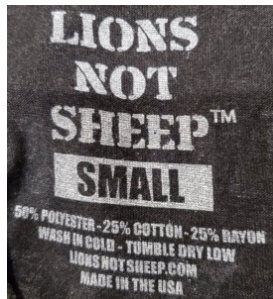


FTC Tames Lions Making "Made in USA" Claims

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Lions Not Sheep is a clothing company that, in its own words, allows consumers who wear its clothes to “show people it’s possible to live your life as a LION, not a sheep.” In addition to making people aware of that possibility, the company prominently advertises that its goods are “Made in the USA,” “Made in America,” “100% AMERICAN MADE,” and – to put a finer point on it – the “BEST DAMN AMERICAN MADE GEAR ON THE PLANET.”



The FTC disagreed on the US origin claims (but stayed largely silent on the possibility of living like a lion). According to its complaint, the company took clothing that was made in another country, removed tags showing the country of origin, and printed “Made in the USA” on the items. The FTC alleged that in most cases, goods that were advertised as “Made in USA” were wholly imported with limited finishing work performed in the United States.

Whether or not a product is made in the USA is usually not readily apparent, so when these cases come out, many of us wonder what caught the FTC’s attention. In this case, it’s less of a mystery. In 2020, the company’s owner posted a video on social media explaining that in order to make “Made in USA” claims, marketers should substantiate that products are “all or virtually all” made in the USA. So far, so good. He then explained that he could hide the fact that shirts are made in China by ripping off those tags and replacing them with other tags. No longer good.

To settle the case, the company and its owner agreed to pay \$211,335 and to change their marketing practices. For example, they can’t make “Made in USA” claims unless:

- The final assembly or processing of a product occurs in the United States, all significant processing that goes into the product occurs in the United States, and all or virtually all ingredients or components of the product are made and sourced in the United States; or
- A clear and conspicuous qualification appears immediately adjacent to the representation that accurately conveys the extent to which the product contains foreign parts, ingredients or components, and/or processing; or
- For a claim that a product is assembled in the USA, the product is last substantially transformed

in the United States, the product's principal assembly takes place in the United States, and United States assembly operations are substantial.

This case demonstrates that the FTC continues to take "Made in USA" claims seriously. If you make claims about domestic origin, be sure to take a close look at the FTC's new Made in USA Labeling Rule and assess how well you're complying. This case also demonstrates that you shouldn't post videos showing how to break laws. If you are doing that, you may want to be a little more sheepish (and less lion-like) about your practices.

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