



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

Bureau of Consumer Protection
Division of Enforcement

December 13, 2017

VIA FEDEX

Dan Gibb, Esq.
Dentons US LLP
1900 K Street, NW
Washington, DC 20006

Dear Mr. Gibb:

We received your submissions on behalf of your client, Watchfire Signs, LLC (“Watchfire”). During our review, we discussed concerns that certain marketing materials may have overstated the extent to which Watchfire’s LED signs are made in the United States. Specifically, although Watchfire designs, assembles, and supports its products in the United States, the products contain significant foreign content.

As discussed, the FTC’s Enforcement Policy Statement on U.S. Origin Claims (“Policy Statement”) states that unqualified “Made in USA” claims likely suggest to consumers that products 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.

In this case, although Watchfire performs significant operations in the United States, imported LEDs constitute key parts that are essential to the product’s function. Accordingly, to avoid deceiving consumers, you explained that Watchfire: (1) updated its website and social media accounts to remove or qualify all U.S.-origin claims; (2) provided all third-party distributors and retailers with updated marketing material; and (3) trained sales and marketing staff on how to make non-deceptive claims for Watchfire products.

Based on your 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

¹ Federal Trade Commission, *Issuance of Enforcement Policy Statement on “Made in USA” and Other US Origin Claims*, 62 Fed. Reg. 63756, 63768 (Dec. 2, 1997).

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) 326-3405.

Sincerely,

A handwritten signature in blue ink, appearing to read "Crystal Ostrum", with a long horizontal flourish extending to the right.

Crystal D. Ostrum
Investigator