



7020-02

INTERNATIONAL TRADE COMMISSION

[Investigation No. 337-TA-1092]

Certain Self-Anchoring Beverage Containers;

Commission Final Determination of Violation of Section 337; Issuance of a General Exclusion Order; Termination of Investigation

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has determined that there is a violation of section 337 of the Tariff Act of 1930, as amended, in the above-captioned investigation. The Commission has issued a general exclusion order (“GEO”) barring entry of certain self-anchoring beverage containers that infringe the patent asserted in this investigation. The Commission has terminated this investigation.

FOR FURTHER INFORMATION CONTACT: Robert Needham, Office of the General Counsel, U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C. 20436, telephone (202) 708-5468. Copies of non-confidential documents filed in connection with this investigation are or will be available for inspection during official business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C. 20436, telephone (202) 205-2000. General information concerning the Commission may also be obtained by accessing its Internet server at <https://www.usitc.gov>. The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) at <https://edis.usitc.gov>. Hearing-impaired persons are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on (202) 205-1810.

SUPPLEMENTARY INFORMATION: The Commission instituted this investigation on January 8, 2018, based on a complaint, as amended, filed by Complainants Alfay Designs, Inc., of Rahway, New Jersey; Mighty Mug, Inc., of Rahway, New Jersey; and Harry Zimmerman of Los Angeles, California (collectively, “Complainants”). 83 FR 835-36 (Jan. 8, 2018). The amended complaint alleged violations of section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. 1337 (“section 337”), in the importation into the United States, the sale for importation, and the sale within the United States after importation of certain self-anchoring beverage containers by reason of infringement of certain claims of U.S. Patent Nos. 8,028,850 (“the ‘850 patent”) and 8,757,418 (“the ‘418 patent”), as well as U.S. Trademark Registration No. 4,191,803 (“the ‘803 trademark”). *Id.* The amended complaint further alleged that a domestic industry in the United States exists or is in the process of being established.

The notice of investigation named eight respondents: Telebrands, Corp. of Fairfield, New Jersey (“Telebrands”); HIRALIY of Guangzhou, Chin; Chekue, Shenzhen Chekue Trading Co. Ltd. of Shenzhen, China; Tapcet, Guangzhou Tinghui Trade Co., Ltd. of Guangzhou, China; OTELAS, MB of Klaipeda, Lithuania; and Artiart Limited of Taipei, Taiwan (collectively, the “Unserved Respondents”); and OUOH, Zhejiang OUOH Houseware Co., Ltd., of Wenzhou, China (“OUOH”), and DevBattles of Ternopil, Ukraine (“DevBattles”). *Id.* The notice of investigation also named the Office of Unfair Import Investigations (“OUII”) as a party to the investigation. *Id.* The Commission subsequently terminated the investigation with respect to Telebrands and the Unserved Respondents. *See* Order No. 8 (Feb. 16, 2018) (unreviewed Notice (Mar. 15, 2018)); Order No. 10 (Apr. 10, 2018) (unreviewed Notice (May 8, 2018)).

On May 3, 2018, the ALJ issued an initial determination (“ID”) (Order No. 11) finding in default the last two remaining respondents, OUOH and DevBattles (collectively, “the defaulting respondents”). The Commission determined not to review the ID. Comm’n Notice (June 1, 2018).

On May 25, 2018, Complainants filed a motion for summary determination that the defaulting respondents have sold for importation into the United States, imported into the United States, or sold after importation certain self-anchoring beverage containers that infringe certain claims of the ‘850 patent in violation of section 337. The motion also requested a recommendation for entry of a GEO; but the motion did not request cease and desist orders directed against either defaulting respondent.

On June 6, 2018, the ALJ issued an ID (Order No. 12), granting Complainants’ motion to withdraw all allegations based on the ’803 trademark and the ’418 patent. The Commission determined not to review the ID. Comm’n Notice (June 25, 2018).

On June 14, 2018, Complainants filed a supplement to their May 25, 2018, motion for summary determination. On the same day, OUII filed a response in support of Complainants’ motion.

On August 27, 2018, the ALJ issued an ID (Order No. 15) granting Complainants’ motion for summary determination. The ALJ found that the importation requirement is satisfied as to each defaulting respondent, that the accused products of each defaulting respondent infringe claim 1 of the ‘850 patent, and that Complainants satisfied the domestic industry requirement. No petitions for review of the ID were filed. The ALJ recommended issuance of a GEO and the imposition of a bond in the amount of 100 percent of the entered value of subject products during

the period of Presidential review.

On October 5, 2018, the Commission determined to review in part the ID granting summary determination of a section 337 violation. 83 FR 51703 (Oct. 12, 2018) (“Notice”). Specifically, the Commission determined to review: (1) the ID’s findings on infringement to correct typographical errors, namely to modify a cross-reference “[f]or the foregoing reasons” at page 11 of the ID to “[f]or the following reasons” and to modify a citation to “Mot. Ex. 3 at Attachments 1 (OUOH) and 6 (DevBattles)” at page 11 of the ID to “Mot. Ex. 3 at Attachments 3 (OUOH) and 6 (DevBattles)”, and to strike the sentence at page 11 of the ID that refers to claim charts attached to the Amended Complaint (“Complainants also attached claim charts to the Amended Complaint . . . of the patent. (Compl Exh. 38 at 13-15 (OUOH), 16-18 (DevBattles).)”); (2) the ID’s findings on importation, and on review, (a) affirm the ID’s finding on importation as to defaulting respondent OUOH on the modified ground that Complainants have established by substantial, reliable, and probative evidence that the importation requirement of section 337 is satisfied with respect to defaulting respondent OUOH and (b) take no position on whether Complainants have established by substantial, reliable, and probative evidence the importation requirement as to defaulting respondent DevBattles; and (3) the ID’s findings on the economic prong of the domestic industry, and on review, affirm the ID’s finding of the existence of a domestic industry under subsection 337(a)(3)(B), and to take no position on whether a domestic industry exists under subsections 337(a)(3)(A) or (C). Accordingly, the Commission found a violation of section 337 as to defaulting respondent OUOH by substantial, reliable, and probative evidence.

In its Notice, the Commission requested written submissions on the issues of remedy, the public interest, and bonding. 83 FR 51703 (Oct. 12, 2018). Complainants and OUII timely filed initial written submissions, and OUII also filed a reply to Complainants' submission. No other submissions were filed in response to the Commission Notice.

Having reviewed the submissions filed in response to the Commission Notice and the evidentiary record, the Commission has determined that the appropriate form of relief in this investigation is a GEO prohibiting the unlicensed importation of certain self-anchoring beverage containers that infringe claim 1 of the asserted patent. The Commission has further determined that the public interest factors enumerated in section 337(d) (19 U.S.C. 1337(d)) do not preclude issuance of the GEO. Finally, the Commission has determined that a bond in the amount of one hundred (100) percent of the entered value is required to permit temporary importation of the articles in question during the period of Presidential review (19 U.S.C. 1337(j)). The investigation is terminated.

The Commission's order and opinion were delivered to the President and to the United States Trade Representative on the day of their issuance. The Commission has also notified the Secretary of the Treasury and Customs and Border Protection of the order.

The authority for the Commission's determination is contained in section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. 1337, and in Part 210 of the Commission's Rules of Practice and Procedure, 19 CFR Part 210.

By order of the Commission.

Issued: December 18, 2018.

Lisa Barton,

Secretary to the Commission.

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