

**UNITED STATES OF AMERICA  
BEFORE THE FEDERAL TRADE COMMISSION**

**COMMISSIONERS:**        **Joseph J. Simons, Chairman**  
                                 **Noah Joshua Phillips**  
                                 **Rohit Chopra**  
                                 **Rebecca Kelly Slaughter**  
                                 **Christine S. Wilson**

**In the Matter of**

**CHEMENCE, INC., a corporation, and**

**JAMES COOKE, individually and as an  
officer of CHEMENCE, INC.**

**DOCKET NO.**

**COMPLAINT**

The Federal Trade Commission, having reason to believe that Chemence, Inc., a corporation, and James Cooke, individually and as an officer of Chemence, Inc., (collectively, “Respondents”) have violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent Chemence, Inc. (“Chemence”) is an Ohio corporation with its principal office or principal place of business at 185 Bluegrass Valley Parkway, Alpharetta, GA 30005.
2. Chemence advertises, labels, offers for sale, and distributes products to consumers, including, but not limited to, cyanoacrylate glue products (“cyanoacrylates”). Cyanoacrylates are strong, fast-acting adhesives, also known as “power glues” or “superglues,” with industrial, medical, and household uses. Chemence advertises these products in stores and on its website, [www.chemence-us.com](http://www.chemence-us.com), and offers for sale, sells, and distributes them directly to the public throughout the United States.
3. Chemence provides third parties with marketing materials so third parties can market and sell products under its own brand names.
4. Chemence also manufactures private-labeled products sold under retailer brand names, and provides those retailers with labeling and promotional materials for use in the marketing and sale of private-labeled products.
5. Respondent James Cooke (“Cooke”) is the president of Chemence. Individually or in concert with others, he controlled or had the authority to control, or participated in the acts and

practices of Chemence, including the acts and practices alleged in this complaint. Since at least 2014, he has communicated with the Federal Trade Commission on Chemence's behalf regarding the acts and practices alleged in this complaint. In 2017, he personally signed the Report described *infra* ¶¶13-17, in which he designated himself the Federal Trade Commission's primary point of contact regarding the acts and practices alleged in this complaint, and expressly assumed liability for Chemence's compliance with the 2016 Order described *infra* ¶ 8. His principal office or place of business is the same as that of Chemence.

6. The acts and practices of Respondents alleged in this complaint have been in or affecting commerce, as "commerce" is defined in Section 4 of the Federal Trade Commission Act.

### **2016 Action and Order**

7. On February 1, 2016, the Federal Trade Commission ("FTC") filed the complaint in the Northern District of Ohio attached as **Exhibit A** alleging that Chemence violated Section 5(a) of the Federal Trade Commission Act, 15 U.S.C. § 45(a), by deceptively representing that its cyanoacrylates, including the materials used to make such products, were all or virtually all made in the United States. In fact, the complaint alleged, a significant proportion (approximately 55%) of the cost of the chemical inputs to Chemence's cyanoacrylates is attributable to imported chemicals, and these imported chemicals are essential to the function of Chemence's glue products. The complaint further alleged that Chemence provided the means and instrumentalities to third-party retailers to commit deceptive acts and practices by providing such retailers with deceptive marketing materials for use in the marketing and sale of private-labeled products.

8. On October 13, 2016, the Northern District of Ohio entered the Stipulated Order for Permanent Injunction and Monetary Judgment attached as **Exhibit B** (the "2016 Order"), resolving all matters then in dispute between Chemence and the FTC.

9. In addition to monetary relief and compliance-monitoring provisions, the 2016 Order contained two injunctive relief provisions.

10. Part I of the 2016 Order permanently enjoins Chemence from representing, expressly or by implication, that a product or service is of U.S. origin unless: (1) the final assembly or processing of the product occurs in the United States, all significant processing that goes into the product occurs in the United States, and all or virtually all ingredients or components of the product are made and sourced in the United States; or (2) a clear and conspicuous qualification appears immediately adjacent to the representation that accurately conveys the extent to which the product contains foreign parts, ingredients, and/or processing.

11. Part II of the 2016 Order permanently enjoins Chemence from providing others with the "means and instrumentalities" to make any representation prohibited by Part I. The 2016 Order defines "means and instrumentalities" as any information, including but not limited to, any advertising, labeling, promotional, sales training, or purported substantiation materials, for use by trade customers in the marketing of any product or service.

12. Part V.A. of the 2016 Order requires Chemence to submit a compliance report one year after entry of the Order.

### **2017 Compliance Report**

13. On October 17, 2017, Chemence submitted the required one-year compliance report, attached as **Exhibit C** (the “2017 Report”).

14. The 2017 Report describes Chemence’s efforts to comply with each provision of the 2016 Order. In addition to these efforts, the 2017 Report states, “To assure future compliance with the Order, Chemence has instructed members of its respective staffs having responsibility for the requirements of the Order and of their responsibility to ensure compliance with the Order . . . Chemence is confident that those instructions are sufficient to ensure compliance with the Order.” *See Exhibit C, p.2.*

15. The 2017 Report further includes a declaration under penalty of perjury that, as of October 13, 2017, “Chemence has changed the labeling on all of Chemence’s cyanoacrylate glue/superglue adhesive products sold, distributed or offered for sale or distribution, by or on behalf of Chemence to consumers to read ‘Made in USA with US and globally sourced materials.’” *Id. at 3-4.*

16. As Chemence’s President, Cooke personally signed the 2017 Report, declaring it true and correct under penalty of perjury. *Id. at 6.*

17. The 2017 Report also includes Cooke’s executed Acknowledgement by Declaration of Receipt of the 2016 Order. *Id. at 31.*

### **Private-Labeled Products**

18. Since entry of the 2016 Order, Respondents continued to manufacture private-labeled products sold under retailer brand names, and provide those trade customers with labeling and promotional materials for use in the marketing and sale of private-labeled products.

19. In numerous instances since entry of the 2016 Order and through at least March 2020, despite the statement described in Paragraph 15, Respondents supplied such trade customers with pre-labeled and pre-packaged cyanoacrylates containing unqualified “Made in USA” claims on promotional materials or labels. Examples include, but are not limited to, the promotional materials and labels depicted in attached **Exhibit D**.

20. In numerous instances, including, but not limited to, the promotional materials and labels shown in **Exhibit D**, Respondents represented the private-labeled cyanoacrylates it supplied to trade customers were all or virtually all made in the United States.

21. In fact, significant proportions of the chemical inputs, and overall costs, to manufacture Respondents’ cyanoacrylates are attributable to foreign materials. In numerous instances, foreign materials accounted for more than 80% of materials costs and more than 50% of overall manufacturing costs for these products.

22. Therefore, Respondents' claims that their private-labeled cyanoacrylates are all or virtually all made in the United States deceive consumers.

23. Respondents' claims also violate Part I of the 2016 Order because Respondents represented their cyanoacrylates were of U.S.-origin, with no qualification, despite the fact that they contain significant ingredients sourced outside the United States.

24. Respondents further violated Part II of the 2016 Order because they provided labeling and promotional materials containing representations prohibited by Part I to third-party trade customers for use in the marketing of private-labeled cyanoacrylates.

25. Despite knowing or consciously avoiding knowing that Chemence's private-labeled cyanoacrylates are labeled "Made in USA" without qualification, in the 2017 Compliance Report, Cooke nonetheless declared under penalty of perjury that Chemence had "changed the labeling on all of Chemence's cyanoacrylate glue/superglue adhesive products sold, distributed or offered for sale or distribution by or on behalf of Chemence customers to read 'Made in USA with US and globally sourced materials.'"

26. Entry of an administrative order against Respondents will make civil penalties for future violations available to the Commission pursuant to Section 5(*l*) of the FTC Act, 15 U.S.C. § 45(*l*), as modified by Section 4 of the Federal Civil Penalties Inflation Adjustment Act of 1990, 28 U.S.C. § 2461, and Section 1.98(c) of the FTC's Rules of Practice, 16 C.F.R. § 1.98(c), which directs that a Respondent who violates an order of the Commission after it has become final, and while such order is in effect, "shall forfeit and pay to the United States a civil penalty of not more than [\$43,280] for each violation."

27. Therefore, an administrative action is in the public interest.

**COUNT I**  
**False or Misleading Representation**

28. In connection with the advertising, promotion, offering for sale, or sale of cyanoacrylates, Respondents have represented, directly or indirectly, expressly or by implication, that such cyanoacrylates, including the raw materials used to make such products, are all or virtually all made in the United States.

29. In fact, a significant proportion of the costs of the materials used and a significant proportion of the overall costs to make Respondents' cyanoacrylates are attributable to imported materials. Therefore, the representation set forth in Paragraph 28 is false or misleading.

**COUNT II**  
**Means and Instrumentalities**

30. Respondents have distributed the promotional materials described in Paragraphs 19 and 20 to trade customers for use in the marketing and sale of Respondents' products, including

private-labeled products. In so doing, Respondents have provided the means and instrumentalities to these third-party retailers for the commission of deceptive acts or practices.

**VIOLATION OF SECTION 5**

31. The acts and practices of Respondents as alleged in this complaint constitute unfair or deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act.

THEREFORE, the Federal Trade Commission this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, has issued this Complaint against Respondents.

By the Commission.

April J. Tabor  
Acting Secretary

SEAL: