

Bureau of Consumer Protection Division of Enforcement

> Julia Solomon Ensor Attorney

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November 12, 2020

## VIA EMAIL

Christine Skoczylas, Esq. Barnes & Thornburg LLP One N. Wacker Drive Suite 4400 Chicago, IL 60606-2833 christine.skoczylas@btlaw.com

Dear Ms. Skoczylas:

We received your submissions on behalf of Dude Products, Inc. ("Dude Products" or the "Company"). During our review, we discussed concerns that marketing materials may have overstated the extent to which certain hygienic products including, but not limited to, Dude Wipes, are made in the United States. Specifically, although the Company's wipes undergo significant manufacturing or processing in the United States, in some instances they incorporate significant imported components.

Unqualified U.S.-origin claims in marketing materials – including claims that products are "Made," "Manufactured," or "Built" in the USA – likely suggest to consumers that all products advertised in those materials 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.<sup>1</sup>

To avoid deceiving consumers, Dude Products implemented a remedial action plan to update and qualify its representations where needed. This plan included: (1) updating affected packaging and marketing materials to qualify claims; (2) updating potentially confusing or conflicting marketing copy on Company websites; and (3) submitting updated photographs and marketing copy to third-party platforms, including Amazon and Walmart. As part of this

<sup>&</sup>lt;sup>1</sup> See Federal Trade Commission, Issuance of Enforcement Policy Statement on "Made in USA" and Other U.S. Origin Claims, 62 Fed. Reg. 63756, 63768 (Dec. 2, 1997) ("Policy Statement").

inquiry, Dude Products also reviewed its country-of-origin claims for textile products to ensure compliance with the Textile Fiber Products Identification Act, 15 U.S.C. §§ 70-70k, and implementing rules, particularly 16 C.F.R. §§ 303.15(b); 303.16; 303.33; and 303.34.

As discussed, it is appropriate for Dude Products to promote the fact that it supports companies that perform manufacturing functions in the United States. However, just because a supplier has a United States location, or conducts certain operations in the United States, does not necessarily mean that the products it offers are "all or virtually all" made in the United States. Thus, downstream "manufacturers and marketers would be wise to ask the supplier for specific information about the percentage of U.S. content before they make a U.S. origin claim."<sup>2</sup> As you know, FTC staff members are available to work with companies to craft qualified claims that serve the dual purposes of conveying non-deceptive information to consumers and highlighting work done in the United States.

Based on the Company's actions and other factors, the staff has decided not to pursue this investigation any further. This action 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. If you have any questions, please feel free to call.

Sincerely,

Julia Solomon Ensor Staff Attorney

Shandar J. Freeman

Lashanda Freeman Federal Trade Investigator

<sup>&</sup>lt;sup>2</sup> See FTC, "Complying with the Made in USA Standard" (Dec. 1998), *available at* https://www.ftc.gov/tips-advice/business-center/guidance/complying-made-usa-standard.