



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

Bureau of Consumer Protection
Division of Enforcement

Julia Solomon Ensor
Attorney

Email: jensor@ftc.gov
Direct Dial: (202) 326-2377

May 14, 2019

VIA EMAIL

Lizbeth Levinson, Esq.
Fox Rothschild LLP
1030 15th St., NW
Suite 380 East
Washington, DC 20005

Dear Ms. Levinson:

We received your submissions on behalf of LG Hausys America, Inc. (“LG Hausys” or the “Company”). During our review, we discussed concerns that marketing materials may have overstated the extent to which LG Hausys’s surface slabs for countertop fabrication are made in the United States. Specifically, in some instances, essential raw materials incorporated into the Company’s quartz and solid surface slabs are imported. In other instances, slabs are imported as finished products.

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

To avoid deceiving consumers, LG Hausys implemented a remedial action plan to update its representations. This plan included: (1) removing U.S.-origin claims from or incorporating

¹ Federal Trade Commission, *Issuance of Enforcement Policy Statement on “Made in USA” and Other U.S. Origin Claims*, 62 Fed. Reg. 63756, 63768 (Dec. 2, 1997). Additionally, beyond express “Made in USA” claims, “[d]epending on the context, U.S. symbols or geographic references, such as U.S. flags, outlines of U.S. maps, or references to U.S. locations of headquarters or factories, may, by themselves or in conjunction with other phrases or images, convey a claim of U.S. origin.” *Id.*

qualified claims into marketing materials; (2) sending out more than 5,000 update kits to customers; and (3) making diligent efforts to ensure the accuracy of dealer claims, including by sending five rounds of email blasts, monitoring email open and read rates, conducting field visits, and terminating noncompliant dealers.

As discussed, it is appropriate for the Company to promote the fact that it employs workers and performs certain processes in the United States, provided that marketing materials do not overstate the extent to which products are made in the United States. Additionally, if in the future the Company offers a product that is "all or virtually all" made in the United States, it would be appropriate to update marketing materials accordingly, taking care not to make overly broad U.S.-origin claims on marketing materials that refer to multiple products. 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 LG Hausys'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