UNITED STATES INTERNATIONAL TRADE COMMISSION Washington, D.C.

In the Matter of

CERTAIN BALANCED ARMATURE DEVICES, PRODUCTS CONTAINING SAME, AND COMPONENTS THEREOF

Investigation No. 337-TA-1186

NOTICE OF COMMISSION DETERMINATION TO AFFIRM WITH MODIFIED REASONING AN INITIAL DETERMINATION GRANTING IN-PART COMPLAINANTS' MOTION FOR SANCTIONS AND FINDING CERTAIN RESPONDENTS IN DEFAULT

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission ("Commission") has determined to affirm, with modified reasoning, an initial determination (Order No. 46) ("ID") granting in-part Complainants' motion for sanctions and finding certain respondents in default.

FOR FURTHER INFORMATION CONTACT: Amanda Fisherow, Office of the General Counsel, U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C. 20436, telephone (202) 205-2737. Copies of non-confidential documents filed in connection with this investigation may be viewed on the Commission's electronic docket (EDIS) at https://edis.usitc.gov. For help accessing EDIS, please email EDIS3Help@usitc.gov. General information concerning the Commission may also be obtained by accessing its Internet server at https://www.usitc.gov. Hearing-impaired persons are advised that information on this matter can be obtained by contacting the Commission's TDD terminal, telephone 202-205-1810.

SUPPLEMENTARY INFORMATION: On November 29, 2019, the Commission instituted this investigation based on a complaint filed by Knowles Corporation and Knowles Electronics, LLC of Itasca, Illinois, and Knowles Electronics (Suzhou) Co., Ltd. of Suzhou, China (collectively, "Complainants"). 84 FR 65840 (Nov. 29, 2019). The complaint, as supplemented, alleges violations of section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. 1337, due to the importation or sale in the United States of certain balanced armature devices, products containing same, and components thereof by reason of misappropriation of trade secrets, the threat or effect of which is to destroy or substantially injure a domestic industry. *Id.* The notice of investigation names twelve (12) respondents, including Shenzhen Bellsing Acoustic Technology Co. Ltd. of Shenzhen, China, Suzhou Bellsing Acoustic Technology Co. Ltd. of Suzhou, China, and Bellsing Corporation of Lisle, Illinois (collectively, "Bellsing") and Liang Li (a/k/a Ryan Li) of Suzhou

City, China ("Mr. Li"). *Id.* The Office of Unfair Import Investigations is also a party in this investigation. *Id.*

On September 24, 2020, Complainants filed a motion for sanctions under Commission Rule 210.33(b)(6), 19 CFR 210.33(b)(6), against Bellsing and Mr. Li for discovery misconduct.

On January 14, 2021, the presiding administrative law judge issued the subject ID, Order No. 46, granting Complainants' motion for sanctions as to Bellsing. Order No. 46 also denied Complainants' motion for sanctions as to Mr. Li and Complainants' request for monetary sanctions. No party petitioned for review of the ID.

On February 16, 2021, the Commission determined to review the ID in its entirety. This review is limited to the entirety of the findings related to the ID's determination that Bellsing is in default. Because the remainder of the order (*e.g.*, the findings as to Mr. Li and monetary sanctions) is a denial of Complainants' motion, those findings are not yet before the Commission and thus, not under review. *See* 19 CFR 210.16(a), (b); 19 CFR 210.33; 19 CFR 210.42(c)(1).

Having considered the record, the Commission affirms, with modified reasoning, the ID's determination that sanctions are warranted against Bellsing and that the appropriate sanction is default. Bellsing is hereby found in default.

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).

While temporary remote operating procedures are in place in response to COVID-19, the Office of the Secretary is not able to serve parties that have not retained counsel or otherwise provided a point of contact for electronic service. Accordingly, pursuant to Commission Rules 201.16(a) and 210.7(a)(1) (19 CFR 201.16(a), 210.7(a)(1)), the Commission orders that the Complainant(s) complete service for any party/parties without a method of electronic service noted on the attached Certificate of Service and shall file proof of service on the Electronic Document Information System (EDIS).

By order of the Commission.

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Lisa R. Barton Secretary to the Commission

Issued: March 17, 2021