



TRADE PRACTICES ACT 1974

UNDERTAKING TO THE TRADE PRACTICES COMMISSION GIVEN FOR
THE PURPOSES
OF SECTION 87B
BY

HEATHMERE PTY LTD

BACKGROUND

Heathmere Pty Ltd is a company duly incorporated in the State of New South Wales which supplies a range of products to resellers.

Following an investigation by the Trade Practices Commission ("TPC"), Heathmere was informed that the TPC considered that it had made false and/or misleading representations in regard to the place of origin of particular cleaning cloth products.

The TPC considers that Heathmere Pty Ltd represented goods which it has supplied under the names Kleena Cloth, Betta Cloth, Wondercloth and Magicloth products as products, made or produced in Australia when in fact, the fabric of the cloth was made in Japan and imported into Australia in bulk roll form and only cut, hemmed and packed in Australia. The TPC was concerned that consumers might purchase Kleena Cloth, Betta Cloth, Wondercloth and Magicloth wholly or partly on the basis that the fabric of the cleaning cloth was made in Australia.

The TPC contends that the representations regarding the country of origin of Kleena Cloth, Betta Cloth, Wondercloth and Magicloth were in contravention of sections 52 and 53(eb) of the Trade Practices Act 1974.

Heathmere Pty Ltd has reviewed the representations made on its goods relating to country of origin and has agreed to label the product as "cut and sewn in Australia from imported materials" or "packed in Australia from imported material".

UNDERTAKING

Heathmere Pty Ltd undertakes for the purposes of section 87B of the Trade Practices Act 1974:

1. That it will not represent that cleaning cloths supplied by it are made in Australia, Australian made, Product of Australia and/or produced in Australia when the fabric of the cloth is made in a country other than Australia and is subsequently cut to size and hemmed in Australia.
2. That it will, in relation to all cleaning cloths supplied by it where the fabric of the cloth is made in a country other than Australia and imported into Australia then cut to size and hemmed, describe such products on its labelling, packaging and in all its advertising and promotional material as "cut and sewn in Australia from imported materials" or "packed in Australia from imported material".

3. That if Heathmere Pty Ltd makes any representations concerning the country of origin of any goods which it supplies, it will only represent the said goods as having a particular country of origin where the steps of production which gave the said goods their essential quality or characteristics took place in that country.
4. That it will not make any representation with respect to the country of origin of any goods which it supplies which is based in whole or in part on the percentage of costs incurred in that or any other country.



Heathmere Pty Ltd acknowledges that it has read the Trade Practices Commissions brochure entitled "Labelling the Origin of Goods April 1990", and understands that in determining the country of origin of any goods which it supplies, the percentage of the cost content of the goods incurred in any country is not a determinative factor.

Heathmere Pty Ltd acknowledges and accepts that this undertaking will be placed on the Trade Practices Commission's public register and agrees that the Trade Practices Commission may otherwise publish and refer to this document at its discretion.

Heathmere Pty Ltd also notes that this undertaking in no way derogates from the rights or remedies available to any other person arising from the alleged conduct.

IN WITNESS OF THESE UNDERTAKINGS

THE COMMON SEAL of
HEATHMERE PTY LTD was
hereunto affixed by authority
of the board of Directors
previously given in the
presence of:

This Nineteenth day of October , 1993

ACCEPTED BY THE TRADE PRACTICES COMMISSION PURSUANT TO SECTION
87B OF THE TRADE PRACTICES ACT



(Professor Allan Fels)
Chairman