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FTC Seeks to Enforce "Made in USA" Labeling Rule in Complaint Against Battery Seller



Key Takeaways:

- On April 12, 2022, the Federal Trade Commission (FTC) used its authority under the new [Made in USA Labeling Rule](#) to bring a complaint against a battery seller for allegedly misrepresenting that its lithium ion cells were made in the USA, seeking over \$100,000 in penalties.
- The Made in USA Labeling Rule codified pre-existing Made in USA guidance and [was enacted in August 2021](#) to allow the FTC to more easily seek monetary penalties in connection with Made in USA violations.

On April 12, 2022, the FTC filed a complaint against Lithionics, a seller of batteries. The complaint alleges that Lithionics labels their battery products with a USA flag with the text "Made in U.S.A" and also uses the slogan "Proudly Designed and Built in USA". The FTC further alleged that Lithionics compares their products to "imports" in marketing materials. According to the FTC Complaint, however, many of the products Lithionics sells incorporate components produced in China or elsewhere.

The complaint seeks to require Lithionics to cease all USA origin claims unless they can demonstrate that the final assembly and all significant processing takes place in the United States, and that all components of the product are made and sourced in the United States. The FTC also requests civil penalties of over \$100,000, or three times Lithionics' profits attributable to the illegal use of the "Made in USA" label.

The FTC has continued to focus on Made in USA violations, and brands should take care to make sure they review and understand both the Made in USA Labeling Rule and FTC guidance when marketing a product as "Made in USA."

Authors

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