where a generic name or a fiber trademark is used on any label, whether required or non-required, a full and complete fiber content disclosure shall be made in accordance with the Act and regulations the first time the generic name or fiber trademark appears on the label.

(c) If a fiber trademark is not used in the required information, but is used elsewhere on the label as non-required information, the generic name of the fiber shall accompany the fiber trademark in legible and conspicuous type or lettering the first time the trademark is used.

(d) No fiber trademark or generic name shall be used in non-required information on a label in such a manner as to be false, deceptive, or misleading as to fiber content, or to indicate directly or indirectly that a textile fiber product is composed wholly or in part of a particular fiber, when such is not the case.

§ 303.18 Terms implying fibers not present.

Words, coined words, symbols or depictions, (a) which constitute or imply the name or designation of a fiber which is not present in the product, (b) which are phonetically similar to the name or designation of such a fiber, or (c) which are only a slight variation of spelling from the name or designation of such a fiber shall not be used in such a manner as to represent or imply that such fiber is present in the product.

[30 FR 13693, Oct. 28, 1965]

§ 303.19 Name or other identification required to appear on labels.

(a) The name required by the Act to be used on labels shall be the name under which the person is doing business. Where a person has a word trademark, used as a house mark, registered in the United States Patent Office, such word trademark may be used on

Decision and Order

§ 303.20**16 CFR Ch. I (1-1-08 Edition)**

labels in lieu of the name otherwise required: *Provided*, The owner of such word trademark furnishes the Commission a copy of the registration prior to its use. No trademark, trade names, or other names except those provided for above shall be used for required identification purposes.

(b) Registered identification numbers, as provided for in §303.20 of this part, may be used for identification purposes in lieu of the required name.

§ 303.20 Registered identification numbers.

(a) Registered numbers for use as the required identification in lieu of the name on textile fiber product labels, as provided in section 4(b)(3) of the Act, will be issued by the Commission to qualified persons residing in the United States upon receipt of an application duly executed in the form set out in paragraph (d) of this section.

(b)(1) Registered identification numbers shall be used only by the person or concern to whom they are issued, and such numbers are not transferable or assignable.

(2) Registered identification numbers shall be subject to cancellation whenever any such number was procured or has been used improperly or contrary to the requirements of the Acts administered by the Federal Trade Commission, and regulations promulgated thereunder, or when otherwise deemed necessary in the public interest.

(3) Registered identification numbers shall be subject to cancellation if the Commission fails to receive prompt notification of any change in name, business address, or legal business status of a person or firm to whom a registered identification number has been assigned, by application duly executed in the form set out in paragraph (d) of this section, reflecting the current name, business address, and legal business status of the person or firm.

(c) Registered identification numbers assigned under this section may be used on labels required in labeling products subject to the provisions of the Wool Products Labeling Act and Fur Products Labeling Act, and numbers previously assigned by the Commission under such Acts may be used as and for the required name in labeling under this Act. When so used by the person or firm to whom assigned, the use of the numbers shall be construed as identifying and binding the applicant as fully and in all respects as though assigned under the specific Act for which it is used.

(d) Form to apply for a registered identification number or to update information pertaining to an existing number (the form is available upon request from: Enforcement Division, Federal Trade Commission, 600 Pennsylvania Avenue, NW., Washington, DC 20580, or on the Internet at <http://www.ftc.gov>; application may also be made directly on the Internet):

Decision and Order

Federal Trade Commission

§ 303.20

APPLICATION FOR A REGISTERED IDENTIFICATION NUMBER ("RN")		
DO NOT WRITE IN THIS SPACE		
DATE ISSUED: _____	DATE UPDATED: _____	RN: _____ BY: _____
1. PURPOSE OF APPLICATION (Both new applicants and update applicants must complete all entries on this form) <input type="checkbox"/> APPLY FOR A NEW RN <input type="checkbox"/> UPDATE INFORMATION ON AN EXISTING RN OR WPL NUMBER. ENTER EXISTING RN OR WPL NUMBER _____		
2. LEGAL NAME OF APPLICANT FIRM (Note: Partnerships, please provide full legal name of the person who is the proprietor)		
3. NAME UNDER WHICH APPLICANT DOES BUSINESS (Only if different from legal name)		
4. TYPE OF COMPANY (If "OTHER" is checked, please state the type of company) <input type="checkbox"/> PROPRIETORSHIP <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> CORPORATION <input type="checkbox"/> LLC/LLP <input type="checkbox"/> OTHER _____		
5. ADDRESS OF PRINCIPAL OFFICE OR PLACE OF BUSINESS (Include zip code. Address must be actual location where business is conducted in the U.S. An additional mailing address or PO Box address may also be listed, if desired) STREET ADDRESS (Required)	OPTIONAL ADDITIONAL MAILING ADDRESS	CONTACT INFORMATION TELEPHONE NUMBER _____ FAX NUMBER _____ E-MAIL ADDRESS _____ INTERNET URL ADDRESS _____
6. TYPE OF BUSINESS (Mark all that apply) <input type="checkbox"/> MANUFACTURING <input type="checkbox"/> IMPORTING <input type="checkbox"/> WHOLESALE <input type="checkbox"/> RETAILING <input type="checkbox"/> MAIL-ORDER <input type="checkbox"/> INTERNET <input type="checkbox"/> OTHER _____		
7. LIST PRODUCTS (To qualify for an RN, a company must be engaged in the importation, manufacturing, selling or other marketing of at least one (1) product line subject to the Textile, Wool or Fur Act)		
8. CERTIFICATION By filing this form with the Federal Trade Commission, the company named above, applies for a registered number to use on labels required by one or more of the following acts: the Textile Fiber Product Identification Act (15 U.S.C. §§70-70a), the Wool Products Labeling Act (15 U.S.C. §§49-49c), or the Fur Products Labeling Act (15 U.S.C. §§69-69c). The company official designated below certifies that the information supplied on this form is true and correct.		
9. NAME OF COMPANY OFFICIAL (Type or print legibly)	10. TITLE OF COMPANY OFFICIAL	11. DATE SUBMITTED
INSTRUCTIONS Regulators under the Textile Fiber Product Identification Act, the Wool Products Labeling Act, and the Fur Products Labeling Act provide that any U.S.A. company that is a manufacturer or marketer of fiber or the products may, in lieu of the name under which it does business, be identified by its RN as labels required by these statutes. In completing this form, please observe the following: (a) All numbered boxes must be filled in except for optional information. (b) PLEASE, Type or Print Legibly. FTC Form 11 (rev. 6/2000)	(1) Submit one (1) completed application: By Mail to: Federal Trade Commission Division of Enforcement 605 Pennsylvania Avenue NW Washington, DC 20580 Or By Fax to: (301) 374-3191 Or On-Line at: www.ftc.gov	CANCELLATION POLICY RNs are subject to cancellation if the holder fails to promptly submit an updated FTC Form 11 upon any change(s) in its legal name (Line #2), type of company information (Line #4), or business address (Line #5).

[24 FR 4480, June 2, 1938, as amended at 48 FR 13516, Mar. 25, 1983; 63 FR 7518, Feb. 13, 1998; 63 FR 71583, Dec. 28, 1998; 65 FR 75156, Dec. 1, 2000]

Decision and Order

§ 303.21

§ 303.21 Marking of samples, swatches, or specimens and products sold therefrom.

(a) Where samples, swatches, or specimens of textile fiber products subject to the Act are used to promote or effect sales of such textile fiber products, the samples, swatches, or specimens, as well as the products themselves, shall be labeled to show their respective fiber contents and other required information: *Provided*, That such samples, swatches or specimens need not be labeled:

(1) If the samples, swatches, or specimens are less than two square inches (12.9 cm²) in area and the information otherwise required to appear on the label is clearly, conspicuously, and non-deceptively disclosed on accompanying promotional matter in accordance with the Act and regulations.

(2) If the samples, swatches, or specimens are keyed to a catalogue to which reference is necessary in order to complete the sale of the textile fiber products, and which catalogue at the necessary point of reference clearly, conspicuously, and non-deceptively discloses the information otherwise required to appear on the label in accordance with the Act and regulations; or

(3) If such samples, swatches, or specimens are not used to effect sales to ultimate consumers and are not in the form intended for sale or delivery to, or for use by, the ultimate consumer, and are accompanied by an invoice or other paper showing the required information.

(b) Where properly labeled samples, swatches, or specimens are used to effect the sale of articles of wearing apparel or other household textile articles which are manufactured specifically for a particular customer after the sale is consummated, the articles of wearing apparel or other household textile articles need not be labeled if they are of the same fiber content as the samples, swatches, or specimens from which the sale was effected and an invoice or other paper accompanies them showing the information otherwise required to appear on the label.

[24 FR 4486, June 2, 1959, as amended at 51 FR 11544, Mar. 21, 1986]

16 CFR Ch. I (1-1-08 Edition)

§ 303.22 Products containing linings, interlinings, fillings, and paddings.

In disclosing the required information as to textile fiber products, the fiber content of any linings, interlinings, fillings, or paddings shall be set forth separately and distinctly if such linings, interlinings, fillings, or paddings are incorporated in the product for warmth rather than for structural purposes, or if any express or implied representations are made as to their fiber content. Examples are as follows:

100% Nylon
Interlining: 100% Rayon
Covering: 100% Rayon
Filling: 100% Cotton.

§ 303.23 Textile fiber products containing superimposed or added fibers.

Where a textile fiber product is made wholly of one fiber or a blend of fibers with the exception of an additional fiber in minor proportion superimposed or added in certain separate and distinct areas or sections for reinforcing or other useful purposes, the product may be designated according to the fiber content of the principal fiber or blend of fibers, with an exception naming the superimposed or added fiber, giving the percentage thereof in relation to the total fiber weight of the principal fiber or blend of fibers, and indicating the area or section which contains the superimposed or added fiber. Examples of this type of fiber content disclosure, as applied to products having reinforcing fibers added to a particular area or section, are as follows:

55% Cotton
45% Rayon
Except 5% Nylon added to toe and heel.
All Cotton except 1% Nylon added to neckband.

§ 303.24 Pile fabrics and products composed thereof.

The fiber content of pile fabrics or products composed thereof may be stated on the label in such segregated form as will show the fiber content of the face or pile and of the back or base, with percentages of the respective fibers as they exist in the face or pile and in the back or base: *Provided*, That

Decision and Order

Federal Trade Commission

§ 303.29

in such disclosure the respective percentages of the face and back be given in such manner as will show the ratio between the face and the back. Examples of the form of marking pile fabric as to fiber content provided for in this section are as follows:

100% Nylon Pile
100% Cotton Back
(Back constitutes 60% of fabric and pile 40%).
Face—60% Rayon, 40% Nylon
Back—70% Cotton, 30% Rayon
(Face constitutes 60% of fabric and back 40%).

§ 303.25 Sectional disclosure of content.

(a) *Permissive.* Where a textile fiber product is composed of two or more sections which are of different fiber composition, the required information as to fiber content may be separated in the same label in such manner as to show the fiber composition of each section.

(b) *Mandatory.* The disclosure as above provided shall be made in all instances where such form of marking is necessary to avoid deception.

§ 303.26 Ornamentation.

(a)(1) Where the textile fiber product contains fiber ornamentation not exceeding five per centum of the total fiber weight of the product and the stated percentages of the fiber content are exclusive of such ornamentation, the label or any invoice used in lieu thereof shall contain a phrase or statement showing such fact; as for example:

60% Cotton
40% Rayon
Exclusive of Ornamentation;
or
All Cotton
Exclusive of Ornamentation.

(2) The fiber content of such ornamentation may be disclosed where the percentage of the ornamentation in relation to the total fiber weight of the principal fiber or blend of fibers is shown; as for example:

70% Nylon
30% Acetate
Exclusive of 4% Metallic Ornamentation;
or

100% Rayon
Exclusive of 3% Silk Ornamentation.

(b) Where the fiber ornamentation exceeds five per centum, it shall be included in the statement of required percentages of fiber content.

(c) Where the ornamentation constitutes a distinct section of the product, sectional disclosure may be made in accordance with § 303.25 of this part.

§ 303.27 Use of the term "All" or "100%."

Where a textile fiber product or part thereof is comprised wholly of one fiber, other than any fiber ornamentation, decoration, elastic, or trimming as to which fiber content disclosure is not required, either the word *All* or the term *100%* may be used in labeling, together with the correct generic name of the fiber and any qualifying phrase, when required; as for example: "100% Cotton," "All Rayon, Exclusive of Ornamentation," "100% Acetate, Exclusive of Decoration," "All Nylon, Exclusive of Elastic," etc.

§ 303.28 Products contained in packages.

When textile products are marketed and delivered in a package which is intended to remain unbroken and intact until after delivery to the ultimate consumer, each textile product in the package, except hosiery, and the package shall be labeled with the required information. If the package is transparent to the extent it allows for a clear reading of the required information on the textile product, the package is not required to be labeled.

[50 FR 15107, Apr. 17, 1985]

§ 303.29 Labeling of pairs or products containing two or more units.

(a) Where a textile fiber product consists of two or more parts, units, or items of different fiber content, a separate label containing the required information shall be affixed to each of such parts, units or items showing the required information as to such part, unit, or item: *Provided*, That where such parts, units, or items are marketed or handled as a single product or ensemble and are sold and delivered to the ultimate consumer as a single

Decision and Order

§ 303.30

product or ensemble, the required information may be set out on a single label in such a manner as to separately show the fiber composition of each part, unit, or item.

(b) Where garments, wearing apparel, or other textile fiber products are marketed or handled in pairs or ensembles of the same fiber content, only one unit of the pair or ensemble need be labeled with the required information when sold and delivered to the ultimate consumer.

[24 FR 4480, June 2, 1959, as amended at 25 FR 4318, May 14, 1960]

§ 303.30 Textile fiber products in form for consumer.

A textile fiber product shall be considered to be in the form intended for sale or delivery to, or for use by, the ultimate consumer when the manufacturing or processing of the textile fiber product is substantially complete. The fact that minor or insignificant details of the manufacturing or processing have not been completed shall not excuse the labeling of such products as to the required information. For example, a garment must be labeled even though such matters as the finishing of a hem or cuff or the affixing of buttons thereto remain to be completed.

§ 303.31 Invoice in lieu of label.

Where a textile fiber product is not in the form intended for sale, delivery to, or for use by the ultimate consumer, an invoice or other paper may be used in lieu of a label, and such invoice or other paper shall show, in addition to the name and address of the person issuing the invoice or other paper, the fiber content of such product as provided in the Act and regulations as well as any other required information.

§ 303.32 Products containing reused stuffing.

Any upholstered product, mattress, or cushion which contains stuffing which has been previously used as stuffing in any other upholstered product, mattress, or cushion shall have securely attached thereto a substantial tag or label, at least 2 inches (5.08 cm) by 3 inches (7.62 cm) in size, and statements thereon conspicuously stamped

16 CFR Ch. I (1-1-08 Edition)

or printed in the English language and in plain type not less than 1/8 inch (8.38 mm) high, indicating that the stuffing therein is composed in whole or in part of "reused stuffing," "secondhand stuffing," "previously used stuffing," or "used stuffing."

[51 FR 11544, Mar. 21, 1996]

§ 303.33 Country where textile fiber products are processed or manufactured.

(a) In addition to the other information required by the Act and Regulations:

(1) Each imported textile fiber product shall be labeled with the name of the country where such imported product was processed or manufactured;

(2) Each textile fiber product completely made in the United States of materials that were made in the United States shall be labeled using the term *Made in U.S.A.* or some other clear and equivalent term.

(3) Each textile fiber product made in the United States, either in whole or in part of imported materials, shall contain a label disclosing these facts; for example:

Made in USA of imported fabric
or
Knitted in USA of imported yarn

and

(4) Each textile fiber product partially manufactured in a foreign country and partially manufactured in the United States shall contain on a label the following information:

(i) The manufacturing process in the foreign country and in the USA; for example:

"Imported cloth, finished in USA"

or

"Sewn in USA of imported components"

or

"Made in [foreign country], finished in USA"

or

"Scarf made in USA of fabric made in China"

or

"Comforter Filled, Sewn and Finished in the U.S. With Shell Made in China"

or

"Made in [Foreign Country]/fabric made in USA"

or

Decision and Order

Federal Trade Commission

§ 303.36

"Knit in USA, assembled in (Foreign Country)".

(i) When the U.S. Customs Service requires an origin label on the unfinished product, the manufacturing processes as required in paragraph (a)(4)(i) of this section or the name of the foreign country required by Customs, for example:

"Made in (foreign country)"

(b) For the purpose of determining whether a product should be marked under paragraphs (a) (2), (3), or (4) of this section, a manufacturer needs to consider the origin of only those materials that are covered under the Act and that are one step removed from that manufacturing process. For example, a yarn manufacturer must identify fiber if it is imported, a cloth manufacturer must identify imported yarn and a household product manufacturer must identify imported cloth or imported yarn for household products made directly from yarn, or imported fiber used as filling for warmth.

(c) The term *country* means the political entity known as a nation. Except for the United States, colonies, possessions or protectorates outside the boundaries of the mother country shall be considered separate countries, and the name thereof shall be deemed acceptable in designating the country where the textile fiber product was processed or manufactured unless the Commission shall otherwise direct.

(d) The country where the imported textile fiber product was principally made shall be considered to be the country where such textile fiber product was processed or manufactured. Further work or material added to the textile fiber product in another country must effect a basic change in form in order to render such other country the place where such textile fiber product was processed or manufactured.

(e) The English name of the country where the imported textile fiber product was processed or manufactured shall be used. The adjectival form of the name of the country will be accepted as the name of the country where the textile fiber product was processed or manufactured, provided the adjectival form of the name does not appear with such other words so as to refer to

a kind or species of product. Variant spellings which clearly indicate the English name of the country, such as *Brasil* for *Brazil* and *Italie* for *Italy*, are acceptable. Abbreviations which unmistakably indicate the name of a country, such as "Gt. Britain" for "Great Britain," are acceptable.

(f) Nothing in this rule shall be construed as limiting in any way the information required to be disclosed on labels under the provisions of any Tariff Act of the United States or regulations prescribed by the Secretary of the Treasury.

[24 FR 4480, June 3, 1959, as amended at 50 FR 15107, Apr. 17, 1985; 63 FR 7521, Feb. 13, 1998; 65 FR 73158, Dec. 1, 2000]

§303.34 Country of origin in mail order advertising.

When a textile fiber product is advertised in any mail order catalog or mail order promotional material, the description of such product shall contain a clear and conspicuous statement that the product was either made in U.S.A., imported, or both. Other words or phrases with the same meaning may be used. The statement of origin required by this section shall not be inconsistent with the origin labeling of the product being advertised.

[50 FR 15107, Apr. 17, 1985]

§303.35 Use of terms "virgin" or "new."

The terms *virgin* or *new* as descriptive of a textile fiber product, or any fiber or part thereof, shall not be used when the product or part so described is not composed wholly of new or virgin fiber which has never been reclaimed from any spun, woven, knitted, felted, bonded, or similarly manufactured product.

§303.36 Form of separate guaranty.

(a) The following are suggested forms of separate guaranties under section 10 of the Act which may be used by a guarantor residing in the United States on or as part of an invoice or other paper relating to the marketing or handling of any textile fiber products listed and designated therein, and showing the date of such invoice or other paper and the signature and address of the guarantor.

Decision and Order

§ 303.37**16 CFR Ch. I (1-1-08 Edition)**

(1) *General form.* We guarantee that the textile fiber products specified herein are not misbranded nor falsely nor deceptively advertised or invoiced under the provisions of the Textile Fiber Products Identification Act and rules and regulations thereunder.

(2) *Guaranty based on guaranty.* Based upon a guaranty received, we guarantee that the textile fiber products specified herein are not misbranded nor falsely nor deceptively advertised or invoiced under the provisions of the Textile Fiber Products Identification Act and rules and regulations thereunder.

NOTE: The printed name and address on the invoice or other paper will suffice to meet the signature and address requirements.

(b) The mere disclosure of required information including the fiber content of a textile fiber product on a label or on an invoice or other paper relating to its marketing or handling shall not be considered a form of separate guaranty.

§ 303.37 Form of continuing guaranty from seller to buyer.

Under section 10 of the Act, a seller residing in the United States may give a buyer a continuing guaranty to be applicable to all textile fiber products sold or to be sold. The following is the prescribed form of continuing guaranty from seller to buyer.

We, the undersigned, guaranty that all textile fiber products now being sold or which

may hereafter be sold or delivered to _____ are not, and will not be misbranded nor falsely nor deceptively advertised or invoiced under the provisions of the Textile Fiber Products Identification Act and rules and regulations thereunder. This guaranty effective until _____.

Dated, signed, and certified this _____ day of _____, 19____, at _____ (City), _____ (State or Territory) _____ (name under which business is conducted.)

Under penalty of perjury, I certify that the information supplied in this form is true and correct.

Signature of Proprietor, Principal Partner,
or Corporate Official

Name (Print or Type) Title

(48 FR 12518, Mar. 25, 1983)

§ 303.38 Continuing guaranty filed with Federal Trade Commission.

(a)(1) Under section 10 of the act any person residing in the United States and marketing or handling textile fiber products may file a continuing guaranty with the Federal Trade Commission. When filed with the Commission a continuing guaranty shall be fully executed in duplicate. Forms for use in preparing continuing guaranties will be supplied by the Commission upon request.

(2) Continuing guaranties filed with the Commission shall continue in effect until revoked. The guarantor shall promptly report any change in business status to the Commission.

(b) Prescribed form for a continuing guaranty:

Decision and Order

Federal Trade Commission

§ 303.38

CONTINUING GUARANTY	
1. LEGAL NAME OF GUARANTOR FIRM	
2. NAME UNDER WHICH GUARANTOR FIRM DOES BUSINESS, IF DIFFERENT FROM LEGAL NAME	
3. TYPE OF COMPANY <input type="checkbox"/> PROPRIETORSHIP <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> CORPORATION	
4. ADDRESS OF PRINCIPAL OFFICE OR PLACE OF BUSINESS (include Zip Code)	OPTIONAL INFORMATION TELEPHONE NUMBER: FAX NUMBER: INTERNET ADDRESS:
5. LAW UNDER WHICH THE CONTINUING GUARANTY IS TO BE FILED (Put an "X" in the appropriate boxes)	
<input type="checkbox"/> Under the Textile Fiber Products Identification Act (15 U.S.C. §§ 75-75a). The company named above, which manufactures, markets, or handles textile fiber products, guarantees that when it ships or delivers any textile fiber product, the product will not be misbranded, falsely or deceptively invoiced, or falsely or deceptively advertised, within the meaning of the Textile Fiber Products Identification Act and the rules and regulations under that Act.	
<input type="checkbox"/> Under the Wool Products Labeling Act (15 U.S.C. §§ 68-68d). The company named above, which manufactures, markets, or handles wool products, guarantees that when it ships or delivers any wool product, the product will not be misbranded within the meaning of the Wool Products Labeling Act and the rules and regulations under that Act.	
<input type="checkbox"/> Under the Fur Products Labeling Act (15 U.S.C. §§ 68-68e). The company named above, which manufactures, markets, or handles fur products, guarantees that when it ships or delivers any fur product, the product will not be misbranded, falsely or deceptively invoiced, or falsely or deceptively advertised, within the meaning of the Fur Products Labeling Act and the rules and regulations under that Act.	
6. CERTIFICATION Under penalty of perjury, I certify that the information supplied on this form is true and correct.	
SIGNATURE OF PROPRIETOR, PRINCIPAL PARTNER, OR CORPORATE OFFICER	
7. NAME (Please print or type)	8. TITLE
9. CITY AND STATE WHERE SIGNED	10. DATE
INSTRUCTIONS The Textile Fiber Products Identification Act, the Wool Products Labeling Act, and the Fur Products Labeling Act provide that any marketer or manufacturer of fiber or fur products covered by those Acts may file a continuing guaranty with the Federal Trade Commission. A continuing guaranty in file assures customer firms that the guarantor's products are in conformance with the ADEA under which the guarantor has filed. Customer firms rely on the continuing guaranty for protection from liability if violations occur.	
In completing this form, please observe the following: (a) All appropriate blanks on the form should be filled in. Include your Zip Code in item 4. (b) In item 8, signature of proprietor, partner, or corporate official of guarantor firm.	
(c) Send two completed, signed original copies to: Federal Trade Commission Division of Enforcement 500 Pennsylvania Ave., NW Washington, DC 20580 (d) Do not file application - mail signed originals only.	
Continuing guaranties filed with the Commission continue in effect until revoked. The guarantor must immediately notify the Commission in writing of any change in business status. Any change in the address of the guarantor's principal office and place of business must also be promptly reported.	
DO NOT USE THIS SPACE Filed _____ 19 ____ FEDERAL TRADE COMMISSION	

FTC Form 31-A (Rev. 11/98)

(c) Any person who has a continuing guaranty on file with the Commission may, during the effective dates of the guaranty, give notice of such fact by setting forth on the invoice or other

paper covering the marketing or handling of the product guaranteed the following:

Decision and Order

§ 303.39

Continuing guaranty under the Textile Fiber Products Identification Act filed with the Federal Trade Commission.

(d) Any person who falsely represents in writing that he has a continuing guaranty on file with the Federal Trade Commission when such is not a fact shall be deemed to have furnished a false guaranty under section 10(b) of the Act.

[24 FR 4486, June 2, 1959, as amended at 48 FR 12517, Mar. 25, 1983; 63 FR 7521, Feb. 18, 1998; 63 FR 71585, Dec. 28, 1998]

§ 303.39 Maintenance of records.

(a) Pursuant to the provisions of section 6 of the Act, every manufacturer of a textile fiber product subject to the Act, irrespective of whether any guaranty has been given or received, shall maintain records showing the information required by the Act and Regulations with respect to all such textile fiber products made by such manufacturer. Such records shall show:

(1) The generic names and percentages by weight of the constituent fibers present in the textile fiber product, exclusive of permissive ornamentation, in amounts of five per centum or more.

(2) The name, provided for in § 303.19, or registered identification number issued by the Commission, of the manufacturer or of one or more persons marketing or handling the textile fiber product.

(3) The name of the country where such product was processed or manufactured as provided for in § 303.33.

The purpose of the records is to permit a determination that the requirements of the Act and Regulations have been met and to establish a traceable line of continuity from raw material through processing to finished product.

(b) Any person substituting a stamp, tag, label, or other identification pursuant to section 5(b) of the Act shall keep such records as will show the information set forth on the stamp, tag, label, or other identification that he removed and the name or names of the person or persons from whom such textile fiber product was received.

(c) The records required to be maintained pursuant to the provisions of

16 CFR Ch. I (1-1-08 Edition)

this rule shall be preserved for at least three years.

[24 FR 4486, June 2, 1959, as amended at 53 FR 31315, Aug. 18, 1988]

§ 303.40 Use of terms in written advertisements that imply presence of a fiber.

The use of terms in written advertisements, including advertisements disseminated through the Internet and similar electronic media, that are descriptive of a method of manufacture, construction, or weave, and that by custom and usage are also indicative of a textile fiber or fibers, or the use of terms in such advertisements that constitute or connote the name or presence of a fiber or fibers, shall be deemed to be an implication of fiber content under section 4(c) of the Act, except that the provisions of this section shall not be applicable to non-deceptive shelf or display signs in retail stores indicating the location of textile fiber products and not intended as advertisements.

[63 FR 7523, Feb. 13, 1998]

§ 303.41 Use of fiber trademarks and generic names in advertising.

(a) In advertising textile fiber products, the use of a fiber trademark shall require a full disclosure of the fiber content information required by the Act and regulations in at least one instance in the advertisement.

(b) Where a fiber trademark is used in advertising textile fiber products containing more than one fiber, other than permissible ornamentation, such fiber trademark and the generic name of the fiber must appear in the required fiber content information in immediate proximity and conjunction with each other in plainly legible type or lettering of equal size and conspicuousness.

(c) Where a fiber trademark is used in advertising textile fiber products containing only one fiber, other than permissible ornamentation, such fiber trademark and the generic name of the fiber must appear in immediate proximity and conjunction with each other in plainly legible and conspicuous type or lettering at least once in the advertisement.

Decision and Order

Federal Trade Commission

§ 303.44

(d) Where a fiber trademark or generic name is used in non-required information in advertising, such fiber trademark or generic name, shall not be used in such a manner as to be false, deceptive, or misleading as to fiber content, or to indicate, directly or indirectly, that a textile fiber product is composed wholly or in part of a particular fiber, when such is not the case.

§ 303.42 Arrangement of information in advertising textile fiber products.

(a) Where a textile fiber product is advertised in such manner as to require disclosure of the information required by the Act and regulations, all parts of the required information shall be stated in immediate conjunction with each other in legible and conspicuous type or lettering of equal size and prominence. In making the required disclosure of the fiber content of the product, the generic names of fibers present in an amount 5 percent or more of the total fiber weight of the product, together with any fibers disclosed in accordance with § 303.3(a), shall appear in order of predominance by weight, to be followed by the designation "other fiber" or "other fibers" if a fiber or fibers required to be so designated are present.

(b) Non-required information or representations shall in no way be false, deceptive, or misleading as to fiber content and shall not include any names, terms, or representations prohibited by the Act and regulations. Such non-required information or representations shall not be set forth or so used as to interfere with, minimize, or detract from the required information.

(c) Non-deceptive terms which are properly and truthfully descriptive of a fiber may be used in conjunction with the generic name of such fiber; as for example: "cross-linked rayon," "solution dyed acetate," "combed cotton," "nylon 66," etc.

[24 FR 4400, June 2, 1959, as amended at 39 FR 14254, Nov. 13, 1965; 39 FR 15313, Dec. 11, 1965; 63 FR 7523, Feb. 13, 1998]

§ 303.43 Fiber content tolerances.

(a) A textile fiber product which contains more than one fiber shall not be deemed to be misbranded as to fiber

content percentages if the percentages by weight of any fibers present in the total fiber content of the product, exclusive of permissive ornamentation, do not deviate or vary from the percentages stated on the label in excess of 3 percent of the total fiber weight of the product. For example, where the label indicates that a particular fiber is present in the amount of 40 percent, the amount of such fiber present may vary from a minimum of 37 percent of the total fiber weight of such product to a maximum of 43 percent of the total fiber weight of such product.

(b) Where the percentage of any fiber or fibers contained in a textile fiber product deviates or varies from the percentage stated on the label by more than the tolerance or variation provided in paragraph (a) of this section, such product shall be misbranded unless the person charged proves that the entire deviation or variation from the fiber content percentages stated on the label resulted from unavoidable variations in manufacture and despite the exercise of due care.

(c) Where representations are made to the effect that a textile fiber product is composed wholly of one fiber, the tolerance provided in section 4(b)(2) of the Act and paragraph (a) of this section shall not apply, except as to permissive ornamentation where the textile fiber product is represented to be composed of one fiber "exclusive of ornamentation."

§ 303.44 Products not intended for uses subject to the act.

Textile fiber products intended for uses not within the scope of the Act and regulations or intended for uses in other textile fiber products which are exempted or excluded from the Act shall not be subject to the labeling and invoicing requirements of the Act and regulations. *Provided*, An invoice or other paper covering the marketing or handling of such products is given, which indicates that the products are not intended for uses subject to the Textile Fiber Products Identification Act.

Decision and Order

§ 303.45

16 CFR Ch. I (1-1-08 Edition)

§ 303.45 Exclusions from the act.

(a) Pursuant to section 12(b) of the Act, the Commission hereby excludes from the operation of the Act:

- (1) All textile fiber products except:
 - (i) Articles of wearing apparel:
 - (ii) Handkerchiefs;
 - (iii) Scarfs;
 - (iv) Beddings;
 - (v) Curtains and casements;
 - (vi) Draperies;
 - (vii) Tablecloths, napkins, and doilies;
 - (viii) Floor coverings;
 - (ix) Towels;
 - (x) Wash cloths and dish cloths;
 - (xi) Ironing board covers and pads;
 - (xii) Umbrellas and parasols;
 - (xiii) Batts;
 - (xiv) Products subject to section 4(h) of the Act;
 - (xv) Flags with heading or more than 216 square inches (13.9 dm²) in size;
 - (xvi) Cushions;
 - (xvii) All fibers, yarns and fabrics (including narrow fabrics except packaging ribbons);
 - (xviii) Furniture slip covers and other covers or coverlets for furniture;
 - (xix) Afghans and throws;
 - (xx) Sleeping bags;
 - (xxi) Antimacassars and tidies;
 - (xxii) Hammocks;
 - (xxiii) Dresser and other furniture scarfs.
- (2) Belts, suspenders, arm bands, permanently knotted neckties, garters, sanitary belts, diaper liners, labels (either required or non-required) individually and in rolls, looper clips intended for handicraft purposes, book cloth, artists' canvases, tapestry cloth, and shoe laces.
- (3) All textile fiber products manufactured by the operators of company stores and offered for sale and sold exclusively to their own employees as ultimate consumers.
- (4) Coated fabrics and those portions of textile fiber products made of coated fabrics.
- (5) Secondhand household textile articles which are discernibly secondhand or which are marked to indicate their secondhand character.
- (6) Non-woven products of a disposable nature intended for one-time use only.

(7) All curtains, casements, draperies, and table place mats, or any portions thereof otherwise subject to the Act, made principally of slats, rods, or strips, composed of wood, metal, plastic, or leather.

(8) All textile fiber products in a form ready for the ultimate consumer procured by the military services of the United States which are bought according to specifications, but shall not include those textile fiber products sold and distributed through post exchanges, sales commissaries, or ship stores; provided, however, that if the military services sell textile fiber products for nongovernmental purposes the information with respect to the fiber content of such products shall be furnished to the purchaser thereof who shall label such products in conformity with the Act and regulations before such products are distributed for civilian use.

(9) All hand woven rugs made by Navajo Indians which have attached thereto the "Certificate of Genuineness" supplied by the Indian Arts and Crafts Board of the United States Department of Interior. The term *Navajo Indian* means any Indian who is listed on the register of the Navajo Indian Tribe or is eligible for listing thereon.

(b) The exclusions provided for in paragraph (a) of this section shall not be applicable (1) if any representations as to the fiber content of such products are made on any label or in any advertisement without making a full and complete fiber content disclosure on such label or in such advertisement in accordance with the Act and regulations with the exception of those products excluded by paragraph (a)(6) of this section, or (2) if any false, deceptive, or misleading representations are made as to the fiber content of such products.

(c) The exclusions from the Act provided in paragraph (a) of this section are in addition to the exemptions from the Act provided in section 12(a) of the Act and shall not affect or limit such exemptions.

(Sec. 12, 72 Stat. 1723; 15 U.S.C. 70j)

[24 FR 4880, June 2, 1959, as amended at 25 FR 4318, May 14, 1960; 25 FR 7044, July 25, 1960; 29 FR 48, Jan. 3, 1964; 61 FR 11544, Mar. 21, 1996]

Analysis to Aid Public Comment

**ANALYSIS OF CONSENT ORDER TO AID PUBLIC
COMMENT**

The Federal Trade Commission (“FTC” or “Commission”) has accepted, subject to final approval, an agreement containing a consent order from CSE, Inc. d/b/a Mad Mod, a corporation, and Chris and Cyndi Saetveit, individually and as owners of the corporation (together, “respondents”).

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 or make final the agreement’s proposed order.

This matter involves respondents’ marketing and sale of textile fiber products purportedly made of bamboo fiber. The FTC complaint alleges that respondents violated Section 5(a) of the FTC Act by making false claims that their textile fiber products are bamboo fiber; retain the anti-microbial properties of the bamboo plant; and are manufactured using an environmentally-friendly process. The complaint alleges that respondents’ textile fiber products are made of rayon and do not retain the anti-microbial properties of the bamboo plant, and that their manufacturing process involves the use of toxic chemicals and results in the emission of hazardous air pollutants. The complaint further alleges that the respondents failed to have substantiation for the foregoing claims.

The complaint also alleges that the proposed respondents have violated the Textile Fiber Products Identification Act (“Textile Act”) and the Rules and Regulations promulgated thereunder (“Textile Rules”) by falsely and deceptively labeling and advertising their textile fiber products as bamboo; by advertising their products without including in the description of each product a statement that the product was made in the U.S.A., imported, or both; and by failing to properly label their textile fiber products with the name of the country where each such product was processed or manufactured.

Analysis to Aid Public Comment

The proposed consent order contains provisions designed to prevent respondents from engaging in similar acts and practices in the future. Part I.A of the proposed order prohibits respondents from representing that any textile fiber product (1) is made of bamboo or bamboo fiber; (2) is manufactured using an environmentally friendly process; or (3) is anti-microbial or retains the anti-microbial properties of any material from which it is made, unless such representations are true, not misleading, and substantiated by competent and reliable scientific evidence. Part I.B prohibits respondents from making claims about the benefits, performance, or efficacy of any textile fiber product, unless at the time the representation is made, it is truthful and not misleading, and is substantiated by competent and reliable evidence, which when appropriate must be competent and reliable scientific evidence. Part II makes clear that, although Part I prohibits respondents from making false and unsubstantiated representations that their textile fiber products are made of bamboo or bamboo fiber as opposed to rayon, the respondents nonetheless may describe such products using the generic name of any manufactured fiber and identifying bamboo as the cellulose source for such fiber (*e.g.*, rayon made from bamboo), so long as such representation is true and substantiated. Part III of the proposed order prohibits respondents from failing to comply with the Textile Act or the Textile Rules.

Parts IV through VIII require respondents to keep copies of relevant advertisements and materials substantiating claims made in the advertisements; to provide copies of the order to certain of their personnel; to notify the Commission of changes in corporate structure that might affect compliance obligations under the order; to notify the Commission of changes in individual respondents' current business or employment; and to file compliance reports with the Commission and respond to other requests from FTC staff. Part IX provides that the order will terminate after twenty (20) years under certain circumstances.

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