

UNITED STATES INTERNATIONAL TRACE COMMISSION

Kennett F. Wasser, Secretary to the Commission

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UNITED STATES INTERNATIONAL TRADE COMMISSION Washington, D.C.

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In the Matter of)
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CERTAIN SWIVEL HOOKS AND MOUNTING)
BRACKETS)
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Investigation No. 337-TA-53

COMMISSION ORDER AND COMMISSIONERS' OPINION

Introduction`

The United States International Trade Commission ("Commission"), conducted an investigation pursuant to the authority of section 337 of the Tariff Act of 1930 (19 U.S.C. 1337) ("section 337"), of alleged unfair methods of competition and unfair acts in the importation of certain swivel hooks and mounting brackets into the United States, or in their sale by the owner, importer, consignee, or agent of either, the effect or tendency of which was to destroy or substantially injure an industry, efficiently and economically operated, in the United States.

This Commission order and Commissioners' opinion provides for the final disposition of investigation No. 337-TA-53 by the full Commission. The Commission is terminating investigation No. 337-TA-53 by granting a joint motion to terminate, filed by all parties, and supported by a Settlement Agreement entered into by complainant and all respondents.

The Commission's action and order appear immediately below and are themselves followed by the Commissioners' opinion.

Action

Having reviewed the record in this investigation including the recommended determination of the presiding officer, the joint motion to terminate, the supporting Settlement Agreement (Motion Docket No. 53-4), and the pleadings of the parties, and having considered the public interest, the Commission, on June 14, 1979, voted to terminate investigation No. 337-TA-53, based on the joint motion to terminate, as supported by the Settlement Agreement. 1/

Commissioner Moore points out that there is no legal basis whatsoever in section 337(c) of the Tariff Act of 1930, as amended, or in section 210.55(a) of the Commission's Rules of Practice and Procedure for the termination of a section 337 investigation without a determination on the issue of violation of section 337(a). Commissioner Moore suggests if the majority wishes to distort the clear intent of the Congress by following the general policy of terminating section 337 investigations without a determination of whether or not there is a violation of section 337, as enunciated by the majority in Alternating Pressure Pads (investigation No. 337-TA-48, Certain Synthetic Gemstones (investigation No. 337-TA-50), and in this case, then it should do so specifically by amending section 210.55(a) of the Commission's rules.

As Department of Justice representatives noted on April 27, 1979, in their memorandum on "ITC Patent Case Settlements" to the Section 337 Subcommittee of the Trade Policy Staff Committee, "(t)he current ITC Rules of Practice and Procedure make no mention of any procedures to settle cases except in 19 C.F.R. 210.51(a), regarding motions to terminate. . . . The ITC has had pending for over a year proposed rules for settlements and consent decrees under section 337." Specifically referring to the Alternating Pressure Pads case and the Gemstones case, the Department of Justice representatives continued ". . .(i)n neither decision. . .did the ITC determine whether the imports in question violated section 337. For this reason Commissioner Moore dissented from the termination of both cases, stating that the statutory language of section 337 requires the ITC, in every case, to determine whether or not there is a violation of section 337." (Commissioner Moore takes no position with respect to the contention of Department of Justice representatives that settlements in patent-based section 337 investigations should be referred to the President.)

^{1/} In voting to terminate this investigation, Commissioner Moore agrees with the majority insofar as they adopt the findings of fact and conclusions of fact and law of the administrative law judge, and, therefore, he determines that there is no present violation of section 337 of the Tariff Act of 1930, as amended. Commissioner Moore agrees with the recommendation of the administrative law judge that there is no evidence of a present violation of section 337 and that the Commission should terminate this investigation.

Order

Accordingly, the full Commission hereby orders that --

- 1. The joint motion of all parties to terminate this investigation (Motion Docket No. 53-4) is granted.
- 2. Investigation No. 337-TA-53 is terminated effective upon the issuance of this Commission order; and
- 3. The Secretary serve a copy of the notice of termination of investigation and this Commission order and Commissioners' opinion upon each party of record to this investigation and upon the U.S. Department of Health, Education, and Welfare, the U.S. Department of Justice, and the Federal Trade Commission.

By order of the Commission.

Kenneth R. Mason

Secretary

Issued:

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OPINION OF CHAIRMAN JOSEPH O. PARKER, VICE CHAIRMAN BILL ALBERGER AND COMMISSIONERS CATHERINE BEDELL AND PAULA STERN

Procedural History

On June 9, 1978, the Commission instituted this investigation under section 337 based on a complaint filed by Coats and Clark, Inc., of Stamford, Connecticut ("complainant") (43 F.R. 24743, June 14, 1978). The complaint alleges that unfair methods of competition and unfair acts exist in the unauthorized importation of certain swivel hooks and mounting brackets into the United States, or in their sale, by reason of several specifically alleged practices. The practices include patent and trademark infringement, copying trade dress, false designation of origin, and unlawful acquisition of confidential know-how. Named as respondents in the investigation were Jordan Industries, Inc., Carol Cable Company, Sato Metal Trading Co., Ltd., Sato American Metal, Inc., and Japan Hardcraft, Inc. The investigation was referred to an administrative law judge for further proceedings.

On December 1, 1978, the administrative law judge issued a recommended determination that the Commission find that there is no evidence in this investigation of a present violation of section 337. The administrative law judge also recommended that the Commission grant a motion to terminate as to all issues (Docket No. 53-4), joined in by all parties and supported by a settlement agreement signed by complainant and all respondents. An exception to that portion of the administrative law judge's recommended determination which pertained to the sufficiency, clarity or conspicuousness of the "Japan" marking on respondents' swivel hooks was taken by respondent Sato Metal Trading Co., Ltd. The Commission investigative attorney disagreed with this exception and supported the administrative law judge's position.

The Commission invited interested members of the public, interested government agencies, and public interest groups to submit written comments by February 19, 1979 (44 F.R. 3789, Jan. 18, 1979). No written comments were received from any person with respect to the settlement agreement or with respect to any other matter concerning this investigation.

Discussion

Mindful that the Administrative Procedure Act provides that agencies consider "offers of settlement" where "the public interest permit(s)," 5 U.S.C. 554(c)(1), we have concluded that the public interest would be served by terminating this investigation.

First, the settlement agreement, within the framework of our patent system, does not appear to be anticompetitive. Under the settlement agreement, the respondents are released from liability for all past claims of patent or trademark infringement, or unfair competition, in the United States. Respondents admit that the United States Letters Patent Nos.

3,995,822 (swivel hooks) and 4,049,225 (mounting brackets) are valid and agree not to import or sell swivel hooks or mounting brackets which infringe these two respective patents. In addition, respondents covenant (1) to disclose clearly and conspicuously the foreign country of origin of all imported swivel hooks to the retail purchaser immediately prior to the retail sale of such swivel hooks in the United States, (2) not to use the words "Swivel Ceiling Hook" and "Swivel Hook/Eye" or colorable variations thereof on their swivel hooks, and (3) to adopt trade dress for their swivel hooks that is not similar to that of complainant.

UNITED STATES INTERNATIONAL TRADE COMMISSION Washington, D.C.

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In the Matter of)
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CERTAIN SWIVEL HOOKS AND	
MOUNTING BRACKETS)
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Investigation No. 337-TA-53

NOTICE OF COMMISSION REQUEST FOR PUBLIC COMMENTS CONCERNING SETTLEMENT AGREEMENT

Recommendation of "no present violation" issued

In connection with the Commission's investigation, under section 337 of the Tariff Act of 1930, of alleged unfair methods of competition and unfair acts in the importation and sale of certain swivel hooks and mounting brackets in the United States, the presiding officer recommended on December 1, 1978, that the Commission determine that there is no present violation of section 337. The presiding officer certified the record to the Commission for its consideration. Copies of the presiding officer's recommendation may be obtained by interested persons by contacting the Office of the Secretary to the Commission, 701 E Street, N.W., Washington, D.C. 20436, telephone (202) 523-0161.

Settlement agreement signed by complainant and all respondents

The Presiding Officer's recommendation of "no present violation" follows a joint motion by all parties to terminate this investigation, which was supported by a settlement agreement signed by complainant and all respondents ("Settlement Agreement"). The presiding officer found that, while

the importation or sale of the swivel hooks and mounting brackets which are the subject of the Commission's investigation may have violated section 337 in the past by infringing U.S. Letters Patent No. 3,995,822 or U.S. Letters Patent No. 4,049,225, in light of the Settlement Agreement these alleged violations will not occur in the future. In addition, the presiding officer found that, while the importation of swivel hooks which are the subject of the Commission's investigation and their subsequent sale to retail purchasers without a clear and conspicuous disclosure of the foreign country of origin may have violated section 337 in the past, in light of the Settlement Agreement these alleged violations will not occur in the future.

Written comments on the public interest requested

Since all parties have filed a joint motion to terminate this investigation, which is supported by the Settlement Agreement, and since the presiding officer has recommended termination on the basis of the Settlement Agreement, no oral argument will be held with respect to the Presiding Officer's recommendation. However, in light of the Commission's duty to consider the public interest, the Commission requests written comments from the parties, interested agencies, public-interest groups, or other interested persons concerning the effect of the termination of this investigation, supported by the Settlement Agreement, upon (1) the public health and welfare, (2) competitive conditions in the U.S. economy, (3) the production of like or directly competitive articles in the United States, and (4) U.S. consumers. These written comments must be filed with the Secretary to the Commission no later than 30 days after publication of this notice in the Federal Register."

Text of the settlement agreement

This agreement, by and between Coats & Clark, Inc. (hereinafter referred to as "Complainant") and Sato Metal Trading Co., Ltd., Sato American Metal, Inc., Japan Hardcraft (U.S.A.) Corporation, Jordan Industries, Inc., and Carol Cable Company (hereinafter referred to as "Respondents");

WHEREAS, Complainant has filed a complaint under Section 337 of the Tariff Act of 1930, as amended (19 U.S.C. 1337) with the United States International Trade Commission on May 9, 1978;

WHEREAS, an investigation was instituted by the International Trade Commission on June 7, 1978 based on said Complaint;

WHEREAS, Answers to said Complaint were timely filed by Respondents;

WHEREAS, Complainant and Respondents have agreed to settle their

differences underlying said investigation;

NOW, THEREFORE, BE IT KNOWN, that in consideration of the mutual covenants contained herein, the parties hereto agree to be bound as follows:

- 1. Respondents have re-designed their "Swivel hooks" so as not to infringe U.S. Patent No. 3,995,822.
- 2. Respondents shall not import or sell "Swivel Hooks" infringing U.S. Patent No. 3,995,822.
 - 3. U.S. Patent No. 3,995,822 is valid.
- 4. Based on the affidavits of Robert C. Faber, Melba Holbrook, and James Ban attached to the MOTION TO DISMISS ALL ALLEGATIONS IN COATS & CLARK'S COMPLAINT PERTAINING TO "HINGED MOUNTING BRACKETS" filed with the International Trade Commission on the 19th day of July, 1978, and of the

Affidavits of Lawrence H. Koffler, James Ban and Earl Oda attached hereto as Exhibits 1, 2, and 3, respectively, all of said Affidavits being embodied herein by reference, Respondents have not imported or sold any mounting brackets infringing U.S. Patent No. 4,049,225 except for a small number of samples which were imported but not sold.

- 5. Respondents will not import or sell mounting brackets infringing U.S. Patent No. 4,049,225.
 - 6. U.S. Patent No. 4,049,225 is valid.
- 7. Respondents have imported and/or sold swivel hooks either lacking an indication of the country of origin or not prominently displaying an indication of the country of origin such that the consumer of said swivel hooks may have been deceived as to the country or origin.
- 8. Respondents shall disclose clearly and conspicuously the foreign country of origin of all imported swivel hooks on the swivel hooks and on the retail packages in which these swivel hooks are sold in the United States.
- 9. Respondents, for themselves and for any customers for whom they adopt and use trademarks, shall not use "SWIVEL CEILING HOOK" and "SWIVEL HOOK/EYE" or colorable variations thereof on their swivel hooks and Respondent, Jordan Industries, Inc., shall submit its proposed new trademarks to Complainant for approval. Complainant shall not unreasonably withhold such approval. Said obligation of submission for approval shall not be a continuing one beyond the first change to new trademarks.
- 10. Respondents, for themselves and for any customers for whom they adopt and use trade dress, shall adopt trade dress for their swivel hooks that

is not similar to that of Complainant and Respondent, Jordan Industries, Inc. shall submit its proposed new trade dress to Complainant for approval.

Complainant shall not unreasonably withhold such approval. Said obligation for approval shall not be a continuing one beyond the first change to new trade dress.

- 11. Complainant shall release Respondents from all past claims of patent or trademark infringement, or unfair competition, in the United States, said release to be in a form substantially the same as that attached hereto as Exhibit 4.
- 12. The International Trade Commission has jurisdiction over the subject matter of said investigation.
- 13. Respondents will not challenge the validity of U.S. Patents Nos. 3,995,822 and 4,049,225 or of any trademark registrations which may issue to Complainant covering "SWIVEL CEILING HOOK" or "SWIVEL HOOK/EYE".
- 14. Complainant and respondents shall enter into a JOINT MOTION FOR TERMINATION with the Commission investigative attorney.
- customers, nor against Respondents by reason of sale or other disposal of products physically present in the United States prior to the date of this settlement agreement, it being the intent of this Paragraph 15 to make clear that Respondents and Respondents' customers have the right to dispose of stock on hand within one year from the date of signing of this Agreement.
- 16. Complainant agrees that specimens of Respondents' revised trademarks and/or trade designation for the products herein referred to as

"SWIVEL CEILING HOOK" and "SWIVEL HOOK/EYE" submitted to Complainant on or about September 15, 1978, satisfies the obligation of Respondents set out in paragraph 9 herein to submit said revisions to Complainant for approval, and Complainant hereby gives its approval thereto.

17. Complainant agrees that specimens of Respondents' revised trade dress for the products herein referred to as "SWIVEL CEILING HOOK" and "SWIVEL HOOK/EYE" submitted to Complainant on or about September 15, 1978, satisfies the obligations of Respondents set out in paragraph 10 herein to submit said revisions to Complainant for approval, and Complainant hereby gives its approval thereto.

IN WITNESS WHEREOF, the parties hereto have executed this agreement

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by their duly authorized attorneys as	of this 20th day of September, 1978.
COMPLAINANT:	RESPONDENTS:
COATS & CLARK, INC.	SATO METAL TRADING CO., LTD.
By Milton J. Wayne	SATO AMERICAN METAL, INC.
Attorney for Complainant	JAPAN HARDCRAFT (U.S.A.) CORP.
	CAROL CABLE COMPANY
	Ву
	Robert C. Faber Their Attorney
	JORDAN INDUSTRIES, INC.
	Ву
	Robert C. Faber
	By James G. Staples
	Its Attorneys

Additional information

The original and 19 true copies of all written submissions must be filed with the Secretary to the Commission. Any person desiring to submit a document (or a portion thereof) to the Commission in confidence must request in camera treatment. Such request should be directed to the Chairman of the Commission and must include a full statement of the reasons why the Commission should grant such treatment. The Commission will either accept such submission in confidence or return it. All nonconfidential written submissions will be open to public inspection at the Secretary's Office.

Notice of the Commission's investigation was published in the <u>Federal</u> Register of June 14, 1978 (43 F.R. 25743).

By order of the Commission.

Kenneth R. Mason

Secretary

Issued: January 15, 1979

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

In the Matter of CERTAIN SWIVEL HOOKS AND MOUNTING BRACKETS

Investigation No. 337-TA-53

Notice of Termination

Upon consideration of the presiding officer's recommended determination and the record in this proceeding, the Commission is ordering the termination of investigation No. 337-TA-53, Certain Swivel Hooks and Mounting Brackets by granting a joint motion by all parties to terminate this investigation (Motion Docket No. 53-4), as supported by a Settlement Agreement, signed by complainant and all respondents. In voting to terminate this investigation, Commissioner Moore determines that there is no present violation of section 337 of the Tariff Act of 1930, as amended (See footnote 1, page 2, of the Commission's Order and Commissioners' Opinion in this case).

Any party wishing to petition for reconsideration of the Commission's action must do so within fourteen (14) days of service of the Commission Order and Commissioners' Opinion. Such petitions must be in accord with section 210.56 of the Commission rules (19 C.F.R. 210.56). Any person adversely affected by a final Commission action may appeal such action to the United States Court of Customs and Patent Appeals.

Copies of the Commission's Order and Commissioners' Opinion (USITC Publication No. 983, June 1979) are available to the public during official

working hours at the Office of the Secretary, United States International Trade Commission, 701 E Street, N.W., Washington, D.C. 20436, telephone (202) 523-0161. Notice of the institution of the Commission's investigation was published in the <u>Federal Register</u> of June 14, 1978 (43 F.R. 25743). The text of the pertinent settlement agreement and the Commission's request for public comments thereon were published in the Federal Register of January 18, 1979 (44 F.R. 3789).

By order of the Commission.

Kenneth R. Mason

Secretary

Issued: June 14, 1979

UNITED STATES INTERNATIONAL TRADE COMMISSION Washington, D.C.

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In the Matter of)					
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CERTAIN SWIVEL HOOKS	AND)	INVESTIGATION	NO.	337-TA-53		
MOUNTING BRACKETS)					
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NOTICE OF INVESTIGATION

Notice is hereby given that on May 9, 1978, Coats & Clark, Inc. (complainant), 72 Cummings Point Road, Stamford, Connecticut 06904, filed a complaint with the United States International Trade Commission under section 337 of the Tariff Act of 1930, as amended (19 U.S.C. 1337). The complaint alleges unfair methods of competition and unfair acts in the unauthorized importation and sale of certain swivel hooks and mounting brackets for hanging plants and other objects in the home, by reason of the following:

- (1) the alleged coverage of the swivel hooks by claims 1, 2, 3, and 4 of U.S. Patent No. 3,995,822, which patent is owned by the complainant;
- (2) the alleged coverage of the mounting brackets by all claims of U.S. Patent No. 4,049,255, which patent is owned by the complainant;
- (3) the alleged violation of the common law trademarks "SWIVEL HOOK/EYE" and "SWIVEL CEILING HOOK," which are allegedly common law trademarks owned by the complainant;
- (4) the alleged unlawful copying of trade dress associated with the swivel hooks and mounting brackets produced and sold by the complainant which are the subject of this investigation;

- (5) the alleged unlawful importation sale, and offers for sale of swivel hooks and mounting brackets bearing false designations of origin; and
- (6) the alleged unlawful acquisition and use of know-how transmitted in confidence by the complainant to one of the respondents named below, Sato Metal Trading Company, Ltd., concerning such swivel hooks and mounting brackets.

The complaint alleges that such unfair methods of competition have the effect or tendency to destroy or substantially injure an industry efficiently and economically operated in the United States.

Complainant requests a permanent exclusion order against swivel hooks and mounting brackets which infringe its U.S. Patents Nos. 3,995,822 and 4,049,225; which infringe its trademarks; which falsely designate origin; and which copy its trade dress.

Having considered the complaint, the United States International Trade Commission on June 7, 1978, ORDERED:

1. That, pursuant to subsection (b) of section 337 of the Tariff Act of 1930, as amended (19 U.S.C. 1337), an investigation be instituted to determine, under subsection (c) whether, on the basis of the allegations set forth in the complaint and the evidence adduced, there is a violation of subsection (a) of this section in the unauthorized importation of certain swivel hooks and mounting brackets into the U.S., or in their subsequent sale by reason of:

- (1) the alleged coverage of the swivel hooks by claims 1, 2, 3, and 4 of U.S. Patent No. 3,995,822, which patent is owned by the complainant;
- (2) the alleged voverage of the mounting brackets by all claims of U.S. Patent No. 4,049,225, which patent is owned by the complainant;
- (3) the alleged violation of the common law trademark "SWIVEL HOOK/EYE" and "SWIVEL CEILING HOOK," which are allegedly common law trademarks owned by the complainant;
- (4) the alleged unlawful copying of trade dress associated with the swivel hooks and mounting brackets produced and sold by the complainant which are the subject of this investigation;
- (5) the alleged unlawful importation sale and offers for sale of swivel hooks and mounting brackets bearing false designations of origin; and
- (6) the alleged unlawful acquisition and use of know-how transmitted in confidence by the complainant to one of the respondents named below, Sato Metal Trading Company, Ltd., concerning such swivel hooks and mounting brackets;

the effect or tendency of which is to destroy or substantially injure an industry efficiently and economically operated in the United States.

- 2. That, for the purpose of this investigation so instituted, the following are hereby named as parties:
 - a. The complainant is

Coats & Clark, Inc.
72 Cummings Point Road
Stamford, Connecticut 06904

b. The respondents are the following companies alleged to be involved in the unauthorized importation of such articles into the United States, or in their sale, and are parties upon which the complainant and this notice are to be served.

- (1) Jordan Industries, Inc. 3030 N.W. 75 Street Miami, Florida 33147
- (2) Carol Cable Company 249 Roosevelt Avenue Pawtucket, Rhode Island 02862
- (3) Sato Metal Trading Co., Utd. No. 13, 2-Chome, Kanda-Sudacho Chivoda-ku, Tokyo, 101, Japan
- (4) Sato American Metal, Inc. 60 E. 42nd Street New York, New York 10017
- (5) Japan Hardcraft, Inc. c/o Ostrolenk, Faber, Gerb & Soffer 260 Madison Avenue New York, New York 10016.
- c. Jo Ann Miles, U.S. International Trade Commission, 701 E Strect, N.W., Washington, D. C. 20436, is hereby named Commission investigative attorney, a party to this investigation.
- 3. That, for the purpose of the investigation so instituted,
 Judge Donald K. Duvall, U.S. International Trade Commission, 701 E Street,
 N.W., Washington, D. C. 20436, is hereby appointed as presiding officer.

Responses must be submitted by the named respondents in accordance with section 210.21 of the Commission's Rules of Practice and Procedure, (19 C.F.R. 210.21). Pursuant to sections 201.16(d) and 210.21(a) of the Rules, such responses will be considered by the Commission if received not later than 20 days after the date of service of the complaint. Extensions of time for submitting a response will not be granted unless good and sufficient cause therefor is shown.

Failure of a respondent to file a timely response to each allegation in the complaint and in this notice may be deemed to constitute waiver of the right to appear and contest the allegations of the complaint and of this notice, and will authorize the presiding officer and the Commission, without further notice to the respondent, to find the facts to be as alleged in the complaint and this notice and to enter both a recommended determination and a final determination, respectively, containing such findings.

The complaint, with the exception of business confidential information, is available for inspection by interested persons at the Office of the Secretary, U.S. International Trade Commission, 701 E Street, N.W., Washington, D. C. 20436, and in the New York City office of the Commission, 6 World Trade Center.

By Order of the Commission.

Kenneth R. Mason

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Second, termination would eliminate any further expenditure of government resources in connection with this investigation.

Third, no adverse comments with respect to the settlement agreement or the public interest were received from interested federal agencies or members of the public. 1/

We note that complainant has agreed to the joint motion to terminate as supported by the settlement agreement, even though one distributor of swivel hooks, who was not named as a respondent, is not a party to the settlement agreement and therefore is not bound thereby "to make a clear and conspicuous disclosure of the country of origin" to the retail purchaser of its swivel hooks. However, as the administrative law judge observed, if a problem arises with respect to that distributor in the future, complainant would not be foreclosed from taking appropriate action under section 337 with respect to that distributor.

Respondent Sato Metal Trading Company, Ltd., filed an exception to the administrative law judge's recommended determination, arguing that the issue of the sufficiency, clarity, or conspicuousness of the "Japan" marking on respondents' swivel hooks is not properly within the scope of this investigation. However, we agree with the administrative law judge's position and with the response of the Commission investigative attorney filed December 21, 1978 that this issue is properly within the scope of this investigation. The administrative law judge acted properly in evaluating sample imported swivel hooks submitted by respondents for adequacy of the marks of origin under applicable legal standards.

^{1/} Opportunity for such comments was provided by the Notice of Commission Request for Public Comments Concerning Settlement Agreement (44 F.R. 3789, Jan. 18, 1979).

In voting to terminate this investigation, we adopt the findings of fact and conclusions of fact and law of the administrative law judge. Inasmuch as the parties have entered into a settlement agreement, it has not been necessary to expend time and funds to develop a record before the administrative law judge containing sufficient reliable, probative, and substantial evidence 1/ upon which to make a determination of whether there is a violation of section 337. Therefore, it is neither necessary nor proper to make such a determination. 2/3/

^{1/ 5} U.S.C. 556(d) states in relevant part:

[&]quot;. . . A sanction may be not be imposed or rule or order issued except on consideration of the whole record or those parts thereof cited by a party and supported by and in accordance with the reliable, probative, and substantial evidence."

^{2/} For a discussion of the "determination" requirement of section 337, see Notice of Termination, Certain Alternating Pressure Pads, Investigation No. 337-TA-48 (44 F.R. 12286, March 6, 1979).

^{3/} Commissioners Alberger and Stern further note that the memorandum of Justice Department representatives to the Trade Policy Staff Committee cited in Commissioner Moore's views (which appear as a footnote to the Commission action) suggests that all settlement agreements should be subject to Presidential review, because they ". . . may significantly affect import trade . . ," and thus ". . . would have the same effect as a fully adjudicated cease and desist order . . . " In this case, however, Commissioner Moore ". . . determines that there is no present violation of section 337 " Both viewpoints fail to recognize the true nature of settlement agreements. The Commission is allowing this settlement agreement to go forth without prejudice to either party and without Commission enforcement of the agreement's terms.

While Commissioners Alberger and Stern do not agree with Commissioner Moore's view that a determination is required in this case, they do agree that the Commission should formalize its settlement procedures by amending the Commission's rules. Until such time as rules are adopted, however, the procedures such as those followed in the present case are entirely consistent with the purposes of Section 337 and the Administrative Procedure Act.

CERTIFICATE OF SERVICE

I, Kenneth R. Mason, certify that copies of the attached Notice of Termination and of the Commission Order and Commissioners' Opinion (USITC Publication 983) were served upon Jo Ann Miles, Esq., Commission Investigative Attorney, on June 14, 1979, and upon the following parties or counsel of record and government agencies by first class mail on June 14, 1979:

Counsel for complainant, Coats & Clark, Inc.--

Milton J. Wayne, Esq. Arthur Lessler, Esq. Herbert I. Cantor, Esq. Burgess, Ryan and Wayne 370 Lexington Avenue New York, N.Y. 10017

Counsel for respondent, Jordan Industries--

William D. Outman, II, Esq. Bruce H. Jackson, Esq. Baker and McKenzie 815 Connecticut Avenue Washington, D.C. 20006

and

James G. Staples, Esq. Baker and McKenzie Prudential Plaza Chicago, Ill. 60601

Counsel for respondents, Carol Cable Co.; Japan Hardcraft, Inc.; Sato American Metal, Inc.; and Sato Metal Trading Co., Ltd.--

Robert C. Faber, Esq. Ostrolenk, Faber, Gerb and Soffen 260 Madison Avenue New York, N.Y. 10016

Government agencies--

Mr. Alexander W. Sierck Director of Trade Policy Antitrust Division U.S. Department of Justice Room 7119, Main Justice Pennsylvania Avenue and Tenth Street, NW. Washington, D.C. 20530

Bernard Feiner, Esq. Assistant General Counsel Department of Health, Education & Welfare Room 5362, North Building 330 Independence Avenue, SW. Washington, D.C. 20201

Mr. Carol M. Thomas Secretary Federal Trade Commission Pennsylvania Avenue at Sixth Street, NW. Washington, D.C. 20580

Kenneth R. Mason, Secretary

U.S. International Trade Commission

701 E Street, NW.

Washington, D.C. 20436

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