

# FTC Announces Settlement of “Made in USA” Litigation

Kristi L. Wolff

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Earlier this week, the FTC announced settlement of one of the few “Made in USA” cases the agency has litigated in recent years. Earlier this year, we sent an update regarding the [FTC’s lawsuit against Chemence, Inc.](#), in which the FTC alleged that Chemence was deceiving consumers by claiming that their glues were “Made in the USA.” Regular readers of our blog may know that the standard for substantiating “Made in USA” claims is fairly high – all or virtually all of the inputs must originate in the U.S.

According to the FTC, approximately 55 percent of the costs of the chemical inputs to Chemence’s glues are attributable to imported chemicals that are essential to the glues’ function, thus falling short of the “all or virtually all” standard. The complaint also alleged that Chemence assisted others in deceiving consumers by distributing its Made-in-USA marketing materials to private-label sellers and third-party websites and storefronts.

Chemence Product Packaging:



The settlement terms prohibit the company from making unqualified “Made in USA” claims for any product unless it can show that the product’s final assembly or processing – and all significant processing – take place in the United States, and that all or virtually all ingredients or components of the product are made and sourced in the United States. The order permits Chemence to make qualified “Made in USA” claims as long as they include a clear and conspicuous disclosure about the extent to which the product contains foreign parts, ingredients, and/or processing. Chemence also is prohibited from providing others with the means to make deceptive Made-in-USA claims about its products. In addition, Chemence must pay a \$220,000 judgment.

It’s also worth noting that the settlement covers claims that are synonymous with “Made in the USA” even if they use slightly different language. The definition of “Made in the United States” includes express or implied claims that a Product or Service (as defined), or a specified component thereof, is of U.S.-origin, including but not limited to, a representation that such Product or Service is “made,” “manufactured,” “built,” or “produced” in the United States, or any other U.S.-origin claim. This case serves as a helpful reminder to companies marketing with “Made in USA” claims that proper substantiation for an unqualified “Made in USA” claim is a particularly high bar.