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PUTATIVE CLASS ACTION LAWSUIT FILED AGAINST J. BRAND JEANS OVER “MADE IN CALIFORNIA, USA” LABEL

Apr 13, 2016

Plaintiffs in California continue to focus on labels. Recently, a putative class action lawsuit was filed against J Brand, Inc., the maker of designer J Brand jeans and other clothing. The complaint alleges that the label for J Brand jeans states they are “Made in California, USA,” but that more than 5% of the jeans consist of imported material. Specifically, the complaint alleges that the imported material used includes fabric, thread, buttons, subcomponents of the zipper assembly, and rivets.

The plaintiff’s claim against J Brand, Inc. is based on an alleged violation of California Business and Professions Code section 17533.7, which provides that it is unlawful to use “Made in U.S.A.,” or similar words if the product has been “entirely or substantially made, manufactured, or produced outside of the United States.”

There are two exceptions to the statute. First, a company may still use the “Made in U.S.A.” label if imported materials constitute 5% or less of the final wholesale value of the manufactured product. Second, a company may still use the “Made in U.S.A.” label if the manufacturer cannot produce or obtain the imported materials from a domestic source, and the imported materials constitute 10% or less of the final wholesale value of the manufactured product.

National retailers should be aware that the California standard for a “Made in U.S.A.” label differs slightly from the Federal Trade Commission (“FTC”) standard. The FTC requires that “all or virtually all” of a product with a “Made in U.S.A.” label be made in the United States. The FTC, however, does not specify a maximum percentage of product content or value that may be derived from imported materials. Retailers using a “Made in U.S.A.” label should be aware of these different standards and confirm the source of the materials used in their products.

MEET THE TEAM



Merrit M. Jones

San Francisco

merrit.jones@bclplaw.com

+1 415 675 3435

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