

FTC Announces Changes to Textile Labeling Rules

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The FTC recently announced updates to the Textile Labeling Rules, several of which are designed to harmonize the textile labeling requirements with related provisions, including U.S. Customs standards for country of origin.

The Commission adopted the following changes from the proposed rule:

- incorporate the updated International Organization for Standardization standard - ISO 2076:2010(E), "Textiles—Man-made fibres—Generic names" establishing generic fiber names for manufactured fibers;
- allow certain hang-tags disclosing fiber names and trademarks, and performance information, without the need to disclose the product's full fiber content;
- clarify that an imported product's country of origin is the country where it was processed or manufactured, as determined under laws and regulations enforced by U.S. Customs and Border Protection;
- better address electronic commerce, including recognition of the validity of electronic documents and signatures via E-SIGN, with revised definitions of "invoice" and "invoice or other paper,"
- replace the requirement that guarantors sign continuing guarantees under penalty of perjury with a requirement that they acknowledge that providing a false guaranty is unlawful, and certify that they will actively monitor and ensure compliance with the applicable law; and
- clarify the provision identifying textile fiber product categories and products that are exempt from the Act's requirements.

The Commission proposed requiring the continuing guaranty to be filed each year, a suggestion that drew significant objection from stakeholders because of the burdens and costs of obtaining and filing guarantees each year. The Commission stated that it could not conclude that annual filing would enhance the guarantees' reliability nor could it confirm that the costs of annual filing would outweigh the burdens. As such, this proposal was not adopted. This point in particular is a positive outcome for retailers, which follows the Commission's [January 2013 enforcement policy statement](#) clarifying the Commission's position on retailers relying on foreign vendor-issued guarantees.

The amended rules will become effective 30 days after publication in the Federal Register.