

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C. 20436

In the Matter of

CERTAIN FOAM FOOTWEAR

Investigation No. 337-TA-567

**NOTICE OF COMMISSION DECISION TO MODIFY A FINAL INITIAL
DETERMINATION AND TO TERMINATE THE INVESTIGATION WITH A FINDING
OF NO VIOLATION OF SECTION 337**

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has determined to modify a final initial determination (“ID”) of the presiding administrative law judge (“ALJ”). The Commission has determined that there is no violation of section 337 in the above-captioned investigation.

FOR FURTHER INFORMATION CONTACT: Clint Gerdine, Esq., Office of the General Counsel, U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C. 20436, telephone (202) 708-2310. 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 <http://www.usitc.gov>. The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) at <http://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 May 11, 2006, based on a complaint, as amended, filed by Crocs, Inc. (“Crocs”) of Niwot, Colorado. 71 *Fed. Reg.* 27514 (2006). The amended complaint alleges violations of section 337 of the Tariff Act of 1930, as amended (19 U.S.C. § 1337), in the importation into the United States, the sale for importation, and the sale within the United States after importation of certain foam footwear, by reason of infringement of claims 1-2 of U.S. Patent No. 6,993,858 (“the ‘858 patent”); U.S. Patent No. D517,789 (“the ‘789 patent”); and the Crocs trade dress (the image and overall appearance of Crocs-brand footwear). The complaint further alleges that an industry in the United States exists as required by subsection (a)(2) of section 337. The complaint requests

that the Commission issue a permanent general exclusion order and permanent cease and desist orders. The complaint identifies 11 respondents that include: (1) Collective Licensing International, LLC (“Collective”) of Englewood, Colorado; (2) Double Diamond Distribution Ltd. (“Double Diamond”) of Saskatoon, Saskatchewan; (3) Effervescent Inc. (“Effervescent”) of Fitchburg, Massachusetts; (4) Gen-X Sports, Inc. (“Gen-X Sports”) of Toronto, Ontario; (5) Holey Soles Holding Ltd. (“Holey Soles”) of Vancouver, British Columbia; (6) Australia Unlimited, Inc. of Seattle, Washington; (7) Cheng’s Enterprises Inc. of Carlstadt, New Jersey; (8) D. Myers & Sons, Inc. of Baltimore, Maryland; (9) Inter-Pacific Trading Corp. of Los Angeles, California; (10) Pali Hawaii of Honolulu, Hawaii; and (11) Shaka Shoes of Kaliua-Kona, Hawaii. The Commission terminated the investigation as to the trade dress allegation on September 11, 2006. A twelfth respondent, Old Dominion Footwear, Inc. of Madison Heights, Virginia, was added to the investigation on October 10, 2006. All but five respondents have been terminated from the investigation on the basis of a consent order, settlement agreement, or undisputed Commission determination of non-infringement. The five remaining respondents are: (1) Collective; (2) Double Diamond; (3) Effervescent; (4) Gen-X Sports; and (5) Holey Soles.

On April 11, 2008, the ALJ issued his final ID finding no violation of section 337 by the remaining respondents. The Commission extended the deadline for determining whether to review the final ID until June 18, 2008.

On June 18, 2008, the Commission determined to review-in-part the final ID. Particularly, the Commission determined to review: 1) the ALJ’s findings concerning non-infringement of the ‘789 patent by the respondents’ products and lack of satisfaction of the technical prong of the domestic industry requirement by Crocs’ footwear; and 2) the ALJ’s finding of invalidity with respect to the ‘858 patent.

Having reviewed the record in this investigation, including the final ID and the parties’ briefing, the Commission has determined to modify and clarify parts of the final ID concerning non-infringement and lack of satisfaction of the technical prong of the domestic industry requirement relating to the ‘789 patent and invalidity of the ‘858 patent. The Commission affirms the final ID with the modifications and clarifications set forth in its separately issued Opinion, and terminates the investigation with a finding of no violation of section 337.

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 section 210.45 of the Commission’s Rules of Practice and Procedure, 19 C.F.R. §§ 210.45.

By order of the Commission.

/s/
Marilyn R. Abbott
Secretary to the Commission

Issued: July 25, 2008