



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

Bureau of Consumer Protection  
Division of Enforcement

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**VIA EMAIL**

Damon W.D. Wright, Esq.  
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Dear Mr. Wright:

We received your submissions on behalf of Netbrands LLC, also d/b/a Netbrands Media Corporation, [24hourwristbands.com](http://24hourwristbands.com), and [imprint.com](http://imprint.com) (“Netbrands” or the “Company”). During our review, we discussed two sets of concerns. First, certain marketing materials, including Google ads and social media materials, may have overstated the extent to which Netbrands offers U.S.-origin products. Specifically, although Netbrands offers some U.S.-origin products and customizes certain products in the United States, it also sells imported products. Second, certain marketing materials may have failed to comply with provisions of the Textile Products Identification Act, 15 U.S.C. § 70 *et seq.* (“Textile Act”), and implementing rules, 16 C.F.R. Part 303 (“Textile Rules”). Specifically, for some covered products, materials omitted required origin information.

Unqualified U.S.-origin claims in general marketing materials, including social media posts, likely suggest to consumers that all products advertised are made in the United States.<sup>1</sup> As

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<sup>1</sup> Netbrands’ U.S.-origin claims for most of its promotional products are covered under the FTC’s general authority to prevent deceptive claims pursuant to Section 5 of the FTC Act, 15 U.S.C. § 45(a). In addition, Netbrands sells apparel, tablecloths, pillows, sheets, and other products covered by the Textile Act and Rules. *See* 16 C.F.R. § 303.45(a). The Textile Rules set forth specific factors for marketers to apply in deciding whether to mark a product as of U.S. origin. Marketers should note that this analysis differs from the “all or virtually all” analysis the Commission has traditionally applied to claims for products in other categories. Specifically, 16 C.F.R. § 303.33 states that marketers need only consider the origin of materials that are one step removed from the particular manufacturing process. FTC, *Threading Your Way Through the Labeling Requirements Under the Textile and Wool Acts*, [www.ftc.gov/tips-advice/business-center/guidance/threading-your-way-through-labeling-requirements-under-textile](http://www.ftc.gov/tips-advice/business-center/guidance/threading-your-way-through-labeling-requirements-under-textile).

Separately, marketers should also note the FTC recently codified the “all or virtually all” standard into a Made in USA Labeling Rule, 16 C.F.R. § 323 (the “MUSA Rule”). Effective August 13, 2021, it is a

the Commission has explained, “marketers should not represent, either expressly or by implication, that a whole product line is of U.S. origin (e.g., ‘Our products are Made in USA’) when only some products in the product line are, in fact, made in the United States.”<sup>2</sup>

Although U.S.-origin claims are optional for most products,<sup>3</sup> products covered by the Textile Act and Rules, including apparel and tablecloths, are subject to mandatory country-of-origin labeling requirements.<sup>4</sup> The Textile Act also requires marketers to disclose product origin in “mail order advertising,” including online materials.<sup>5</sup>

To come into compliance with Section 5 of the FTC Act, 15 U.S.C. § 45(a) (“Section 5”), and the Textile Act and Textile Rules, Netbrands implemented a remedial action plan. This plan included: (1) clarifying qualified claims, where relevant; (2) updating printed and electronic marketing materials, including social media content; (3) updating product detail pages, where appropriate; (4) seeking more detailed information regarding suppliers’ U.S.-origin claims; (5) making clear, accurate origin disclosures in compliance with the Textile Act and Textile Rules, where relevant; (6) tightening operations to mitigate human error; and (7) offering more robust training for Netbrands’ leadership and relevant employees.

As discussed, it is appropriate for Netbrands to promote the fact that it employs workers in the United States, sells some U.S.-origin products, and has capacity to customize certain products in the United States. However, marketing materials that cover imported products or products incorporating significant imported components must not overstate the extent to which those products are made in the United States. Additionally, where applicable, Netbrands must make clear origin disclosures in compliance with the Textile Act and Textile Rules. FTC staff is available to work with companies to craft compliant claims that convey non-deceptive

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violation of the MUSA Rule to label any covered product “Made in the United States,” as the MUSA Rule defines that term, unless the final assembly or processing of the 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. *See* <https://www.federalregister.gov/documents/2021/07/14/2021-14610/made-in-usa-labeling-rule>. Pursuant to 15 U.S.C. § 45(m)(1)(A), the Commission may seek civil penalties of up to \$43,792 per MUSA Rule violation.

<sup>2</sup> FTC, *Issuance of Enforcement Policy Statement on “Made in USA” and Other U.S. Origin Claims*, 62 Fed. Reg. 63756, 63768 n.111 (Dec. 2, 1997) (the “Policy Statement”).

<sup>3</sup> Section 304 of the Tariff Act, 19 U.S.C. § 1304, requires all products of foreign origin imported into the United States be marked with a foreign country of origin. However, when U.S. Customs and Border Production determines a good is not of foreign origin, there is generally no requirement that the product be marked with any country of origin. The fact that a product is not required to be marked with a foreign country of origin does not mean it is permissible to promote that product with an unqualified U.S.-origin claim. *See* Policy Statement guidance on the “all or virtually all” standard for unqualified claims.

<sup>4</sup> *See* 16 C.F.R. §§ 303.15(b); 303.16 (requiring a “conspicuous and readily accessible [country of origin] label or labels on the inside or outside of the product”). Disclosure requirements apply regardless of whether products originated in the USA or abroad.

<sup>5</sup> 16 C.F.R. § 303.34 (advertising must contain “a clear and conspicuous statement that the product was either made in U.S.A., imported, or both”).

information to consumers and highlight work done in the United States.

Based on Netbrands' 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 the Textile Act or Section 5. The Commission reserves the right to take such further action as the public interest may require. If you have questions, please feel free to call.

Sincerely,



Julia Solomon Ensor  
Staff Attorney



Lashanda Freeman  
Federal Trade Investigator