



## *California Amends Advertising Law to Provide Guidance for “Made in USA”*

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Good news for manufacturers! On September 1, 2015, California amended its false advertising law to provide much-needed guidance on use of “Made in USA” and similar designations of domestic origin.

Effective January 1, 2016, California law provides that “Made in USA” may be used on products where the foreign content is 5% or less of the wholesale value of the product. The law also allows “Made in USA” to be used where the foreign content is up to 10% of the wholesale value of the product, if the manufacturer can show that the foreign components or ingredients cannot be produced or sourced in the United States.

California’s “Made in USA” law has been the subject of significant discussion in recent years, because the statute itself had not provided a clear threshold requirement for domestic or foreign content. There were also concerns that the law was not in conformity with the Federal Trade Commission’s approach for use of “Made in USA”. Multiple class-action lawsuits have been filed over the years against businesses accused of violating the California law, even where defendants claimed that they were in compliance with federal “Made in USA” guidelines.

California’s “Made in USA” statute can be found at Section 17533.7 of the Business and Professions Code. The amendment is California Senate bill 633, approved by the governor on September 1, 2015.



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If you have any questions concerning California's "Made in USA" statute, or false advertising class action defense generally, please feel free to contact [Bradley Cohn](#) or [Jessica Ekhoﬀ](#).

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