

PUBLIC VERSION

UNITED STATES INTERNATIONAL TRADE COMMISSION
WASHINGTON, D.C.

In the Matter of

CERTAIN WATER FILTERS AND
COMPONENTS THEREOF

Inv. No. 337-TA-1126

Order No. 15 (Initial Determination)

On February 1, 2019, pursuant to Commission Rule 210.21, complainants Electrolux Home Products, Inc. (“Electrolux”) and KX Technologies, LLC (“KX”) and respondents Ecopure Filter Co., Ltd.; Hong Kong Ecoaqua Co., Ltd.; and Ecolife Technologies, Inc. (collectively, the “Eco Respondents”) filed a joint motion to terminate this investigation as to Eco Respondents based on a Consent Order Stipulation (Exhibit A), proposed Consent Order (Exhibit B), and a Settlement Agreement (Exhibits C and D). Motion Docket No. 1126-17.¹

On February 13, 2019, the Commission Investigative Staff (“Staff”) filed a response supporting the pending motion. No other response was filed.

Commission Rule 210.21(a)(2) provides that “[a]ny party may move at any time to terminate an investigation in whole or in part as to any or all respondents on the basis of a settlement, a licensing or other agreement ... or a consent order, as provided in paragraphs (b), (c) and (d) of this section.” 19 C.F.R. § 210.21(a)(2). Commission Rule 210.21(c) provides in relevant part that “[a]n investigation before the Commission may be terminated pursuant to section 337(c) of the Tariff Act of 1930 on the basis of a consent order.” 19 C.F.R. § 210.21(c).

¹ As ordered by the administrative law judge, on March 5, 2019, the movants filed a confidential joint motion to terminate. See Motion Docket No. 1126-21 (EDIS Doc. ID No. 669037).

Commission Rule 210.21(b)(1) provides in relevant part that “[a]n investigation before the Commission may be terminated as to one or more respondents pursuant to section 337(c) of the Tariff Act of 1930 on the basis of a licensing or other settlement agreement.” 19 C.F.R. § 210.21(b)(1).

Pursuant to Commission Rule 210.21(c), the movants state that “[o]ther tthan the Term Sheet that is also the subject of the present motion, there are no other agreements, written or oral, express or implied, between Complainants and the Eco Respondents concerning the subject matter of this Investigation.” Mot. at 3; 19 C.F.R. § 210.21(c). Pursuant to Commission Rule 210.21(b)(1), the movants state: “the Settling Parties represent that there are no other agreements, written or oral, express or implied, between the Settling Parties concerning the subject matter of this Investigation.” Mot. at 4; 19 C.F.R. § 210.21(b)(1).

The Consent Order Stipulation complies with the requirements of Commission Rule 210.21(c)(3). *See* Mot. Exhibit A (Consent Order Stipulation), ¶¶ 1-4, 6-10 (complying with 19 C.F.R. § 210.21(c)(3)(i)(A)-(G)); *id.*, ¶¶ 11-12 (complying with 19 C.F.R. § 210.21(c)(3)(ii)(A)-(B)); *see* Staff Resp. at 3-4.

The proposed Consent Order complies with the requirements of Commission Rule 210.21(c)(4). *See* Mot. Exhibit B (Proposed Consent Order), ¶¶ 1-13 (complying with 19 C.F.R. § 210.21(c)(4)(i)-(xii)); *see* Staff Resp. at 4-5.

The Commission’s Rules provide that in the case of a proposed termination by settlement agreement, consent order, or arbitration agreement, the parties may file statements regarding the impact of the proposed termination on the public interest, and the administrative law judge may hear argument, although no discovery may be compelled, with respect to issues relating solely to the public interest. The administrative law judge is directed to consider and make appropriate

findings “regarding the effect of the proposed settlement on the public health and welfare, competitive conditions in the U.S. economy, the production of like or directly competitive articles in the United States, and U.S. consumers.” *See* 19 C.F.R. § 210.50(b)(2).

The movants argue: “Entry of this consent order will also not impose an undue burden on the public health and welfare, competitive conditions in the United States economy, production of like or directly competitive articles in the United States, or U.S. consumers. 19 C.F.R. § 210.5 (b)(2). Entry of the proposed Consent Order would resolve any case or controversy that Complainants has with respect to the Eco Respondents and the public interest would be served by avoiding needless litigation and conserving judicial resources.” *Mot.* at 3. Concerning the termination based on the Settlement Agreement, the movants argue: “In view of the Term Sheet, there no longer exists a basis upon which to continue this Investigation as to the Eco Respondents. Further, termination of this Investigation as to the Eco Respondents at this stage of the proceedings poses no threat to the public interest. It is in the interest of the public and administrative economy to grant this motion to prevent further needless litigation.” *Id.* at 4-5. The Staff states that it “is not aware of any information that would indicate that termination of this investigation as to the Eco Respondents and the entry of the Proposed Consent Order would be contrary to the public health and welfare, competitive conditions in the U.S. economy, the production of like or directly competitive articles in the United States, or U.S. consumers.” *Staff Resp.* at 6.

The undersigned does not find any evidence that terminating this investigation as to the Eco Respondents based on the Consent Order Stipulation, proposed Consent Order, and the Settlement Agreement would be contrary to the public interest.

Accordingly, it is the initial determination of the undersigned that Motion Nos. 1126-17

and 1126-21 are granted. The procedural schedule is stayed as to Eco Respondents while any Commission review is pending.

* * *

Pursuant to 19 C.F.R. § 210.42(h), this initial determination shall become the determination of the Commission unless a party files a petition for review of the initial determination pursuant to 19 C.F.R. § 210.43(a), or the Commission, pursuant to 19 C.F.R. § 210.44, orders on its own motion a review of the initial determination or certain issues contained herein.



David P. Shaw
Administrative Law Judge

Issued: March 5, 2019

**UNITED STATES INTERNATIONAL TRADE COMMISSION
WASHINGTON, DC
Honorable David P. Shaw
Administrative Law Judge**

In the Matter of

**CERTAIN WATER FILTERS
AND COMPONENTS THEREOF**

Investigation No. 337-TA-1126

**JOINT MOTION OF COMPLAINANTS AND RESPONDENT ECOPURE FILTER CO.,
LTD., HONG KONG ECOAQUA CO., LTD., AND ECOLIFE TECHNOLOGIES, INC.
BASED ON CONSENT ORDER STIPULATION, PROPOSED CONSENT ORDER, AND
SETTLEMENT**

Pursuant to 19 U.S.C. §1337 (c) and 19 C.F.R. §§ 210.21(a)(2), 210.21(c)(1)(ii) and 210.21 (b), Complainants Electrolux North America, Inc. (“Electrolux”) and KX Technologies, LLC (“KX”) (collectively, “Complainants”) and Respondents Ecopure Filter Co., Ltd., Hong Kong Ecoaqua Co., Ltd., and Ecolife Technologies, Inc. (collectively, the “Eco Respondents”), hereby jointly move to terminate this investigation as to the Eco Respondents. First, the Commission should terminate the investigation as to the Eco Respondents based on the attached Consent Order Stipulation (Exhibit A) and Proposed Consent Order (Exhibit B). Second, the Commission should terminate the investigation as to the Eco Respondents according to a Term Sheet (the “Term Sheet”) resolving the present disputes between Complainants and the Eco Respondents (the “Settling Parties”). A true and correct copy of the Term Sheet, redacted to protect the disclosure of confidential business information, is attached to this submission as Public Exhibit C, and an unredacted version for service on the ALJ and OUII is attached as Exhibit D.

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