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Protect Yourself



‘Made in USA’ Label Under Scrutiny

*The Federal Trade Commission (FTC) issued a decision that there will be **stricter enforcement on companies who deceptively label their imported products as "Made in USA."***

Last year the commission announced a \$1 million settlement with Williams Sonoma over labeling violations, **the first time the FTC issued a financial penalty in a Made in USA labeling case.** The FTC’s codified the ‘Made in USA’ standard; the rule now allows the agency to seek civil penalties, damages, and other sanctions for violations of ‘Made in USA’.

Another U.S. company, Chemence, Inc., must pay \$1.2 million to settle charges regarding the use of deceptive “Made in USA” claims. The FTC states that this is the highest monetary judgment ever for a “made in USA” case.

According to an FTC press release, the company and its president were charged with **supplying pre-labeled and pre-packaged products with products deceptive, unqualified ‘made in USA’ claims to trade customers for use in *marketing those under retailer brand names.***

The consent order prohibits anyone from making unqualified U.S.-origin claims for any product unless they can show that:

- (1) its final assembly or processing – and all significant processing – takes place in the U.S. **and**
- (2) all or virtually all ingredients or components of the product are made and sourced in the U.S.
- (3) In addition, any qualified Made in USA’ claims must include a clear and conspicuous disclosure about the extent to which the product contains foreign parts, ingredients, components or processing.

To be clear: In order to claim that a product is assembled in the U.S., it must be last substantially transformed in the U.S., its principal assembly must take place in the U.S., and U.S. assembly operations must be substantial.

For More Information:

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