

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

Bureau of Consumer Protection Division of Enforcement

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March 7, 2019

VIA EMAIL

Mr. Reggie Judah CEO Solve America's Problems d/b/a TV Liquidator 5801 West Jefferson Blvd. Los Angeles, CA 90016

Dear Mr. Judah:

We received your submissions on behalf of Solve America's Problems d/b/a TV Liquidator ("TV Liquidator" or the "Company"). During our review, we discussed concerns that marketing materials may have overstated the extent to which TV Liquidator sells LED signs that are made in the United States. Specifically, although TV Liquidator distributes USA-assembled signs, the signs contain significant imported parts.

As discussed, unqualified U.S.-origin claims in marketing materials – including claims that products are "Made" 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.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

¹ 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.*

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 appropriately clear and prominent."²

In this case, TV Liquidator appropriately qualified its claims in some places on its website. However, as discussed, "[a] disclosure is more likely to be effective if consumers view the disclosure and the claim that raises the need for disclosure (often referred to as a "triggering claim") together on the same screen."³ Therefore, to avoid deceiving consumers, TV Liquidator updated its website, social media platforms, and Google Ads to ensure the Company's U.S. origin claims included appropriate qualifications everywhere they appeared.

Based on TV Liquidator'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

 2 Id. at 63769.

³ See Federal Trade Commission, .com Disclosures: How to Make Effective Disclosures in Digital Advertising, at 8 (Mar. 2013), available at https://www.ftc.gov/tips-advice/business-center/guidance/com-disclosures-how-make-effective-disclosures-digital.