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## Four National Retailers Agree to Pay Penalties Totaling \$1.26 Million for Allegedly Falsely Labeling Textiles as Made of Bamboo, While They Actually Were Rayon

**Amazon, Leon Max, Macy's, and Sears Ignored Warning Letters FTC Sent in 2010**

Amazon.com, Inc.; Leon Max, Inc.; Macy's, Inc.; and Sears, Roebuck and Co. and its Kmart subsidiaries, Kmart Corporation and Kmart.com, have agreed to pay penalties totaling \$1.26 million to settle Federal Trade Commission charges that they violated the Textile Products Identification Act (Textile Act) and the FTC's Textile Rules by labeling and advertising products sold in stores and online as made of bamboo, while they actually were made of rayon. While so-called bamboo textiles often are promoted as environmentally friendly, the process for manufacturing rayon – even when it is made from bamboo – is far from a “green” one.

The companies have agreed to pay the following civil penalties to settle the FTC's charges: Sears (\$475,000), Amazon (\$455,000), Macy's (\$250,000), and Leon Max (\$80,000). The penalties reflect how long the companies continued to sell mislabeled textiles after receiving an FTC warning letter in early 2010, as well as the amount of products sold. Each company also will be required to ensure that the labels and ads for bamboo textiles they sell accurately indicate their fiber content.

“When attempting to appeal to environmentally conscious consumers, companies need to ensure they don't cross the line into misleading labeling and advertising,” said Charles Harwood, Acting Director of the FTC's Bureau of Consumer Protection. “If a textile is made of rayon, sellers need to say that, even if bamboo was used somewhere along the line in the production process.”

In 2009, the FTC brought its first set of cases against companies allegedly selling rayon textiles labeled as bamboo. The agency [settled charges against four companies](#) and distributed a [business alert](#) advising manufacturers and sellers that if a textile is not made directly with bamboo fiber, it may not be labeled or advertised as bamboo.

In January 2010, the FTC sent [warning letters to seventy-eight companies](#), including Amazon, Leon Max, Macy's, and Sears, concerning their continuing mislabeling of rayon textiles as bamboo. The FTC alleges that the four companies continued improperly to label their rayon textiles as bamboo, even after being told in the warning letters that they could face civil penalties if they did not properly label and advertise their textile products.

According to the FTC's complaints, each of the four companies violated the Textile Act and the FTC's Textile Rules by advertising and marketing products as being made of bamboo, when, in fact, they were actually made of rayon.

The FTC complaint alleged that **Amazon** claimed, without qualification, that the textile fiber in many of its retail and private label products was bamboo. For example, the company described a “Summer Infant Crib Sheet” as “100% Organic Bamboo.” It also sold a product called the “Scene Weavers Pickles 100% Bamboo Knit Garden Stripe Baby Blanket,” claiming it was comprised of “100% knit bamboo.”

The FTC alleged that **Leon Max**, which does business as Max Studio, sold a “Silk & Bamboo Broadcloth Shirred Shell,” which it claimed was made of a “delicate and eco-friendly bamboo and silk fabric” comprised of “65% BAMBOO, 35% silk.” It also sold a “Football Tee” that it claimed was “50% Bamboo, 50% Cotton.”

**Macy's** allegedly advertised and sold retail products labeled as bamboo, using the terms “bamboo” and “bamboo fiber” on textile labels. One product description for the “2(x)ist Contour Campus Pouch Brief,” for example, stated that it offered, “plenty of cool comfort and support . . . crafted in a cotton-bamboo blend for unbeatable performance.”

**Sears** allegedly claimed that some sheet sets sold in its stores and on its websites were made of “Pure Fiber 100% Bamboo.” Sears also sold a “Ty Pennington Style Bamboo Sheet Set,” which it claimed was made of “55% Bamboo/45% Cotton.”

The proposed orders settling the FTC's charges are identical, aside from the civil penalties each company has agreed to pay. The orders prohibit the companies from violating the FTC's Textile Act and Rules by failing to properly identify the fiber content when labeling and advertising the “bamboo” textiles they sell. This includes any products marketed or sold as made of bamboo or bamboo fiber, as well as products marketed as anti-microbial, anti-bacterial, or anti-fungal.

The settlement orders allow the companies to obtain “good faith” guarantees that a product was not mislabeled before it was sold. This good faith provision will not apply, however, if the companies should have known that a product is mislabeled. In addition, consistent with a new [Enforcement Policy Statement announced today](#), the orders clarify that when the companies cannot obtain a good faith guaranty because the products are imported directly from a foreign supplier, they will only be liable if they knew, or should have known, of the violation and did not modify or embellish the claims the supplier provided or market the product as a private-label product.

### E-mail this News Release

If you send this link to someone else, the FTC will not collect any personal information about you or the recipient.

### Related Items:

**United States of America (for the Federal Trade Commission), Plaintiff, v. Leon Max, Inc., also doing business as Max Studio, Defendant**

(United States District Court for the District of Columbia)  
Case No. 1:13-cv-00003  
FTC File No. 102 3126

**United States of America (for the Federal Trade Commission), Plaintiff, v. Sears, Roebuck and Co.; Kmart Corporation; and Kmart.com, LLC, Defendants**

(United States District Court for the District of Columbia)  
Case No. 1:13-cv-00005  
FTC File No. 102 3127

**United States of America (for the Federal Trade Commission), Plaintiff, v. Macy's, Inc., Defendant**

(United States District Court for the District of Columbia)  
Case No. 1:13-cv-00004  
FTC File No. 102 3129

**United States of America (for the Federal Trade Commission), Plaintiff, v. Amazon.com, Inc., Defendant**

(United States District Court for the District of Columbia)  
Case No. 1:13-cv-00002-TFH  
FTC File No. 102 3132

**Enforcement Policy Statement Regarding Certain Imported Textile, Wool, and Fur Products**

### Business Information:

- How to Avoid Bamboozing Your Customers

### Consumer Information:

- Have You Been Bamboozed by Bamboo Fabrics?

Finally, in addition to imposing the civil penalties, the orders contain record-keeping and reporting provisions to ensure the companies' compliance with their terms.

#### **Information for Businesses**

The FTC has a publication designed to help businesses selling clothing and textile products that are purportedly made from bamboo to comply with the Textile Act and Rules and in marketing their products in ways that are truthful and non-deceptive. "[Avoid Bamboo-zing Your Buyers](#)," provides useful information on how to correctly label and advertise textiles that are rayon made from bamboo.

The Commission votes to approve filing the complaints against Amazon, Macy's, and Sears, and refer them to the Department of Justice, which were taken when Commissioner William Kovacic was at the FTC, were each 4-1, with Commissioner J. Thomas Rosch voting no. The vote to approve filing the complaint against Leon Max and refer it to the Department of Justice was 5-0.

The Commission votes to approve the four proposed consent decrees and authorize the staff to refer them to the Department of Justice, were 3-0-2, with Commissioner J. Thomas Rosch abstaining and Commissioner Maureen Ohlhausen not participating. The DOJ filed the complaints and proposed consent decrees on behalf of the Commission in U.S. District Court for the District of Columbia on January 3, 2013. The proposed consent decrees are subject to court approval.

**NOTE:** The Commission authorizes the filing of a complaint when it has "reason to believe" that the law has been or is being violated, and it appears to the Commission that a proceeding is in the public interest. The complaint is not a finding or ruling that the defendant has actually violated the law. A consent decree is for settlement purposes only and does not constitute an admission by the defendant of a law violation. Consent decrees have the force of law when signed by the District Court judge.

The Federal Trade Commission works for consumers to prevent fraudulent, deceptive, and unfair business practices and to provide information to help spot, stop, and avoid them. To file a complaint in English or Spanish, visit the FTC's online [Complaint Assistant](#) or call 1-877-FTC-HELP (1-877-382-4357). The FTC enters complaints into Consumer Sentinel, a secure, online database available to more than 2,000 civil and criminal law enforcement agencies in the U.S. and abroad. The FTC's website provides [free information on a variety of consumer topics](#). Like the FTC on [Facebook](#), follow us on [Twitter](#), and [subscribe to press releases](#) for the latest FTC news and resources.

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(FTC File Nos. 102-3132, Amazon; 102-3126, Leon Max; 102-3129, Macy's; 102-3127, Sears)  
(Civ. Nos. 1:13-cv-00002, Amazon; 1:13-cv-00004, Macy's; 1:13-cv-00003, Leon Max; 1:13-cv-00005, Sears)



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