

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

Bureau of Consumer Protection Division of Enforcement

September 10, 2018

VIA FEDEX

Mr. Tyler Phillips RentACoop, LLC 22325 Ridge Rd. Germantown, MD 20876

Dear Mr. Phillips:

We received your submissions on behalf of RentACoop, LLC ("RentACoop" or the "Company"). During our review, we discussed concerns that marketing materials may have overstated the extent to which RentACoop's chicken feeding and watering products – which incorporate significant imported components – are made in the United States.

As discussed, unqualified U.S.-origin claims in marketing materials – including claims that products are "Made," "Built," or "Manufactured" 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 qualifications or disclosures should be sufficiently clear, prominent, and understandable to prevent deception."²

 2 Id. at 63769.

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.*

In this case, RentACoop implemented a remedial action plan to avoid deceiving consumers. This plan included: (1) removing unqualified U.S.-origin claims from the Company website; (2) stickering over unqualified claims on RentACoop products; (3) updating listings on third-party platforms, including Amazon.com, Chewy.com, and MyPetChicken.com; (5) editing marketing videos that highlighted product labels with unqualified claims; and (6) introducing qualified claims, such as "Made in the USA with U.S. and Imported Parts."

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.

Sincerely,

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