



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

Bureau of Consumer Protection  
Division of Enforcement

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**VIA FEDEX**

Charles F. Gray, Esq.  
Varnum LLP  
39500 High Pointe Blvd., Suite 350  
Novi, Michigan 48375

Dear Mr. Gray:

We received your submissions on behalf of your client, TecNiq, Inc. (“TecNiq” or the “Company”). During our review, we raised concerns that marketing materials may have overstated the extent to which TecNiq’s LED products and equipment are made in the United States.

As discussed, the FTC’s Enforcement Policy Statement on U.S. Origin Claims (“Policy Statement”) states that unqualified “Made in USA” claims likely suggest to consumers that products are “all or virtually all” made in the United States.<sup>1</sup> 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 Policy Statement also provides 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.”<sup>2</sup>

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<sup>1</sup> *Federal Trade Commission, Issuance of Enforcement Policy Statement on “Made in USA” and Other US Origin Claims*, 62 Fed. Reg. 63756, 63768 (Dec. 2, 1997). As we also discussed, 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>2</sup> *Id.* at 63770.

In this case, TecNiq designs and assembles LED products and equipment in the United States using significant imported parts. Accordingly, to avoid deceiving consumers, TecNiq implemented a remedial action plan to clarify its representations. This plan includes: (1) removing unqualified "Made in USA" claims, including those implied through symbols, from all Company marketing materials and replacing them with "Assembled in the USA" claims; (2) discarding outdated printed materials; (3) initiating retooling of affected steel mold tooling; (4) sending a letter to master distributors and other contractually-related sellers instructing them to discard old marketing materials and to revise their claims; and (5) making all diligent efforts to identify and correct improper claims made by third-party marketers.

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 "Julia Solomon Ensor".

Julia Solomon Ensor  
Staff Attorney