

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

Bureau of Consumer Protection Division of Enforcement

> Julia Solomon Ensor Attorney

Email: jensor@ftc.gov Direct Dial: (202) 326-2377

February 22, 2019

VIA FEDEX

Gabe Verdugo, Esq. Keller Rohrback L.L.P. 1201 Third Avenue, Suite 3200 Seattle, Washington 98101

Dear Mr. Verdugo:

We received your submissions on behalf of your client, 3D Solutech, Inc. ("3D Solutech" or the "Company"). During our review, we discussed concerns that marketing materials may have overstated the extent to which 3D Solutech's three-dimensional printer filaments are made in the United States. Specifically, although certain filaments are made from United States-sourced raw materials, in many instances the U.S. materials undergo significant processing overseas to become finished filaments.

As discussed, unqualified "Made in USA" claims on marketing materials likely suggest to consumers that all products advertised in those materials are "all or virtually all" made in the United States. As the Commission has explained, "regardless of the extent of a product's other U.S. parts or processing, in order to be considered all or virtually all made in the United States, it is a prerequisite that the product have been last 'substantially transformed' in the United States, as that term is used by [United States Customs and Border Protection ("CBP")] [E]ven where a product is last substantially transformed in the United States, if the product is thereafter assembled or processed (beyond *de minimis* finishing processes) outside the United States, the Commission is unlikely to consider that product to be all or virtually all made in the United States."²

Accordingly, 3D Solutech implemented a remedial action plan to avoid deceiving consumers. This plan included revisions and updates to product packaging, as well as the Company's website and social media accounts. However, because most of 3D Solutech's sales are effectuated through Amazon.com, the majority of the Company's efforts appropriately

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).

² *Id*.

focused on making changes to that platform. This required accessing 3D Solutech's Amazon seller account to make both batch updates and listing-specific changes to product narratives, specifications, photographs, and listing titles.

If 3D Solutech employs workers in the United States, sources raw materials in the United States, or designs its products in the United States, it is appropriate for the Company to promote these facts, provided that: (1) marketing materials do not overstate the extent to which products are made in the United States; and (2) 3D Solutech makes all CBP-required disclosures. Additionally, if, in the future, 3D Solutech can substantiate claims that particular products are "all or virtually all" made in the United States, it would be appropriate for the Company to update its marketing materials accordingly.

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,

Julia Solomon Ensor Staff Attorney