any other terms accurately descriptive of a generally recognized furniture style.

(3) Because of general understanding by the furniture buying public, terms such as ''French Provincial'', ''Italian Provincial'', ''Chinese Chippendale'' and ''Mediterranean'' are considered to have acquired a secondary meaning as descriptive of the styles of furniture so described. Thus, unqualified use of such terminology, when appropriate, would not be considered deceptive.

(4) Furniture should not be represented by trade name or otherwise as being manufactured in the Grand Rapids (Michigan) area, or in any other furniture producing area, when such is not the fact.

(b) In connection with the sale of furniture of foreign manufacture, members of the industry should clearly and conspicuously disclose the foreign country of origin, when the failure to make such disclosure has the capacity and tendency or effect of deceiving purchasers of such products. The disclosure of foreign origin, when required, should be in the form of a legible marking, stamping, or labeling on the outside of the furniture, and shall be of such size, conspicuousness and degree of permanency, as to be and remain noticeable and legible upon casual inspection until consumer purchase. [Guide 7]

§ 250.8 Deception as to being "new".

(a) Industry members should not make any direct or indirect representation that an industry product is new unless such product has not been used and is composed entirely of unused materials and parts.

(b) In connection with the sale of furniture which has the appearance of being new but which contains used materials or parts, such as springs, latex foam rubber stuffing, or hardware, members of the industry should conspicuously disclose, in a manner provided for in § 250.1 of this part, such fact (e.g., ''cushions made from reused shredded latex foam rubber'').

(NOTE: See also § 250.9.)

[Guide 8]

§ 250.9 Misuse of the terms "floor sample", "discontinued model", etc.

(a) Representations that furniture is a ''floor sample'', ''demonstration piece'', etc., should not be used to describe ''trade-in'', repossessed, rented, or any furniture except that displayed for inspection by prospective purchasers at the place of sale for the purpose of determining their preference and its suitability for their use.

(b) Furniture should not be described as ''discontinued'' or ''discontinued model'' unless the manufacturer has in fact discontinued its manufacture or the industry member offering it for sale will discontinue offering it entirely after clearance of his existing inventories of furniture so described. [Guide 9]

§ 250.10 Passing off through imitation or simulation of trademarks, trade names, etc.

Members of the industry should not mislead or deceive purchasers by passing off the products of one industry member as and for those of another through the imitation or simulation of trademarks, trade names, brands, or labels. [Guide 10]

§ 250.11 Misrepresentation as to character of business.

Members of the industry should not represent, directly or by implication, in advertising or otherwise, that they produce or manufacture products of the industry, or that they own or control a factory making such products, when such is not the fact, or that they are a manufacturer, wholesale distributor or a wholesaler when such is not the fact, or in any other manner misrepresent the character, extent, or type of their business. [Guide 11]

§ 250.12 Commercial bribery.

Members of the industry should not give, or offer to give, or permit or cause to be given, directly or indirectly, money or anything of value to agents, employees, or representatives of customers or prospective customers, or to agents, employees, or representatives of competitors' customers or prospective customers, without the knowledge of their employers or principals, as an inducement to influence their

employers or principals to purchase or contract to purchase products manufactured or sold by such industry member or the maker of such gift or offer, or to influence such employers or principals to refrain from dealing in the products of competitors or from dealing or contracting to deal with competitors. [Guide 12]

§ 250.13 Other parts in this title 16 applicable to this industry.

The Commission has adopted Guides Against Deceptive Pricing, part 233, Guides Against Deceptive Advertising of Guarantees, part 239, and Guides Against Bait Advertising, part 238, all of which have general application and furnish additional guidance for members of the Household Furniture Industry. Members of this industry should comply with those parts.

PART 251—GUIDE CONCERNING USE OF THE WORD ''FREE'' AND SIMILAR REPRESENTATIONS

§ 251.1 The guide.

(a) *General.* (1) The offer of ''Free'' merchandise or service is a promotional device frequently used to attract customers. Providing such merchandise or service with the purchase of some other article or service has often been found to be a useful and valuable marketing tool.

(2) Because the purchasing public continually searches for the best buy, and regards the offer of ''Free'' merchandise or service to be a special bargain, all such offers must be made with extreme care so as to avoid any possibility that consumers will be misled or deceived. Representative of the language frequently used in such offers are ''Free'', ''Buy 1-Get 1 Free'', ''2-for-1 Sale'', ''50% off with purchase of Two'', ''1¢ Sale'', etc. (Related representations that raise many of the same questions include ''___ Cents-Off'', ''Half-Price Sale'', ''½ Off'', etc. See the Commission's ''Fair Packaging and Labeling Regulation Regarding 'Cents-Off' and Guides Against Deceptive Pricing.'')

(b) *Meaning of ''Free''.* (1) The public understands that, except in the case of introductory offers in connection with the sale of a product or service (See paragraph (f) of this section), an offer of ''Free'' merchandise or service is based upon a regular price for the merchandise or service which must be purchased by consumers in order to avail themselves of that which is represented to be ''Free''. In other words, when the purchaser is told that an article is ''Free'' to him if another article is purchased, the word ''Free'' indicates that he is paying nothing for that article and no more than the regular price for the other. Thus, a purchaser has a right to believe that the merchant will not directly and immediately recover, in whole or in part, the cost of the free merchandise or service by marking up the price of the article which must be purchased, by the substitution of inferior merchandise or service, or otherwise.

(2) The term *regular* when used with the term *price,* means the price, in the same quantity, quality and with the same service, at which the seller or advertiser of the product or service has openly and actively sold the product or service in the geographic market or trade area in which he is making a ''Free'' or similar offer in the most recent and regular course of business, for a reasonably substantial period of time, i.e., a 30-day period. For consumer products or services which fluctuate in price, the ''regular'' price shall be the lowest price at which any substantial sales were made during the aforesaid 30-day period. Except in the case of introductory offers, if no substantial sales were made, in fact, at the ''regular'' price, a ''Free'' or similar offer would not be proper.

(c) *Disclosure of conditions.* When making ''Free'' or similar offers all the terms, conditions and obligations upon which receipt and retention of the ''Free'' item are contingent should be set forth clearly and conspicuously at the outset of the offer so as to leave no reasonable probability that the terms of the offer might be misunderstood. Stated differently, all of the terms, conditions and obligations should appear in close conjunction with the offer of ''Free'' merchandise or service. For example, disclosure of the terms of the offer set forth in a footnote of an advertisement to which reference is made