

Bureau of Consumer Protection Division of Enforcement

> Julia Solomon Ensor Attorney

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VIA EMAIL

Neil C. Jones, Esq. Nelson Mullins Riley & Scarborough LLP 2 W. Washington Street Greenville, SC 29601 neil.jones@nelsonmullins.com

Dear Mr. Jones:

We received your submissions on behald of Weld Company, LLC ("J-B Weld" or the "Company"). During our review, we discussed the restant marketing materials may have overstated the extent to which J-B Weld's produces made in the United States. Specifically, although J-B Weld makes many U.S.-origin epoxed allicone adhesiveroducts in the United States, the Company also sella covacrylate and other adhesive other that either incorporate significant imported contents rare wholly imported.

As discussed, unqualified U.S.-origin claimsmarketing materials – including claims that products are "Made," "Built," or "Manufacted" in the USA – likely suggest to consumers that all products advertised in

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 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."³

To avoid deceiving consumers, J-B Weld implemented a remedial action plan to update and qualify its representations where needed. This plan included: (1) updating packaging for three product lines; (2) removing unqualified U.S.-origin claims from general company marketing materials, including the J-B Weld website, LinkedIn page, Facebook page, and YouTube page; and (3) requiring updates to third-party online marketing materials for affected product lines.

In general, although not specifically covered in the Policy Statement, the FTC has not required manufacturers to account for the origin of incidental, discarded packaging when analyzing product origin, unless the marketer's claims expressly or impliedly convey that the packaging is of U.S. origin.⁴ In this case, in certain instances, J-B Weld made unqualified "Made in USA" claims on its packaging about its products. While the glue contained in that packaging was "all or virtually all" made in the United States, the packaging itself, which had no independent value to consumers and was typically discarded upon depletion, was not. In the absence of consumer perception evidence showing otherwise, FTC staff finds it is unlikely that reasonable consumers interpreted the unqualified U.S. origin claims on these adhesive products as covering the incidental, discarded packaging.

As discussed, it is appropriate for J-B Weld to promote the fact that it employs workers

³ *Id.* at 63769.

⁴ See, e.g., FTC Advisory Opinion No. 368, Disclosure of origin of imported plastic vinegar bottles (Oct. 9, 1969), *digest available at*

and makes a wide range of products in the United States, provided that marketing materials do not convey that <u>all</u> J-B Weld products are made in the United States 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 J-B Weld'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

cc: Kenneth Plevan, Chair, NARB