

Publications

New Enforcement and New Rules for Made in USA Claims

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Kim Beis authored an article for *Nutrition Industry Executive* titled “New Enforcement and New Rules for Made in USA Claims.” The article focused on a new U.S. Federal Trade Commission (FTC) rule known as the “Made in USA” Rule. According to the article, the rule was drafted in an effort to “crack down” on false and unqualified claims by companies that their products are made in the USA. The rule was published on July 14, 2021 in the Federal Register and became effective on Aug. 13, 2021.

The article states:

“FTC has noted that the goal of codifying the Made in USA Rule is to increase deterrence of ‘Made in USA’ fraud as well as to clarify (and codify) some of the standards relating to ‘Made in USA’ claims. FTC had a number of options regarding the standard for determining how a product qualifies as ‘Made in USA.’ Those included: 1) a percentage-of-costs standard; 2) allowances made for imported parts or materials not available in the United States; 3) ‘substantial transformation’ test standard (like that used by Customs and Border Patrol); as well as 4) a safe harbor for ‘good faith’ efforts to comply. However, FTC stuck with ‘all or virtually all’ which prohibits unqualified ‘Made in USA’ claims on labels unless 1) final assembly or processing of the product occurs in the United States; 2) all significant processing occurs in the United States; and 3) all or virtually all ingredients or components of the product are made and sourced in the United States.”

To read the entire article on the *Nutrition Industry Executive* website, [click here](#).