

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

Bureau of Consumer Protection Division of Enforcement

July 2, 2018

## **VIA FEDEX**

Ms. Lauri Legere Jantec Sign Group, LLC, also d/b/a Jantec Neon Products 1078 South Main Street Mount Airy, NC 27030

Dear Ms. Legere:

We received your submissions on behalf of Jantec Sign Group, LLC, also d/b/a Jantec Neon Products ("Jantec" or the "Company"). During our review, we discussed concerns that marketing materials may have overstated the extent to which Jantec's neon signs – which incorporate significant imported components – are made in the United States.

As discussed, unqualified U.S.-origin claims in marketing materials – including claims that products are "Made," "Built," or "Manufactured" in the USA – likely suggest to consumers that all products advertised in those materials 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.

The Commission has noted that "[w]here a product is not all or virtually all made in the United States, any claim of U.S. origin should be adequately qualified to avoid consumer deception about the presence or amount of foreign content. In order to be effective, any qualifications or disclosures should be sufficiently clear, prominent, and understandable to prevent deception."<sup>2</sup>

<sup>&</sup>lt;sup>1</sup> 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). Additionally, 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>&</sup>lt;sup>2</sup> Id. at 63769.

In this case, Jantec implemented a remedial action plan to avoid deceiving consumers. This plan included: (1) removing unqualified U.S.-origin claims from the Company website and printed materials; (2) revising claims on social media accounts; (3) updating listings on third-party platforms, including Etsy, eBay, and Amazon; (4) editing Google AdWords and Bing ads; and (5) introducing qualified claims that highlight the fact that Jantec hand-bends neon signs in the United States.

It is appropriate for the Company to promote the fact that it employs workers and performs certain processes in the United States, provided that marketing materials do not overstate the extent to which Jantec products are made in the United States. Additionally, FTC staff is available to work with companies to craft qualified claims that serve the dual purposes of conveying non-deceptive information to consumers and highlighting work done in the United States.

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.

Sincerely,

Julia Solomon Ensor

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