



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

Bureau of Consumer Protection
Division of Enforcement

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Attorney

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July 28, 2016

VIA FEDEX

Amy R. Mudge, Esq.
Venable LLP
575 Seventh Street NW
Washington, DC 20004

Dear Ms. Mudge:

We received your submissions on behalf of your client, Tacony Corporation (“Tacony”). During our review, we raised concerns that certain marketing materials may have overstated the extent to which certain vacuum cleaners, including vacuums sold under the Riccar, Simplicity, and Maytag brand names, are made in the United States. Specifically, although Tacony designs, engineers, assembles, quality tests, and paints residential upright vacuums in Missouri, it sources the motors for those products overseas.

As discussed, unqualified “Made in USA” or “Built in USA” claims likely suggest to consumers that products are “all or virtually all” made in the United States. 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.

In this case, although Tacony performs significant operations in the United States, the imported vacuum motors constitute key parts that are essential to the products’ function. Accordingly, Tacony implemented a remedial action plan that incorporates qualified claims designed to highlight Tacony’s U.S. operations without deceiving consumers. As part of this plan, Tacony: (1) qualified claims on its website and social media pages; (2) updated packaging stickers and in-store displays to increase the size of its qualifying disclosures; and (3) sent a letter to authorized dealers requesting that they review and update marketing materials as appropriate.

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,

A handwritten signature in blue ink, appearing to read "J. Ensor", written in a cursive style.

Julia Solomon Ensor
Staff Attorney