

November 1, 2022

VIA EMAIL

Sandra Phillips Rogers, General Counsel Toyota Motor North America 6565 Headquarters Dr. Plano, TX 75024 sandra.phillips@toyota.com

Re: Toyota's Deceptive Built in USA Marketing

Dear Ms. Rogers:

I am writing to you on behalf of Truth in Advertising, Inc. ("TINA.org"), a nonprofit consumer advocacy organization dedicated to protecting consumers from deceptive advertising. An investigation of Toyota Motor Corporation has revealed that it is deceptively marketing certain vehicles as "built" in the United States when, in reality, the vehicles are assembled in the U.S. using imported parts. As you may be aware, according to the Federal Trade Commission, "built" is synonymous with "made" in the U.S.¹ and therefore requires that any vehicle being marketed as such must be "all or virtually all" made domestically and contain "no – or negligible – foreign content."²

For example, Toyota is claiming in a national television commercial that the Tundra is "Designed, Engineered & Built in the USA."³



While the narrator of the commercial makes an unqualified "built in the USA" claim, bold language on the screen, as shown in the screenshot above, makes the same claim with the sole indication that the Tundra is made with U.S. and globally sourced parts in inconspicuous fine print that appears on the screen for approximately three seconds.⁴



"Toyota vehicles and components assembled using U.S. and globally sourced parts."

Such a small and quickly disappearing qualifying disclosure is neither conspicuous nor unavoidably seen. Thus, Toyota's Built in the USA claim is deceptive and in violation of Section 5 of the FTC Act, 15 U.S.C. § 45. To the extent similar deceptive claims are repeated in physical or digital labels, they would also be in violation of the FTC's Made in USA Labeling Rule, 16 CFR Part 323.

Toyota has every right to boast of its assembly plants in the United States that create American jobs and strengthen the U.S. economy, but it cannot illegally embellish the amount of manufacturing that takes place domestically. Toyota must ensure that its marketing messages are truthful, nondeceptive, and in compliance with the law.

We trust Toyota will take immediate action to rectify this deceptive marketing.

If you have any questions, please do not hesitate to contact us.

Sincerely,

Laura Smith, Esq. Legal Director Truth in Advertising, Inc.

https://www.ftc.gov/system/files/documents/cases/172_3033_ispring_water_systems_stipulated_order.pdf ("'Made in the United States' means any representation, express or implied, that a product or service, or a specified component thereof, is of U.S.-origin, including, but not limited to, a representation that such product or service is 'made,' 'manufactured,' 'built,' 'produced,' or 'crafted' in the United States or in America, or any other U.S.-origin claim."). See also Made in USA Labeling Rule, 16 CFR Part 323 ("The term Made in the United States means any unqualified representation, express or implied, that a product or service, or a specified component thereof, is of U.S. origin, including, but not limited to, a representation that such product or service is 'made,' 'manufactured,' 'built,' 'produced,' 'created,' or 'crafted' in the United States or in America, or any other unqualified U.S.-origin claim.")

² FTC, Complying with the Made in USA Standard, <u>https://www.ftc.gov/business-guidance/resources/complying-made-usa-standard</u>.

³ Toyota Tundra TV Spot, 'Rugged and Capable' Featuring Ethan Erickson, Danielle Demski, published Oct. 6, 2022, <u>https://www.ispot.tv/ad/2qOu/toyota-tundra-really-means-it-featuring-ethan-erickson-danielle-demski-t2</u>.

This made in USA message is bolstered by other claims made by Toyota. For example, in a September 2022 tweet, Toyota referenced its "innovation, leadership and Made in America story."



⁴ This fine print information is consistent with origin information published by the United States Department of Transportation, which indicates that the Tundra contains, at most, 50 to 60 percent domestic content, while the Tundra Hybrid contains, at most, 50 percent domestic content. *See* U.S. Department of Transportation, NHTSA, Part 583 American Automobile Labeling Act Reports, <u>https://www.nhtsa.gov/part-583-american-automobile-labeling-act-reports</u>; U.S.

¹ See United States v. iSpring Water Systems, LLC, et al., Stipulated Order for Civil Penalties, Permanent Injunction, and Other Relief, Apr. 19, 2019,

Department of Transportation, NHTSA, Part 583 American Automobile Labeling Act Report for 2022 makes and models, <u>https://www.nhtsa.gov/sites/nhtsa.gov/files/2022-09/MY2022-AALA-Alphabetical-8-30-22.pdf</u>; U.S. Department of Transportation, NHTSA, Part 583 American Automobile Labeling Act Report for 2023 makes and models, <u>https://www.nhtsa.gov/sites/nhtsa.gov/files/2022-10/MY2023-AALA-Alphabetical-10-6-22.pdf</u>.

In fact, Toyota North America's CEO was quoted by media outlets as stating "There is no such thing as an American-made car." Toyota boss to Trump: No such thing as American-made car, Jan. 14, 2019, Julia Limitone,

https://www.yahoo.com/now/toyota-boss-trump-no-thing-

<u>174431782.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xlLmNvbS8&guce_referrer_sig=AQAAAIJ45SMDX2DyD-</u>

<u>3S9LbumSROaFoFKgdKDoPBb8N2Rdd_GCxFsMN898VxPsvYzZokiwNvQEs2otacA67yfzRR</u> 0E3_FmUfrSXSOY2T3Qhs0F2bstTMPRBD8lFnrBCu75CxVULhXbrGnwRySly3VVYjcbqhWx Ts2IcZ0MVlln2fx1SX.