§ 701.9 Exemptions from labeling requirements.

(a) Except as provided by paragraphs (b) and (c) of this section, a shipment or other delivery of a cosmetic which is, in accordance with the practice of the trade, to be processed, labeled, or repacked in substantial quantity at an establishment other than that where originally processed or packed, shall be exempt, during the time of introduction into and movement in interstate commerce and the time of holding in such establishment, from compliance with the labeling requirements of sections 601(a) and 602(b) of the act if:

(1) The person who introduced such shipment or delivery into interstate commerce is the operator of the establishment where such cosmetic is to be processed, labeled, or repacked; or

(2) In case such person is not such operator, such shipment or delivery is made to such establishment under a written agreement, signed by and containing the post office addresses of such person and such operator, and containing such specifications for the processing, labeling, or repacking, as the case may be, of such cosmetic in such establishment as will insure, if such specifications are followed, that such cosmetic will not be adulterated or misbranded within the meaning of the act upon completion of such processing, labeling, or repacking. Such person and such operator shall each keep a copy of such agreement until 2 years after the final shipment or delivery of such cosmetic from such establishment, and shall make such copies available for inspection at any reasonable hour to any officer or employee of the Department who requests them.

(b) An exemption of a shipment or other delivery of a cosmetic under paragraph (a)(1) of this section shall, at the beginning of the act of removing such shipment or delivery, or any part thereof, from such establishment, become void ab initio if the cosmetic comprising such shipment or delivery, or part is adulterated or misbranded within the meaning of the act when so removed.

(c) An exemption of a shipment or other delivery of a cosmetic under paragraph (a)(2) of this section shall become void ab initio with respect to the person who introduced such shipment or delivery into interstate commerce upon refusal by such person to make available for inspection a copy of the agreement, as required by such clause.

(d) An exemption of a shipment or other delivery of a cosmetic under paragraph (a)(2) of this section shall expire:

(1) At the beginning of the act of removing such shipment or delivery, or any part thereof, from such establishment if the cosmetic comprising such shipment, delivery, or part is adulterated or misbranded within the meaning of the act when so removed; or

(2) Upon refusal by the operator of the establishment where such cosmetic is to be processed, labeled, or repacked, to make available for inspection a copy of the agreement, as required by such clause.

Subpart B—Package Form

§ 701.10 Principal display panel.

The term principal display panel as it applies to cosmetics in package form and as used in this part, means the part of a label that is most likely to be displayed, presented, shown, or examined under customary conditions of display for retail sale. The principal display panel shall be large enough to accommodate all the mandatory label information required to be placed thereon.
by this part with clarity and conspicuousness and without obscuring designs, vignettes, or crowding. Where packages bear alternate principal display panels, information required to be placed on the principal display panel shall be duplicated on each principal display panel. For the purpose of obtaining uniform type size in declaring the quantity of contents of all packages of substantially the same size, the term "area of the principal display panel" means the area of the side or surface that bears the principal display panel, which area shall be:

(a) In the case of a rectangular package where one entire side properly can be considered to be the principal display panel side, the product of the height times the width of that side;

(b) In the case of a cylindrical or nearly cylindrical container, 40 percent of the product of the height of the container times the circumference; and

(c) In the case of any other shape of container, 40 percent of the total surface of the container: Provided, however, That where such container presents an obvious "principal display panel" such as the top of a triangular or circular package, the area shall consist of the entire top surface.

In determining the area of the principal display panel, exclude tops, bottoms, flanges at the tops and bottoms of cans, and shoulders and necks of bottles or jars. In the case of cylindrical or nearly cylindrical containers, information required by this part to appear on the principal display panel shall appear within that 40 percent of the circumference which is most likely to be displayed, presented, shown, or examined under customary conditions of display for retail sale.

§701.11 Identity labeling.

(a) The principal display panel of a cosmetic in package form shall bear as one of its principal features a statement of the identity of the commodity.

(b) Such statement of identity shall be in terms of:

(1) The common or usual name of the cosmetic; or

(2) An appropriately descriptive name or, when the nature of the cosmetic is obvious, a fanciful name understood by the public to identify such cosmetic; or

(3) An appropriate illustration or vignette representing the intended cosmetic use.

(c) The statement of identity shall be presented in bold type on the principal display panel, shall be in a size reasonably related to the most prominent printed matter on such panel, and shall be in lines generally parallel to the base on which the package rests as it is designed to be displayed.

§701.12 Name and place of business of manufacturer, packer, or distributor.

(a) The label of a cosmetic in package form shall specify conspicuously the name and place of business of the manufacturer, packer, or distributor.

(b) The requirement for declaration of the name of the manufacturer, packer, or distributor shall be deemed to be satisfied in the case of a corporation only by the actual corporate name, which may be preceded or followed by the name of the particular division of the corporation. Abbreviations for "Company," "Incorporated," etc., may be used and "The" may be omitted. In the case of an individual, partnership, or association, the name under which the business is conducted shall be used.

(c) Where the cosmetic is not manufactured by the person whose name appears on the label, the name shall be qualified by a phrase that reveals the connection such person has with such cosmetic; such as, "Manufactured for...", "Distributed by...", or any other wording that expresses the facts.

(d) The statement of the place of business shall include the street address, city, State, and ZIP Code; however, the street address may be omitted if it is shown in a current city directory or telephone directory. The requirement for inclusion of the ZIP Code shall apply only to consumer commodity labels developed or revised after the effective date of this section. In the case of nonconsumer packages, the ZIP Code shall appear either on the label or the labeling (including the invoice).

(e) If a person manufactures, packs, or distributes a cosmetic at a place other than his principal place of business, the label may state the principal