

## Federal Trade Commission

## § 503.1

(b) The term *packager* and *labeler* means any person engaged in the packaging or labeling of any consumer commodity for distribution in commerce or any person, other than a common carrier for hire, a contract carrier for hire, or a freight forwarder for hire, engaged in the distribution in commerce of any packaged or labeled consumer commodity; except persons engaged in business as wholesale or retail distributors of consumer commodities are not included unless such persons (1) are engaged in the packaging or labeling of such commodities, or (2) prescribe or specify by any means the manner in which such commodities are packaged or labeled.

(c) The terms *ordinary and customary* and *regular* when used with the term *price* means the price at which a consumer commodity has been openly and actively sold in the most recent and regular course of business in a particular market or trade area for a reasonably substantial period of time, i.e., a 30-day period. For consumer commodities which fluctuate in price, the ordinary and customary price shall be the lowest price at which any substantial sales were made during the aforesaid 30-day period.

### GENERAL REQUIREMENTS

#### § 502.3 Prohibited acts.

(a) No person engaged in the packaging or labeling of any consumer commodity for distribution in commerce, and no person (other than a common carrier for hire, a contract carrier for hire, or a freight forwarder for hire) engaged in the distribution in commerce of any packaged or labeled consumer commodity, shall distribute or cause to be distributed in commerce any such commodity if such commodity is contained in a package, or if there is affixed to that commodity a label, which does not conform to the provisions of the Act and of the regulations in this part.

(b) Persons engaged in business as wholesale or retail distributors of consumer commodities shall be subject to the Act and the regulations in this part to the extent that such persons are engaged in the packaging or labeling of consumer commodities, or prescribe or

specify by any means the manner in which such consumer commodities are packaged or labeled.

### CHARACTERIZATION OF PACKAGE SIZE

#### §§ 502.4–502.99 [Reserved]

### RETAIL SALE PRICE REPRESENTATIONS

#### §§ 502.100–502.102 [Reserved]

### COMMON NAME AND INGREDIENT LISTING

#### §§ 502.200–502.299 [Reserved]

### NONFUNCTIONAL-SLACK-FILL

#### §§ 502.300–502.399 [Reserved]

## PART 503—STATEMENTS OF GENERAL POLICY OR INTERPRETATION

### Sec.

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AUTHORITY: Secs. 4, 6, 10, 80 Stat. 1297, 1999, 1300, 1301; 15 U.S.C. 1453, 1455, 1456.

#### § 503.1 Interpretations.

The regulations in parts 500, 501, and 502 of this chapter are necessarily general in application and requests for formal rulings, statements of policy or interpretations shall be addressed to the Secretary of the Commission for consideration. Statements of policy or interpretations binding on the Commission will be published in the FEDERAL REGISTER. However, technical questions not involving policy consideration may be answered by the staff.

[36 FR 23058, Dec. 3, 1971]

## § 503.2

### § 503.2 Status of specific items under the Fair Packaging and Labeling Act.

Recent questions submitted to the Commission concerning whether certain articles, products or commodities are included under the definition of the term *consumer commodity*, as contained in section 10(a) of the Fair Packaging and Labeling Act, have been considered in the light of the Commission's interpretation of that term as set forth in § 503.5 of this part as follows:

(a) The Commission is of the opinion that the following commodities or classes of commodities are not "consumer commodities" within the meaning of the Act.

Antifreeze.  
Artificial flowers and parts.  
Automotive accessories.  
Automotive chemical products.  
Automotive replacement parts.  
Bicycle tires and tubes.  
Books.  
Brushes (bristle, nylon, etc.).  
Brooms and mops.  
Cameras.  
Chinaware.  
Christmas light sets.  
Cigarette lighters.  
Clothespins (wooden, plastic).  
Compacts and mirrors.  
Diaries and calendars.  
Flower seeds.  
Footwear.  
Garden tools.  
Gift ties and tapes.  
Glasses and glassware.  
Gloves (work type).  
Greeting cards.  
Hand tools.  
Handicraft and sewing thread.  
Hardware.  
Household cooking utensils.  
Inks.  
Jewelry.  
Luggage.  
Magnetic recording tape.  
Metal pails.  
Motor oil (automobile).  
Mouse and rat traps.  
Musical instruments.  
Paintings and wall plaques.  
Photo albums.  
Pictures.  
Plastic table cloths, plastic placement and plastic shelf paper.  
Rubber gloves (household).  
Safety flares.  
Safety pins.  
School supplies.  
Sewing accessories.

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Silverware, stainless steelware and pewterware.  
Small arms ammunition.  
Smoking pipes.  
Souvenirs.  
Sporting goods.  
Toys.  
Typewriter ribbons.  
Woodenware.

(b) The Commission is of the opinion that the following commodities or classes of commodities are "consumer commodities" within the meaning of the Act:

Adhesives and sealants.  
Aluminum foil cooking utensils.  
Aluminum wrap.  
Camera supplies.  
Candles.  
Christmas decorations.  
Cordage.  
Disposable diapers.  
Dry cell batteries.  
Light bulbs.  
Liquified petroleum gas for other than heating and cooking.  
Lubricants for home use.  
Photographic chemicals.  
Pressure sensitive tapes, excluding gift tapes.  
Solder.  
Solvents and cleaning fluids for home use.  
Sponges and chamois.  
Waxes for home use.

[35 FR 6185, Apr. 16, 1970]

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

To clarify the identity of a manufacturer, packer, or distributor for the purpose of § 500.5 of this chapter, the following represents the opinions of the Commission.

(a) A manufacturer of a bulk product who supplies the product to a contract packager and permits his bulk product to be packaged by the contract packager remains the manufacturer of the commodity, if the contract packager does not perform any act other than package filling and labeling.

(b)(1) A manufacturer of a bulk product who supplies the bulk to a contract packager but permits the packager to modify the bulk commodity by the addition of any substance which changes the identity of the bulk, ceases to be the manufacturer of the consumer commodity. At that point, if the manufacturer of the bulk elects to use his

name on the label of the consumer commodity, his name should be qualified to show "Distributed by \_\_\_\_\_", or "Manufactured for \_\_\_\_\_".

(2) The identity of a bulk substance received by a contract packager is changed if the packager, for example, adds a propellant as in the case of an aerosol, or adds a solvent as in the case of a paint, or blends two or more components, or changes the physical state as in the case of a liquid being changed to a gel or a semisolid being changed to a solid.

(c) A person or firm who supplies a formula and/or specifications to a contract packager but who takes no part in the actual production of the consumer commodity is not the manufacturer of the consumer commodity for the purpose of § 500.5(a) of this chapter. This is true whether the person or firm who supplies the formula or specifications, or both, also supplies the raw materials which are to be reacted, mixed, or otherwise modified to produce the consumer commodity.

(d) A corporation which wholly owns a manufacturing subsidiary which retains its separate corporate identity, is not the manufacturer of the consumer commodities manufactured by the wholly owned subsidiary, but must qualify its name if it elects to use its name on the label. Such qualification may be "Manufactured for \_\_\_\_\_", "Distributed by \_\_\_\_\_", or "Manufactured by \_\_\_\_\_ (XYZ, Inc., City, State, Zip Code, a subsidiary of ABC, Inc.)".

[34 FR 4956, Mar. 7, 1969, as amended at 34 FR 11199, July 3, 1969]

#### § 503.4 Net quantity of contents, numerical count.

To clarify the requirement for declaration of net quantity in terms of count for the purpose of §§ 500.6 and 500.7 of this chapter, the following interpretation is rendered.

(a) When a consumer commodity is properly measured in terms of count only, or in terms of count and weight, volume, area, or dimension, the regulations are interpreted not to require the declaration of the net content as "one", provided the statement of identity clearly expresses the fact that

only one unit is contained in the package. Thus the unit synthetic sponge, the unit light bulb, and the unit dry cell battery do not require a net quantity statement of "one sponge," "one light bulb," or "one dry cell battery." However, there still exists the necessity to provide a net quantity statement to specify weight, volume, area, or dimensions when such are required. For example, the synthetic sponge which is packaged, requires dimensions such as "5 in. × 3 in. × 1 in." A multi-component package or a package containing two or more units of the same commodity shall bear the net quantity statement in terms of count, and weight, volume, area, or dimensions as required. This interpretation does not preclude the option to enumerate a unit count on a single packaged commodity if so desired.

(b) [Reserved]

[34 FR 18087, Nov. 8, 1969]

#### § 503.5 Interpretation of the definition of "consumer commodity" as contained in section 10(a) of the Fair Packaging and Labeling Act.

(a) Section 10(a) of the Fair Packaging and Labeling Act defines the term *consumer commodity* in four classifications. These are:

(1) Any food, drug, device, or cosmetic;

(2) And any other article, product, or commodity of any kind or class which is customarily produced or distributed for sale through retail sales agencies or instrumentalities.

(i) For consumption by individuals and which usually is consumed or expended in the course of such consumption.

(ii) For use by individuals for purposes of personal care and which usually is consumed or expended in the course of such use.

(iii) For use by individuals in the performance of services ordinarily rendered within the household and which usually is consumed or expended in the course of such use.

(b) Section 10(a) then expressly excludes

(1) Meats, poultry, and tobacco,

(2) Economic poisons and biologics for animals,

(3) Prescription drugs,

- (4) Alcoholic beverages, and
- (5) Agricultural and vegetable seeds.

(c) Pursuant to sections 5 and 7 of the Fair Packaging and Labeling Act, the authority to promulgate regulations and to enforce the Act as to any food, drug, device, or cosmetic has been delegated to the Secretary of Health, Education, and Welfare and as to any other “consumer commodity” to the Federal Trade Commission.

(d) As to these articles, products, or commodities subject to regulation by the Federal Trade Commission, the legislative history of the Act demonstrates the intent of Congress, for the reasons stated therein, to place the following categories outside the scope of the definition of “consumer commodity”:

- (1) Durable articles or commodities;
- (2) Textiles or items of apparel;
- (3) Any household appliance, equipment, or furnishing, including feather and down-filled products, synthetic-filled bed pillows, mattress pads and patchwork quilts, comforters and decorative curtains;
- (4) Bottled gas for heating or cooking purposes;
- (5) Paints and kindred products;
- (6) Flowers, fertilizer, and fertilizer materials, plants or shrubs, garden and lawn supplies;
- (7) Pet care supplies;
- (8) Stationery and writing supplies, gift wraps, fountain pens, mechanical pencils, and kindred products.

(e) The articles, products, or commodities that are within the terms of section 10(a) of the Act and subject to regulation by the Federal Trade Commission are either expendable commodities for consumption by individuals, expendable commodities used for personal care, or expendable commodities used for household services. The primary terms in section 10(a) for defining these categories are:

- (1) Consumption by individuals;
  - (2) Use by individuals;
  - (3) Personal care by individuals;
  - (4) Performances of services ordinarily rendered within the household by individuals;
  - (5) Consumed or expended.
- (f) These terms are defined as follows:

(1) *Consumption by individuals.* This term as it is used in section 10(a) means the using up of an article, product, or commodity by an individual.

(2) *Use by individuals.* This term as it is used in section 10(a) means the employment or application of an article, product, or commodity by an individual.

(3) *Personal care by individuals.* This term as it is used in section 10(a) means that activity of an individual which is concerned with protecting, enhancing, and providing for the general cleanliness, health, or appearance of the individual.

(4) *Performance of services ordinarily rendered within the household by individuals.* These terms as they are used in section 10(a) mean: The term *household* refers to the interior and exterior of dwellings or residences occupied by individuals, including the surrounding premises. The term *performance of services ordinarily rendered within the household* means the doing of any activity by an individual within the above-described area which is normally done in connection with the maintenance and occupation of the above-described area as a habitation for individuals.

(5) *Consumed or expended.* These terms as they are used in section 10(a) mean (i) the immediate destruction or extinction of an article, product, or commodity, or of the part used; or (ii) the substantial diminution in the quantity, quality or utility of an article, product, or commodity which results from usage upon one or several occasions over a comparatively short period of time.

(g) The foregoing definition serves to amplify the definition of “consumer commodity” supplied by Congress in section 10(a) of the Act. As questions arise as to whether specific articles, products, or commodities are included in the above definition, the Commission will consider, among other things, the Congressional policy declared in section 2 of the Act, namely, that packages and labels should enable consumers to obtain accurate information as to the quantity of contents and should facilitate value comparisons. That is, in making its determinations of inclusions and exclusions under this

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definition, the Commission will consider the requirements of both the Act and the pertinent regulations and in that connection will regard as one criterion the extent to which the disclosures required on "consumer commodities" are material to a consumer's selection of a particular article, product, or commodity. Interpretative rulings in such instances will be made public, and can be expected to further contribute to the development of clearer delineation of the scope of the term "consumer commodity".

(h) With respect to articles, products, or commodities included within the definition of "consumer commodities", the Commission will consider requests for exemptions in accordance with section 5(b) of the Act and § 500.3(e) of this chapter, and will make public its rulings on all such requests.

[34 FR 12945, Aug. 9, 1969]

### **§ 503.6 Packagers' duty to withhold availability of packages imprinted with retail sale price representations.**

To clarify the requirements, under part 502 of this chapter, that a packager or labeler will not make packages marked with retail sale price representations available in any circumstance where he knows or should have reason to know that it will be used as an instrumentality for deception or for frustration of value comparison, the fol-

lowing represents the opinions of the Commission:

(a) Details of a plan to provide special packaging or special package sizes bearing retail sale price representations should contain the condition that customers will not be provided with such packages unless they resell the package at a price which fully passes on to the purchasers the represented savings or sale price advantage.

(b) A packager or labeler who, in good faith, takes reasonable and prudent measures to verify the performance of his customers will be deemed to have satisfied his obligation under the regulations. If the packager has taken such steps, the fact that a particular customer has failed to resell the packages at a price which fully passes on to the purchaser the represented savings or sale price advantage shall not alone place a seller in violation of the regulations.

(c) Any packager or labeler who determines that a customer does not intend to fulfill or has not fulfilled the conditions of an offer should immediately refrain from further sale under that offer to the customer. In situations where proper fulfillment of the conditions of an offer are in question, the Commission will resolve the issue after appropriate investigation of the facts submitted.

[36 FR 23058, Dec. 3, 1971]