## UNITED STATES OF AMERICA BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS: Joseph J. Simons, Chairman

**Noah Joshua Phillips** 

**Rohit Chopra** 

Rebecca Kelly Slaughter Christine S. Wilson

In the Matter of

WILLIAMS-SONOMA, INC., a corporation, d/b/a Williams Sonoma, Williams Sonoma Home, Pottery Barn, Pottery Barn Kids, Pottery Barn Teen, West Elm, Rejuvenation, Outward, and Mark & Graham.

DOCKET NO. C-4724

### **COMPLAINT**

The Federal Trade Commission ("FTC" or "Commission"), having reason to believe that Williams-Sonoma, Inc., a corporation, also doing business as Williams Sonoma, Williams Sonoma Home, Pottery Barn, Pottery Barn Kids, Pottery Barn Teen, West Elm, Rejuvenation, Outward, and Mark & Graham ("Respondent" or "Williams-Sonoma"), has violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that this proceeding is in the public interest, alleges:

- 1. Respondent is a Delaware corporation, with its principal place of business at 3250 Van Ness Avenue, San Francisco, CA 94109.
- 2. Respondent has advertised, labeled, offered for sale, sold, and distributed home products to consumers, including cookware, furniture, light fixtures, linens, small electronics, and others. Respondent advertises these home products in stores and online, including, but not limited to, on its websites and social media platforms. Respondent offers for sale, sells, and distributes its products throughout the United States.
- 3. The acts and practices of Respondent alleged in this complaint have been in or affecting commerce, as "commerce" is defined in Section 4 of the Federal Trade Commission Act.
- 4. In 2018, the Commission received reports that Respondent disseminated Internet advertisements and promotional materials for Pottery Barn Teen organic mattress pads stating those products were "Crafted in America from local and imported materials." When consumers

purchased the mattress pads, they discovered that the pads were, in fact, made in China.



- 5. After receiving and verifying these reports, the FTC contacted Williams-Sonoma, which quickly updated its website to include correct country-of-origin information for this product. As part of the FTC's inquiry, the FTC instructed Respondent to undertake a larger review of its country-of-origin verification process.
- 6. On June 13, 2018, in response to Williams-Sonoma's quick action to update its claims, explanation that the mattress pad misrepresentation was an isolated instance of human error, and commitment to a multi-step verification process to prevent deceptive country-of-origin claims, FTC staff closed its investigation with a letter on the public record in lieu of formal enforcement action. *See* Exhibit A. The staff's letter specified that it "should not be construed as a determination that there was no violation of Section 5 . . . [and t]he Commission reserves the right to take such further action as the public interest may require."
- 7. In May 2019, the FTC received a report that despite Williams-Sonoma's statements leading to the staff's closing letter, Respondent continued to disseminate advertisements and promotional materials, including through its website and social media platforms, which deceptively claimed certain categories of Williams-Sonoma products were all or virtually all made in the United States.
- 8. Specifically, since June 13, 2018, to induce consumers to purchase Goldtouch Bakeware, Rejuvenation-branded products, and Pottery Barn Teen and Pottery Barn Kids-branded upholstered furniture products, Respondent disseminated or caused to be disseminated advertisements that contain the following statements and depictions, among others:

# A. Goldtouch Bakeware is made in America or in the USA





(Company website and catalogue).

# B. Rejuvenation-branded products are made in America or in the USA



### Luxurious Craft

Our versatile sofas, sectionals, and chairs are expertly crafted and upholstered with high-quality materials. From top-grain leather to durable wool tweed, each item represents our commitment to longevity Choose from a range of styles to add quality comfort to your space.

#### SHOP NOW



# Made in the USA Our sofas and chairs are benchmade in North Carolina by a family-owned company, using sustainable practices and materials made to last.

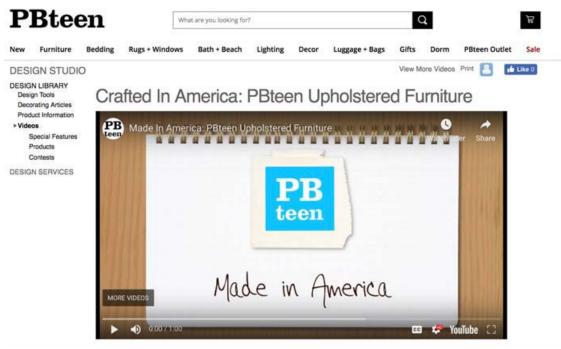
# REJUVENATION





(Company website and emails).

C. Pottery Barn Teen and Pottery Barn Kids-branded upholstered furniture is made in America or in the USA



(Company video).

9. In numerous instances, including, but not limited to, the promotional materials referenced in paragraph 8, Respondent has represented that all Goldtouch Bakeware, Rejuvenation-branded products, and Pottery Barn Teen and Pottery Barn Kids-branded upholstered furniture products, including raw materials and subcomponents, were all or virtually all made in the United States.

- 10. In fact, numerous Goldtouch Bakeware products, Rejuvenation-branded products, and Pottery Barn Teen and Pottery Barn Kids-branded upholstered furniture products are wholly imported, or contain significant imported materials or components.
- 11. Therefore, Respondent's broad claims that all Goldtouch Bakeware products, Rejuvenation-branded products, and Pottery Barn Teen and Pottery Barn Kids-branded upholstered furniture products are all or virtually all made in the United States deceive consumers.

# Count I False or Unsubstantiated Representation – Made in USA

- 12. In connection with the advertising, promotion, offering for sale, or sale of Goldtouch Bakeware products, Rejuvenation-branded products, and Pottery Barn Teen and Pottery Barn Kids-branded upholstered furniture products, Respondent has represented, directly or indirectly, expressly or by implication, that such products, including the materials and subcomponents used to make such products, are all or virtually all made in the United States.
- 13. In fact, in numerous instances, Respondent's Goldtouch Bakeware products, Rejuvenation-branded products, and Pottery Barn Teen and Pottery Barn Kids-branded upholstered furniture products are wholly imported or incorporate significant imported materials or subcomponents. Therefore, the representations set forth in paragraph 12 are false or misleading, or were not substantiated at the time the representations were made.

## **Violations of Section 5**

14. The acts and practices of Respondent as alleged in this complaint constitute unfair or deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act.

**THEREFORE**, the Federal Trade Commission this thirteenth day of July 2020, has issued this Complaint against Respondent.

By the Commission, Commissioner Slaughter not participating.

April J. Tabor Secretary

SEAL: