

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC

In the Matter of

**CERTAIN COLLAPSIBLE SOCKETS
FOR MOBILE ELECTRONIC DEVICES
AND COMPONENTS THEREOF**

Investigation No. 337-TA-1056

**NOTICE OF THE COMMISSION'S FINAL DETERMINATION FINDING A
VIOLATION OF SECTION 337; ISSUANCE OF A GENERAL EXCLUSION ORDER;
TERMINATION OF THE INVESTIGATION**

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has found a violation of section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. 1337, in this investigation. The Commission has issued a general exclusion order prohibiting the unlicensed importation of certain collapsible sockets that infringe certain claims of the asserted patent. The investigation is terminated.

FOR FURTHER INFORMATION CONTACT: Lucy Grace D. Noyola, Office of the General Counsel, U.S. International Trade Commission, 500 E Street, SW, Washington, DC 20436, telephone 202-205-3438. 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, SW, Washington, DC 20436, telephone 202-205-2000. General information concerning the Commission may also be obtained by accessing its Internet server (<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 May 15, 2017, based on a complaint filed on April 10, 2017 on behalf of PopSockets LLC of Boulder, Colorado ("PopSockets"). 82 FR 22348-49 (May 15, 2017). The complaint alleges violations of section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. 1337, based upon the importation into the United States, the sale for importation, and the sale within the United States after importation of certain collapsible sockets for mobile electronic devices and components thereof by reason of infringement of U.S. Patent No. 8,560,031 ("the '031 patent"). *Id.* The notice of investigation named as respondents Agomax Group Ltd. of Kowloon, Hong Kong; Hangzhou Hangkai Technology Co., Ltd. of Zhejiang, China; Yiwu Wentou Import & Export Co., Ltd. of Zhejiang, China; Shenzhen Enruize Technology Co., Ltd. of Shenzhen, China; and Guangzhou

Xi Xun Electronics Co., Ltd.; Shenzhen Chuanghui Industry Co., Ltd. of Guangdong, China; Shenzhen VVI Electronic Limited; Shenzhen Yright Technology Co., Ltd.; Shenzhen Kinsen Technology Co., Limited; Shenzhen Showerstar Industrial Co., Ltd.; Shenzhen Lamye Technology Co., Ltd.; Jiangmen Besnovo Electronics Co., Ltd.; Shenzhen Belking Electronic Co., Ltd.; Shenzhen CEX Electronic Co., Limited, all of Guangdong, China. *Id.* The Office of Unfair Import Investigations (“OUII”) also was named as a party in the investigation.

On August 22, 2017, 13 out of 14 respondents were found in default. Notice (Aug. 22, 2017) (determining not to review Order No. 9 (Aug. 4, 2017)).

On September 18, 2017, the Commission terminated the last remaining respondent, Shenzhen Chuanghui Industry Co., Ltd., based on withdrawal of the complaint as to that respondent. Notice (Sept. 18, 2017) (determining not to review Order No. 10 (Aug. 28, 2017)).

On August 8, 2017, PopSockets filed a motion for summary determination that: (1) the defaulting respondents have sold for importation into the United States, imported into the United States, or sold after importation certain collapsible sockets for mobile electronic devices and components thereof that allegedly infringe certain claims of the ’031 patent in violation of section 337; (2) the accused products infringe the asserted claims of the ’031 patent; and (3) a domestic industry with respect to the ’031 patent exists. The motion also requested a recommendation for entry of a general exclusion order and a bonding requirement pending Presidential review. On August 31, 2017, OUII filed a response supporting the motion in substantial part and supporting the requested remedy of a general exclusion order.

On February 1, 2018, the administrative law judge (“ALJ”) issued the subject initial determination (“ID”) (Order No. 11), granting PopSockets’ motion for summary determination of a section 337 violation. The ID found that the defaulting respondents’ accused products infringe one or more of claims 9-12 of the ’031 patent, but found no infringement of claims 16 and 17 of the ’031 patent. The ID found that the defaulting respondents’ accused products have been imported into the United States and that a domestic industry exists in the United States with respect to the ’031 patent. No petitions for review of the ID were filed. The ALJ also issued a Recommended Determination on Remedy and Bonding, recommending that, if the Commission finds a section 337 violation, the Commission issue a general exclusion order and impose a bond of 100 percent during the period of Presidential review.

On March 19, 2018, the Commission determined to review in part the ID. 83 FR 12812 (Mar. 23, 2018). Specifically, the Commission determined to review (1) the ID’s findings on the technical prong of the domestic industry requirement to correct a typographical error and (2) the ID’s findings on the economic prong of the domestic industry requirement. The Commission determined not to review the remaining issues decided in the ID. The Commission requested additional briefing from the parties on the issues under review and also invited the parties, interested government agencies, and any other interested parties to file written submissions on the issues of remedy, the public interest, and bonding.

On April 2, 2018, PopSockets and OUII filed initial written submissions in response to the Commission's notice. On April 4, 2018, non-party Quest USA Corporation ("Quest") filed a written submission. On April 11, 2018, PopSockets filed a reply to Quest's submission. Also on that day, OUII filed a reply to the submissions of PopSockets and Quest.

Having examined the record of this investigation, including the ID and the various submissions, the Commission has determined to affirm, on modified grounds, the ID's finding of a section 337 violation. The Commission affirms the ID's finding that the complainant satisfied the technical prong of the domestic industry requirement with the modification of a citation to "Mem. Ex. 2 (Kemnitzer Decl.) at ¶ 77 (Infringement Analysis and Chart)" at page 107 of the ID to "Mem. Ex. 2 (Kemnitzer Decl.) at ¶ 61 (Analysis and Chart)." The Commission affirms, with modified reasoning set forth in the opinion issued concurrently herewith, the ID's finding with respect to the economic prong of the domestic industry requirement under section 337(a)(3)(B), but takes no position with respect to subsections (A) and (C) (19 U.S.C. 1337(a)(3)(A), (B), (C)).

The Commission finds that the statutory requirements for relief under section 337(g)(2) (19 U.S.C. 1337(g)(2)) are satisfied with respect to the defaulting respondents. In addition, the Commission finds that the public interest factors enumerated in section 337(g)(1) (19 U.S.C. 1337(g)(1)) do not preclude issuance of the statutory relief.

The Commission has determined the appropriate remedy is a general exclusion order prohibiting the unlicensed importation of certain collapsible sockets that infringe one or more of claims 9-12 of the '031 patent. The Commission has also determined to set a bond in the amount of 100 percent of the entered value of the infringing products imported during the period of Presidential review (19 U.S.C. 1337(j)). 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 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.



Lisa R. Barton
Secretary to the Commission

Issued: June 14, 2018