

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



At this time, the Commission has determined that the public interest would best be served by issuing the Decision and Order in final form without modification. The final Decision and Order and other relevant materials are available on the Commission's website at <http>



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

Office of the Secretary

April 16, 2019

Anonymous

*RE: In the Matter of Underground Sports Inc., d/b/a Patriot Puck; Hockey Underground Inc., d/b/a Patriot Puck; Ipuck Inc., d/b/a Patriot Puck; IPuck Hockey Inc., d/b/a Patriot Puck; and George Statler III, Matter No. 1823113, C-4674*

Dear Anonymous:

Thank you for commenting on the Federal Trade Commission's proposed consent agreement in the above-referenced proceeding. The Commission has considered your comment and placed it on the public record pursuant to Rule 4.9(b)(6)(ii) of the Commission's Rules of Practice, 16 C.F.R. § 4.9(b)(6)(ii).

In your comment, you express concern about Respondent's conduct. You do not propose any revisions to the draft Complaint or Decision and Order. Therefore, after considering your comment, the Commission has determined that the relief Td t2 has deab)(comb9 (f)5 .1 (e)n ha.F.R. §







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April 16, 2019

Consumers Union

*RE: In the Matter of Sandpiper of California, Inc. and PiperGear USA, Inc.,  
Matter No. 1823095, C-4675*

*In the Matter of Underground Sports Inc., d/b/a Patriot Puck; Hockey Underground Inc.,  
d/b/a Patriot Puck; Ipuck Inc., d/b/a Patriot Puck; IPuck Hockey Inc., d/b/a Patriot  
Puck; and George Statler III, Matter No. 1823113, C-4674*

Dear Mr. Brookman:

Thank you for commenting on the Federal Trade Commission's proposed consent agreements in the above-referenced proceedings. The Commission has considered your comments and placed them on the public record pursuant to Rule 4.9(b)(6)(ii) of the Commission's Rules of Practice, 16 C.F.R. § 4.9(b)(6)(ii).

In your comments, you expressed concern that the Commission's approach in the above-referenced proceedings is too lenient to deter deceptive "Made in USA" claims in the marketplace. Accordingly, you stated that the Commission should reconsider the pending settlements and incorporate additional remedies, including monetary damages and notice to consumers.

The above-referenced proceedings are administrative settlements. The FTC Act does not allow the agency to obtain fines or a litigated judgment for consumer redress in administrative litigation.<sup>1</sup> Our primary goal in cases such as these is to stop deceptive advertising by putting the Respondents under order. If, in the future, Respondents violate their orders, the Federal Trade Commission could pursue civil penalties of up to \$42,530 per violation.

Administrative consent orders securing at least 20 years of conduct relief buttressed by the threat of significant penalties have been largely successful in keeping companies under order from making deceptive "Made in USA" claims. To date, the FTC has only had cause to initiate two civil penalty order enforcement proceedings against the more than twenty prior respondents

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<sup>1</sup> Fines are similarly unavailable as a remedy in federal court actions, although Section 13(b) of the FTC Act allows the FTC to pursue monetary equitable relief in addition to prohibitory relief in that venue.

in cases involving U.S.-origin claims.<sup>2</sup>

The Decisions and Orders in these matters strike a careful balance between addressing the deceptive conduct alleged in the Complaints without constraining non-deceptive claims or imposing undue burden. Notably, these cases do not involve significant consequential damages to consumers. The particular products at issue—hockey pucks, backpacks, and wallets—function as advertised, and consumers do not incur additional costs to use or return these particular products. Accordingly, standard dissemination of the Decisions and Orders through the Commission’s usual channels—including publication on the website, notices in the Federal Register, blog posts, and social media posts—should sufficiently put consumers on notice of these actions.<sup>3</sup>

You correctly note that the Commission has the legal authority to seek restitution in the first instance in federal court pursuant to Section 13(b) of the FTC Act, and that (e)4 (bs)-1 (i)-2 (t)-2 (e)4 (, n)-1



<http://www.ftc.gov>. It helps the Commission's analysis to hear from a variety of sources in its work, and we thank you again for your comments.

By direction of the Commission, Commissioners Slaughter and Chopra dissenting.

April J. Tabor  
Acting Secretary



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April 16, 2019

Ms. Katherine Marden

*RE: In the Matter of Underground Sports Inc., d/b/a Patriot Puck; Hockey Underground Inc., d/b/a Patriot Puck; IPuck Inc., d/b/a Patriot Puck; IPuck Hockey Inc., d/b/a Patriot Puck; and George Statler III, Matter No. 1823113, C-4674*

Dear Ms. Marden:

Thank you for commenting on the Federal Trade Commission's proposed consent agreement in the above-referenced proceeding. The Commission has considered your comment and placed it on the public record pursuant to Rule 4.9(b)(6)(ii) of the Commission's Rules of Practice. you04 Tc 0

However, as noted in Commissioner Slaughter's and Chairman Simons's statement issued in conjunction with the announcement of the above-referenced proceeding, the Commission agrees there may be cases where it can further maximize its enforcement reach through strategic use of additional remedies. Fo1.196p



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April 16, 2019

Senators Brown, Baldwin, and Murphy

*RE: In the Matter of Sandpiper of California, Inc. and PiperGear USA, Inc.,  
Matter No. 1823095, C-4675*

*In the Matter of Underground Sports Inc., d/b/a Patriot Puck; Hockey Underground Inc.,  
d/b/a Patriot Puck; Ipuck Inc., d/b/a Patriot Puck; IPuck Hockey Inc., d/b/a Patriot  
Puck; and George Statler III, Matter No. 1823113, C-4674*

Dear Senators:

Thank you for commenting on the Federal Trade Commission's proposed consent agreements in the above-referenced proceedings. The Commission has considered your comments and placed them on the public record pursuant to Rule 4.9(b)(6)(ii) of the Commission's Rules of Practice, 16 C.F.R. § 4.9(b)(6)(ii).

In your comments, you expressed concern that the Commission's approach in the above-referenced proceedings neither adequately penalizes the Respondents in these matters, nor is likely to deter other companies from making deceptive "Made in USA" claims in the marketplace. Accordingly, you stated that the Commission should use its full authority pursuant to Section 5 of the FTC Act to incorporate additional remedies into the settlements, including monetary damages and compelled admissions.

The above-referenced proceedings are administrative settlements. The FTC Act does not allow the agency to obtain fines or a litigated judgment for consumer redress in administrative litigation.<sup>1</sup> Our primary goal in cases such as these is to stop deceptive advertising by putting the Respondents under order. If, in the future, Respondents violate their orders, the Federal Trade Commission could pursue civil penalties of up to \$42,530 per violation.

The Commission carefully considers the facts of each case in determining whether an admission is appropriate. Although the Commission has very rarely required first-time offenders to admit liability, we regularly pursue such relief in conjunction with contempt actions. Agency regulations specifically contemplate settlements stating that respondents neither admit nor deny liability. *See* 16 CFR § 2.32 (stating that consent agreements "may state that the signing thereof is for settlement purposes only and does not constitute an admission by any party that the law has been violated as alleged in the complaint"). Consistent with these regulations, the consent

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<sup>1</sup> Fines are similarly unavailable as a remedy in federal court actions, although Section 13(b) of the FTC Act allows the FTC to pursue monetary equitable relief in addition to prohibitory relief in that venue.

agreement with Respondents included this language.

Administrative consent orders containing this language and securing at least 20 years of conduct relief buttressed by the threat of significant penalties have been largely successful in keeping companies under order from making deceptive “Made in USA” claims. To date, the FTC has only had cause to initiate two civil penalty order enforcement