IN THE MATTER OF

COLLECTIFY LLC

CONSENT 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).
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.


**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


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.


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.
COLLECTIFY LLC

Complaint

Exhibit A

UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION

In the Matter of

COLLECTIFY LLC,

a limited liability company.

DOCKET NO.

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.


6. Collectify did not submit a self-certification by the October 2004 deadline, and as a result
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 20th day of June, 2009, in Washington, D.C.

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

Exhibit B

The Privacy Policy governing Collectify LLC's ("Collectify") treatment of personally identifiable information that Collectify collects when you use its Collectify.com website ("Collectify.com") and the Privacy Policy also concerns 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 submit.
   c. When you use Collectify software online, we share your name, email address, telephone number, billing address, shipping address, credit/debit card number and credit/debit card expiration date.

   2. Information Collectify Automatically Collects: Collectify automatically collects and stores information about you and your use of the Collectify.com website, 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 or applications program on your hard drive. Most web browsers accept cookies automatically, unless you configure your browser settings to prevent it from accepting them.
   b. Collectify Cookies: Collectify may set and access Collectify cookie on your computer. These cookies may contain some of the personal information you have provided to Collectify.
   c. Third Party Cookies: Collectify may allow other services that are running on Collectify's computer, to set cookies on your computer. Other companies and/or other companies may subject to these cookies, are subject to their own privacy policies, such as the AdSense or other companies do not have access to Collectify's cookies.

   2. Use of Information: Collectify does not sell any information from you, nor does it publish any information about you on the web. We will not share your information with any other company that does not have your consent.

Complaint
COLLECTIFY LLC

Complaint

Exhibit C

The Privacy Policy governs Collectify LLC's ("Collectify") treatment of personally identifiable information that Collectify collects when you use one of Collectify's services ("Collectify Services"). The 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.

As your Collectify.com account holder, you agree to the collection and use of your personal information, as described in the Privacy Policy.

The Privacy Policy was last updated on July 6, 2009. In the event that Collectify changes this Privacy Policy, Collectify will post notices of the change prominently on Collectify.com. In addition, if you have registered on Collectify.com, Collectify will contact you at least 30 days before you are required to accept the changes.

1. Information Collection Practices
   A. Information Collect By Collectify
      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 Collectify's 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��
         c. When you order Collectify software online, you share your name, email address, telephone number, billing address, credit card number, expiration date, and shipping address.

   B. Information Automatically Collected: Collectify automatically collects non-personally identifiable information on your 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. Collectify uses cookies to improve function and performance. If you do not want Collectify to use cookies, you can configure your browser to prevent Collectify from accepting them.

2. Information Use
   A. Information Collect By Collectify
      1. Information You Provide: Collectify uses information you provide to improve its services, contact you regarding your Collectify.com account, and to provide you with information about Collectify's products and services.

Complaint
Complaint

i. Collectify | Privacy Policy

Page 3 of 4

12. Contacting Collectify

1. Please refer to the terms of this Privacy Policy for information about how we use and share your information.

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

- Email: info@collectify.com
- Telephone: +1 (514) 921-0216, +1 (514) 921-0217, +1 (514) 921-0218
- Facsimile: +1 (514) 921-0219

3. Compliance with Laws and Enforcement

A. Compliance: Collectify is committed to compliance with all applicable laws.

B. Canada: This Privacy Policy complies with the requirements of the Canadian Personal Information Protection and Electronic Documents Act and the Personal Information Protection Act.

C. United States: This Privacy Policy complies with the requirements of the United States Federal Trade Commission.

D. Enforcement: If you believe Collectify has violated this Privacy Policy or is violating any law, or you wish to make a complaint about Collectify's use of your information, you may contact one of the enforcement agencies listed below:

1. Canada:
   - Office of the Privacy Commissioner of Canada. You may contact the Office of the Privacy Commissioner of Canada by mail at 1120 St. Vincent Avenue, Ottawa Ontario, K3A 0H1; or by telephone at 1-800-282-1309. In addition, you may visit the Office of the Privacy Commissioner of Canada's website at http://www.privcom.gc.ca.

2. United States:
   - Federal Trade Commission (the "FTC"). You may file a complaint with the FTC by visiting the website at www.consumer.gov.
   - Internal Revenue Service (the "IRS"). You may file a complaint with the IRS by writing to the address or by visiting the website at irs.gov, or by telephone at 1-800-829-4477.
   - National Fraud Information Center (the "NFIC"). You may file a complaint with the NFIC by writing to the address or by visiting the website at www.nfic.org.
   - New York State Attorney General. You may file a complaint with the New York State Attorney General by visiting the website at http://www.oag.state.ny.us.

E. Organic Resolution: If the matter you have a dispute with Collectify regarding this Privacy Policy, or Collectify's use of your personal information, Collectify will consider and act upon your request in good faith to the extent permitted by law.
Complaint

Collectly LLC | Great Cataloging Software | Privacy Policy

2 Information You Sharing and Disclosure
A. Information You Share with Collectly: Collectly may use the information it collects to notify you about changes to Collectly's site, software updates, or to provide other Collectly-related information to you.

B. Information Collectly Shares:
1. Services Provided: Collectly employs a range of service providers to perform various functions on its behalf. These service providers will have access to your personal information only to the extent necessary to provide the products and services you have requested. In addition, Collectly will retain all service providers to enforce the terms of the privacy policy as required by the Privacy Policy.
   a. Collectly shares your name, e-mail address, credit card number, and shipping charges with service providers that ship and deliver the software.
   b. Collectly may use your email address and password information with the feedback that you enter, and the reviews that you post to Collectly's public discussion forums.
   c. Collectly may share your personal information with service providers that manage the email messages Collectly sends to Collectly users.
   d. Collectly may share your personal information, such as service provider, that provide customer service for Collectly.

2. Sale of Information: Collectly does not sell, trade, or rent your personal information to others without your permission. You may opt-out of Collectly receiving advertising or sharing your information at any time by visiting www.collectly.com.

3. Aggregate Reporting: Collectly may provide aggregate statistics about the visits, sales, visitors to its website, and related website activity to its partners. This aggregate information will not include any personally-identifiable information.

4. Legal Process: Collectly will share your personal information if required to do so by law, or in order to protect Collectly from liability to others. Collectly may share your personal information if Collectly believes that sharing is necessary to protect the integrity of Collectly's services or to comply with law. Collectly may also share your personal information if it believes that your use of Collectly's services violates the Terms and Conditions or any other usage guidelines for specific products or services.

21. Information Security, Liability and Disclaimers
A. Collection and Use of Your Information
1. Collectly will not sell, lease, or rent your personal information to others without your permission. You may opt-out of Collectly receiving advertising or sharing your information at any time by visiting www.collectly.com.

2. Accessing Information: Collectly makes every effort to ensure that the personal information you provide Collectly is accurate and up-to-date.

3. Deleting Information: If you would like to delete or change the personal information you have provided to Collectly, you may do so by contacting Collectly at privacy@collectly.com.

4. Legal Process: Collectly will share your personal information if required to do so by law, or in order to protect Collectly from liability to others. Collectly may share your personal information if Collectly believes that sharing is necessary to protect the integrity of Collectly's services or to comply with law. Collectly may also share your personal information if it believes that your use of Collectly's services violates the Terms and Conditions or any other usage guidelines for specific products or services.

22. Liability, Security and Disclaimers
1. Collectly's servers are located in the United States and are subject to the laws of the United States. Collectly will use reasonable efforts to protect your personal information from loss, misuse, unauthorized access, disclosure, alteration, or destruction.

2. Security: Collectly will protect your personal information with industry-accepted standards for such protection. Collectly will use encryption technologies to protect your personal information during transmission, and collect usernames and passwords for access to Collectly's site.

3. Integrity: Collectly will use reasonable efforts to ensure that your information is accurate for its intended use, is current, complete and correct.

19. Contacting Collectly
1. Privacy Officer or Security Officer: Collectly has appointed a privacy and security officer for Collectly to handle consumer inquiries and complaints. Collectly's privacy and security officer can be reached by e-mail at privacy@collectly.com.

2. Opt-Out: If you choose to opt-out of Collectly's privacy and security officer can be reached by e-mail at privacy@collectly.com.

Complaint

I. Introduction

A. Collectify LLC has not taken adequate steps to comply with all applicable laws.

B. Collectify LLC has not taken adequate steps to comply with the requirements of the Children's Online Privacy Protection Act ("COPPA").

C. Collectify LLC has not taken adequate steps to comply with the requirements of the California Consumer Privacy Act ("CCPA").

II. Statutory Authority

A. Federal Trade Commission ("FTC")

B. U.S. Department of Commerce ("DOC")

C. European Union ("EU")

III. Remedy

A. Collectify LLC is hereby enjoined from violating the Privacy Policy or from engaging in any act that is in violation of the Privacy Policy.

B. Collectify LLC is hereby enjoined from engaging in any act that is in violation of the CCPA.

C. Collectify LLC is hereby enjoined from engaging in any act that is in violation of the COPPA.

D. Collectify LLC is hereby enjoined from engaging in any act that is in violation of the FTC's authority.

E. Collectify LLC is hereby enjoined from engaging in any act that is in violation of the DOC's authority.

F. Collectify LLC is hereby enjoined from engaging in any act that is in violation of the EU's authority.

IV. Costs

A. Costs of litigation shall be borne by Collectify LLC.

B. Collectify LLC shall be responsible for all reasonable attorneys' fees and costs.

V. Conclusion

A. Collectify LLC is hereby enjoined from violating the Privacy Policy or from engaging in any act that is in violation of the Privacy Policy.

B. Collectify LLC is hereby enjoined from engaging in any act that is in violation of the CCPA.

C. Collectify LLC is hereby enjoined from engaging in any act that is in violation of the COPPA.

D. Collectify LLC is hereby enjoined from engaging in any act that is in violation of the FTC's authority.

E. Collectify LLC is hereby enjoined from engaging in any act that is in violation of the DOC's authority.

F. Collectify LLC is hereby enjoined from engaging in any act that is in violation of the EU's authority.

G. Collectify LLC is hereby enjoined from engaging in any act that is in violation of the costs of litigation.

H. Collectify LLC is hereby enjoined from engaging in any act that is in violation of the attorneys' fees and costs.

I. Collectify LLC is hereby enjoined from engaging in any act that is in violation of the costs of litigation.

J. Collectify LLC is hereby enjoined from engaging in any act that is in violation of the attorneys' fees and costs.
COLLECTIFY LLC

Complaint

Collectify LLC | Great Cataloging Software | Privacy Policy

I. Information Access, Retention and Security

1. Viewing and Correcting Your Information

   a. Collectify LLC has a policy that allows you to access your personal information. To access your information, please visit Collectify LLC’s website.

   b. If you believe that the information we have about you is incorrect, you may request that we correct it by contacting Collectify LLC.

   c. To request correction of incorrect information, please provide Collectify LLC with the specific details of the error you wish to correct.

II. Security, Accuracy and Integrity

   d. Collectify LLC has implemented reasonable security measures to protect the confidentiality, integrity, and availability of the information we collect.

III. Collecting Your Information

   e. Collectify LLC collects personal information from you in a variety of ways, including through our website, mobile applications, and other means.

   f. Collectify LLC uses this information for a variety of purposes, including to provide you with our products and services, to improve our products and services, and to comply with applicable laws and regulations.

IV. Controlling Collectify LLC

   g. Collectify LLC provides you with the ability to control what information we collect about you and how we use that information.

   h. Collectify LLC will not sell, rent, or otherwise disclose your personal information to any third party without your consent, except as required by law.

V. Compliance with Laws and Regulartions

   i. Collectify LLC complies with all applicable laws and regulations.


3/4/2009
Complaint
Complaint

Exhibit F

Privacy Policy

This Privacy Policy governs Collectify LLC's ("Collectify") treatment of personally identifiable information that Collectify collects when you use its Collectify website ("Collectify.com"). The 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 October 22, 2020. 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, and other personal information that would change card expiration data.

2. Information Collectify Automatically Collects: Collectify automatically receives and records information on its servers, including your IP address, cookie information, and the pages on the website you visited.

a. Cookies: A "cookie" is a small text file that a website can store temporarily on your hard drive. Most web browsers automatically accept cookies, unless you change your browser settings to prevent it from doing so.

b. Collectify Collects: Collectify may and does use Collectify's own cookies on your computer. These cookies may contain some of the personal information you have provided to Collectify.

3. Other Information: Collectify does not collect any information from you, other than what is above. Collectify only uses information it collects about you to the ways described in this Privacy Policy. Collectify will not use
Complaint
Complaint

IV. Contacting Collectify

A. Privacy Officer: Frank Lichtenstein is the privacy compliance officer of Collectify. The privacy compliance officer is responsible for monitoring Collectify’s compliance with this Privacy Policy. Frank Lichtenstein can be reached via the contact information below.

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: 559, De Montmorency Street. 640 Q, Montreal, QC, H2L 1N9, Canada.
3. Facsimile: (514) 923-8960.

V. Compliance with Laws and Enforcement

A. Compliance: Collectify has made 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 the 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 law, 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 241 Portage Avenue, Winnipeg, Manitoba, R3C 0R3; or by telephone at 1-800-282-7272. In addition, you may visit the Office of the Privacy Commissioner of Canada’s website at http://www.privcom.gc.ca.

   b. La Commission des droits de la personne et des droits de la jeunesse: You may contact La Commission by mail at 655, rue St-Viateur, Montréal, Quebec, Canada, H2A 2A4, or by telephone at 1-800-334-6540. In addition, you may visit La Commission’s website at http://www.commj.gov.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 Postal Complaint Center (the “IPC”): The IPC is a partnership between the Federal Bureau of Investigation and the National White Collar Crime Center. The IPC receives complaints and addresses fraud conducted over the Internet. You may file a complaint with the IPC by visiting its website at http://www.fbi.gov.


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 competent agencies listed above.
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.


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.
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 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.
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

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](http://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.
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.


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
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


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).


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


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
Complaint

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.

Environmental Aspects
- Bamboo fiber is 100% biodegradable and sustainable
- Bamboo naturally dyes itself without the use of pesticides or fertilizers
- Bamboo is a highly renewable resource

Products available in the following colors:

Color availability varies based on product
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.
Complaint
Complaint

Exhibit B

Exhibit C

Bamboo fiber is a sustainable
natural fiber 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.
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:


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
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
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;
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:
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
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
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
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)
[http://www.gpo.gov]
[Law in effect as of January 1, 2006]
[Title 15: Commerce and Trade

CHAPTER 2 - FEDERAL TRADE COMMISSION: PROMOTION OF FAIR TRADE AND PROTECTION OF IMPACT METHODS OF COMMERCE

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 knitting, and which is in 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, weaving, 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 thereof.
(g) The term 'household textile articles' means articles of wearing apparel, costumes and accouterments, 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. 68 et seq.];
(i) The term 'affixed' 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.


References in Text

[3] 3, is act Oct. 14, 1940, ch. 831, 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 [Dec. 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 exemption 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 act is hereinafter, 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

FROM THE U.S. CODE ONLINE VIA GPO ACCESS
[Effective as of January 3, 2009]
[TTY: 380-600-7940]

TITLE 15—COMMERCE AND TRADE

CHAPTER 2—FEDERAL TRADE COMMISSION, PROMOTION OF EFFECTIVE AND PREVENTION OF IMPAIRMENT OF BUSINESS

SUBCHAPTER V.—TEXTILE FIBER PRODUCTS IDENTIFICATION


(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, 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
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 79c 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.


References in Text

the Federal Trade Commission Act, referred to in subsec. (a) to
[29c], is act Sept. 24, 1914, ch. 331, 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 59 of
this title and Tables.
Decision and Order

From the U.S. Code Online via GPO Access
[main-access.gpo.gov]
[laws-in-effect as of January 3, 2026]
[document affected by Public Law 9 Section (1)]
[document affected by Public Law 9 Section (2)]
[CITE: 15 USC 78c(b)]

TITLE 15 - COMMERCE AND TRADE

CHAPTER 1 - FEDERAL TRADE COMMISSION, PROHIBITION OF UNFAIR TRADE AND PREVENTION OF UNFAIR METHODS OF COMPETITION

SUBCHAPTER V - TEXTILE FIBER PRODUCTS IDENTIFICATION

Sec. 78d. 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 78c of this title, is not or cannot be applied 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 weight thereof if the weight of each such fiber is 5 per cent or more of the total fiber weight of the product, but nothing in this section shall be construed as prohibiting the use of a nondescriptive 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 cent 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 fibers" 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 cent 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 cent 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 fibers" 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.
which shall be established by the Commission; and provided further, that any such deviation which exceeds said tolerances shall not be a misleading 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.

(iii) The name, or other identification issued and registered by the Commission, of the manufacturer of the product or one or more premises subject to section 76a of this title with respect to such product.

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

(v) 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)(3) and (2) of this section is contained in the heading, body, or other part of each 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 so marked 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 (on the clear reading of the stamp, tag, label, or other means of identification on the textile fiber product, or in the case of hosery items, this section shall not be construed as requiring the affixing of a stamp, tag, label, or other means of identification to such hosery product contained in a package if (1) such hosery products are intended for sale to the ultimate consumer in such package, (ii) such package has affixed to it a stamp, tag, label, or other means of identification bearing, with respect to the hosery products contained therein, the information required by subsection (b) of this section, and (iii) the information on the stamp, tag, label, or other means of identification affixed to each 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 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.
CSE, INC.  599

Decision and Order

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

(a) Advertising of textile product by use of name or symbol of fur-bearing animal

For the purposes of this subsection, a textile fiber product shall be considered to be falsely or deceivingly 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 Labelling 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.

(b) Remained stuffing

For the purposes of this subsection, a textile fiber product shall be considered to be falsely or deceivingly advertised 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.

(1) Mail order catalog or promotional material

For the purposes of this subsection, a textile fiber product shall be considered to be falsely or deceivingly 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.

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

For purposes of this subsection, any textile fiber product shall be labeled 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 rib of the shoulder seam 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 boxy items on the outer side of such product or package.

(4) Marking of certain sock products

(1) Notwithstanding any other provision of law, socks provided for
in subheading 6113.92.99, 6115.93.99, 6115.99.18, 6113.90.60,
6111.39.99, 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 so to be clearly legible,
conspicuous, and readily accessible to the ultimate consumer.

(3) Exceptions: - Any package that contains several different
/types of goods and includes socks classified under subheading 6113.92.99,
6115.93.99, 6115.99.18, 6113.90.60, 6111.39.99, 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

References in Text

The Harmonized Tariff Schedule of the United States, referred to in subsec. (a), is not set out in the Code. See Publication of Harmonized Tariff Schedule note set out under section 1207 of Title 19, Customs Duties.

The Fair Products Labeling Act, referred to in subsec. (g), is act Aug. 8, 1992, ch. 204, 66 Stat. 173, 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 above Title note set out under section 69 of this title and Tables.

Amendments


Subsec. (d). Pub. L. 99-417, Sec. 301, amended subsec. (d) generally. Prior to amendment, subsec. (a) 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) each 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. (d), (g). Pub. L. 98-417, Sec. 301, added subsecs. (d) and (g).

1965—Subsec. (g)(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. (h)(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 stated'.

Effective Date of 2004 Amendment

Pub. L. 108-419, Sec. 2005(h)(2), Dec. 3, 2004, 118 Stat. 2946, 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 10 or title 16, Code of Federal Regulations, that is inconsistent with such amendment shall not apply.''

Effective Date of 1984 Amendment

Decision and Order

From the U.S. Code Online via GPO Access
[http://www.access.gpo.gov]
[Law as in effect as of January 3, 2005]
[CHRG: 108 H.R. 70]

TITLE 15—COMMERCE AND TRADE

CHAPTER 2—FEDERAL TRADE COMMISSION: PROMOTION OF PROPER TRADE AND PREVENTION OF UNFAIR METHODS OF COMPETITION

SUBCHAPTER V—TEXTILE FIBER PRODUCTS IDENTIFICATION

Sec. 78e. 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,

any substitute for the stamp, tag, label, or other means of identification required to be affixed to such textile product pursuant to section 78d(b) of this title, a stamp, tag, label, or other means of identification conforming to the requirements of section 78d(b) of this title, and such substituted stamp, tag, label, or other means of identification shall show the same 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 78d 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 78d of this title, and if 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. 1729.)

References in Text

The Federal Trade Commission Act, referred to in subsec. (a), is act Sept. 24, 1934, ch. 311, 58 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.
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.

Any person substituting a stamp, tag, label, or other identification pursuant to section 50(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 received 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.

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 set Sept. 20, 1914, ch. 310, 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 50 of this title and Tables.
Decision and Order

Section 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 procedures 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. 7, 1958, 72 Stat. 1721.)

References in Text

The Federal Trade Commission Act, referred to in subsections (a) and (b), is act Sept. 24, 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 19 of this title and Tables.
TITLE 15—COMMERCE AND TRADE

CHAPTER 2—FEDERAL TRADE COMMISSION, PROMOTION OF DEBT TRADE AND PREVENTION OF UNFAIR METHODS OF COMPETITION

SUBCHAPTER V—TEXTILE FIBER PRODUCTS IDENTIFICATION

Sec. 50f. 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 90, 700, 705, or 706(b) of this title is declared to be unlawful; and

(b) that it would be in the public interest to enjoin the doing of such act until complaint is filed 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, or in 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. 85-887, Sec. 8, Sept. 3, 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 38 of this title and Tables.
All textile fiber products imported into the United States shall be stamped, tagged, labeled, or otherwise identified in accordance with the provisions of section 72B of this title, and all invoices of such products required pursuant to section 1886 of title 19, shall be set forth, in addition to the matters therein specified, the information with respect to said products required under the provisions of section 72B of this title, which information shall be in the invoices prior to their certification. If such certification is required pursuant to section 1886 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 1885 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 therefrom be prohibited by the Commission from importing, or participating in the importation of, any textile fiber product into the United States except upon filling 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 regulations 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 set 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 59 of this title and tables.
Decision and Order

From the U.S. Code Online via GPO Access
[http://www.gpo.gov/]
[Chns in effect as of January 3, 2004]
[A1996C213]

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. 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 labeled under the provisions of this subchapter. Said guaranty shall be (i) 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 (ii) 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 (iii) 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.).


References to 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 36 of this title and Tables.
Decision and Order

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[Last in effect as of January 1, 2006]
[CITE: 15 USC 78]

TITLE 15—COMMERCE AND TRADE
CHAPTER 2—FEDERAL TRADE COMMISSION: PROMOTION OF EFFECTIVE TRADE AND PREVENTION OF UNFAIR METHODS OF CONDUCT
SUBCHAPTER V—TEXTILE FIBER PRODUCTS IDENTIFICATION

Sec. 761. Criminal penalty

(a) Any person who willfully does any act which by section 76b, 76c, 76d, 76e, or 76f(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, at 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.

Decision and Order

From the U.S. Code Online via GPO Access
[base access.gpo.gov]
[laws in effect as of January 3, 2006]
[extra: 2006sec]

TITLE 15--COMMERCE AND TRADE
CHAPTER 2--FEDERAL TRADE COMMISSION: PROMOTION OF EQUITABLE TRADE AND PREVENTION OF UNFAIR METHODS OF CONDUCT
SUBCHAPTER V--TEXTILE FIBER PRODUCTS IDENTIFICATION

Sec. 70j. Exceptions

(a) None of the provisions of this subchapter shall apply to:

(1) upholstery stuffing, except as provided in section 70b(b) 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) stuffing, toppers, cushions, or interlinings;
(6) backings of, and padlinings or cushions to be used under, floor coverings;
(7) sewing and handcraft 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, lanyards, or toys, cutaneous devices, adhesive tapes and adhesive sheets, cleansing 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 are of 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)(1), is set out in Sec. 201, 21 Stat. 342, as amended, which is classified generally to chapter 9 (Sec. 321 et seq.) of Title 21, Food and Drugs. For complete classification of this Act to the Code, see section 341 of Title 21 and Tables.
Decision and Order

From the U.S. Code Online via GPO Access
[www.access.gpo.gov]
[Laws in effect as of January 3, 2004]
[CITE: 15FEDC192]

TITLES 15—COMMERCE AND TRADE
CHAPTER 2—FEDERAL TRADE COMMISSION; PROMOTION OF EQUITABLE TRADE AND PREVENTION OF UNFAIR METHODS OF CONDUCT
SUBCHAPTER V—TEXTILE FIBER PRODUCTS IDENTIFICATION
Sec. 706. 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.

§ 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 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 §300.58(b).

16 CFR Ch. 1 (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.


§ 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 fur or 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.
Federal Trade Commission

§ 303.1  Terms defined.

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


(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.
§ 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 bedding 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 hosiery 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.

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

(b) 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 25 percent of the weight of the fabric before coating, filling, impregnation, or lamination.

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

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

(e) 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.

(f) 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.

(g) 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.

(h) 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.


§ 303.3 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.


(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
§ 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 § 303.3(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.

§ 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 disclosing 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.”

§ 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.
§ 303.7

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

30 percent Nylon.
20 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.

(25 FR 4400, June 2, 1960, as amended at 45 FR 44303, 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 2700: 1996(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 330, 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

\[-\text{CH}_2-\text{CH}=\text{CN}\]

(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

\[-\text{CH}_2-\text{CH}=\text{CN}\]

except fibers qualifying under paragraph (a)(2) of this section and fibers qualifying under paragraph (q) of this section. (Sec. 7, 72 Stat. 1717; 15 U.S.C. section 79e)

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

\[p(-\text{R-O-C_6H_4-C}=\text{O})_n\]

and para substituted hydroxy-benzoate units,

\[p(-\text{R-O-C_6H_4-C-O})_n\]

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 "elastane" 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
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 (CH₂=CHCl₂).

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

(h) Nitril. A manufactured fiber containing at least 85 percent of a long chain polymer of vinylidene dinitrile (CH₂=CHCN) where the vinylidene dinitrile content is no less than every other unit in the polymer chain.

(i) Vynon. 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

\[(-\text{CH}_2=\text{CH}-)\quad \text{CN}\]

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

(k) Spondex. 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

\[(-\text{CH}_2=\text{CH}-\text{CH}_2-\text{Cl})\]

(l) Vinal. A manufactured fiber in which the fiber-forming substance is any long chain synthetic polymer composed of at least 85 percent by weight of vinyl alcohol units (CH₂=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 and at least one other olefin unit, 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 laufel may be used as a generic description of the fiber.

(n) Vyncen. A manufactured fiber in which the fiber-forming substance is
§ 303.6

any long chain synthetic polymer composed of at least 85 percent by weight of vinyl chloride units (−CH₂−CHCl−).

(c) 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) Anized. 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, CH₂−CH− 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

$$\left( \frac{\text{C}=\text{NH}}{\text{O}} \right)$$

linkages are attached directly to two aromatic rings.

(t) Sulfur. A manufactured fiber in which the fiber-forming substance is a long chain synthetic polysulfide in which at least 85% of the sulfide (−S−) linkages are attached directly to two (2) aromatic rings.

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

(v) Elastomer. 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(e).

(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.

(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.

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

§ 302.8 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.
§ 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," "Beaver," "Marmink," "Sablelon," "Lam," "Minkash," "Minks," 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 Labeling 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;

(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;

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


§ 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
§ 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
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 "reconstituted fiber" or "multicomponent fiber," (2) 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% Recomposition Fiber
60% Rayon, 30% Polyester
80% Matrix Fiber (60% Rayon, 30% 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 percent of the total fiber weight, shall also be applicable to the designations and disclosures prescribed by this paragraph.

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

§ 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."
§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 undetermined 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."

(b) 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.

(c) 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.

(1) 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, second-hand 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.
§ 303.15

60% Cotton
40% Unknown fibers—waste materials.
40% Acrylic
20% Modacrylic
40% Undetermined fibers—odd lot.
50% Polyester
20% Cotton
20% Textile by-products of undetermined fiber content.
50% Rayon
50% Secondhand materials—fiber content unknown.
45% Acetate
20% 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 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. 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 6115.92.00, 6115.93.90, 6115.99.18, 6111.20.00, 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 6115.92.00, 6115.93.90, 6115.99.18, 6111.20.00, 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 15306, Apr. 17, 1985, as amended at 63 FR 7519, Feb. 12, 1998; 70 FR 17369, 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

HeinOnline -- CFR 230 2009
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:

(a) The generic names and percentages by weight of the constituent fibers present in the textile fiber product, excluding permisive ornamentation, in amounts of 5 percent or more and any fibers disclosed in accordance with §303.5(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.

(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.

§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
§ 303.20

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

[Text of the decision and order]

HeinOnline -- CFR 233 2008
§ 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;

(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.

[34 FR 4486, June 2, 1969, as amended at 61 FR 11564, Mar. 31, 1996]
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 50% of fabric and pile 50%)

Face—65% Rayon, 35% 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) 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:

50% 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 13407, 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
§ 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.


§ 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 thereon 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 or printed in the English language and in plain type not less than 1/8 inch (0.38 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."

[61 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
Made 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
Federal Trade Commission

§ 303.36

"Made 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 "UK" 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.


§ 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 15393, 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.

237
§ 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.

(2) Guaranty filed with Federal Trade Commission. 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 guarantees will be supplied by the Commission upon request.

(2) Prescribed form for a continuing guaranty:

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

(40 FR 12518, Mar. 25, 1975)
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
   - [ ] PROPRIETORSHIP
   - [ ] PARTNERSHIP
   - [ ] CORPORATION

4. ADDRESS OF PRINCIPAL OFFICE OR PLACE OF BUSINESS (Include Zip Code)

5. LAW UNDER WHICH THE CONTINUING GUARANTY IS TO BE FILED (Put an X in the appropriate box)
   - [ ] Under the Textile Fiber Products Identification Act (15 U.S.C. §§ 79 et seq.) The company named above, which manufactures, markets, or handles textile fiber products, guarantees that when 8 units or fewer any textile fiber product, the product will not be manufactured, labeled or deceptively advertised, within the meaning of the Textile Fiber Products Identification Act and the rules and regulations under that Act.
   - [ ] Under the Wool Products Labeling Act (15 U.S.C. §§ 68-88a). The company named above, which manufactures, markets, or handles wool products, guarantees that when 8 units or fewer any wool product, the product will not be manufactured, labeled or deceptively advertised, within the meaning of the Wool Products Labeling Act and the rules and regulations under that Act.
   - [ ] Under the Fur Products Labeling Act (15 U.S.C. §§ 68-88a). The company named above, which manufactures, markets, or handles fur products, guarantees that when 8 units or fewer any fur product, the product will not be manufactured, labeled 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.

<table>
<thead>
<tr>
<th>SIGNATURE OF PROPRIETOR, PRINCIPAL PARTNER, OR CORPORATE OFFICIAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>CITY AND STATE WHERE SIGNED</td>
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</table>

INSTRUCTIONS
The Textile Fiber Products Identification Act, the Wool Products Labeling Act, and the Fur Products Labeling Act provide that any manufacturer or manufacturer of fiber or fur products subject to these Acts may file a continuing guaranty with the Federal Trade Commission. A continuing guaranty will assure customer firms that the guarantor's products are in conformance with the Act(s) 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 int Item 4.
(b) Be sure to sign.
(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:

File

FEDERAL TRADE COMMISSION

HeinOnline -- CFR 239 2008
§ 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 19(b) of the Act.


§ 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 permissible ornamentation, in amounts of five percent 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 § 303.19.

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 9(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 this rule shall be preserved for at least three years.

(24 FR 4846, June 2, 1959, as amended at 53 FR 33315, 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 6(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 71560, Dec. 30, 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.
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 6," etc.


§ 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.
§ 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:

(i) All textile fiber products except:

(ii) Articles of wearing apparel;

(iii) Handkerchiefs;

(iv) Scarfs;

(v) Bedding;

(vi) Curtains and casements;

(vii) Draperies;

(viii) Tablecloths, napkins, and doilies;

(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) Afghanas and throws;

(xx) Sleeping bags;

(xxi) Antimacassars and tides;

(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 second-hand or which are marked to indicate their secondhand character.

(6) Non-woven products of a disposable nature intended for one-time use only.

(b) 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.

(c) 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.

(17) All furniture slip covers and other covers or coverlets for furniture, provided such products are so identified 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)(8) of this section, or (2) if any false, deceptive, or misleading representations are made as to the fiber content of such products.

(18) 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.

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.
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.