



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

Bureau of Consumer Protection
Division of Enforcement

Julia Solomon Ensor
Attorney

Email: jensor@ftc.gov
Direct Dial: (202) 326-2377

January 28, 2020

VIA EMAIL

Richard S. Hartunian, Esq.
Manatt, Phelps & Phillips, LLC
7 Times Square
New York, NY 10036
rhartunian@manatt.com

Dear Mr. Hartunian:

We received your submissions on behalf of Urquid, Inc. d/b/a Urquid Linen (“Urquid Linen” or the “Company”). During our review, we discussed concerns that, although Urquid Linen performs processes in the United States, including cut and sew of certain textile products, 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 products, materials omitted required country-of-origin information, or failed to disclose that those products were made from imported fabrics.

Urquid Linen sells certain products covered by the Textile Act and Textile Rules, including tablecloths, napkins, and draperies. *See* 16 C.F.R. §§ 303.45(a)(7) and 303.45(a)(6).¹ Accordingly, those products are subject to mandatory country-of-origin labeling requirements. *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”).² These requirements apply

¹ Marketers should be aware that for certain products – including sheets, towels, comforters, handkerchiefs, scarfs, napkins, and other “flat” goods, U.S. Customs and Border Protection (“CBP”) requires identification of the country where the fabric was made. *See* 19 C.F.R. § 102.21, implementing Section 334 of the Uruguay Round Agreements Act, 19 U.S.C. § 3592. To comply with both Customs and FTC requirements for this group of products when the products are made in the USA using imported materials, the label must identify both the U.S. and the country of origin of the fabric. For example: “Made in USA of fabric made in China” or “Fabric made in China, cut and sewn in USA.”

² Urquid Linen also sells pipe and drape hardware. To the extent the Company makes U.S.-origin claims for those products, it must comply with Section 5 of the FTC Act, 15 U.S.C. § 45(a). In particular, the Commission has explained that 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 products advertised in those materials are “all or virtually all” made in the United States. *See* FTC,

regardless of whether products originated in the United States or abroad.³ The Textile Act also requires marketers to disclose product origin in “mail order advertising,” including online materials. *See* 16 C.F.R. § 303.34 (advertising materials must contain “a clear and conspicuous statement that the product was either made in U.S.A., imported, or both”).

To come into compliance with the Textile Act and Textile Rules, Urquid Linen implemented a remedial action plan to update its labels and marketing materials. This plan included: (1) removing broad, unqualified advertisements that stated Company products were made in the United States from Company marketing materials and third-party platforms; (2) updating product labels, packaging, and distribution literature; (3) sending a letter to consumers, retailers, and third parties regarding product origin, and posting the letter on the Urquid Linen website and social media pages; and (4) training Company personnel on the requirements of the Textile Act and Textile Rules.

As discussed, it is appropriate for Urquid Linen to promote the fact that it employs workers and performs certain processes in the United States. However, marketing materials that cover imported products or products made from imported fabrics must make clear disclosures in compliance with the Textile Act and Textile Rules. FTC staff is available to work with companies to craft appropriate claims that comply with the Textile Act and Textile Rules, convey non-deceptive information to consumers, and highlight work done in the United States.

Based on Urquid Linen’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 the Textile Act or 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

Issuance of Enforcement Policy Statement on “Made in USA” and Other U.S. Origin Claims, 62 Fed. Reg. 63756, 63768 (Dec. 2, 1997).

³ 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 be aware 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, when evaluating whether a covered product may be marked as wholly or partially made in the United States, marketers need only consider the origin of materials that are one step removed from the particular manufacturing process. For example, a yarn manufacturer must identify imported fiber, a manufacturer of knitted garments must identify imported yarn, and a manufacturer of apparel made from cloth must identify imported fabric. *See* FTC, *Threading Your Way Through the Labeling Requirements Under the Textile and Wool Acts*, available at <https://www.ftc.gov/tips-advice/business-center/guidance/threading-your-way-through-labeling-requirements-under-textile>.