



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

Bureau of Consumer Protection
Division of Enforcement

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December 13, 2016

VIA FEDEX

Mr. Patrick Smith
President
Commando Lock Company
395 Elmwood Drive
Troy, Michigan 48083

Dear Mr. Smith:

We received your submissions on behalf of Commando Lock Company (“Commando”). During our review, we raised concerns that certain marketing materials may have overstated the extent to which Commando’s locks are made in the United States. Specifically, although Commando uses proprietary methods to assemble locks in the United States with some U.S. parts, it sources the cylinders and keys for those products overseas.

As discussed, the FTC’s Enforcement Policy Statement on U.S. Origin Claims (“Policy Statement”) states that unqualified “Made in USA” claims likely suggest to consumers that products are “all or virtually all” made in the United States.¹ 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.

The Commission has noted that “[w]here a product is not all or virtually all made in the United States, any claim of U.S. origin should be adequately qualified to avoid consumer deception about the presence or amount of foreign content. In order to be effective, any qualifications or disclosures should be sufficiently clear, prominent, and understandable to prevent deception. Clarity of language, prominence of type size and style, proximity to the claim being qualified, and an absence of contrary claims that could undercut the effectiveness of the qualification will maximize the likelihood that the qualifications and disclosures are

¹ Federal Trade Commission, *Issuance of Enforcement Policy Statement on “Made in USA” and Other US Origin Claims*, 62 Fed. Reg. 63756, 63768 (Dec. 2, 1997).

appropriately clear and prominent.”²

In this case, although Commando performs significant work on its products in the United States, the imported cylinders and keys are essential to the locks’ function. Accordingly, to avoid deceiving consumers, Commando implemented a remedial action plan to clarify its representations by clearly and prominently qualifying all of its U.S.-origin claims. This plan included: (1) updating all U.S.-origin claims on Commando websites and social media to state “Made in USA with US and global components”; (2) updating product packaging to ensure consistent claim qualification in an increased font size; (3) reviewing sales and training materials; and (4) making all diligent efforts to identify and correct unqualified claims made by third-party marketers.

Based on your 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, you can reach me at (202) 326-2377.

Sincerely,



Julia Solomon Ensor
Staff Attorney

² *Id.* at 63769.