

Label With Care: FTC Intensifies Focus on Misleading “Made in USA” Claims

WRITTEN BY

Daniel N. Anziska | Ryan Last

On July 8, in the wake of the Federal Trade Commission’s (FTC) designation of July as “[Made in the USA](#)” ([MUSA](#)) Month, the FTC issued [warning letters](#) to four companies suspected of violating the FTC’s Made in USA Labeling Rule under 16 C.F.R. § 323 (MUSA Labeling Rule) for deceptively claiming their consumer goods are of U.S.-origin and sent additional letters to online retailers, highlighting suspected similar violations by third-party sellers on their platforms. This move signals the FTC’s commitment to prioritizing MUSA labeling compliance and suggests that online retailers may need to take proactive measures to address false labeling and U.S.-origin claims on their platforms.

The FTC enforces both the [FTC Act](#) and the [MUSA Labeling Rule](#), which address different aspects of product origin representations. The FTC Act prohibits unfair or deceptive acts in commerce, requiring that any representations, including origin claims, be truthful, non-misleading, and adequately substantiated. Meanwhile, the MUSA Labeling Rule governs labeling practices, stipulating that a product can only be labeled as “Made in the United States” if it meets certain criteria. To claim U.S. origin and label a product “Made in the United States,” a company must establish that a product is “all or virtually all made in the U.S., which means “the final assembly or processing of the product occurs in the United States, all significant processing that goes into the product occurs in the United States, and all or virtually all ingredients or components of the product are made and sourced in the United States.”

In response to “information and complaints” from unidentified parties, the FTC sent warning letters to four companies regarding their suspected violations of the FTC Act and MUSA Labeling Rules. These warning letters signaled that the companies could be subject to enforcement actions if they cannot adequately substantiate that the products meet the “all or virtually all” standard. Similarly, the FTC sent letters to two major online retailers, informing them of the MUSA labeling and advertising laws and how the FTC suspects that third-party sellers on their platforms are violating the “all or virtually all” standard. The FTC also signaled that online retailers should take corrective action “against third-party sellers who make false or misleading ‘Made in USA’ claims on [their] online marketplace in violation of the FTC Act, MUSA Labeling Rule, and [their seller codes of conduct].”

The FTC’s actions, including the declaration of July as MUSA Month, the issuance of warning letters to individual companies, and the advisory letters to leading online retailers, underscore its prioritization of enforcement of the MUSA Labeling Rule. Businesses must ensure their products, and those of third-party sellers, meet MUSA requirements to avoid potential penalties.

Nick Erickson, a 2025 summer associate with Troutman Pepper Locke who is not admitted to practice law in any

jurisdiction, also contributed to this article.

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