

FTC Enforcement Policy: Labels for Fur Products Previously Covered by the FTC's *De Minimis* Exemption

In December 2010, Congress passed the Truth in Fur Labeling Act (TFLA), which eliminates the Commission's exemption authority under the Fur Products Labeling Act (Fur Act), effective March 18, 2011. Under that soon-to-expire authority, the Commission exempted products containing fur or fur trim with a component value of \$150 or less from fur-content labeling (*de minimis* exemption).¹ After March 18, 2011, fur products previously covered by the *de minimis* exemption will be subject to the Fur Act's disclosure requirements, even though the exemption will remain in the Commission's regulations pending rulemaking pursuant to TFLA.

Since TFLA's passage, industry members have expressed concern that compliance with the March 18 deadline will cause significant economic loss. Specifically, they are concerned that they will not be able to accurately label products already in the stream of commerce that were not required to be labeled under the *de minimis* exemption. If retailers cannot sell these products, they may have to destroy inventory.

While compliance with the letter of the law is important, the Commission also recognizes that new obligations may sometimes create significant burdens on parties that have relied in good faith on previous requirements. Therefore, the Commission will not take any steps to enforce Fur Act labeling requirements against any retailer covered by the soon-to-expire exemption so long as (1) the product containing a *de minimis* amount of fur was delivered to the retailer on or before March 18, 2011 and sold by March 18, 2012; and (2) the product is not mislabeled under the old requirements. This forbearance should permit retailers to exhaust existing inventories and, therefore, avoid substantial losses.

During this forbearance period, the Commission encourages retailers to communicate fur content information in other ways. As Congress recognized in passing TFLA, consumers want to know whether a garment contains fur. Where re-labeling is impractical, the Commission recommends that retailers add hang tags to items or otherwise clearly and conspicuously disclose that items contain fur and, if known, the fur name as provided in the Commission's Fur Name Guide.² These alternative disclosures should balance the Commission's interest in full compliance with the law with the legitimate concerns raised by industry.

For questions regarding this Policy, please contact Matthew J. Wilshire, Bureau of Consumer Protection, 202-326-2976.

¹16 C.F.R. § 301.39(a).

²16 C.F.R. § 301.0.