



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

Bureau of Consumer Protection
Division of Enforcement

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FEDERAL EXPRESS

Lisa Gold, Esq.
General Counsel
Bedrock Manufacturing Company, LLC
d/b/a Shinola/Detroit, LLC, and Filson Holdings, Inc.
1741 1st. Ave. S.
Seattle, WA 98134

Dear Ms. Gold:

We received your submissions on behalf of Bedrock Manufacturing Company, LLC, also d/b/a Shinola/Detroit, LLC, and Filson Holdings, Inc. (“Bedrock” or the “Company”). During our review, we raised concerns that certain marketing materials overstated the extent to which certain Shinola and Filson-branded products, including, but not limited to, watches and certain leather goods and bicycles, are “made” or “built” in the United States.

As we have discussed, unqualified “Made in USA” or “Built in USA” claims likely suggest to consumers that products are “all or virtually all” made in the United States. The Commission may analyze a number of different factors to determine whether a product is “all or virtually all” made in the United States, including the proportion of the product’s total manufacturing costs attributable to U.S. parts and processing, how far removed any foreign content is from the finished product, and the importance of the foreign content or processing to the overall function of the product.

In this case, the Company sources significant inputs to many of its products overseas. For example, 100% of the cost of materials used to make certain watches is attributable to imported materials. Similarly, more than 70% of the cost of the materials used to make certain belts is attributable to imported materials such as decorative buckles. Additionally, Bedrock sources the steel used to make certain bicycle forks overseas.

Accordingly, to avoid deceiving consumers, Bedrock implemented a remedial action plan to account for this significant imported content by qualifying its representations. Among other things, this plan includes: (1) applying corrective hangtags and information cards to watches, bicycles, and other affected products to alert consumers to the fact that those products include significant imported content; (2) redesigning watch casebacks; (3) updating embossed claims in affected leather goods; (4) updating Internet and hardcopy advertising materials to qualify claims; (5) updating employee training materials; (6) updating advertising materials distributed

to third-party retailers; (7) transitioning away from the Company's "Where American is Made" slogan; and (8) developing enhanced policies and procedures, including additional legal review, to avoid future deception or mislabeling.

Based on Bedrock's implementation of the plan described above, the staff has decided not to recommend enforcement action at this time. However, certain materials presented to us during the pendency of our investigation raise concerns that Bedrock may make deceptive U.S.-origin claims in the future. Therefore, we will continue to monitor the Company's advertising closely.

Issuance of this letter should not be construed as a determination that there was no violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45. The Commission reserves the right to take such further action as the public interest may require.

Sincerely,



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