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FEDERAL TRADE COMMISSION

16 CFR Part 304

Rules and Regulations Under the Hobby Protection Act

AGENCY: Federal Trade Commission.

ACTION: Request for public comments.

SUMMARY: The Federal Trade Commission ("Commission") requests public comment on the overall costs and benefits, and regulatory and economic impact, of its Rules and Regulations Under the Hobby Protection Act ("Rules"), as part of the agency's regular review of all its regulations and guides.

DATES: Comments must be received on or before September 22, 2014.

ADDRESSES: Interested parties may file a comment online or on paper, by following the instructions in the Request for Comment part of the **SUPPLEMENTARY INFORMATION** section below. Write "Hobby Protection Rules Review" on your comment. You may file your comment online at *https://ftcpublic.commentworks.com/ftc/hobbyprotectionrules*, by following the instructions on the web-based form. If you prefer to file your comment on paper, mail your comment to the following address: Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue, NW, Suite CC-5610 (Annex B), Washington, DC 20580, or deliver your comment to the following address: Federal Trade Commission, Office of the Secretary, Constitution Center, 400 7th Street, SW, 5th Floor, Suite 5610 (Annex B), Washington, DC 20024.

FOR FURTHER INFORMATION CONTACT: Joshua S. Millard (202) 326-2454, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Ave. NW, Washington, DC 20580.

SUPPLEMENTARY INFORMATION:

I. Background

On November 29, 1973, the President signed into law the Hobby Protection Act ("Act"), 15 U.S.C. 2101-06. The Act requires manufacturers and importers of "imitation political items"[1] to "plainly and permanently" mark them with the "calendar year" the items were manufactured. *Id.* § 2101(a). The Act also requires manufacturers and importers of "imitation numismatic items"[2] to "plainly and permanently" mark these items with the word "copy." *Id.* § 2101(b). The Act directed the Commission to promulgate regulations for determining the "manner and form" that imitation political items and imitation numismatic items are to be permanently marked with the calendar year of manufacture or the word "copy." *Id.* § 2101(c).

In 1975, the Commission issued Rules and Regulations Under the Hobby Protection Act, 16 CFR Part 304.[3] The Rules track the definitions used in the Act and implement the Act's "plain and permanent" marking requirements by establishing the location of the marking on the

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[1] An imitation political item is "an item which purports to be, but in fact is not, an original political item, or which is a reproduction, copy, or counterfeit of an original political item." 15 U.S.C. 2106(2). The Act defines original political items as being any political button, poster, literature, sticker or any advertisement produced for use in any political cause. *Id.* section 2106(1).

[2] An imitation numismatic item is "an item which purports to be, but in fact is not, an original numismatic item or which is a reproduction, copy, or counterfeit of an original numismatic item." 15 U.S.C. 2106(4). The Act defines original numismatic items to include coins, tokens, paper money, and commemorative medals which have been part of a coinage or issue used in exchange or used to commemorate a person or event. *Id.* section 2106(3).

[3] 40 FR 5459 (Feb. 6, 1975).

item, the sizes and dimensions of the letters and numerals to be used, and how to mark incusable and nonincusable items.[4] In 1988, the Commission amended the Rules to provide additional guidance on the minimum size of letters for the word "copy" as a proportion of the diameter of coin reproductions.[5] 53 FR 38942 (Oct. 4, 1988).

The Commission most recently reviewed the Rules in 2004. That review yielded many comments proposing that the Commission expand coverage to products beyond the scope of the Act and address problems involving the selling (or passing off) as originals of reproductions of antiques and other items not covered by the Act. However, the Commission retained the Rules without change, noting that it did not have authority under the Act to expand the Rules as requested. 69 FR 9943 (Mar. 3, 2004).

II. Regulatory Review Program

The Commission periodically reviews all of its rules and guides. These reviews seek information about the costs and benefits of the agency's rules and guides, and their regulatory and economic impact. The information obtained assists the Commission in identifying those rules and guides that warrant modification or rescission. Therefore, the Commission solicits comments on, among other things, the economic impact of and the continuing need for the Rules; possible developments in the case law that need to be reflected in the Rules; and the effect on the Rules of any technological, economic, or other industry changes.

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[4] Incusable items are those that can be impressed with a stamp.

[5] Before this amendment, if a coin were too small to comply with the minimum letter size requirements, the manufacturer or importer had to request a variance from those requirements from the Commission. Because imitation miniature coins were becoming more common, the Commission determined that it was in the public interest to allow the word "copy" to appear on miniature imitation coins in sizes that could be reduced proportionately with the size of the item.

III. Request For Comment

The Commission solicits comment on the following specific questions related to the Rules:

(1) Is there a continuing need for the Rules as currently promulgated? Why or why not?

(2) What benefits have the Rules provided to consumers? What evidence supports the asserted benefits?

(3) What modifications, if any, should the Commission make to the Rules to increase their benefits to consumers?

(a) What evidence supports your proposed modifications?

(b) How would these modifications affect the costs and benefits of the Rules for consumers?

(c) How would these modifications affect the costs and benefits of the Rules for businesses, particularly small businesses?

(4) What impact have the Rules had on the flow of truthful information to consumers and on the flow of deceptive information to consumers?

(5) What significant costs, if any, have the Rules imposed on consumers? What evidence supports the asserted costs?

(6) What modifications, if any, should be made to the Rules to reduce any costs imposed on consumers?

(a) What evidence supports your proposed modifications?

(b) How would these modifications affect the costs and benefits of the Rules for consumers?

(c) How would these modifications affect the costs and benefits of the Rules for businesses, particularly small businesses?

(7) What benefits, if any, have the Rules provided to businesses, and in particular to small businesses? What evidence supports the asserted benefits?

(8) What modifications, if any, should be made to the Rules to increase their benefits to businesses, and particularly to small businesses?

(a) What evidence supports your proposed modifications?

(b) How would these modifications affect the costs and benefits of the Rules for consumers?

(c) How would these modifications affect the costs and benefits of the Rules for businesses?

(9) What significant costs, if any, including costs of compliance, have the Rules imposed on businesses, particularly small businesses? What evidence supports the asserted costs?

(10) What modifications, if any, should be made to the Rules to reduce the costs imposed on businesses, and particularly on small businesses?

(a) What evidence supports your proposed modifications?

(b) How would these modifications affect the costs and benefits of the Rules for consumers?

(c) How would these modifications affect the costs and benefits of the Rules for businesses?

(11) What evidence is available concerning the degree of industry compliance with the Rules? Does this evidence indicate that the Rules should be modified? If so, why, and how? If not, why not?

(12) Are any of the Rules' requirements no longer needed? If so, explain. Please provide supporting evidence.

(13) What potentially unfair or deceptive practices concerning imitation political items and imitation numismatic items, if any, are not covered by the Rules?

(a) What evidence demonstrates the existence of such practices?

(b) With reference to such practices, should the Rules be modified? If so, why, and how? If not, why not?

(14) What modifications, if any, should be made to the Rules to account for changes in relevant technology or economic conditions?

(a) What evidence supports the proposed modifications?

(b) How would these modifications affect the costs and benefits of the Rules for consumers and businesses, particularly small businesses?

(15) Do the Rules overlap or conflict with other federal, state, or local laws or regulations? If so, how?

(a) What evidence supports the asserted conflicts?

(b) With reference to the asserted conflicts, should the Rules be modified? If so, why, and how? If not, why not?

(16) Are there foreign or international laws, regulations, or standards with respect to the products or services covered by the Rules that the Commission should consider as it reviews the Rules? If so, what are they?

(a) Should the Rules be modified in order to harmonize with these foreign or international laws, regulations, or standards? If so, why, and how? If not, why not?

(b) How would such harmonization affect the costs and benefits of the Rules for consumers and businesses, particularly small businesses?

IV. Instructions for Submitting Comments

You can file a comment online or on paper. For the Commission to consider your comment, we must receive it on or before September 22, 2014. Write ''Hobby Protection Rules Review" on the comment. Your comment, including your name and your state, will be placed on the public record of this proceeding, including, to the extent practicable, on the public Commission Web site, at *http://www.ftc.gov/os/publiccomments.shtm*. As a matter of discretion, the Commission tries to remove individuals' home contact information from comments before placing them on the Commission Web site. Because your comment will be made public, you are solely responsible for making sure that your comment does not include any sensitive personal information, such as a Social Security number, date of birth, driver's license number or other state identification number or foreign country equivalent, passport number, financial account number, or credit or debit card number. You are also solely responsible for making sure that your comment does not include any sensitive health information, such as medical records or other individually identifiable health information.

In addition, do not include any "[t]rade secret or any commercial or financial information which is . . . privileged or confidential," as discussed in Section 6(f) of the FTC Act, 15 U.S.C. 46(f), and FTC Rule 4.10(a)(2), 16 CFR 4.10(a)(2). In particular, do not include competitively sensitive information such as costs, sales statistics, inventories, formulas, patterns, devices, manufacturing processes, or customer names.

If you want the Commission to give your comment confidential treatment, you must file it in paper form, with a request for confidential treatment, and you must follow the procedure

explained in FTC Rule 4.9(c), 16 CFR 4.9(c). In particular, the written request for confidential treatment that accompanies the comment must include the factual and legal basis for the request, and must identify the specific portions of the comments to be withheld from the public record. Your comment will be kept confidential only if the FTC General Counsel, in his or her sole discretion, grants your request in accordance with the law and the public interest.

Postal mail addressed to the Commission is subject to delay due to heightened security screening. As a result, we encourage you to submit your comment online. To make sure that the Commission considers your online comment, you must file it at *https://ftcpublic.commentworks.com/ftc/hobbyprotectionrules*, by following the instructions on the web-based form. If this Notice appears at *http://www.regulations.gov/#!home*, you also may file a comment through that Web site.

If you file your comment on paper, write "Hobby Protection Rules Review" on your comment and on the envelope, and mail your comment to the following address: Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue, NW, Suite CC-5610 (Annex B), Washington, DC 20580, or deliver your comment to the following address: Federal Trade Commission, Office of the Secretary, Constitution Center, 400 7th Street, SW, 5th Floor, Suite 5610 (Annex B), Washington, DC 20024.

Visit the Commission Web site at *http://www.ftc.gov* to read this Notice and the news release describing it. The FTC Act and other laws that the Commission administers permit the collection of public comments to consider and use in this proceeding as appropriate. The Commission will consider all timely and responsive public comments that it receives on or

before September 22, 2014. You can find more information, including routine uses permitted by the Privacy Act, in the Commission's privacy policy, at *http://www.ftc.gov/ftc/privacy.htm*.

By direction of the Commission.

Donald S. Clark,
Secretary.

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