

UNITED STATES OF AMERICA FEDERAL TRADE COMMISSION 600 PENNSYLVANIA AVENUE, NW WASHINGTON, D.C. 20580

Division of Enforcement Bureau of Consumer Protection

October 3, 2001

Mr. Andrew D. Bartmess President Dawson-Forté Cashmere 8A Pleasant Street South Natick, MA 01760

Dear Mr. Bartmess:

I am writing in response to your letter of September 28, 2001, which requests advice regarding the testing and labeling of cashmere sweaters produced by your company for a U.S. retailer.

You stated that after the cashmere fiber was dyed, but before production of the sweaters, you tested random samples of fibers in each color. All were reported to be 100% cashmere. You maintained an inspector in the factory in order to monitor production activity. Additional testing was performed on random samples of the finished sweaters, and they also were reported to contain 100% cashmere. Based on these results, the sweaters were labeled "100% cashmere," imported into the United States, and shipped to the retailer.

Subsequently, the retailer had occasion to conduct additional fiber content tests on the sweaters supplied by your company, as well as those provided by other suppliers. You stated that this testing was carried out at several different labs. In some cases, the test results again showed the sweaters to be 100% cashmere, but in other cases the test results indicated the presence of small percentages of wool. This variation apparently occurred even with sweaters of the same color and, in some cases, with different samples from the same sweater. You asked whether it is acceptable to sell these sweaters labeled as "100% cashmere" when the preponderance of the test results (production and finished goods) are at or very near that amount of cashmere.

The quality control procedures described in your letter appear to be careful, comprehensive, and designed to ensure that the finished products are accurately labeled. It is our understanding that the testing of cashmere and other wool fibers is not an exact science and, as a result, small variations in test results may occur. The Wool Products Labeling Act, 15 U.S.C. § 68 et seq., contains a proviso to allow for this situation:

Mr. Andrew D. Bartmess, President, Dawson-Forté Cashmere, page 2

Provided, That deviation of the fiber contents of the wool product from percentages stated on the stamp, tag, label, or other means of identification, shall not be misbranding under this section if the person charged with misbranding proves such deviation resulted from unavoidable variations in manufacture and despite the exercise of due care to make accurate the statements on such stamp, tag, label, or other means of identification.

15 U.S.C. § 68b(a)(2)(A). We believe that the quality control procedures described in your letter constitute "due care" to ensure the accuracy of the content label. Therefore, based on the facts you provided to us, it is acceptable to label the subject sweaters "100% cashmere." We would not regard any small discrepancies that may exist — whether due to unavoidable variations in the manufacturing process or to those in the testing process — as mislabeling.

I hope that you will find this analysis helpful. In accordance with Section 1.3(c) of the Commission's Rules of Practice and Procedure, 16 C.F.R. § 1.3(c), this is a staff opinion only and has not been reviewed or approved by the Commission or by an individual Commissioner. It is not binding upon the Commission and is given without prejudice to the right of the Commission later to rescind the advice and, when appropriate, to commence an enforcement proceeding. Pursuant to Section 1.4 of the Commission's Rules of Practice and Procedure, 16 C.F.R. § 1.4, your request for advice, along with this response, will be placed on the public record.

Sincerely yours,

Elaine D. Kolish

Associate Director for Enforcement

Elaine o. Kalisk

8A Pleasant Street South Natick, MA 01760 Tel: 508.651.7910 Fax: 508.651.8819

September 28, 2001

Elaine D. Kolish Associate Director Federal Trade Commission 601 Pennsylvania Ave., NW Washington, DC 20580

Dear Ms. Kolish,

In 2000, Dawson Forte Cashmere produced two cashmere sweater orders for a large US retailer. At that time, we took the following steps to ensure that the sweaters in these orders could be accurately labeled as 100% cashmere:

- 1. After all the cashmere fiber required to produce the orders had been dyed into the retailer's colors, we took random samples of each color. We sampled the fiber after it had been dyed into the retailer's colors to avoid the possibility of a different lot of fiber being used for production from the one that was sampled for testing.
- 2. We tested the fiber samples in each color at TFT (Ilkey) Ltd. laboratory in the UK. This lab was at the time, and remains today, a Cashmere and Camelhair Manufacturers' Institute (CCMI) approved lab.
- 3. TFT completed testing on each of these samples on May 8, 2000 and issued reports indicating that all of the samples were 100% cashmere.
- 4. We maintained a full-time inspector in the factory during production to monitor production and activity in the factory.
- 5. As a part of the retailer's standard quality control program, sweaters randomly selected from production in the factory were tested at ACTS Testing Labs in Buffalo, NY (not CCMI approved) and found to be 100% cashmere.

Based on the results of these steps we proceeded to produce the orders, label them 100% cashmere, import them into the United States, and ship them to the retailer.

Later in the year the retailer received a complaint from the CCMI claiming that a cashmere sweater for sale in one of their stores contained an unacceptable amount of wool. This sweater had been manufactured by one of the retailer's other suppliers. Based on this complaint, the retailer decided to retest cashmere sweaters that they had purchased from Dawson Forte and others.

In the course of this effort, the retailer retested the sweaters they purchased from our company at different CCMI approved labs. The retailer found that the test reports for the same color, and even the same sweater, varied somewhat between the labs and also between individual tests at the same lab. Some of the test results for our sweaters showed 100% cashmere, but others indicated a small percentage of wool was present.

Dawson Forte would like some advice from the FTC concerning how to proceed in a case like this one. We produced the orders based on lab reports from a CCMI approved lab showing that the fiber used was 100% cashmere. We have gone to considerable care and expense to minimize the possibility of any contamination during production. However, new testing has given us conflicting results, some claiming the goods are 100% cashmere, and others claiming some wool is present in the sweaters. Can you confirm that it is acceptable to label goods 100% cashmere when the preponderance of test results (production and finished goods) are at or very near 100% cashmere? Any guidance you can give us will be greatly appreciated.

Sincerely

Andrew D. Bartmess

President