



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

Bureau of Consumer Protection
Division of Enforcement

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May 15, 2020

VIA EMAIL

Mr. Tim Begley
Globetech Manufacturing Inc.
2700 Needmore Road
Dayton, OH 45414
tim.begley@gtmfginc.com

Dear Mr. Begley:

We received your submissions on behalf of Globetech Manufacturing Inc. (“Globetech” or the “Company”). During our review, we discussed concerns that marketing materials may have overstated the extent to which Globetech’s truck and trailer parts are made in the United States. Specifically, although Globetech makes certain mud flaps in the United States, the Company also sells an economy line of imported flaps, and offers other products that incorporate significant foreign content.

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.¹ 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

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) (“Policy Statement”). 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.*

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. Clarity of language, prominence of type size and style, proximity to the claim being qualified, and an absence of contrary claims that could undercut the effectiveness of the qualification, will maximize the likelihood that the qualifications and disclosures are appropriately clear and prominent.”²

To avoid deceiving consumers, Globetech implemented a remedial action plan to update and qualify its representations where needed. This plan included: (1) updating product labels; (2) updating online marketing materials, including social media accounts; (3) destroying outdated trade show and hard-copy advertising materials; and (4) sending a clarification email to sales representatives, customers, and potential customers.

As discussed, it is appropriate for Globetech to promote the fact that it employs workers and makes certain mud flaps in the United States. However, marketing materials should not convey that all Globetech products are made in the United States (unless that becomes the case), or overstate the U.S. content of products that contain significant imported inputs. As you know, 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 Globetech’s 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

² *Id.* at 63769.