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UNITED STATES OF AMERICA FEDERAL TRADE COMMISSION

COMMISSIONERS: Jon Leibowitz, Chairman

Pamela Jones Harbour William E. Kovacic J. Thomas Rosch

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In the Matter of

DOCKET NO. C-4279

SAMI DESIGNS, LLC, also doing business as JONÄNO, a limited liability company, and

BONNIE SIEFERS, individually and as owner of the limited liability company

COMPLAINT

The Federal Trade Commission, having reason to believe that Sami Designs, LLC, also doing business as Jonäno ("Jonäno"), a limited liability company, and Bonnie Siefers, individually and as owner of the limited liability company ("Respondents"), have violated the provisions of the Federal Trade Commission Act, 15 U.S.C. § 41, et seq., the Textile Fiber Products Identification Act, 15 U.S.C. § 70, et seq., and the Rules and Regulations promulgated thereunder, 16 C.F.R. Part 303, and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent Sami Designs, LLC, also d/b/a Jonäno ("Jonäno")

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The acts and practices of Respondents alleged in this complaint have been in or affectinin or affe

3.

5. About Jonäno

Reduced Footprint

When this much care has been taken to create a fiber that is truly natural, organic and sustainable, the manufacturing process must also be environmentally responsible. Jonäno® creats (sic) ecoKashmere® in Asia in accordance with I

• Natural and organic fiber fabrics are processed with as few chemicals and harmful impact on the environment as possible. By purchasing natural and organic fiber clothing you are supporting environmental causes. By purchasing sustainable clothing that reduces environmental impact, clothing that supports and nourishes the earth and the lives of all people involved in the process of growing, manufacturing and distributing the clothing, you also support the principals (sic) of Fair Trade working conditions, earth and animal welfare.

("News and Events" page, Exhibit A at 12-13).

8. March 8, 2006 nh

Safer for the environment and baby, look for organics that are not only chemical-free, but also produced without any harsh chemical bleaches or dyes. Organically grown ensures that the fabric and crop remain pure and free from harmful chemicals and dyes. As a result, organics are not only gentle on baby's sensitive skin, but also safer for the people who make the clothes, for the farmers who grow the crops, and for the environment.

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(Exhibit C at 1).

- 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.
- 9. The process used to manufacture rayon from cellulose involves hazardous chemicals. *See* 40 C.F.R. Part 63 ("National Emissions Standards for Hazardous Air Pollutants: Cellulose Products Manufacturing").
- 10. "[H]azardous air pollutants (HAP) emitted from cellulose products manufacturing operations" include carbon disulfide, carbonyl sulfide, ethylene oxide, methanol, methyl chloride, propylene oxide, and toluene. 40 C.F.R. § 63.5480.
- 11. Many plant sources may be used as cellulose precursors for rayon fabric, including cotton linters (short cotton fibers), wood pulp, and bamboo. Regardless of the source of the cellulose used, however, the manufacturing process involves the use of hazardous chemicals and the resulting fiber is rayon and not cotton, wood, or bamboo fiber.
- 12. Respondents do not state that their textile fiber products are rayon, nor, assuming that bamboo is the source of the cellulose used in their textile fiber products, do Respondents state that their textile fiber products are rayon made from bamboo. Moreover, on the pages of their website stating the claims set forth in Paragraph 6, Respondents do not provide any description of the chemical process used to manufacture their textile fiber products.
- At the end of 2008, Respondents modified their website to add a webpage entitled "The Naked Truth" within the category of "Wear Your Values" under the tab for "About Jonäno." On this webpage, Respondents acknowledge that "Bamboo fabric uses a chemical process to tombits.

VIOLATIONS OF SECTION 5 OF THE FTC ACT

FALSE OR MISLEADING REPRESENTATIONS

- 16. 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.

17. 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.
- 18. Therefore, the representations set forth in Paragraph 16 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.

UNSUBSTANTIATED REPRESENTATIONS

- 19. 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 16, at the time the representations were made.
- 20. In truth and in fact, Respondents did not possess and rely upon a reasonable basis that substantiated the representations set forth in Paragraph 16, at the time the representations were made.
- 21. Therefore, the representation set forth in Paragraph 19 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. The Textile Fiber Products Identification Act, 15 U.S.C. § 70, et seq. ("Textile Act"), governs, *inter alia*, the labeling and advertising of textile fiber products introduced, manufactured for introduction, delivered for introduction, sold, advertised, or offered for sale in commerce. See 15 U.S.C. § 70a.
- 23. 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).
- 24. Pursuant to the Textile Act, 15 U.S.C. § 70e(c), the Federal Trade Commission has promulgated Rules and Regulations for its administration and enforcement ("Textile Rules and Regulations"). *See* 16 C.F.R. Part 303. The Textile Rules and Regulations state:
 - A. All textile fiber products must carry permanent, affixed labels stating the recognized generic names of 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 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 0.0000 r 400 TD(g,)TjET1.000000

303.16, 303.17, 303.18, 303.34, 303.40, 303.41, and 303.42 of the Textile Rules and Regulations, 16 C.F.R. Part 303.

30. 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.

Donald S. Clark Secretary