

NOW, THEREFORE, the Court having considered the parties' request to enter the Order, it is hereby ORDERED, ADJUDGED, and DECREED as follows:

FINDINGS

1. This Court has jurisdiction over the subject matter of this case and jurisdiction over all parties pursuant to 28 U.S.C. §§ 1331, 1337(a), 1345, and 1355, and 15 U.S.C. §§ 45(m)(1)(B), 53(b), and 56(a).
2. Venue in the District of Columbia is proper under 15 U.S.C. § 53(b) and under 28 U.S.C. §§ 1391(b) and (c) and 1395(a).
3. The Complaint states a claim upon which relief may be granted against Defendant under Sections 5(a)(1), 5(m)(1)(B), 13(b), and 16(a) of the FTC Act, 15 U.S.C. §§ 45(a)(1), 45(m)(1)(B), 53(b), and 56(a), and under the Textile Act, 15 U.S.C. § 70 *et seq.*, and the Textile Rules, 16 C.F.R. Part 303.
- 4.

7. Defendant does not admit any allegations in the Complaint, except for facts necessary to establish jurisdiction. This Order is for settlement purposes only and does not constitute an admission by Defendant or a finding of fact that the law has been violated as alleged in the Complaint.
8. The parties agree that this Order resolves all allegations in the Complaint. The parties waive all rights to seek appellate review or otherwise challenge or contest the validity of

or by implication, including, but not limited to, through the use of a fiber trademark or other descriptive term or name for a product or product line, as bamboo, bamboo fiber, anti-microbial, anti-bacterial, or anti-fungal.

- B. “Defendant” means “Macy’s, Inc.” and its subsidiaries, successors, and assigns.
- C. “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).
- D. “FTC” or “Commission” means the Federal Trade Commission.
- 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 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 Act, 15 U.S.C. § 70 *et seq.*, and under the Textile Rules, 16 C.F.R. Part 303, as defined in 16 C.F.R. § 303.1(e).

I. PROHIBITION ON VIOLATING THE

- 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. 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.
- C. Failing to include all required information on labels for any 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, as 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, 16 C.F.R. § 303.16(a)(2); and
 3. the name of the country where such covered product was processed or manufactured, as provided for in 16 C.F.R. § 303.33.
- 15 U.S.C. § 70b(b), 16 C.F.R. §§ 303.16 and 303.42(a).
- D. 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).

E.

H. Failing to ensure that any words, coined words, symbols or depictions used in the

embellish or misrepresent claims provided by the manufacturer about a covered product, and (2) the covered product is not sold by Defendant as a private label product, then Defendant shall only be liable for a violation of this Section if it knew or should have known that the marketing or sale of the covered product would violate this Section.

Provided, further, that in the event the Textile Act or Textile Rules are amended or modified, nothing in this Section shall impose upon Defendant obligations that go beyond what is required under the amended or modification of the Textile Act or Textile Rules.

II. SETTLEMENT PAYMENT

IT IS FURTHER ORDERED that Defendant will pay \$250,000 to the Treasurer of the United States.

- A. Within five (5) days of entry of this Order, Defendant shall transfer payment in the form of an electronic fund transfer in accordance with the procedures specified by: Consumer Protection Branch, Civil Division, U.S. Department of Justice, Washington, DC 20530.
- B. In the event of any default in payment, which default continues for ten (10) days beyond the due date of payment, the entire unpaid amount, together with interest, as computed pursuant to 21 U.S.C. § 1961 from the date of default to the date of payment, shall immediately become due and payable.
- C. Defendant shall cooperate fully with the United States and the Commission and their agents in all attempts to collect the amount due pursuant to this Paragraph if Defendant fails to pay fully the amount due at the time specified herein. In such an event, Defendant agrees to provide the United States and the Commission with its federal and state tax returns for the preceding two (2) years and to complete

and copying; appear for deposition; and provide entry during normal business hours to any business location in Defendant's possession or direct or indirect control to inspect the business operation;

- B. In addition, the United States and the Commission are authorized to use all other lawful means, including but not limited to:
1. obtaining discovery from any person, without further leave of court, using the procedures prescribed by Fed. R. Civ. P. 30, 31, 33, 34, 36, 45, and 69; and
 2. having their representatives pose as customers and suppliers to Defendant, its employees, or any other entity managed or controlled in whole or in part by Defendant, without the necessity of identification or prior notice; and
- C. Defendant shall permit representatives of the United States and the Commission to interview any employer, consultant, independent contractor, representative, agent, or employee who has agreed to such an interview, relating in any way to any conduct subject to this Order. The person interviewed may have counsel present.

Provided however, that nothing in this Order shall limit the United States' or the Commission's lawful use of compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49, 57b-1, to obtain any documentary material, tangible things, testimony, or information relevant to unfair or deceptive acts or practices in or affecting commerce (within the meaning of 15 U.S.C. § 45(a)(1)).

IV. COMPLIANCE REPORTING

IT IS FURTHER ORDERED that, in order to ensure compliance with the provisions of this

Order may be monitored:

- A. For a period of five (5) years from the date

C.

- B. Personnel records for each person employed by Defendant as a manager having responsibilities for Defendant's marketing sale of textile products accurately reflecting that person's: name, address, telephone number; job title or position; date upon which the person commenced work; and the date and reason

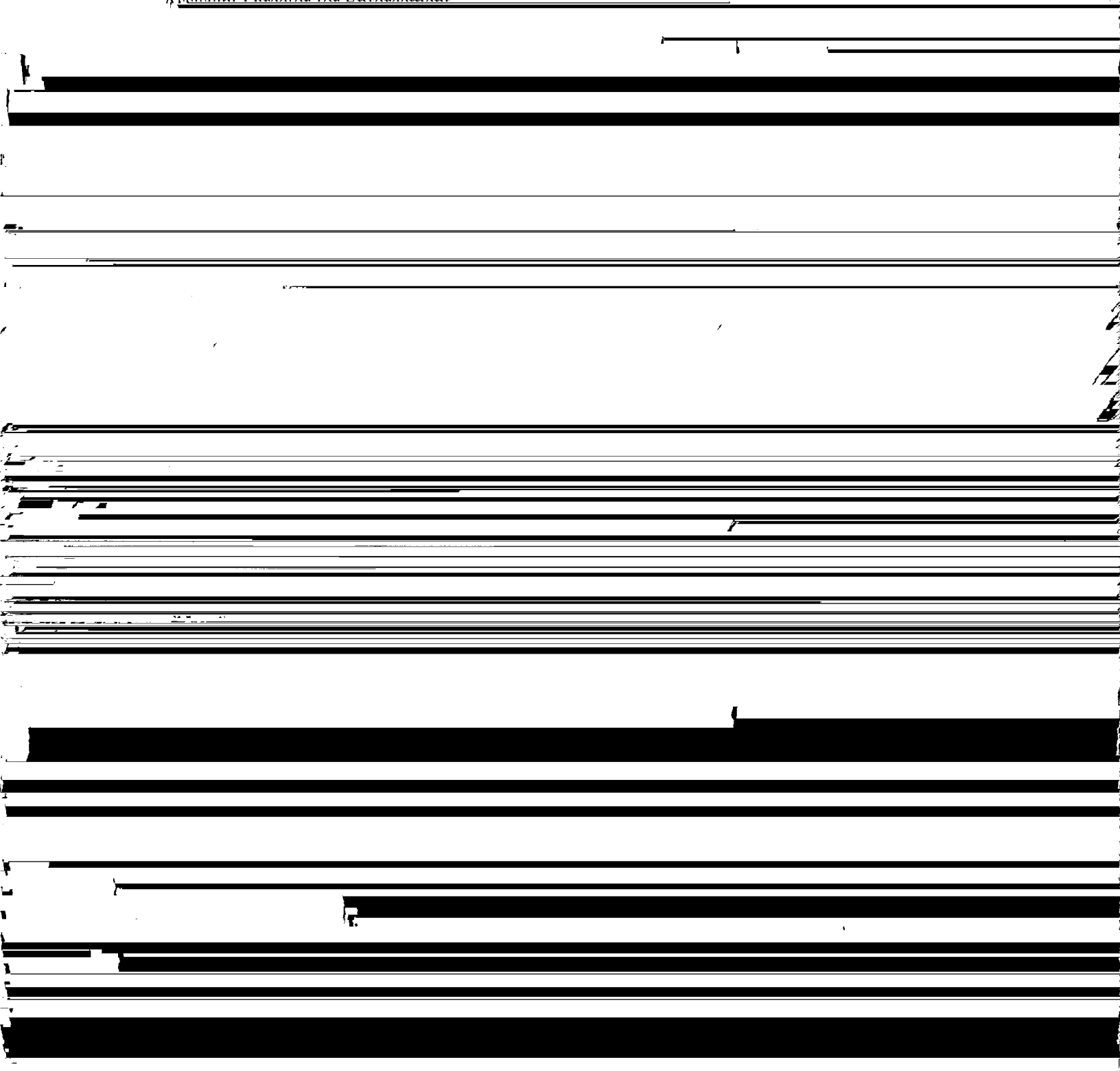
STIPULATED AND AGREED TO:

FOR THE COMMISSION:

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ROBERT S. KAYE,
~~Assistant Director for Enforcement~~

FOR THE DEFENDANT:

Kelley Drye & Warren LLP
Attorneys for Defendant
Macy's, Inc.



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FOR THE DEFENDANT.

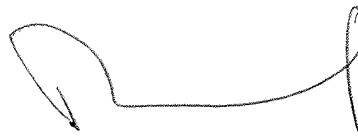
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Macy's, Inc.

