

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

Bureau of Consumer Protection Division of Enforcement

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## **VIA EMAIL**

Mr. Bruce Tretter Chief Operations Officer GDMC USA LLC d/b/a VOmax 48 Damon Rd. Northampton, MA 01060

Dear Mr. Tretter:

We received your submissions on behalf of GDMC USA LLC d/b/a VOmax ("VOmax" or the "Company"). During our review, we discussed two sets of concerns. First, certain marketing materials may have overstated the extent to which VOmax products are made in the United States. For example, VOmax made "#madeinusa" and other unqualified U.S.-origin claims in social media posts and other online materials, even though some VOmax cycling apparel is imported or made from imported fabrics. Second, certain VOmax 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 apparel products, materials omitted required country-of-origin information, or failed to disclose that products were made from imported fabrics.

Unqualified U.S.-origin claims in general marketing materials, including social media posts, likely suggest to consumers that <u>all</u> products advertised in those materials are made in the United States.<sup>1</sup> As the Commission has explained, "marketers should not represent, either

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<sup>&</sup>lt;sup>1</sup> VOmax sells articles of wearing apparel, which are covered by the Textile Act and Rules. See 16 C.F.R. §§ 303.45(a)(1). 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

expressly or by implication, that a whole product line is of U.S. origin (*e.g.*, 'Our products are Made in USA') when only some products in the product line are, in fact, made in the United States."<sup>2</sup>

Moreover, because they are covered by the Textile Act and Rules, VOmax's wearing apparel products are subject to mandatory country-of-origin labeling requirements, including requirements to disclose use of imported fabric. *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").<sup>3</sup> The Textile Act also requires marketers to disclose product origin in "mail order advertising," including online materials. 16 C.F.R. § 303.34 (advertising 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 Section 5 of the FTC Act, 15 U.S.C. § 45(a) ("Section 5"), and the Textile Act and Textile Rules, VOmax implemented a remedial action plan to update its labels and marketing materials. This plan included: (1) removing broad, unqualified U.S.-origin claims from advertisements, including social media posts; (2) updating product labels, where appropriate; and (3) ensuring all "mail order advertising" contains required origin information.

As discussed, it is appropriate for VOmax to promote the fact that it employs workers in the United States and offers a line of U.S.-origin apparel. However, marketing materials that cover imported products or products made from imported fabrics must (1) not overstate the extent to which company products are made in the United States, and (2) make clear origin disclosures in compliance with the Textile Act and Textile Rules. FTC staff is available to work with companies to craft appropriate claims that