



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

Bureau of Consumer Protection
Division of Enforcement

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March 14, 2017

VIA FEDEX

Mark Hellweg, Owner
Ratio, LLC
1204 SE Water Ave.
Suite 15
Portland, OR 97214

Dear Mr. Hellweg:

We received your submissions on behalf of Ratio, LLC (“Ratio”). During our review, we raised concerns that certain marketing materials may have overstated the extent to which Ratio Eight coffeemakers are made in the United States. Specifically, although Ratio assembles coffeemakers in the United States using some domestic components, most of the parts used – including the parts that make the coffeemakers functional – are imported.

As we discussed, unqualified “Made in USA” or “Built 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. Furthermore, the FTC’s Enforcement Policy Statement on “Made in USA” and Other U.S. Origin Claims explains that “‘Assembled in USA’ claims should be limited to those instances where the product has undergone its principal assembly in the United States and that assembly is substantial . . . a product should be last substantially transformed in the United States to properly use an ‘Assembled in USA’ claim.”¹

Accordingly, to avoid deceiving consumers, you explained that Ratio implemented a remedial action plan to clarify its representations. The plan included: (1) updating marketing claims for Ratio coffeemakers to add clear and conspicuous qualifications specifying that the products incorporate significant imported content²; (2) updating social media accounts and posts; and (3) contacting wholesale customers to provide updated origin information and corrected marketing materials.

¹ Federal Trade Commission, *Issuance of Enforcement Policy Statement on “Made in USA” and Other U.S. Origin Claims*, 62 Fed. Reg. 63756, 63770 (Dec. 2, 1997).

² In your submissions, you noted that although Ratio currently assembles coffeemakers in the United States, the company plans to offer some products that are assembled overseas in the near future. At that time, Ratio will update its origin claims to reflect this change.

If in the future Ratio were to offer a new product that is “all or virtually all” made in the United States, it would be appropriate to update your marketing materials accordingly. However, please note that your marketing materials should clearly differentiate U.S.-origin products from imported products, and that you should take care not to make overly broad claims on marketing materials that refer to multiple products.

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