

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

In the Matter of

**CERTAIN ELECTRONIC PAPER
TOWEL DISPENSING DEVICES AND
COMPONENTS THEREOF**

Investigation No. 337-TA-718

**NOTICE OF COMMISSION DETERMINATION NOT TO REVIEW AN INITIAL
DETERMINATION GRANTING COMPLAINANT'S MOTION FOR SUMMARY
DETERMINATION OF VIOLATION OF SECTION 337
BY DEFAULTING RESPONDENTS**

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has determined not to review an initial determination ("ID") (Order No. 36) of the presiding administrative law judge ("ALJ") granting complainant's motion for summary determination of violation of Section 337 by defaulting respondents in Inv. No. 337-TA-718, *Certain Electronic Paper Towel Dispensing Devices and Components Thereof*.

FOR FURTHER INFORMATION CONTACT: Jia Chen, Office of the General Counsel, U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C. 20436, telephone (202) 708-4737. 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 21, 2010, based on a complaint filed by Georgia-Pacific Consumer Products LP ("Georgia-Pacific") of Atlanta, Georgia. 75 *Fed. Reg.* 28651 (May 21, 2010). The complaint alleged 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 electronic paper towel dispensing devices and components thereof by reason of infringement of various claims of United States Patent Nos. 6,871,815; 7,017,856; 7,182,289; and 7,387,274. The complaint, as amended, named as respondents Kruger Products

LP of Mississauga, Ontario, Canada; KTG USA LP of Memphis, Tennessee; StefcO Industries, Inc. and Cellynne Corporation (collectively, “Stefco”), both of Haines City, Florida; Draco Hygienic Products Inc. of Ontario, California; NetPak Electronic Plastic and Cosmetic, Inc. of Chicago, Illinois; NetPak Elektronik Plastik ve Kozmetik Sanayi, Ve Ticaret Ltd. of Izmir, Turkey (“NetPak”); Paradigm Marketing Consortium, Inc. and United Sourcing Network Corp., both of Syosset, New York; New Choice (H.K.) Ltd. of Shatin, Hong Kong; Vida International Inc. of Taipei, Taiwan; Jet Power International Limited, of Guangdong, China; WINCO Industries Co. and DWL International Trading Inc., both of Lodi, New Jersey; Franklin Financial Management, Inc. d/b/a Update International of Los Angeles, California; Alliance in Manufacturing LLC of St. Louis, Missouri; Ko-Am Corporation Inc. d/b/a Janitor’s World of Dallas, Texas; and Natyry S.A. de C.V. of Veracruz, Mexico. Except for StefcO and NetPak, all other respondents have been terminated based on consent orders.

On December 30, 2010, the ALJ issued an initial determination finding StefcO and NetPak in default. On February 9, 2011, Georgia-Pacific filed a motion pursuant to Commission Rule 210.18 (19 C.F.R. § 210.18) for a summary determination of violation of Section 337 by StefcO and NetPak. Georgia-Pacific requested that the ALJ recommend issuance of a general exclusion order and a cease and desist order against the defaulting respondents. On February 22, 2011, the Commission investigative attorney filed a response supporting the motion.

On July 12, 2011, the ALJ issued the subject ID granting Georgia-Pacific’s motion for summary determination and his recommended determination on the issues of remedy and bonding. No petitions for review were filed.

Having examined the record of this investigation, including the ALJ’s final ID, the Commission has determined not to review the ID.

In connection with the final disposition of this investigation, the Commission may (1) issue an order that could result in the exclusion of the subject articles from entry into the United States, and/or (2) issue one or more cease and desist orders that could result in the respondent(s) being required to cease and desist from engaging in unfair acts in the importation and sale of such articles. Accordingly, the Commission is interested in receiving written submissions that address the form of remedy, if any, that should be ordered. If a party seeks exclusion of an article from entry into the United States for purposes other than entry for consumption, the party should so indicate and provide information establishing that activities involving other types of entry either are adversely affecting it or likely to do so. For background, *see In the Matter of Certain Devices for Connecting Computers via Telephone Lines*, Inv. No. 337-TA-360, USITC Pub. No. 2843 (December 1994) (Commission Opinion).

If the Commission contemplates some form of remedy, it must consider the effects of that remedy upon the public interest. The factors the Commission will consider include the effect that an exclusion order and/or cease and desist orders would have on (1) the public health and welfare, (2) competitive conditions in the U.S. economy, (3) U.S. production of articles that are like or directly competitive with those that are subject to investigation, and (4) U.S. consumers. The Commission is therefore interested in receiving written submissions that address the aforementioned public interest factors in the context of this investigation.

If the Commission orders some form of remedy, the U.S. Trade Representative, as delegated by the President, has 60 days to approve or disapprove the Commission's action. *See* Presidential Memorandum of July 21, 2005, 70 *Fed. Reg.* 43251 (July 26, 2005). During this period, the subject articles would be entitled to enter the United States under bond, in an amount determined by the Commission and prescribed by the Secretary of the Treasury. The Commission is therefore interested in receiving submissions concerning the amount of the bond that should be imposed if a remedy is ordered.

WRITTEN SUBMISSIONS: Parties to the investigation, interested government agencies, and any other interested parties are encouraged to file written submissions on the issues of remedy, the public interest, and bonding. Such submissions should address the recommended determination by the ALJ on remedy and bonding.

Complainant and the IA are also requested to submit proposed remedial orders for the Commission's consideration. Complainant is also requested to state the dates that the patents expire and the HTSUS numbers under which the accused products are imported. The written submissions and proposed remedial orders must be filed no later than close of business on Tuesday, September 6, 2011. Reply submissions must be filed no later than the close of business on Tuesday, September 13, 2011. No further submissions on these issues will be permitted unless otherwise ordered by the Commission.

Persons filing written submissions must file the original document and 12 true copies thereof on or before the deadlines stated above with the Office of the Secretary. Any person desiring to submit a document to the Commission in confidence must request confidential treatment unless the information has already been granted such treatment during the proceedings. All such requests should be directed to the Secretary of the Commission and must include a full statement of the reasons why the Commission should grant such treatment. *See* 19 C.F.R. § 210.6. Documents for which confidential treatment by the Commission is sought will be treated accordingly. All nonconfidential written submissions will be available for public inspection at the Office of the Secretary.

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 sections 210.42-46 and 210.50 of the Commission's Rules of Practice and Procedure (19 C.F.R. § 210.42-46 and 210.50).

By order of the Commission.

/s/
James R. Holbein
Secretary to the Commission

Issued: August 19, 2011