

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

Bureau of Consumer Protection Division of Enforcement

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February 27, 2019

## **VIA EMAIL**

Mr. Stephen Rycyna CEO Cirrus Systems, Inc. 47 Spring Hill Road Saco, ME 04072

Dear Mr. Rycyna:

We received your submissions on behalf of Cirrus Systems, Inc. ("Cirrus" or the "Company"). During our review, we raised concerns that certain marketing materials may have overstated the extent to which Cirrus LED displays are made in the United States. Specifically, although Cirrus assembles certain displays in Maine, they incorporate significant imported content.

As we discussed, unqualified "Made in Maine" claims on marketing materials likely suggest to consumers that all products advertised in those materials are "all or virtually all" made in the United States. Furthermore, the FTC's Enforcement Policy Statement on "Made in USA" and Other U.S. Origin Claims explains that "Assembled in USA' claims should be limited to those instances where the product has undergone its principal assembly in the United States and that assembly is substantial. In addition, a product should be last substantially transformed in the United States to properly use an 'Assembled in USA' claim."

Accordingly, to avoid deceiving consumers, Cirrus removed all "Made in Maine" claims and logos from online and hardcopy marketing materials. The Company also sent an email to dealers and distributors instructing them to destroy or update any materials with these claims.

<sup>&</sup>lt;sup>1</sup> 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). Additionally, beyond express "Made in USA" claims, "[d]epending on the context, U.S. symbols or geographic references, such as U.S. flags, outlines of U.S. maps, or references to U.S. locations of headquarters or factories, may, by themselves or in conjunction with other phrases or images, convey a claim of U.S. origin." *Id*.

<sup>&</sup>lt;sup>2</sup> *Id.* at 63770.

As discussed, it is appropriate for the Company to promote the fact that it built a factory, employs workers, and performs certain processes in the United States, provided that marketing materials do not overstate the extent to which Cirrus's products are made in the United States. Additionally, FTC staff is 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 Cirrus'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, you can reach me at (202) 326-2377.

Sincerely,

Julia Solomon Ensor Staff Attorney

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