PUBLIC VERSION

UNITED STATES INTERNATIONAL TRADE COMMISSION

Washington, D.C.

In the Matter of **CERTAIN COMPACT WALLETS AND COMPONENTS THEREOF**	**Inv. No. 337-TA-1355**

INITIAL DETERMINATION ON VIOLATION OF SECTION 337 AND RECOMMENDED DETERMINATION ON REMEDY AND BOND

Administrative Law Judge Bryan F. Moore

(March 15, 2024)

Appearances:

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For the Office of Unfair Import Investigations:

Linda Chang, Esq. and David Lloyd, Esq. of the U.S. International Trade Commission from Washington, D.C.

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LIST OF ABBREVIATIONS

The following abbreviations may be used in this Initial Determination:

CDX	Complainant's demonstrative exhibit
CPX	Complainant's physical exhibit
CX	Complainant's exhibit
CIB	Complainant's initial post-hearing brief
CRB	Complainant's reply post-hearing brief
CPHB	Complainant's pre-hearing brief
Dep.	Deposition
JX	Joint Exhibit
RDX	Respondents' demonstrative exhibit
RPX	Respondents' physical exhibit
RX	Respondents' exhibit
RIB	Respondents' initial post-hearing brief
RRB	Respondents' reply post-hearing brief
RPHB	Respondents' pre-hearing brief
Tr.	Transcript
SIB	Staff's initial post-hearing brief
SRB	Staff's reply post-hearing brief
SPHB	Staff's pre-hearing brief

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INITIAL DETERMINATION ON VIOLATION OF SECTION 337 AND RECOMMENDED DETERMINATION ON REMEDY AND BOND

Administrative Law Judge Bryan F. Moore

(March 15, 2024)

Pursuant to the Notice of Investigation, this is the final Initial Determination in the Matter of Certain Compact Wallets and Components Thereof, Investigation No. 337-TA-1355.

For the reasons stated herein, I have determined that a violation of section 337 of the Tariff Act of 1930, as amended, has occurred in the importation into the United States, the sale for importation, or the sale within the United States after importation of certain compact wallets and components thereof alleged to infringe U.S. Patent No. 10,791,808.

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I. INTRODUCTION

A. Procedural History

The Commission instituted this investigation on March 15, 2023, based on a complaint filed by Complainant The Ridge Wallet LLC ("Ridge"). 88 Fed. Reg. 16,030-031.[1] The complaint alleged violations of section 337 in the importation into the United States, the sale of importation, and the sale within the United States after importation of certain compact wallets and components thereof by reason of the infringement of certain claims of U.S. Patent No. 10,791,808 (the "'808 patent"). *Id*. The complaint further alleged that a domestic industry exists. *Id*. The complaint also alleged violations of section 337 based upon the importation into the United States, or in the sale of certain compact wallets and components thereof by reason of trade dress infringement. *Id*. Mosaic Brands, Inc. ("Mosaic"), Rosemar Enterprise LLC, d/b/a RossM Wallet ("RossM"), INSGG, Shenzhen Swztech Co., Ltd. d/b/a SWZA, and Shenzhen Pincan Technology Co. Ltd. d/b/a ARW-Wallet ("ARW") were named as respondents.[2] *Id*. The Office of Unfair Import Investigations ("Staff") was also named as a party. *Id*.

Following institution, RossM and INSGG were found in default. Order No. 12 (July 11, 2023), *unreviewed by* Comm'n Notice (July 28, 2023).

A *Markman* hearing was held on June 21, 2023. *See* EDIS Doc. ID 799106. A *Markman* order issued on August 21, 2023, construing certain disputed claim terms. Order No. 14.

After the *Markman* hearing, Ridge and Mosaic settled their dispute and Mosaic was terminated from the investigation based on settlement. Order No. 16 (Sept. 6, 2023), *unreviewed by* Comm'n Notice (Sept. 22, 2023).

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[1] Ridge supplemented the complaint on February 21, 2023. EDIS Doc. ID 790719.
[2] ARW and SWZA will be referred to herein as the "Participating Respondents."

Over the course of the proceeding, the issues in this investigation were narrowed. I granted a motion by Ridge for partial termination of the investigation by withdrawal of its trade dress infringement claims as to the Participating Respondents. Order No. 18 (Sept. 11, 2023), *unreviewed by* Comm'n Notice (Oct. 10, 2023). I also granted a motion by Ridge for partial termination of the investigation by withdrawal of its trade dress infringement claims as to the Defaulting Respondents and by withdrawal of claims 3, 4, 9, 12, 13, 15, 16, and 17 of the '808 patent against the Defaulting Respondents and the Participating Respondents. Order No. 25 (Oct. 6, 2023), *unreviewed by* Comm'n Notice (Nov. 7, 2023). In addition, I struck the Participating Respondents' expert report regarding invalidity and granted Ridge's motion *in limine* to preclude the Participating Respondents from presenting any argument, evidence, and/or testimony regarding non-infringement and remedy and bond that were not timely disclosed in their contentions. Order Nos. 20 (Sept. 15, 2023) and 27 (Nov. 2, 2023).

I held an evidentiary hearing on November 6–7, 2023.[3]

On November 15, 2023, counsel for the Participating Respondents, Glacier Law LLP ("Glacier"), moved to withdraw because they had been discharged by the Participating Respondents.[4] *See* EDIS Doc. ID 808695. Glacier indicated that the Participating Respondents wished to continue to participate in this investigation without counsel. *Id*. The motion was granted on December 13, 2023. Order No. 30. The order did not become effective until "ten days from issuance," however. *Id*. at 3. In the order, I instructed Glacier to provide a copy of the order to the

[3] Prior to the hearing, Ridge filed a motion for summary determination, which raised many of the same issues addressed herein. EDIS Doc. ID 804586. With the issuance of this initial determination, Ridge's motion for summary determination (Motion Docket No. 1355-011) is moot.

[4] The attorneys of record were Tao Liu, Tianyu Ju, Na Zhang, Ruoting Men, Wei Wang, and Yu-Hao Yao. *See* Order No. 30 at 1.

Participating Respondents prior to the effective date and to notify the Commission once they had been served. *Id*. No certification was filed. I therefore requested that the Office of the Secretary serve Order No. 30 on the Participating Respondents. The shipping receipts show that the packages were delivered on January 24, 2023. *See* EDIS Doc. ID 813297. Specifically, the package for ARW was delivered to a Peng MS Fa Da Lu in Shenzhen, China, while the package for SWZA was delivered to SWZTech. *Id*. However, the address, including the zip code, is different than the address on record for SWZA. *Id*. And, the delivery zip code for ARW differs from the zip code provided to UPS. *Id*.

Under the procedural schedule, the private parties' post-hearing initial briefs were due on November 28, 2023. *See* Order No. 7 (Apr. 20, 2023). Ridge filed its post-hearing initial brief on that date. The Participating Respondents did not file a post-hearing initial brief, nor did they file a responsive post-hearing brief on December 12, 2023. *Id*.

B. The Private Parties

1. Complainant

Ridge is a Delaware limited liability corporation headquartered in Santa Monica, California. CIB at 3; EDIS Doc. ID 789539 ("Compl."), ¶ 8.

2. The Participating Respondents

a) Shenzhen Pincan Technology Co. Ltd. d/b/a ARW-Wallet

ARW is a Chinese company with a principal place of business in Shenzhen in China. Compl., ¶ 22.

b) Shenzhen Swztech Co., Ltd d/b/a SWZA

SWZA is a Chinese company with a principal place of business in Shenzhen in China. Compl., ¶ 24.

3. The Defaulting Respondents

a) Rosemar Enterprise LLC d/b/a RossM Wallet

RossM is a California company with its principal place of business located in Palm Springs, California. Compl., ¶ 17.

b) INSGG

INSGG is a Chinese company with its principal place of business at Zhejiang Province in China. Compl., ¶ 21.

C. The Products at Issue

The products at issue in this investigation can be generally described as "compact wallets." CIB at 8. These wallets are designed to accommodate credit cards, driver's licenses, and other card-shaped items. *Id.*

1. The Accused Products

The accused products are described as "two multi-piece panels held together with rivets, where the two panels are connected and urged toward one another with an elastic band." 88 Fed. Reg. 16,030-031 (Mar. 15, 2023).

The representative accused product(s) for each respondent is set forth below:

Party	Representative Product	Representativeness
Respondent ARW	Minimalist Wallet for Men, ARW Metal Money Clip Wallet, RFID Blocking Aluminum Slim Cash Credit Card Holder (Forged Ember)	Representative of all Respondent ARW's Accused Products as listed below.
Respondent SWZA	SWZA Carbon Fiber Wallet for Men, Money Clip Wallet, Minimalist RFID Blocking Metal Wallet Aluminum Card Holder (Forged Ember)	Representative of all Respondent SWZA's Accused Products as listed below.

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Party	Representative Product	Representativeness
Respondent RossM	RossM RFID Slim Minimalist Carbon Fiber and Aluminum Wallet - Forged Ember	Representative of all Respondent RossM's Accused Products as listed below
Respondent INSGG	INSGG Minimalist Wallet for Men - Forged Red	Representative of all Respondent INSGG's Accused products as listed below

EDIS Doc. ID 804574 at 2; CPX-0001 (ARW representative accused product); CPX-0002 (SWZA representative accused product); CPX-0003 (RossM representative accused product); CPX-0004 (INSGG representative accused product).

a) Participating Respondents

The Participating Respondents source their accused products from the same manufacturer. CX-0008 at 20:19-25.

i) ARW

The following table lists the accused products associated with ARW:

Respondent ARW's Accused Products				
Product	**SKU**	**ASIN**	**FNSKU**	**Description**
ARW Wallet	A-Black	B09QM8T1NQ	X0034P7MPF	Minimalist Wallet for Men, ARW Metal Money Clip Wallet, RFID Blocking Aluminum Slim Cash Credit Card Holder (Black)
ARW Wallet	A-Grey	B09QM9YDPZ	X0034PAGB7	Minimalist Wallet for Men, ARW Metal Money Clip Wallet, RFID Blocking Aluminum Slim Cash Credit Card Holder (Grey)
ARW Wallet	A-Navy Blue	B09QM8T2Q1	X0034P7MO1	Minimalist Wallet for Men, ARW Metal Money Clip Wallet, RFID Blocking Aluminum Slim Cash Credit Card Holder (Navy Blue)

Respondent ARW's Accused Products				
Product	**SKU**	**ASIN**	**FNSKU**	**Description**
ARW Wallet	ARW Wallet	B07C1N6L2D	X002ZDUYYD	Minimalist Wallet for Men, ARW Metal Money Clip Wallet, RFID Blocking Aluminum Slim Cash Credit Card Holder (Carbon Fiber)
ARW Wallet	A-Silver	B09QM96V68	X0034P7Q83	Minimalist Wallet for Men, ARW Metal Money Clip Wallet, RFID Blocking Aluminum Slim Cash Credit Card Holder (Silver)
ARW Wallet	A-Forged Blue	B0B4NR35SF	X003AHLE8D	Minimalist Wallet for Men, ARW Metal Money Clip Wallet, RFID Blocking Aluminum Slim Cash Credit Card Holder (Forged Blue)
ARW Wallet	A-Forged Carbon	B0B4NTXY6B	X003AHJ287	Minimalist Wallet for Men, ARW Metal Money Clip Wallet, RFID Blocking Aluminum Slim Cash Credit Card Holder (Forged Carbon)
ARW Wallet	A-Forged Ember	B0B4NW9PSK	X003AHI7HJ	Minimalist Wallet for Men, ARW Metal Money Clip Wallet, RFID Blocking Aluminum Slim Cash Credit Card Holder (Forged Ember)

EDIS Doc. ID 804574 at 3-4. Hereinafter, these products will be referred to collectively as the "ARW Accused Products."

ii) SWZA

The following table lists the accused products associated with SWZA:

Respondent SWZA's Accused Products				
Product	**SKU**	**ASIN**	**FNSKU**	**Description**
SWZA Wallet	Wallet-Holder	B07932JXQV	X002I8Y207	SWZA Carbon Fiber Wallet for Mean, Money Clip Wallet, Minimalist RFID Blocking Metal Wallet Aluminum Card Holder (Carbon Fiber)

Respondent SWZA's Accused Products				
Product	**SKU**	**ASIN**	**FNSKU**	**Description**
SWZA Wallet	S-Forged Ember	B09F95DTY7	X003C593ZT	SWZA Carbon Fiber Wallet for Mean, Money Clip Wallet, Minimalist RFID Blocking Metal Wallet Aluminum Card Holder (Forged Ember)
SWZA Wallet	S-Forged Blue	B09F99YH94	X003K95JKZ	SWZA Carbon Fiber Wallet for Mean, Money Clip Wallet, Minimalist RFID Blocking Metal Wallet Aluminum Card Holder (Forged Blue)
SWZA Wallet	S-Gunmetal	B09F96PBVL	X003CJONCN	SWZA Carbon Fiber Wallet for Mean, Money Clip Wallet, Minimalist RFID Blocking Metal Wallet Aluminum Card Holder (Gunmetal)
SWZA Wallet	S-Army Green-NEW	B09F98WC59	X003C5EWEB	SWZA Carbon Fiber Wallet for Mean, Money Clip Wallet, Minimalist RFID Blocking Metal Wallet Aluminum Card Holder (Army Green)
SWZA Wallet	S-Black	B0B4NQBJ26	X003AHCHRF	SWZA Carbon Fiber Wallet for Mean, Money Clip Wallet, Minimalist RFID Blocking Metal Wallet Aluminum Card Holder (Black)
SWZA Wallet	S-Forged Carbon	B0B4NQ5YTS	X003AHCCZH	SWZA Carbon Fiber Wallet for Mean, Money Clip Wallet, Minimalist RFID Blocking Metal Wallet Aluminum Card Holder (Forged Carbon)

Id. at 4-5. Hereinafter, these products will be referred to collectively as the "SWZA Accused Products."

b) Defaulting Respondents

i) RossM

RossM sources its accused products from the same manufacturer as ARW and SWZA. CX-0009 at 50:4-25. The following table lists the accused products associated with RossM:

Respondent RossM's Accused Products	
Product	**Description**
RossM Slim Wallet	RFID Slim Minimalist Carbon Fiber and Aluminum Wallet – Carbon Fiber 3K
RossM Slim Wallet	RFID Slim Minimalist Carbon Fiber and Aluminum Wallet – Forged Carbon
RossM Slim Wallet	RFID Slim Minimalist Carbon Fiber and Aluminum Wallet – Forged Ember
RossM Slim Wallet	RFID Slim Minimalist Carbon Fiber and Aluminum Wallet – Forged Pacific
RossM Slim Wallet	RFID Slim Minimalist Carbon Fiber and Aluminum Wallet – Forged Emerald
RossM Slim Wallet	RFID Slim Minimalist Carbon Fiber and Aluminum Wallet – Matte Black
RossM Slim Wallet	RFID Slim Minimalist Carbon Fiber and Aluminum Wallet – Gunmetal
RossM Slim Wallet	RFID Slim Minimalist Carbon Fiber and Aluminum Wallet – Army Green – Aluminum
RossM Slim Wallet	RFID Slim Minimalist Carbon Fiber and Aluminum Wallet – Forged Ash
RossM Slim Wallet	RFID Slim Minimalist Carbon Fiber and Aluminum Wallet – Forged Gold
RossM Slim Wallet	RFID Slim Minimalist Carbon Fiber and Aluminum Wallet – Matte Red
RossM Slim Wallet	RFID Slim Minimalist Carbon Fiber and Aluminum Wallet – Matte Blue
RossM Slim Wallet	RFID Slim Minimalist Carbon Fiber and Aluminum Wallet – Raw Silver
RossM Slim Wallet	RFID Slim Minimalist Carbon Fiber and Aluminum Wallet – Blue Carbon
RossM Slim Wallet	RFID Slim Minimalist Carbon Fiber and Aluminum Wallet – Silver Carbon
RossM Slim Wallet	RFID Slim Minimalist Carbon Fiber and Aluminum Wallet – 3K Carbon Fiber
RossM Slim Wallet	RFID Slim Minimalist Carbon Fiber and Aluminum Wallet – Red Carbon
RossM Slim Wallet	RFID Slim Minimalist Carbon Fiber and Aluminum Wallet – Gold – Aluminum
RossM Slim Wallet	RFID Slim Minimalist Carbon Fiber and Aluminum Wallet – Rose Gold
RossM Slim Wallet	RFID Slim Minimalist Carbon Fiber and Aluminum Wallet – Forged Carbon

Respondent RossM's Accused Products	
Product	**Description**
RossM Slim Wallet	RFID Slim Minimalist Carbon Fiber and Aluminum Wallet – Black - Aluminum
RossM Slim Wallet	RFID Slim Minimalist Carbon Fiber and Aluminum Wallet – Silver Carbon
RossM Slim Wallet	RFID Slim Minimalist Carbon Fiber and Aluminum Wallet – Army Green
RossM Slim Wallet	RFID Slim Minimalist Carbon Fiber and Aluminum Wallet – Walnut Wood
RossM Slim Wallet	RFID Slim Minimalist Carbon Fiber and Aluminum Wallet – Resin Wood
RossM Slim Wallet	RFID Slim Minimalist Carbon Fiber and Aluminum Wallet – Matte Blue

Id. at 5-7. This list is based on the information available on RossM's website: https://rossmwallet.com. *Id*. at 5 n.1. Hereinafter, these products will be referred to collectively as the "RossM Accused Products."

ii) INSGG

INSGG only sells a single SKU of product – the INSGG Minimalist Wallet for Men. CIB at 9. The SKU is sold with different colors. *Id*; *see also* EDIS Doc. ID 804574 at 7. INSGG does not have an operating website, so this reflects those products identified in the complaint. EDIS Doc. ID 804574 at 7 n.2. Hereinafter, the INSGG wallet in a variety of colors will be referred to collectively as the "INSGG Accused Products."

2. The Domestic Industry Products

The domestic industry products are compact wallets Ridge sells under the Ridge and [redacted] brands. CIB at 10; CX-0007C at Q/As 280-282, CX-0005C at Q/A 35-46. The Matte Olive Ridge wallet is representative of all Ridge-branded domestic industry products. *See* CPX-0005; CPX-0006; CX-0007C at Q/As 280-289; CX-0005C at Q/As 35-41; EDIS Doc. ID 804574 at 2. The [redacted] wallet is representative of all [redacted]-branded domestic industry products. *See* CPX-0007; CX-0007C at Q/As 280-289; CX-0005C at Q/As 42-46; EDIS Doc. ID 804574 at 2.

Ridge's domestic industry products are identified below:

Ridge's DI Products	
Product	**Description**
TravisMathew Floral Ridge Wallet	Limited-edition Compact Wallet made of 6061-T6 aerospace-grade aluminum; UV Print TravisMathew pattern from TravisMathew x Ridge Collection.
TravisMathew Camo Ridge Wallet	Limited-edition Compact Wallet made of 6061-T6 aerospace-grade aluminum; UV Print TravisMathew pattern from TravisMathew x Ridge Collection.
TravisMathew Palm Ridge Wallet	Limited-edition Compact Wallet made of 6061-T6 aerospace-grade aluminum; Anodized + Laser engraved TravisMathew pattern from TravisMathew x Ridge Collection.
Gunmetal Ridge Wallet	Compact Wallet made of 6061-T6 aerospace-grade aluminum; Anodized.
Royal Black Ridge Wallet	Compact Wallet made of 6061-T6 aerospace-grade aluminum; Anodized.
Alpine Navy Ridge Wallet	Compact Wallet made of 6061-T6 aerospace-grade aluminum; Anodized.
Matte Olive Ridge Wallet	Compact Wallet made of 6061-T6 aerospace-grade aluminum; Powder Coated.
Basecamp Orange Ridge Wallet	Compact Wallet made of 6061-T6 aerospace-grade aluminum; Powder Coated.
Rose Quartz Ridge Wallet	Compact Wallet made of 6061-T6 aerospace-grade aluminum; Anodized.
(Red) Ridge Wallet	Compact Wallet made of 6061-T6 aerospace-grade aluminum; Anodized; $10 from every purchase goes to the (Red) Global Fund.
Flamingo Pink Ridge Wallet	Limited Edition Compact Wallet made of 6061-T6 aerospace-grade aluminum; Powder Coated.
Matte Gunmetal Titanium Ridge Wallet	Compact Wallet made of Grade 2 Titanium; Powder Coated.
Burnt Titanium Ridge Wallet	Compact Wallet made of Grade 2 Titanium; Color Gradient PVD; Sandblasted Finish.
Stonewashed Titanium Ridge Wallet	Compact Wallet made of Grade 2 Titanium; Stonewashed Finish.
Forged Carbon Ridge Wallet	Compact Wallet made of Forged Carbon; Premium Grade Matte Finish.
Forged Ember Ridge Wallet	Compact Wallet made of Forged Carbon; Premium Grade Matte Finish + Aluminum Flakes.
Forged Pacific Ridge Wallet	Compact Wallet made of Forged Carbon; Matte Finish + Aluminum Flakes.
Ridge x Ten Hundred Bunnies Ridge Wallet	Limited-edition Compact Wallet made of 6061-T6 aerospace-grade aluminum; Anodized + UV Print; 20% of proceeds from each wallet donated to GiveWell.

Ridge's DI Products	
Product	**Description**
Ridge x Ten Moonlight Bunnies Ridge Wallet	Limited-edition Compact Wallet made of 6061-T6 aerospace-grade aluminum; Anodized + Laser Engraved; 20% of proceeds from each wallet donated to GiveWell.
Matte Black Titanium Ridge Wallet	Compact Wallet made of Grade 2 Titanium; Powder Coated.
Cobalt Titanium Ridge Wallet	Compact Wallet made of Grade 2 Titanium; Powder Coated.
Polar White Ridge Wallet	Compact Wallet made of 6061-T6 aerospace-grade aluminum; Anodized + Laser Engraved.
Half Dome Ridge Wallet	Compact Wallet made of 6061-T6 aerospace-grade aluminum; Anodized + Laser Engraved.
North Shore Ridge Wallet	Compact Wallet made of 6061-T6 aerospace-grade aluminum; Anodized + Laser Engraved.
The Narrows Ridge Wallet	Compact Wallet made of 6061-T6 aerospace-grade aluminum; Anodized + Laser Engraved.
Mount Rainier Ridge Wallet	Compact Wallet made of 6061-T6 aerospace-grade aluminum; Anodized + Laser Engraved.
Denali Ridge Wallet	Compact Wallet made of 6061-T6 aerospace-grade aluminum; Anodized + Laser Engraved.
Tiki Ridge Wallet	Compact Wallet made of 6061-T6 aerospace-grade aluminum; Powder Coated + UV Print.
Neon Tiki Ridge Wallet	Compact Wallet made of 6061-T6 aerospace-grade aluminum; Powder Coated + UV Print.
Tropical Ridge Wallet	Compact Wallet made of 6061-T6 aerospace-grade aluminum; UV Print.
Damascus Ridge Wallet	Compact Wallet made of Stainless Steel 304; Laser-Engraved; includes traditional money clip made from spring steel.
Black Damascus Ridge Wallet	Compact Wallet made of Stainless Steel 304; Laser-Engraved; includes traditional money clip made from spring steel.
Burnt Damascus Ridge Wallet	Compact Wallet made of Stainless Steel 304; Laser-Engraved Damascus Pattern; Color Gradient PVD; includes traditional money clip made from spring steel.
Forged Gold Ridge Wallet	Compact Wallet made of Forged Carbon; Matte Finish + Aluminum Flakes.
Red Carbon 3K Ridge Wallet	Compact Wallet made of Red Carbon Fiber 3K; Premium Grade Matte Finish.
Hennessey Performance Ridge Wallet	Compact Wallet made of Carbon Fiber 3K Weave; Premium Grade Matte Finish.
RealTree Edge Ridge Wallet	Compact Wallet made of 6061-T6 aerospace-grade aluminum; UV Print.
24 Karat Gold Ridge Wallet	Compact Wallet made of 99.9% 24 Karat Gold; PVD Coating.
Puppies Make Me Happy Ridge Wallet	Compact Wallet made of 6061-T6 aerospace-grade aluminum; Anodized + Laser Engraved; $10 from every sale goes to help dogs and puppies in shelters.

Ridge's DI Products	
Product	**Description**
Ridge x Chael Sonnen Ridge Wallet	Limited-edition Compact Wallet made of 6061-T6 aerospace-grade aluminum; Anodized + Laser Engraved; 20% of proceeds from each sale donated to Hire Heroes USA.
[redacted] Slim Wallet for Men - (Carbon Fiber)	[redacted] Slim Wallet for Men - Front Pocket RFID Blocking Minimalist Wallet for Men - Metal Wallet with Money Clip for Men (Carbon Fiber)
[redacted] Slim Wallet for Men - (Crimson)	[redacted] Slim Wallet for Men - Front Pocket RFID Blocking Minimalist Wallet for Men - Metal Wallet with Money Clip for Men (Crimson)
[redacted] Slim Wallet for Men - (Iron)	[redacted] Slim Wallet for Men - Front Pocket RFID Blocking Minimalist Wallet for Men - Metal Wallet with Money Clip for Men (Iron)
[redacted] Slim Wallet for Men - (Obsidian)	[redacted] Slim Wallet for Men - Front Pocket RFID Blocking Minimalist Wallet for Men - Metal Wallet with Money Clip for Men (Obsidian)
[redacted] Slim Wallet for Men - (Patriot)	[redacted] Slim Wallet for Men - Front Pocket RFID Blocking Minimalist Wallet for Men - Metal Wallet with Money Clip for Men (Patriot)

EDIS Doc. ID 804574 at 7-11. Hereinafter, these products will be referred to collectively as the "Ridge DI Products."

II. LEGAL PRINCIPLES

A. Infringement

In a section 337 investigation, the complainant bears the burden of proving infringement of the asserted patent claims by a preponderance of the evidence. *See Spansion, Inc. v. Int'l Trade Comm'n*, 629 F.3d 1331, 1349 (Fed. Cir. 2010). This standard "requires proving that infringement was more likely than not to have occurred." *Warner-Lambert Co. v. Teva Pharm. USA, Inc.*, 418 F.3d 1326, 1341 n.15 (Fed. Cir. 2005).

1. Literal Infringement

"Literal infringement requires the patentee to prove that the accused device contains each limitation of the asserted claim(s). If any claim limitation is absent, there is no literal infringement as a matter of law." *Bayer AG v. Elan Pharm. Research Corp.*, 212 F.3d 1241, 1247 (Fed. Cir.

2000) (cleaned up). Literal infringement is a question of fact. *Finisar Corp. v. DirecTV Grp., Inc.*, 523 F.3d 1323, 1332 (Fed. Cir. 2008).

B. Validity

A patent is presumed valid. *See* 35 U.S.C. § 282; *Microsoft Corp. v. i4i Ltd. P'ship*, 564 U.S. 91, 95 (2011).

C. Domestic Industry

For a patent-based complaint, a violation of section 337 can be found "only if an industry in the United States, relating to the articles protected by the patent . . . concerned, exists or is in the process of being established." 19 U.S.C. § 1337(a)(2). This domestic industry requirement of section 337 is often described as having an economic prong and a technical prong. *InterDigital Commc'ns, LLC v. Int'l Trade Comm'n*, 707 F.3d 1295, 1298 (Fed. Cir. 2013); *Certain Stringed Musical Instruments & Components Thereof*, Inv. No. 337-TA-586, Comm'n Op. at 12-14 (May 16, 2008). ("*Stringed Musical Instruments*"). The complainant bears the burden of establishing that the domestic industry requirement is satisfied. *See Certain Set-Top Boxes & Components Thereof*, Inv. No. 337-TA-454, ID at 294, 2002 WL 31556392 (June 21, 2002) (unreviewed by Commission in relevant part).

1. Economic Prong

Section 337(a)(3) sets forth the following economic criteria for determining the existence of a domestic industry in such investigations:

> (3) For purposes of paragraph (2), an industry in the United States shall be considered to exist if there is in the United States, with respect to the articles protected by the patent, copyright, trademark, mask work, or design concerned –
>
> (A) significant investment in plant and equipment;
>
> (B) significant employment of labor or capital; or

> (C) substantial investment in its exploitation, including engineering, research and development, or licensing.

19 U.S.C. § 1337(a)(3). Thus, section 337(a)(3) requires that investments be either "significant" or "substantial." The Federal Circuit has clarified that a quantitative analysis must be performed in order to make this determination. *Lelo Inc. v. Int'l Trade Comm'n*, 786 F.3d 879, 883 (Fed. Cir. 2015) ("The plain text of § 337 requires a quantitative analysis in determining whether a [complainant] has demonstrated a 'significant investment in plant and equipment' or 'significant employment of labor or capital.'"). There is no threshold amount that a complainant must meet. *See Stringed Musical Instruments*, Comm'n Op. at 25-26 ("We emphasize that there is no minimum monetary expenditure that a complainant must demonstrate to qualify as a domestic industry under the 'substantial investment' requirement of this section."); *Certain Male Prophylactic Devices*, Inv. No. 337-TA-546, Comm'n Op. at 39 (Aug. 1, 2007) ("*Male Prophylactic Devices*") ("[T]here is no mathematical threshold test."). Rather, the inquiry depends on "the facts in each investigation, the article of commerce, and the realities of the marketplace." *Certain Printing & Imaging Devices & Components Thereof*, Inv. No. 337-TA-690, Comm'n Op. at 27 (Feb. 17, 2011). As such, "[t]he determination takes into account the nature of the investment and/or employment activities, the industry in question, and the complainant's relative size." *Id.*

2. Technical Prong

The technical prong of the domestic industry requirement is satisfied when the complainant in a patent-based section 337 investigation establishes that it is practicing or exploiting the patents at issue. *See* 19 U.S.C. § 1337(a)(2)-(3); *Certain Microsphere Adhesives, Process for Making Same & Prods. Containing Same, Including Self-Stick Repositionable Notes*, Inv. No. 337-TA-366, Comm'n Op. at 8 (Jan. 16, 1996). "The test for satisfying the 'technical prong' of the industry requirement is essentially [the] same as that for infringement, i.e., a comparison of domestic

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IPR2024-00692

products to the asserted claims." *Alloc, Inc. v. Int'l Trade Comm'n*, 342 F.3d 1361, 1375 (Fed. Cir. 2003). To prevail, the patentee must establish by a preponderance of the evidence that the domestic product practices one or more claims of the patent. *See Male Prophylactic Devices*, Comm'n Op. at 38 (Aug. 1, 2007). It is sufficient to show that the domestic products practice any claim of that patent, not necessarily an asserted claim of that patent. *Id*.

D. Default

Commission Rule 210.16(b)(4) states: "A party found in default shall be deemed to have waived its right to appear, to be served with documents, and to contest the allegations at issue in the investigation." 19 C.F.R. § 210.16(b)(4). Commission Rule 210.16(c) further provides that "[t]he facts alleged in the complaint will be presumed to be true with respect to the defaulting respondent." 19 C.F.R. § 210.16(c).

III. IMPORTATION

Section 337(a)(1) prohibits, *inter alia*, "[t]he importation into the United States, the sale for importation, or the sale within the United States after importation by the owner, importer, or consignee, of articles that . . . infringe a valid and enforceable United States patent" or trademark. 19 U.S.C. § 1337(a)(1)(B)-(C). A complainant need only prove importation of a single accused product to satisfy the importation element. *Certain DC-DC Controllers & Prods. Containing the Same*, Inv. No. 337-TA-698, Order No. 29 at 3 (June 18, 2010); *Certain Purple Protective Gloves*, Inv. No. 337-TA-500, Order No. 17 at 5 (Sept. 23, 2004).

A. The Participating Respondents

ARW and SWZA do not dispute that the importation and sale requirement has been satisfied with respect to the accused products. EDIS Doc. ID 804588 at ¶¶ 6-7. Specifically, each Participating Respondent has stipulated that it "has sold into the United States and/or sold within

the United States, within the meaning of 19 U.S.C. §§ 1377(a)(1)(B)-(C), at least one unit of the Accused Products." *Id*. at ¶¶ 4 (SWZA), 5 (ARW).

B. The Defaulting Respondents

Ridge asserts that the Defaulting Respondents have imported into the United States and/or sold after importation their accused products. CIB at 12. Staff concurs. SIB at 10.

As noted above, the Defaulting Respondents have waived their right to contest the allegations of importation in Ridge's complaint. *See* 19 C.F.R. § 210.16(b)(4). In the complaint, Ridge identified an instance of importation and/or sale after importation by both RossM and INSGG of compact wallets. *See* Compl., ¶¶ 94-97 (RossM), 102-105 (INSGG); Compl. Ex. 32 (showing RossM Accused Product purchased in the United States as being marked with "Made in China"); Compl. Ex. 34 (showing INSGG Accused Product purchased in the United States as being marked with "Made in China").

C. Conclusion

The record demonstrates that the accused products have been imported into the U.S., sold for importation, and/or sold within the U.S. after importation. Accordingly, I find that Ridge has satisfied the importation requirement of section 337.

IV. JURISDICTION

To have the power to decide a case, a court or agency must have both subject matter jurisdiction and jurisdiction over either the parties or the property involved. *See* 19 U.S.C. § 1337.

A. The Participating Respondents

ARW and SWZA do not contest that the Commission has jurisdiction. RPHB at 8.

B. The Defaulting Respondents

1. Subject Matter Jurisdiction

Section 337 confers subject matter jurisdiction on the Commission to investigate, and if appropriate, to provide a remedy for, unfair acts and unfair methods of competition in the importation, the sale for importation, or the sale after importation of articles into the United States. *See* 19 U.S.C. §§ 1337(a)(1)(C), (a)(2). Ridge filed a complaint alleging a violation of this subsection. Accordingly, the Commission has subject matter jurisdiction over this investigation under section 337 of the Tariff Act of 1930. *Amgen, Inc. v. U.S. Int'l Trade Comm'n*, 902 F.2d 1532, 1536 (Fed. Cir. 1990).

2. Personal Jurisdiction

Personal jurisdiction is not required so long as the products are being imported. *See Sealed Air Corp. v. U.S. Int'l Trade Comm'n*, 645 F.2d 976, 985-89 (C.C.P.A. 1981). I have already determined hereinabove that the RossM and INSGG Accused Products have been imported into the United States. *See* Section III.B. Furthermore, RossM and INSGG have waived their right to contest that *in personam* jurisdiction exists. *See Certain Protective Cases & Components Thereof,* Inv. No. 337-TA-780, Initial Det. at 46 (June 29, 2012).

3. *In Rem* Jurisdiction

The Commission has *in rem* jurisdiction because the Accused RossM and INSGG compact wallets have been imported into the United States. *See Sealed Air Corp. v. U. S. Int'l Trade Comm'n*, 645 F.2d 976, 985 (C.C.P.A. 1981).

V. STANDING

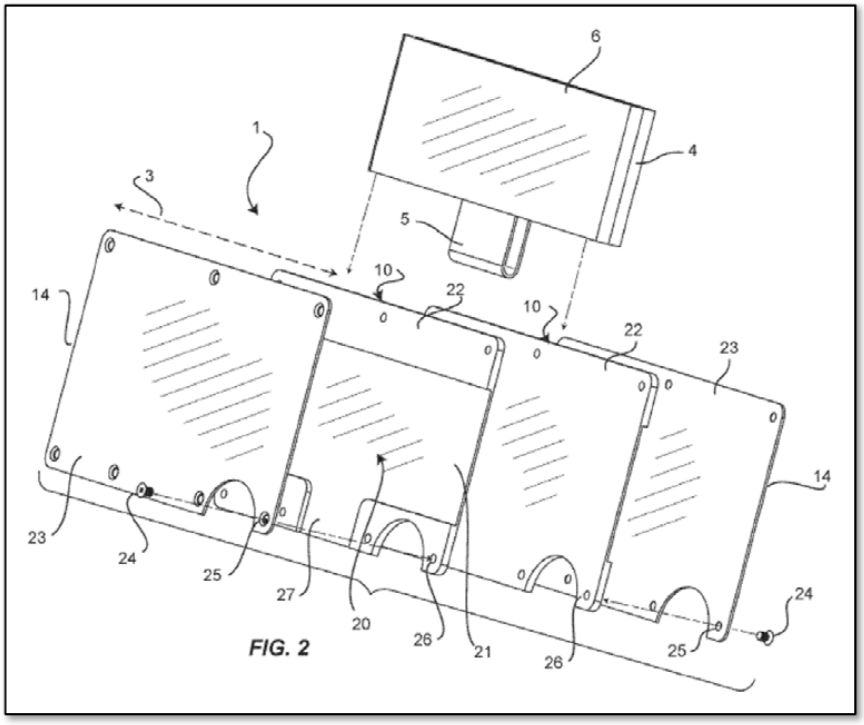
Commission Rule 210.12 states in relevant part "[f]or every intellectual property based complaint (regardless of the type of intellectual property involved), [the complaint must] include a showing that at least one complainant is the owner or exclusive licensee of the subject intellectual property." 19 C.F.R. § 210.12(a)(7).

The record demonstrates that Ridge has standing in this investigation due to its ownership of the '808 patent. CX-0002; Compl., ¶¶ 4, 57. The Participating Respondents do not dispute that Ridge is the owner of the '808 patent. RPHB at 8.

VI. THE '808 PATENT

A. Overview

The '808 patent, titled "Compact Wallet," issued on October 6, 2020, and names Daniel Kane as the inventor. CX-0001 at cover page. The '808 patent is directed to a "compact wallet designed to present a minimal silhouette in a shirt, pants or purse pocket." *Id.*; *see also id*. at 1:14-15 ("This invention relates to billfold wallets, and more particularly to low-profile wallets for credit cards."). Figure 2 of the '808 patent illustrates some of the pertinent features of the invention:



Id. at Fig. 2. The ’808 patent also describes a money clip feature, which permits a user to carry cash in addition to cards. *Id*. at 5:10-13. This feature can be seen in Figure 13 below:

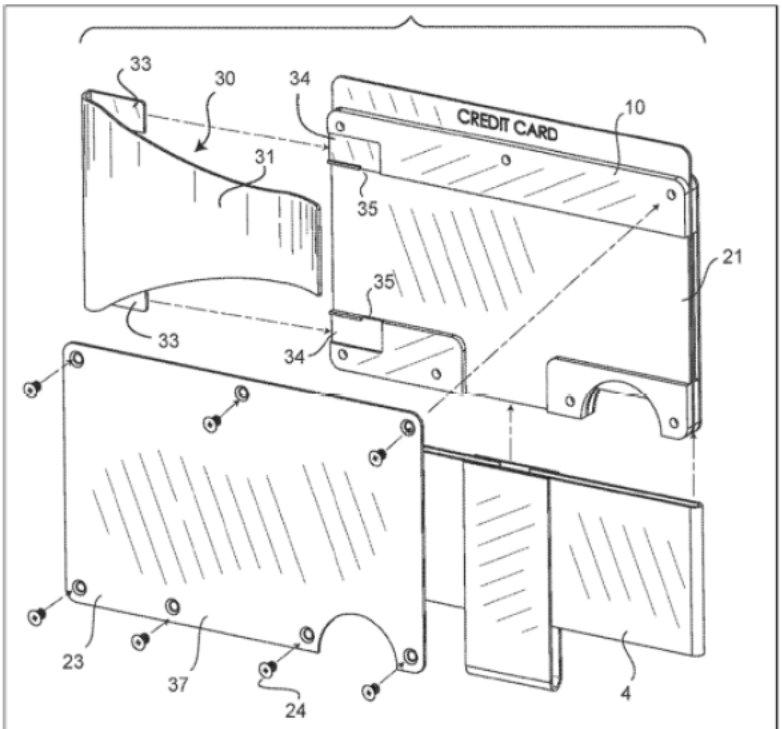


FIG. 13

Id. at Fig. 13.

1. Asserted Claims

Claims 1, 2, and 14 are at issue in this investigation. These claims are reproduced below:

Claim	Claim Language
1[pre]	A compact wallet, comprising:
1[a]	at least two rigid plates interposed to sandwich card-like contents there between, each rigid plate having a longitudinal extent;
1[b]	at least one encircling elastic band interposed with the at least two rigid plates along longitudinal extents thereof to bias them inwardly and securely hold the card-like contents while providing elastic volume there between for adding or removing contents;
1[c]	a channeling means configured to minimize the profile of the wallet and hold position of the at least one encircling elastic band with respect to each rigid plate while allowing freedom for the dynamic extension and contraction of the band over the entire running length thereof; and
1[d]	an auxiliary feature removably attached to at least one of the at least two rigid plates, the auxiliary feature having a tang insertable into a recess formed inside the at least two rigid plates, the tang having a hook, the hook extending to an angle to the tang, the hook engaging an undercut of the recess to prevent inadvertent dislodgement of the auxiliary feature from the recess,

Claim	Claim Language
1[e]	whereby, card-like contents may be carried with minimal silhouette on or with a person while allowing expandable capacity and ready access to individual contents from between the at least two rigid plates.
2	The compact wallet of claim 1, wherein the channeling means is a longitudinal groove in a first lamina of a laminate construction of each rigid plate, the groove slidingly receiving one part of the at least one encircling elastic band.
14[pre]	A compact wallet, comprising:
14[a]	at least two rigid plates interposed to sandwich card-like contents there between, each rigid plate having a groove along a longitudinal extent thereof;
14[b]	at least one encircling elastic band slidingly interposed in the grooves to bias the at least two rigid plates inwardly and securely hold the card-like contents while providing elastic volume there between for adding or removing contents, the grooves configured to hold position of the at least one encircling elastic band with respect to each rigid plate while allowing freedom for the dynamic extension and contraction of the band over the entire running length thereof;
14[c]	a recess formed inside at least one of the at least two rigid plates, the recess operable to receive a tang of an auxiliary feature, the recess having an undercut operable to engage a hook of the tang to prevent inadvertent dislodgement of the auxiliary feature from the recess when the auxiliary feature is removably positioned in at least one of the at least two rigid plates, the hook extending at an angle to the tang,
14[d]	whereby, card-like contents may be carried with minimal silhouette on or with a person while allowing expandable capacity and ready access to individual contents from between the at least two rigid plates.

2. Claim Construction

The parties agreed to the following constructions of certain claim terms in the '808 patent:

Claim Term	Agreed Construction
"channeling means" (claim 1)	Function: "to minimize the profile of the wallet and hold position of the at least one encircling elastic band with respect to each rigid plate while allowing freedom of the dynamic extension and contraction of the band over the entire running length thereof" Structure: "a groove spanning the extent of one or more of the rigid plates or a longitudinal bore through one or more of the rigid plates"
"auxiliary feature" (claims 1, 14)	Plain and ordinary meaning

Claim Term	Agreed Construction
"undercut" (claims 1, 14)	Plain and ordinary meaning
"hook" (claims 1, 14)	Plain and ordinary meaning

Order No. 14 at 6-7.

In the *Markman* order, the following claim terms were construed:

Claim Term	ALJ's Construction
"interposed" (claim 1, 14)	Plain and ordinary meaning
"minimal silhouette" (claims 1, 14)	Plain and ordinary meaning
"minimize the profile" (claim 1)	Plain and ordinary meaning

Id. at 7-19.

3. Level of Ordinary Skill in the Art

I previously determined that a person of ordinary skill in the art with respect to the '808 patent would have at least a bachelor's degree in engineering or related fields, and some experience working in analyzing, designing, or creating mechanical devices such as wallets. More education (*e.g.*, a Master's degree) or work experience in the relevant field may compensate for a deficit in one of the relevant qualifications stated above. *Id*. at 6.

B. Infringement

Ridge alleges that the accused products infringe the '808 patent. CIB at 13-20. In support, Ridge presented expert testimony from Dr. Thomas Kurfess. *See generally* CX-0007C. Dr. Kurfess received his Ph.D. from Massachusetts Institute of Technology in Mechanical Engineering. *Id*. at Q/A 15. Dr. Kurfess also has dual S.M. degrees in Electrical Engineering & Computer Science and Mechanical Engineering and is currently the Chief Manufacturing Officer of the Georgia Institute of Technology, as well as the Executive Director of the Georgia Tech Manufacturing Institute. *Id*. at Q/As 15, 17. Dr. Kurfess inspected the representative wallets of each respondent, and for the ARW and SWZA representative wallets, he took them apart and reassembled them. *Id*. at Q/As 51-54, 115-117, 173-175, 230-231.

1. The Participating Respondents

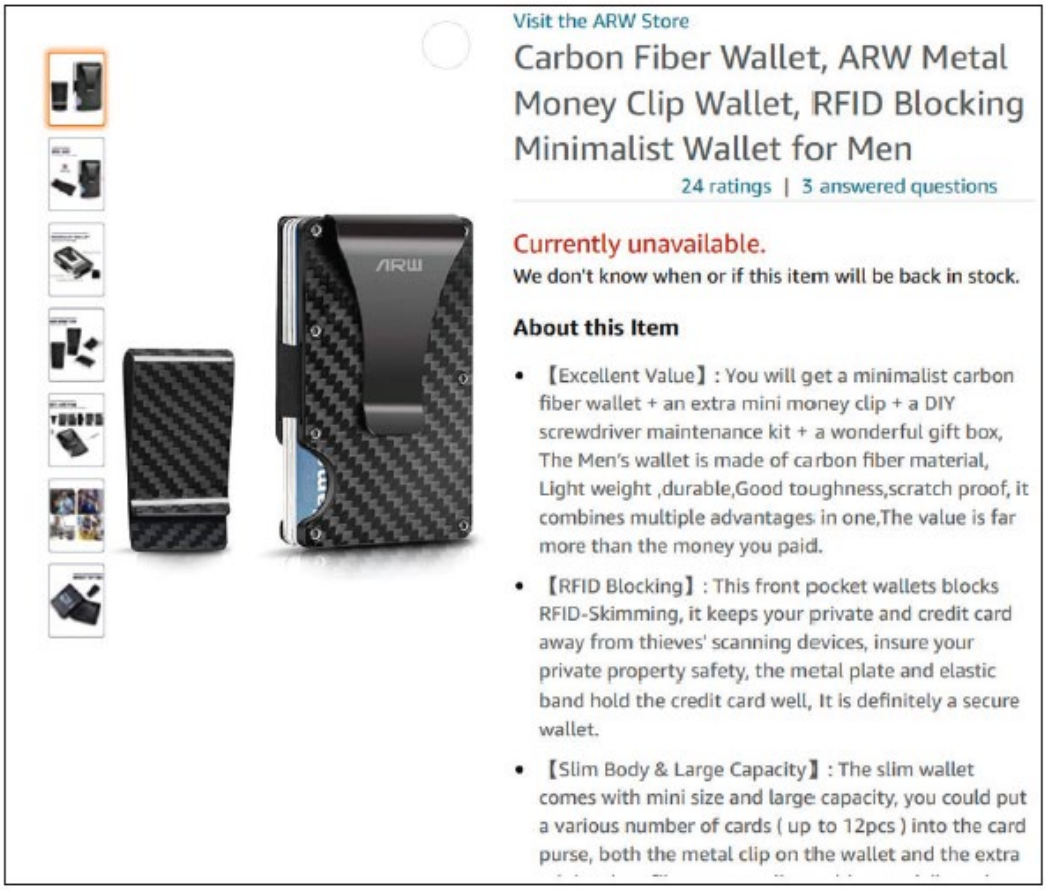
Ridge asserts that the ARW and SWZA Accused Products meet every limitation of claims 1, 2, and 14. CIB at 13-19. Staff concurs. SIB at 12-22. The Participating Respondents do not dispute that the ARW and SWZA Accused Products meet every limitation, except for limitations 1[d] and 14[d]. EDIS Doc. ID 808674 at 4-5. However, ARW and SWZA did not file an initial or responsive post-hearing brief. As such, the Participating Respondents have waived any arguments with respect to these limitations. *See* Ground Rule 14.2 ("Any contentions that are not set forth in detail in the post-hearing initial brief shall be deemed abandoned or withdrawn.").

a) ARW

i) Claim 1

(1) Limitation 1[pre]

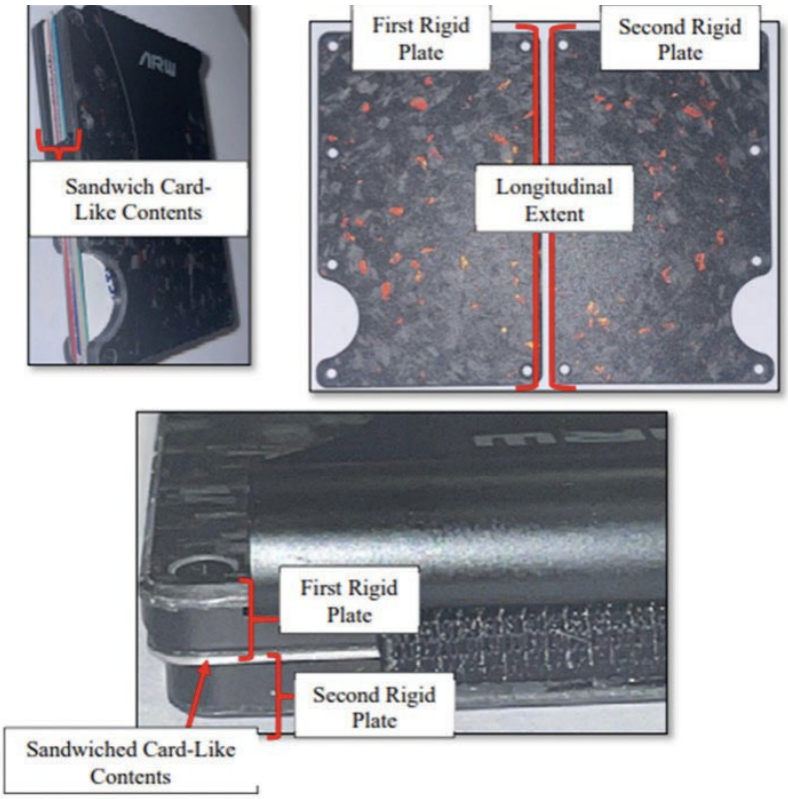
The preamble recites "A compact wallet, comprising:". CX-0001, cl. 1. The evidence shows that the ARW Accused Products are compact wallets. CX-0007C at Q/A 68. As shown below, ARW describes their products as "minimalist wallet(s) for men."



CX-0066.

(2) Limitation 1[a]

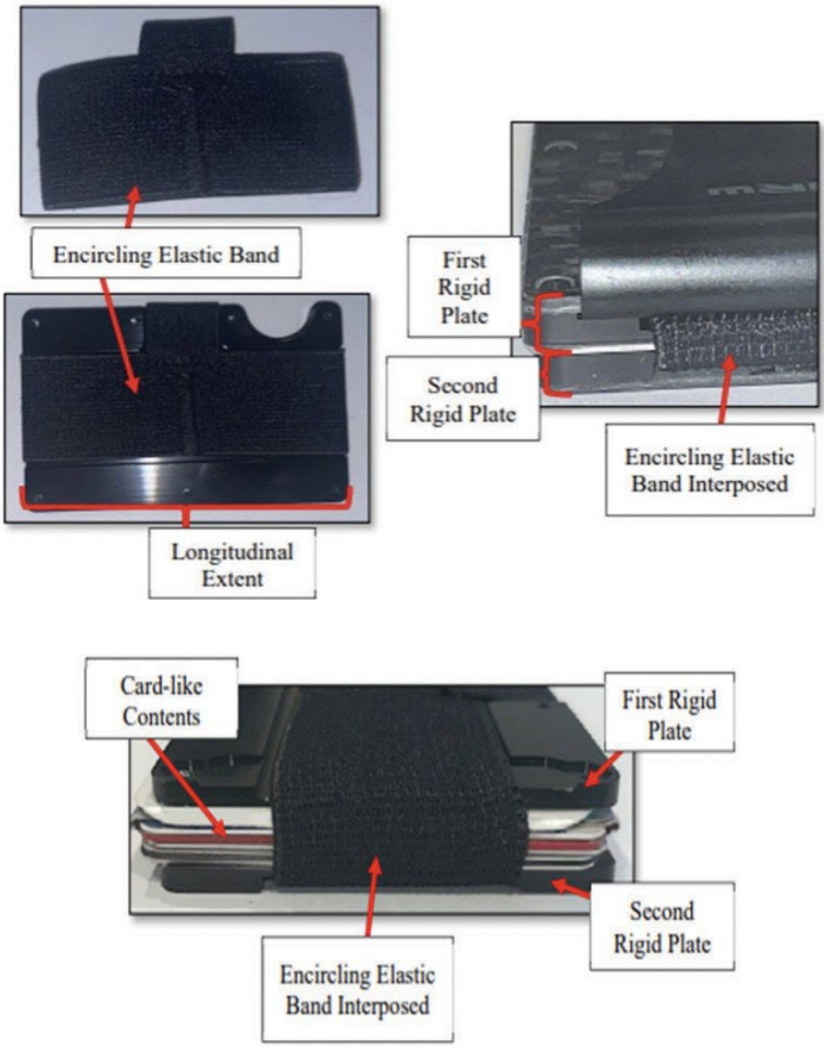
Claim 1 includes the limitation "at least two rigid plates interposed to sandwich card-like contents there between, each rigid plate having a longitudinal extent." CX-0001, cl. 1. The evidence shows that the ARW Accused Products have two rigid plates interposed to sandwich card-like contents there between, and that each rigid plate in the ARW Accused Products has a longitudinal extent. CX-0007C at Q/A 71.



Id.

(3) Limitation 1[b]

Claim 1 includes the limitation "at least one encircling band interposed with at least two rigid plates along a longitudinal extents thereof to bias them inwardly and securely hold card-like contents while providing elastic volume there between for adding or removing contents." CX-0001, cl. 1. The evidence shows that the ARW Accused Products have an "encircling band" positioned between the two rigid plates. CX-0007C at Q/A 72.

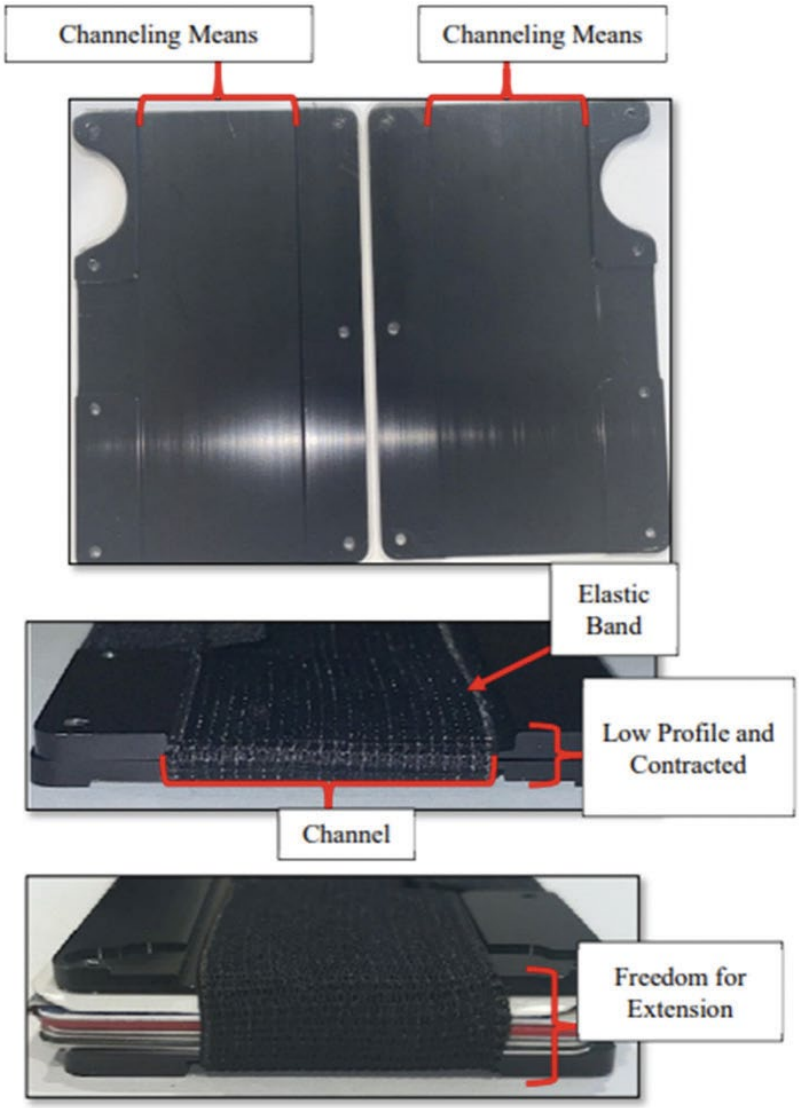


Id.

(4) Limitation 1[c]

Claim 1 includes the limitation "a channeling means configured to minimize the profile of the wallet and hold position of the at least one encircling band with respect to each rigid plate while allowing freedom for the dynamic extension and contraction of the band over the entire running length thereof." CX-0001, cl. 1. The evidence shows that the ARW Accused Products meet this limitation. CX-0007C at Q/A 73.

Dr. Kurfess testified that the "channeling means" (identified below) minimizes the profile of the wallet and holds the position of the encircling elastic band with respect to each rigid plate while allowing extension and contraction of the band. *Id*. at Q/A 74.

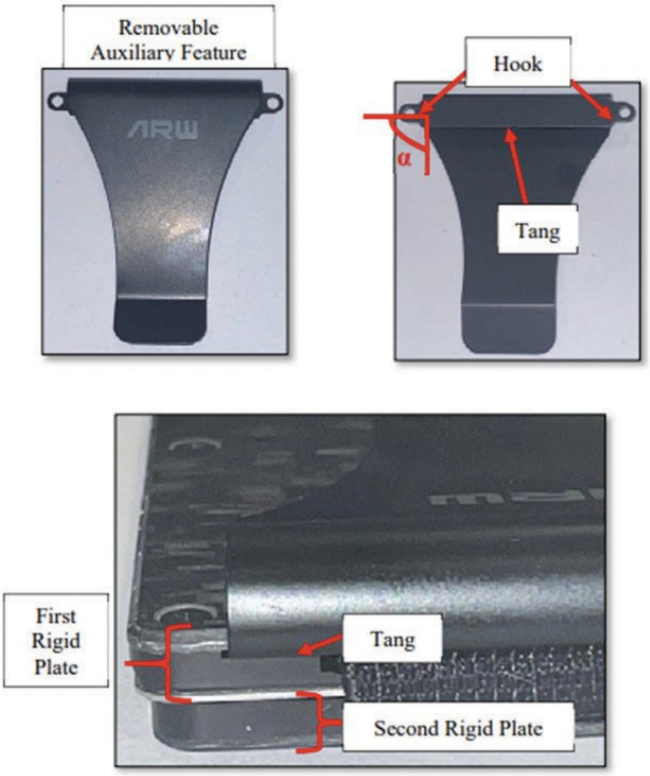


Id. Dr. Kurfess also testified that "channeling means" has a structure with a "a groove spanning the extent of one or more of the rigid plates or a longitudinal bore through one or more of the rigid plates." *Id*.

(5) Limitation 1[d]

Claim 1 includes the limitation "an auxiliary feature removably attached to at least one of the at least rigid plates, the auxiliary feature having a tang insertable into a recess formed inside the at least two rigid plates, the tang having a hook, the hook extending at an angle to the tang, the hook engaging an undercut of the recess to prevent inadvertent dislodgement of the auxiliary feature from the recess." CX-0001, cl. 1. The evidence shows that the ARW Accused Products meet this limitation.

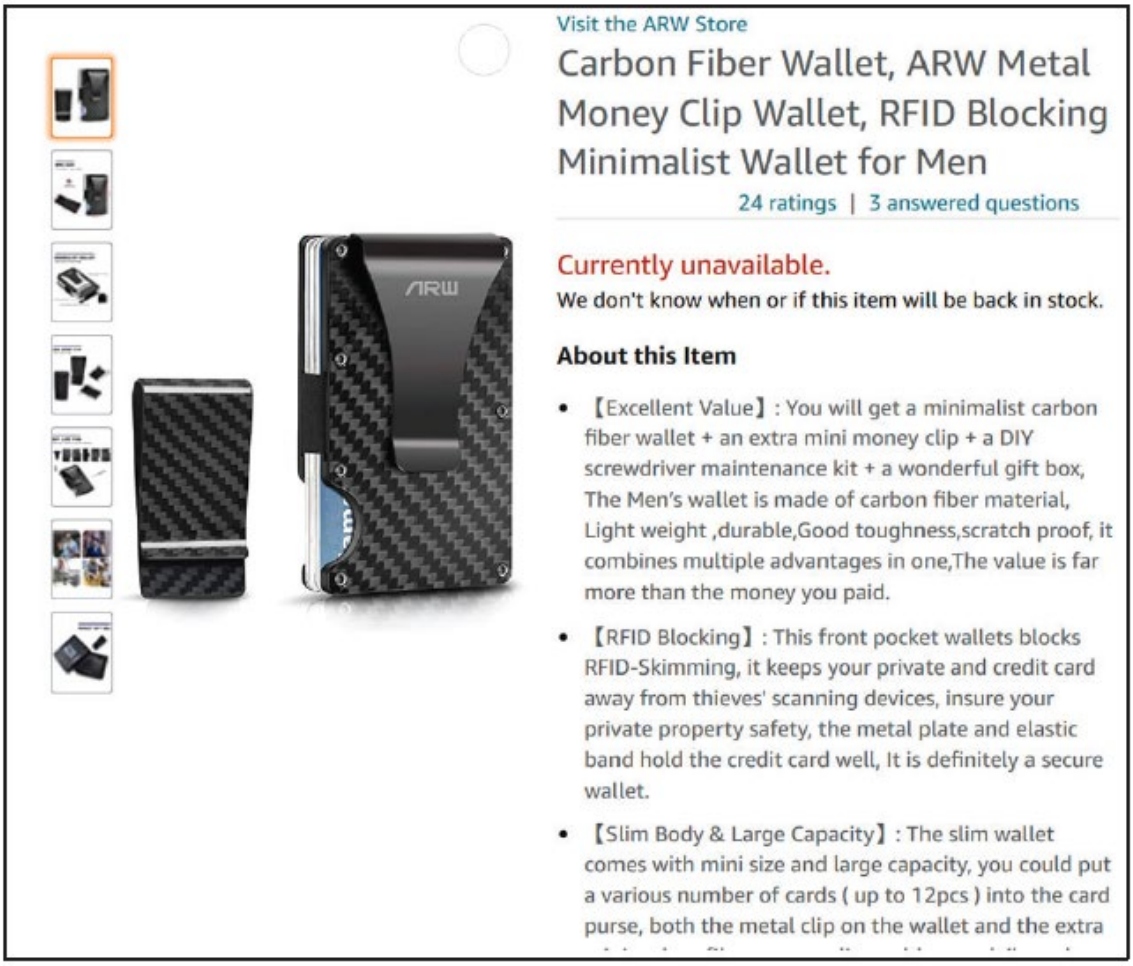
Dr. Kurfess testified that the ARW Accused Products have a money clip, which includes the recited tang with a hook that extends at an angle to the tang. CX-0007C at Q/A 75. He further testified that there is a "recess" formed inside the rigid plate with an "undercut," "[a]nd it's the part that the money clip nests into." *Id*. at Q/A 76.



Id. at Q/A 75. As Staff noted: "[T]he money clip meets the claimed 'auxiliary' feature because it has a projected piece ('tang') insertable into a sunken area (the 'recess') in the plates, and a 'hook' extending at an angle from the tang. The hook fits inside the sunken area in the plate and is configured to engage a non-sunken area of the plate ('undercut') to prevent the money clip from falling out." SIB at 17 (internal citations omitted).

(6) Limitation 1[e]

Claim 1 includes the limitation "whereby, card-like contents may be carried with minimal silhouette on or with a person while allowing expandable capacity and ready access to individual contents from between the at least two rigid plates." CX-0001, cl. 1. As seen below, ARW describes the ARW Accused Products as being expandable.



CX-0066 (describing the ARW Accused Product as being able to hold up to 12 cards); *see also* CX-0007C at Q/A 77 (discussing how the ARW wallets are "expandable while being minimalist"). Thus, the ARW Accused Products meet this limitation.

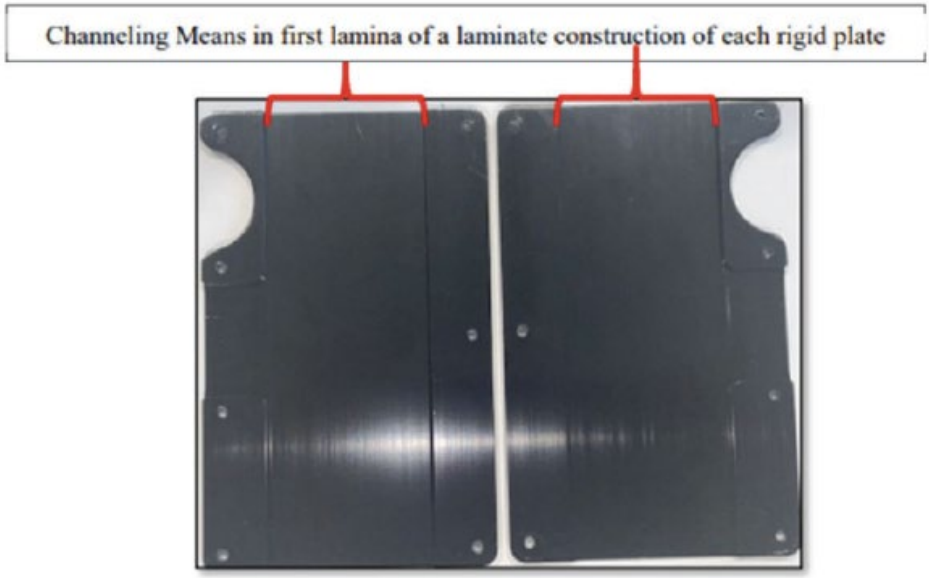
(7) Conclusion

Accordingly, for the reasons set forth above, I find that the ARW Accused Products infringe claim 1 of the '808 patent.

ii) Claim 2

Ridge asserts that the additional limitation of claim 2, which depends on claim 1, is met by the ARW Accused Products. CIB at 13. Staff agrees. SIB at 19-20. ARW does not dispute that the additional limitation of claim 2 is met. EDIS Doc. ID 808674 at 4. Additionally, the evidence

shows that the ARW Accused Products have a channeling means that is "a longitudinal groove in the first lamina of a laminate construction of each rigid plate, the groove slightly receiving one part of the at least one encircling elastic band." CX-0007C at Q/As 79-80.



Id. at Q/A 80.

I therefore find that the ARW Accused Products infringe claim 2.

iii) Claim 14

(1) Limitation 14[pre]

The preamble recites "A compact wallet, comprising:". For the same reasons as for claim limitation 1[pre], the evidence shows that the ARW Accused Products are compact wallets. CX-0007C at Q/A 93.

(2) Limitation 14[a]

Claim 14 includes the limitation "at least two rigid plates interposed to sandwich card-like contents there between, each rigid plate having a groove along a longitudinal extent thereof." For the same reasons as for claim limitations 1[a] and 1[b] with respect to the rigid plates and claim 2

with regard to grooves, the evidence shows that the ARW Accused Products meet this limitation. CX-0007C at Q/A 94.

(3) Limitation 14[b]

Claim 14 includes the limitation "at least one encircling elastic band slidingly interposed in the grooves to bias the at least two rigid plates inwardly and securely hold the card-like contents while providing elastic volume there between for adding or removing contents, the grooves configured to hold position of the at least one encircling elastic band with respect to each rigid plate while allowing freedom for the dynamic extension and contraction of the band over the entire running length thereof." For the same reasons as for claim limitation 1[c], the evidence shows that the ARW Accused Products meet this limitation. CX-0007C at Q/A 95.

(4) Limitation 14[c]

Claim 14 includes the limitation "a recess formed inside at least one of the at least two rigid plates, the recess operable to receive a tang of an auxiliary feature, the recess having an undercut operable to engage a hook of the tang to prevent inadvertent dislodgement of the auxiliary feature from the recess when the auxiliary feature is removably positioned in at least one of the at least two rigid plates, the hook extending at an angle to the tang." CX-0001, cl. 14. For the same reasons as for claim limitation 1[d], the evidence shows that the ARW Accused Products meet this limitation. CX-0007C at Q/A 96.

(5) Limitation 14[d]

Claim 14 includes the limitation "whereby, card-like contents may be carried with minimal silhouette on or with a person while allowing expandable capacity and ready access to individual contents from between the at least two rigid plates." CX-0001, cl. 14. For the same reasons as for

claim limitation 1[e], the evidence shows that the ARW Accused Products meet this limitation. CX-0007C at Q/A 97.

(6) Conclusion

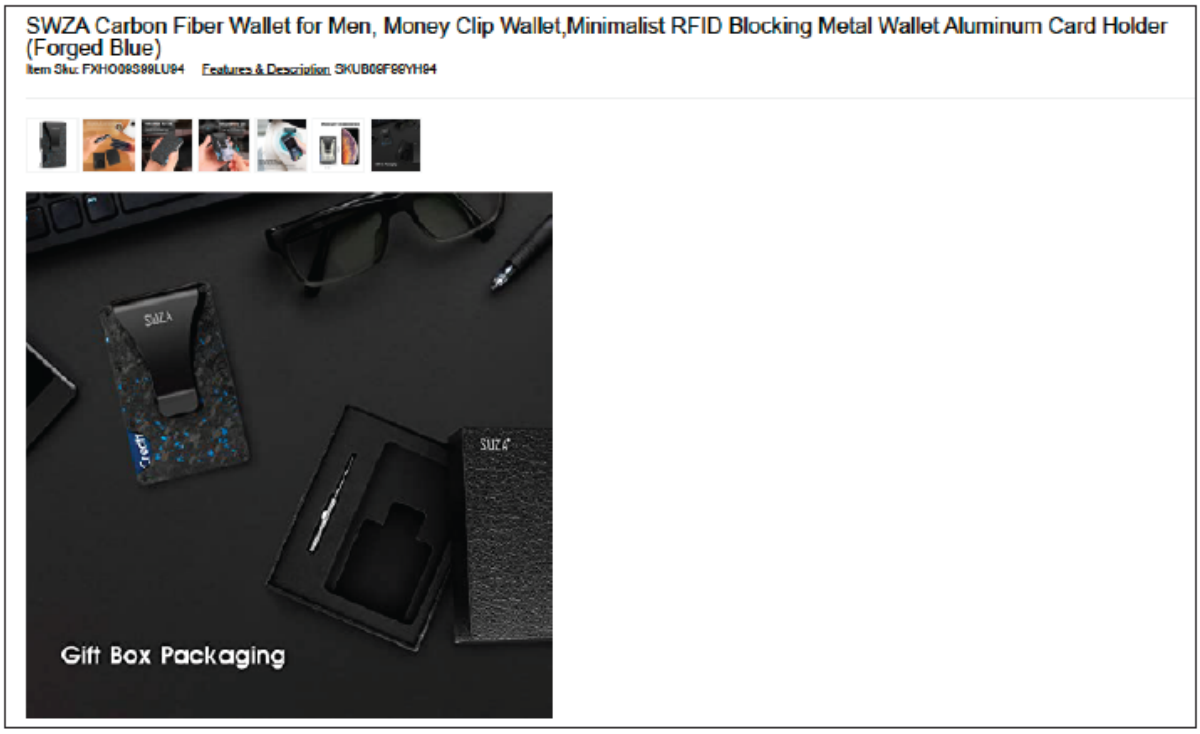
Accordingly, for the reasons set forth above, I find that the ARW Accused Products infringe claim 14 of the '808 patent.

b) SWZA

i) Claim 1

(1) Limitation 1[pre]

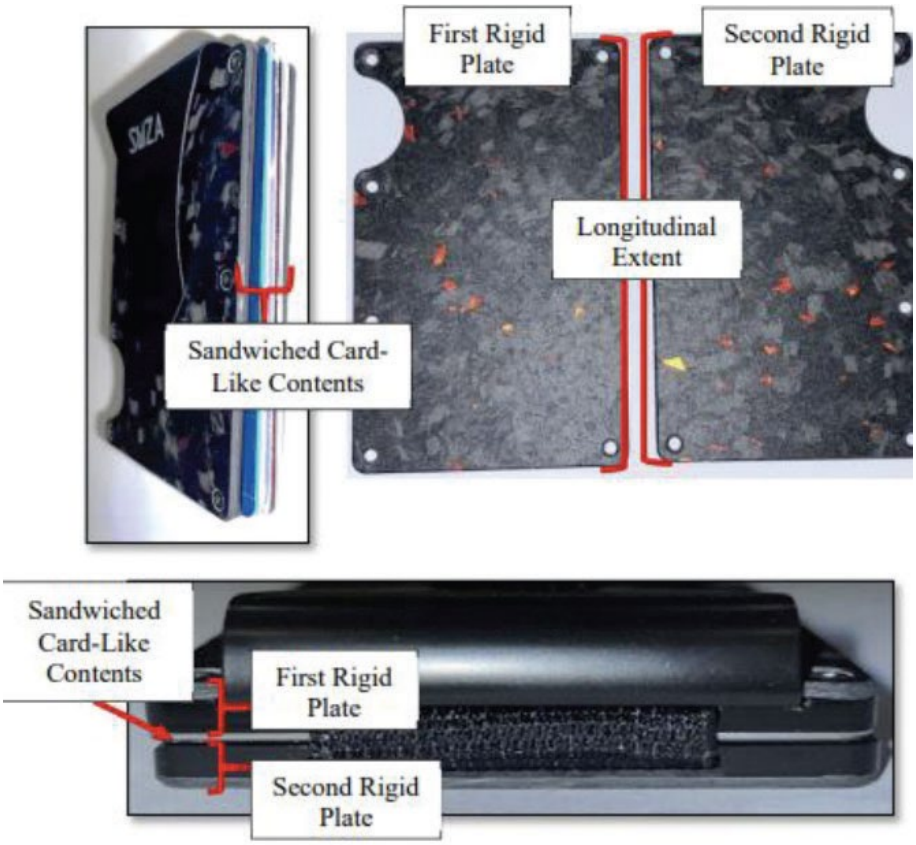
The preamble recites "A compact wallet, comprising:". CX-0001, cl. 1. As the screenshot from SWZA's Webcortext page shows, SWZA describes its products as "Minimalist RFID Blocking Metal Wallet(s)."



CX-0064; *see also* CX-0007C at Q/As 126-127.

(2) Limitation 1[a]

Claim 1 includes the limitation "at least two rigid plates interposed to sandwich card-like contents there between, each rigid plate having a longitudinal extent." CX-0001, cl. 1. The evidence shows that the SWZA Accused Products have two rigid plates interposed to sandwich card-like contents there between, and that each rigid plate in the SWZA Accused Products has a longitudinal extent. CX-0007C at Q/A 128.

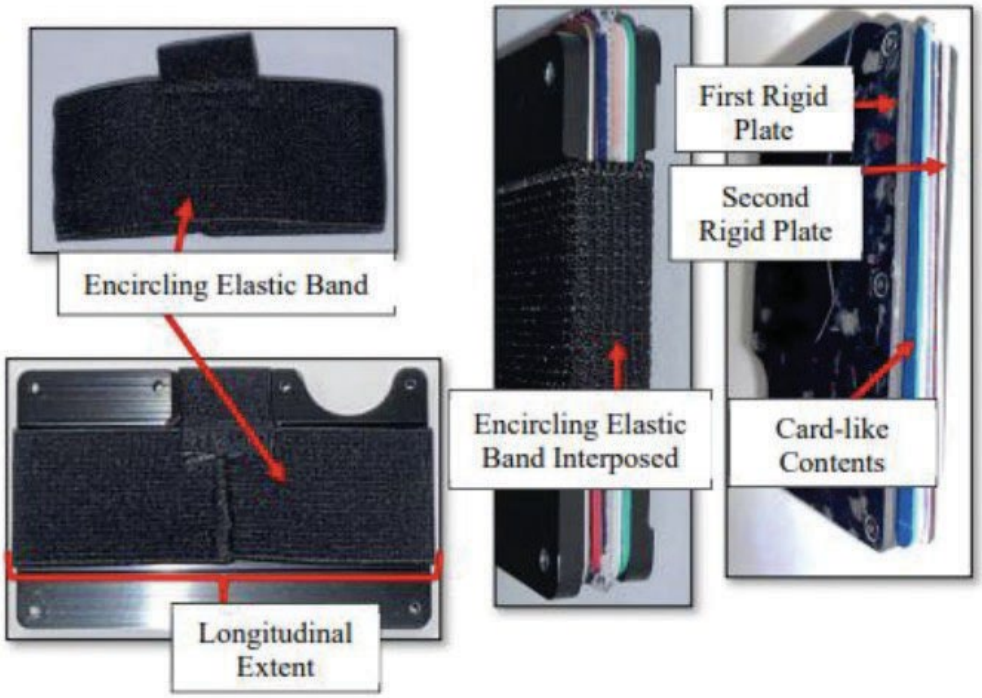


Id.

(3) Limitation 1[b]

Claim 1 includes the limitation "at least one encircling band interposed with at least two rigid plates along a longitudinal extents thereof to bias them inwardly and securely hold card-like contents while providing elastic volume there between for adding or removing contents." CX-

0001, cl. 1. The evidence shows that the SWZA Accused Products have an "encircling band" positioned between the two rigid plates. CX-0007C at Q/A 129.

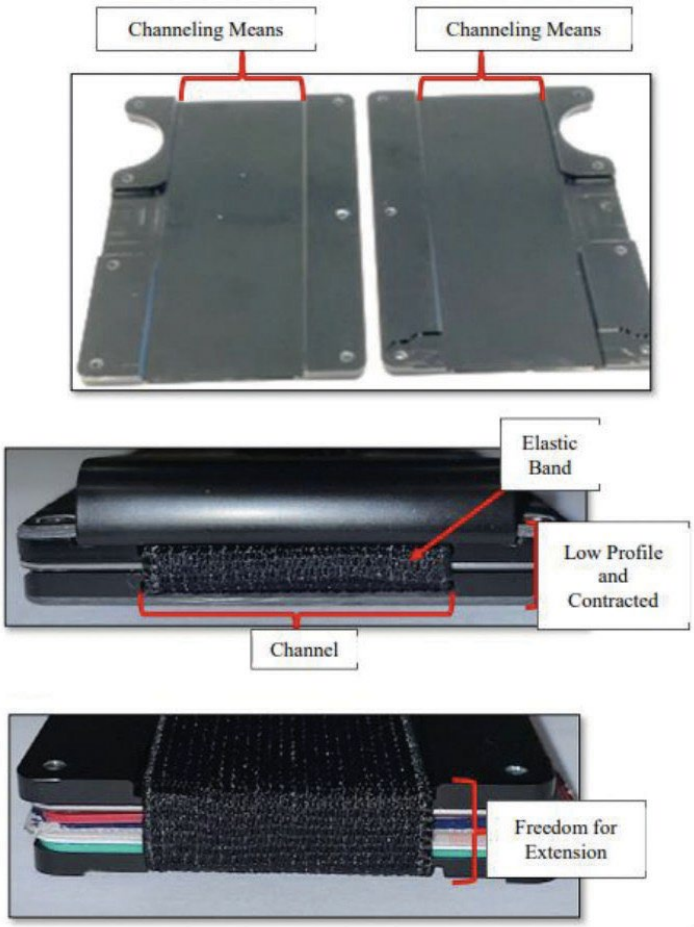


Id.

(4) Limitation 1[c]

Claim 1 includes the limitation "a channeling means configured to minimize the profile of the wallet and hold position of the at least one encircling band with respect to each rigid plate while allowing freedom for the dynamic extension and contraction of the band over the entire running length thereof." CX-0001, cl. 1. The evidence shows that the SWZA Accused Products meet this limitation.

Dr. Kurfess testified that the "channeling means" (identified below) minimizes the profile of the wallet and holds position of the encircling elastic band with respect to each rigid plate while allowing extension and contraction of the band. CX-0007C at Q/A 131.

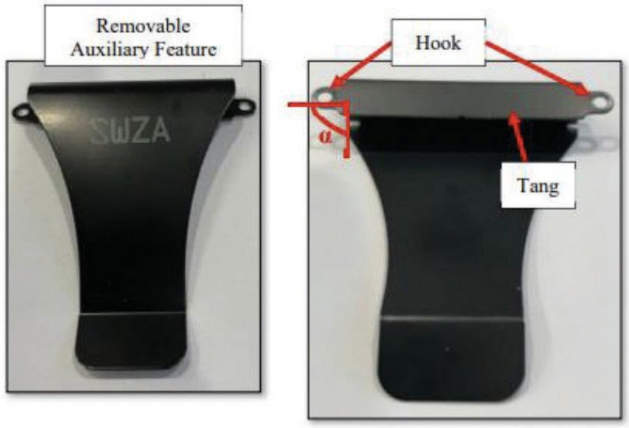


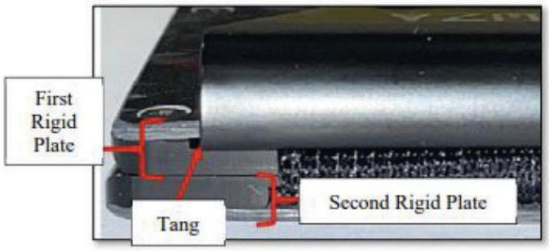
Id. at Q/A 130. Dr. Kurfess also testified that "channeling means" has a structure with a "a groove spanning the extent of one or more of the rigid plates or a longitudinal bore through one or more of the rigid plates." *Id*. at Q/A 131.

(5) Limitation 1[d]

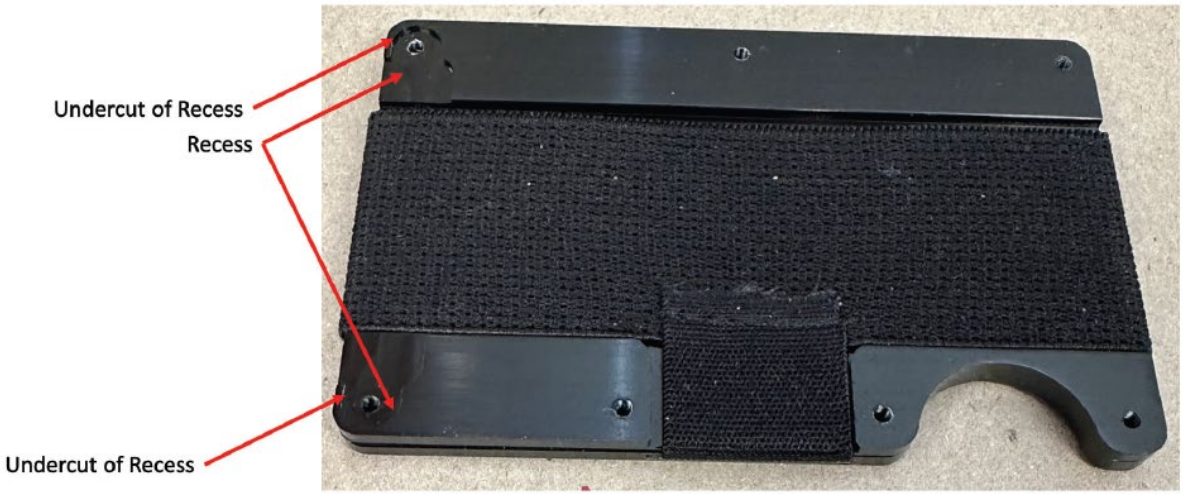
Claim 1 includes the limitation "an auxiliary feature removably attached to at least one of the at least rigid plates, the auxiliary feature having a tang insertable into a recess formed inside the at least two rigid plates, the tang having a hook, the hook extending at an angle to the tang, the hook engaging an undercut of the recess to prevent inadvertent dislodgement of the auxiliary feature from the recess." CX-0001, cl. 1. The evidence shows that the SWZA Accused Products meet this limitation.

Dr. Kurfess testified that the SWZA Accused Products have a money clip, which includes the recited tang with a hook that extends at an angle to the tang. CX-0007C at Q/A 132.





Id. He further testified that there is a "recess" formed inside the rigid plate with an "undercut," "[a]nd it's the part that the money clip nests into." *Id*. at Q/A 133.



Id. As Staff noted: "[T]he money clip meets the claimed 'auxiliary' feature because it has a projected piece ('tang') insertable into a sunken area (the 'recess') in the plates, and a 'hook' extending at an angle from the tang. The hook fits inside the sunken area in the plate and is configured to engage a non-sunken area of the plate ('undercut') to prevent the money clip from falling out." SIB at 17 (internal citations omitted).

(6) Limitation 1[e]

Claim 1 includes the limitation "whereby, card-like contents may be carried with minimal silhouette on or with a person while allowing expandable capacity and ready access to individual contents from between the at least two rigid plates." CX-0001, cl. 1. SWZA describes its Accused Products as being expandable. For example, as shown below, SWZA states that its wallet uses elastic webbing to improve card holding flexibility and has a "larger capacity storage design for up to 15 cards." CX-0064.

- ☑ Money Clip & Elastic Band: Made of 304 stainless steel and carbon fiber, it can be used to hold cash and bills handy. Elastic webbing on three sides greatly improved the card holding flexibility and your card will not slip out easily.
- ☑ Slim & Ultra Light: Minimalist wallets for men, thinner than traditional wallets, only weights 0.5 OZ and larger capacity storage design for up to 15 cards of this card case wallet with money clip, it can hold all your cards, clip money at the same time.
- ☑ Excellent Quality：Made of high-quality Carbon fiber shell, Anti-corrosion, Durable and Wear，ensures long service life. Premium fibre texture is not only a kind of touch feeling, but also a kind of sense of vision.
- ☑ Gift Box Packaging: Each wallet has gorgeous gift box packaging. Fashionable design card clip wallet is decent gifts for friends, husband or business partnersay or birthday.

Id. Thus, the SWZA Accused Products meet this limitation.

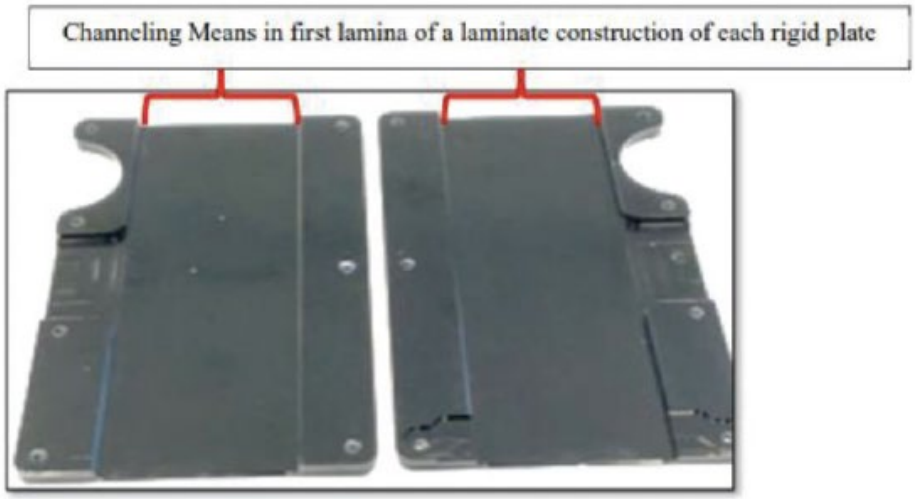
(7) Conclusion

Accordingly, for the reasons set forth above, I find that the SWZA Accused Products infringe claim 1 of the '808 patent.

ii) Claim 2

Ridge asserts that the additional limitation of claim 2, which depends on claim 1, is met by the SWZA Accused Products. CIB at 16. Staff agrees. SIB at 19-20. SWZA does not dispute that the additional limitation of claim 2 is met. EDIS Doc. ID 808674 at 4. Additionally, the evidence

shows that the SWZA Accused Products have a channeling means that is "a longitudinal groove in the first lamina of a laminate construction of each rigid plate, the groove slightly receiving one part of the at least one encircling elastic band." CX-0007C at Q/As 136-137.



Id. at Q/A 137.

iii) Claim 14

(1) Limitation 14[pre]

The preamble recites "A compact wallet, comprising:". For the same reasons as for claim limitation 1[pre], the evidence shows that the SWZA Accused Products are compact wallets. CX-0007C at Q/A 150.

(2) Limitation 14[a]

Claim 14 includes the limitation "at least two rigid plates interposed to sandwich card-like contents there between, each rigid plate having a groove along a longitudinal extent thereof." For the same reasons as for claim limitations 1[a] and 1[b] with respect to the rigid plates and claim 2 with regard to grooves, the evidence shows that the SWZA Accused Products meet this limitation. CX-0007C at Q/A 151.

(3) Limitation 14[b]

Claim 14 includes the limitation "at least one encircling elastic band slidingly interposed in the grooves to bias the at least two rigid plates inwardly and securely hold the card-like contents while providing elastic volume there between for adding or removing contents, the grooves configured to hold position of the at least one encircling elastic band with respect to each rigid plate while allowing freedom for the dynamic extension and contraction of the band over the entire running length thereof." For the same reasons as for claim limitation 1[c], the evidence shows that the SWZA Accused Products meet this limitation. CX-0007C at Q/A 152.

(4) Limitation 14[c]

Claim 14 includes the limitation "a recess formed inside at least one of the at least two rigid plates, the recess operable to receive a tang of an auxiliary feature, the recess having an undercut operable to engage a hook of the tang to prevent inadvertent dislodgement of the auxiliary feature from the recess when the auxiliary feature is removably positioned in at least one of the at least two rigid plates, the hook extending at an angle to the tang,". CX-0001, cl. 14. For the same reasons as for claim limitation 1[d], the evidence shows that the SWZA Accused Products meet this limitation. CX-0007C at Q/A 153.

(5) Limitation 14[d]

Claim 14 includes the limitation "whereby, card-like contents may be carried with minimal silhouette on or with a person while allowing expandable capacity and ready access to individual contents from between the at least two rigid plates." CX-0001, cl. 14. For the same reasons as for claim limitation 1[e], the evidence shows that the SWZA Accused Products meet this limitation. CX-0007C at Q/A 154.

(6) Conclusion

Accordingly, for the reasons set forth above, I find that the SWZA Accused Products infringe claim 14 of the '808 patent.

2. The Defaulting Respondents

There is no dispute regarding the evidence of infringement by the Defaulting Respondents. *See* EDIS Doc. ID 804588 at ¶¶ 8-9 ("For the purposes of this Investigation, Respondents will not dispute that the infringement requirements within the meaning of 19 U.S.C. §§ 1337(a)(1)(B)-(C) are satisfied for this Investigation with respect to RossM's and INSGG's Accused Products."); SIB at 22. h

a) RossM

i) Claim 1

(1) Limitation 1[pre]

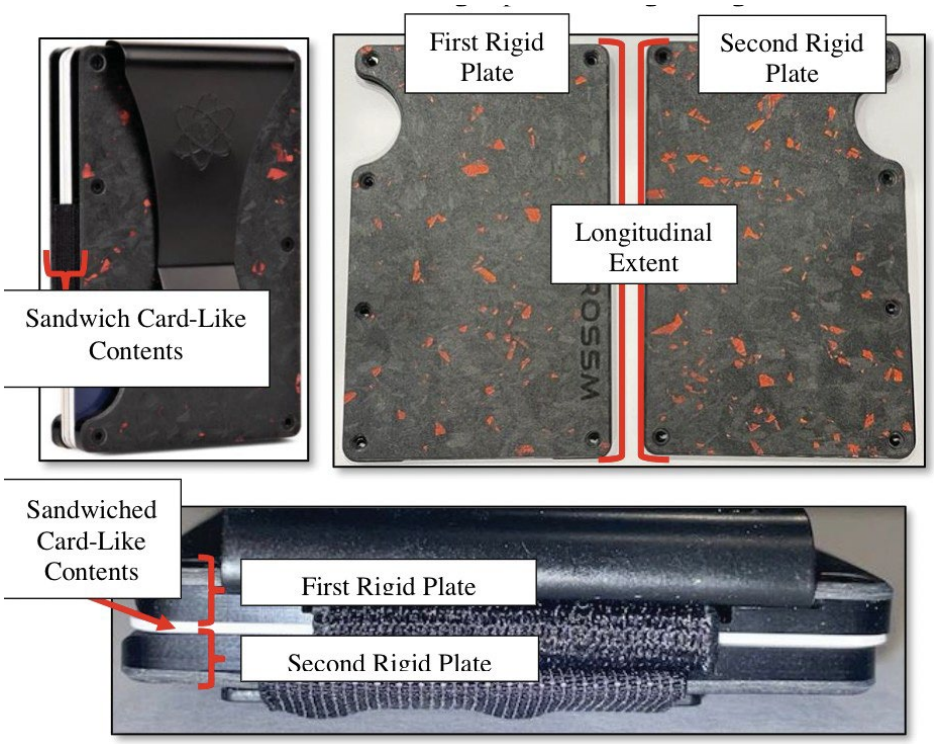
The preamble recites "A compact wallet, comprising:". CX-0001, cl. 1. The evidence shows that the RossM Accused Products are compact wallets.

> **Description**
>
> - **Minimalist, RFID-blocking wallet.** The main cardholder uses elastic to expand to hold up to 12 IDs and credit cards. The typical leather bi-fold gets packed with faded receipts and unnecessary cards, resembling something more like a suitcase than a wallet. The Rossm wallet is minimalist without being limiting. It's about carrying less but always having what you need.
> - **Money Clip**: Perfect for those wanting easy access. The money clip is a more traditional approach to securing your bills to the outer wallet.
> - **Cash Strap:** Perfect for those looking to streamline. The slimmest way to secure your cash, and the elastic strap allows you to hold a lot of cash.

CX-0032 (describing the RossM wallet as "minimalist"); *see also* CX-0007C at Q/A 182 (discussing snapshot from RossM's website).

(2) Limitation 1[a]

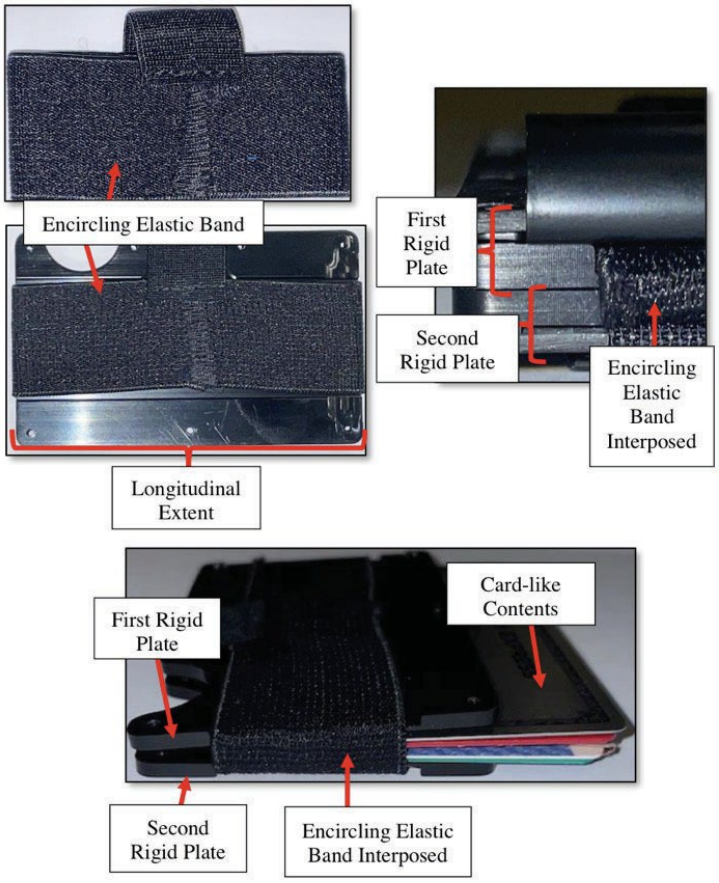
Claim 1 includes the limitation "at least two rigid plates interposed to sandwich card-like contents there between, each rigid plate having a longitudinal extent." CX-0001, cl. 1. The evidence shows that the RossM Accused Products meet this limitation. CX-0007C at Q/A 184.



Id.

(3) Limitation 1[b]

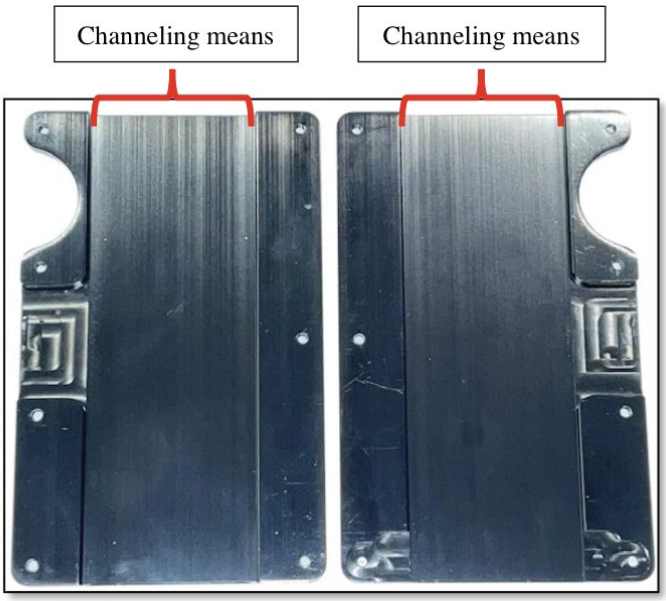
Claim 1 includes the limitation "at least one encircling band interposed with at least two rigid plates along a longitudinal extents thereof to bias them inwardly and securely hold card-like contents while providing elastic volume there between for adding or removing contents." CX-0001, cl. 1. The evidence shows that the RossM Accused Products meet this limitation. CX-0007C at Q/A 185.

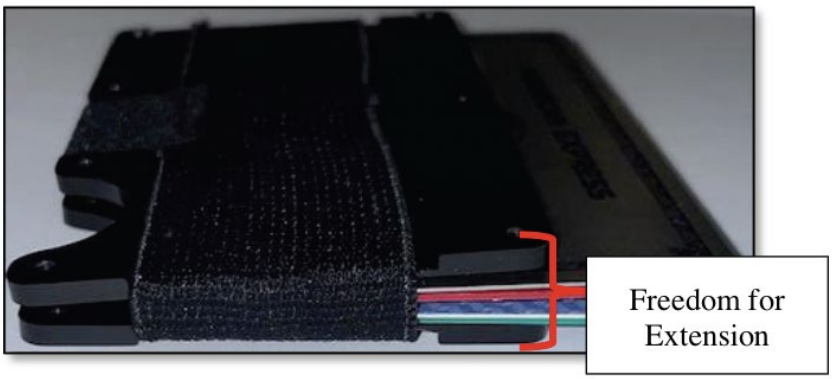


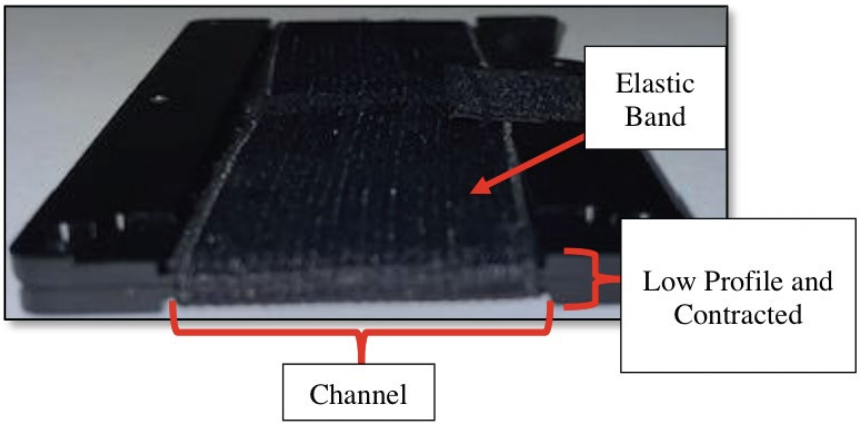
Id.

(4) Limitation 1[c]

Claim 1 includes the limitation "a channeling means configured to minimize the profile of the wallet and hold position of the at least one encircling band with respect to each rigid plate while allowing freedom for the dynamic extension and contraction of the band over the entire running length thereof." CX-0001, cl. 1. The evidence shows that the RossM Accused Products meet this limitation. CX-0007C at Q/As 186-187.


Channeling means
Channeling means


Freedom for Extension

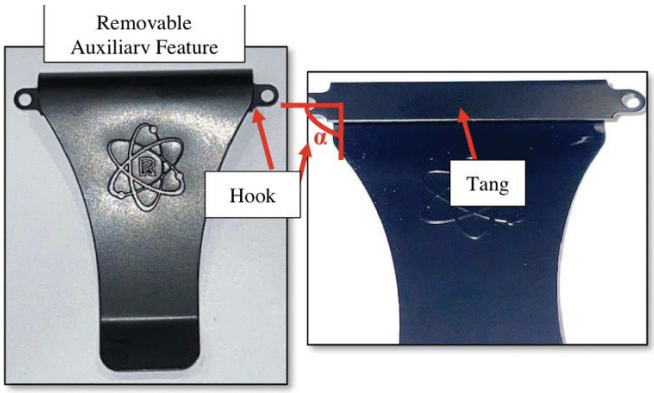

Elastic Band
Low Profile and Contracted
Channel

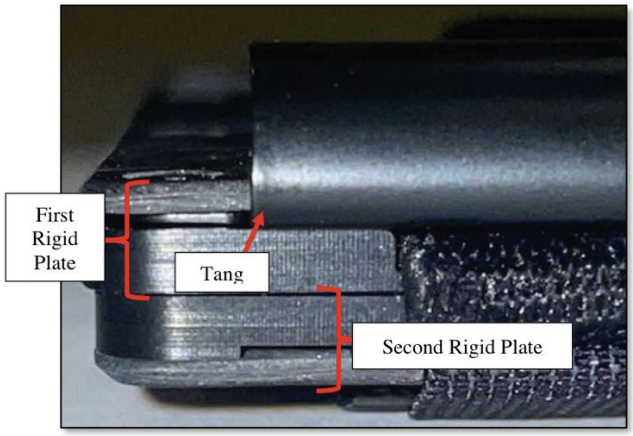
Id. at Q/A 186.

(5) Limitation 1[d]

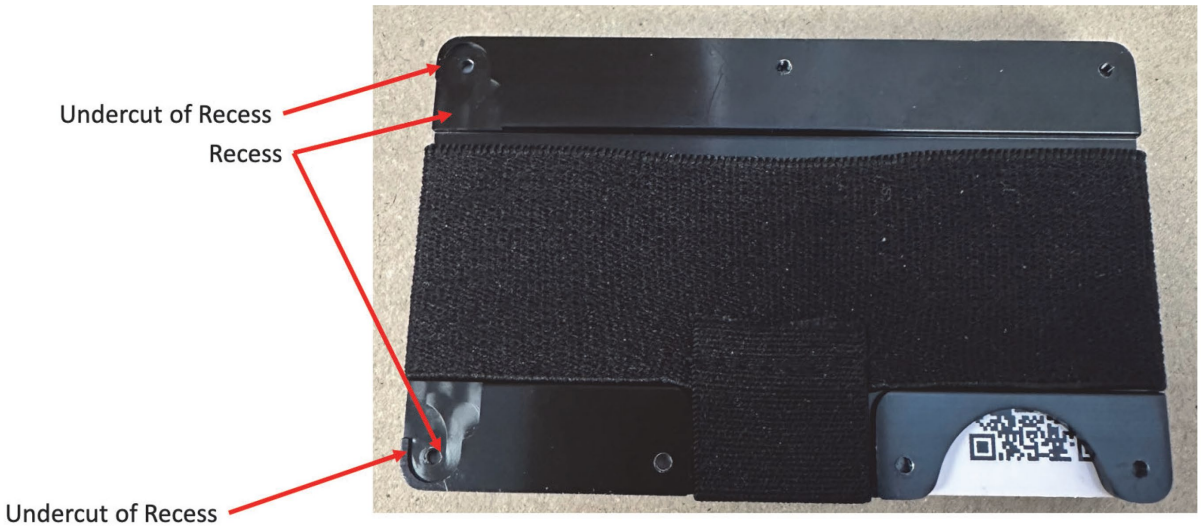
Claim 1 includes the limitation "an auxiliary feature removably attached to at least one of the at least rigid plates, the auxiliary feature having a tang insertable into a recess formed inside the at least two rigid plates, the tang having a hook, the hook extending at an angle to the tang, the hook engaging an undercut of the recess to prevent inadvertent dislodgement of the auxiliary feature from the recess." CX-0001, cl. 1. The evidence shows that this limitation is met.

Dr. Kurfess testified that the auxiliary feature is the money clip portion of the RossM wallet. CX-0007C at Q/A 188.





Id. He further explained that the internal configuration of the RossM Accused Product shows a recess with an undercut, "[a]nd it's the part that the money clip (and its tangs and hooks) nests into." *Id*. at Q/A 189.



Id.

(6) Limitation 1[e]

Claim 1 includes the limitation "whereby, card-like contents may be carried with minimal silhouette on or with a person while allowing expandable capacity and ready access to individual contents from between the at least two rigid plates." CX-0001, cl. 1. The evidence shows that the RossM Accused Products meet the requirements of this limitation. CX-0007C at Q/A 190 (testifying that the RossM wallet is expandable in addition to being minimalist"); CX-0032 (describing the RossM wallet as using "elastic to expand to hold up to 12 IDs and credit cards" and providing "easy access").

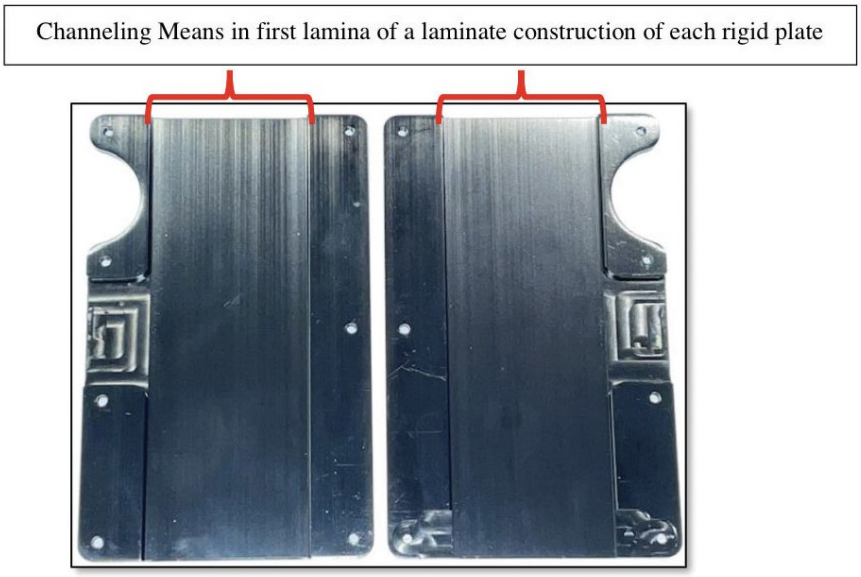
(7) Conclusion

Accordingly, for the reasons set forth above, I find that the RossM Accused Products infringe claim 1 of the '808 patent.

ii) Claim 2

Ridge asserts that the additional limitation of claim 2, which depends on claim 1, is met by the RossM Accused Products. CIB at 19. Staff agrees. SIB at 29. The evidence shows that the RossM Accused Products have a channeling means that is "a longitudinal groove in a first lamina

of the laminate construction of each rigid plate, the groove slidingly receiving the part of the at least one encircling elastic band." CX-0007C at Q/As 192-194.



Id. at Q/A 194.

iii) Claim 14

(1) Limitation 14[pre]

The preamble recites "A compact wallet, comprising:". For the same reasons as for claim limitation 1[pre], the evidence shows that the RossM Accused Products are compact wallets. CX-0007C at Q/A 207.

(2) Limitation 14[a]

Claim 14 includes the limitation "at least two rigid plates interposed to sandwich card-like contents there between, each rigid plate having a groove along a longitudinal extent thereof," For the same reasons as for claim limitations 1[a] and 1[b] with respect to the rigid plates and claim 2 with regard to grooves, the evidence shows that the RossM Accused Products meet this limitation. CX-0007C at Q/A 208.

(3) Limitation 14[b]

Claim 14 includes the limitation "at least one encircling elastic band slidingly interposed in the grooves to bias the at least two rigid plates inwardly and securely hold the card-like contents while providing elastic volume there between for adding or removing contents, the grooves configured to hold position of the at least one encircling elastic band with respect to each rigid plate while allowing freedom for the dynamic extension and contraction of the band over the entire running length thereof." For the same reasons as for claim limitation 1[c], the evidence shows that the RossM Accused Products meet this limitation. CX-0007C at Q/A 209.

(4) Limitation 14[c]

Claim 14 includes the limitation "a recess formed inside at least one of the at least two rigid plates, the recess operable to receive a tang of an auxiliary feature, the recess having an undercut operable to engage a hook of the tang to prevent inadvertent dislodgement of the auxiliary feature from the recess when the auxiliary feature is removably positioned in at least one of the at least two rigid plates, the hook extending at an angle to the tang." CX-0001, cl. 14. For the same reasons as for claim limitation 1[d], the evidence shows that the RossM Accused Products meet this limitation. CX-0007C at Q/A 210.

(5) Limitation 14[d]

Claim 14 includes the limitation "whereby, card-like contents may be carried with minimal silhouette on or with a person while allowing expandable capacity and ready access to individual contents from between the at least two rigid plates." CX-0001, cl. 14. For the same reasons as for claim limitation 1[e], the evidence shows that the RossM Accused Products meet this limitation. CX-0007C at Q/A 211.

(6) Conclusion

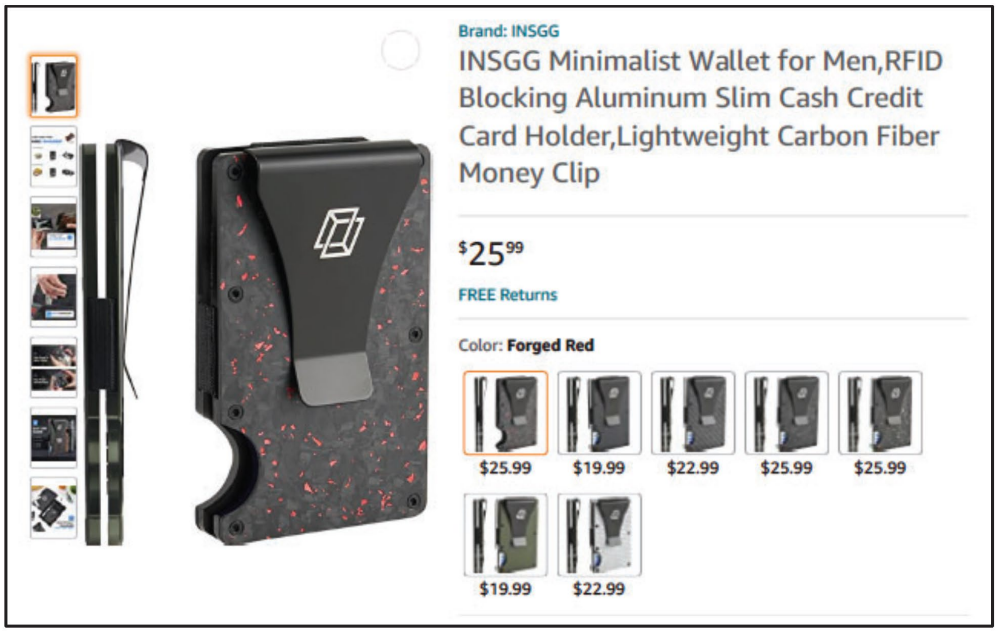
Accordingly, for the reasons set forth above, I find that the RossM Accused Products infringe claim 14 of the ’808 patent.

b) INSGG

i) Claim 1

(1) Limitation 1[pre]

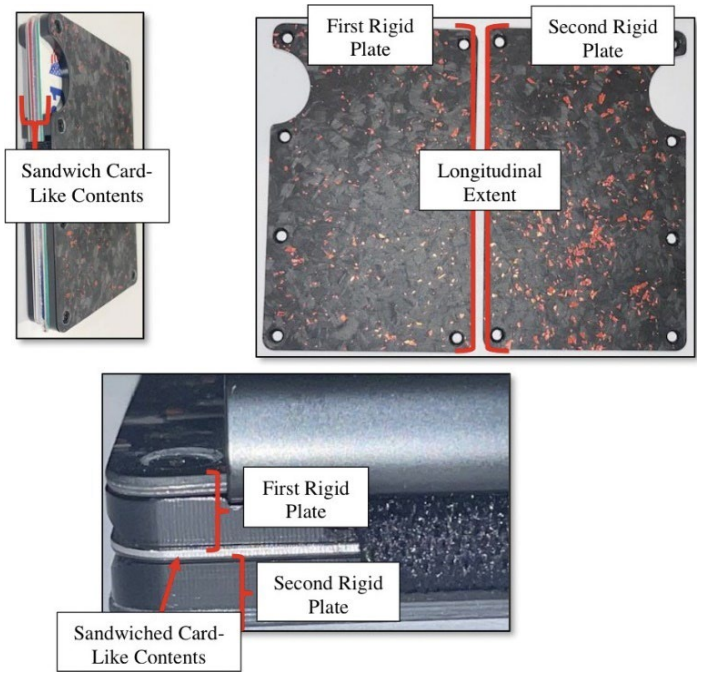
The preamble recites “A compact wallet, comprising:”. CX-0001, cl. 1. The evidence shows that the INSGG Accused Products are compact wallets.



CX-0052 (describing the INSGG wallet as “minimalist”); *see also* CX-0007C at Q/As 234-235 (discussing snapshot from INSGG Amazon.com storefront listing its products as minimalist wallets).

(2) Limitation 1[a]

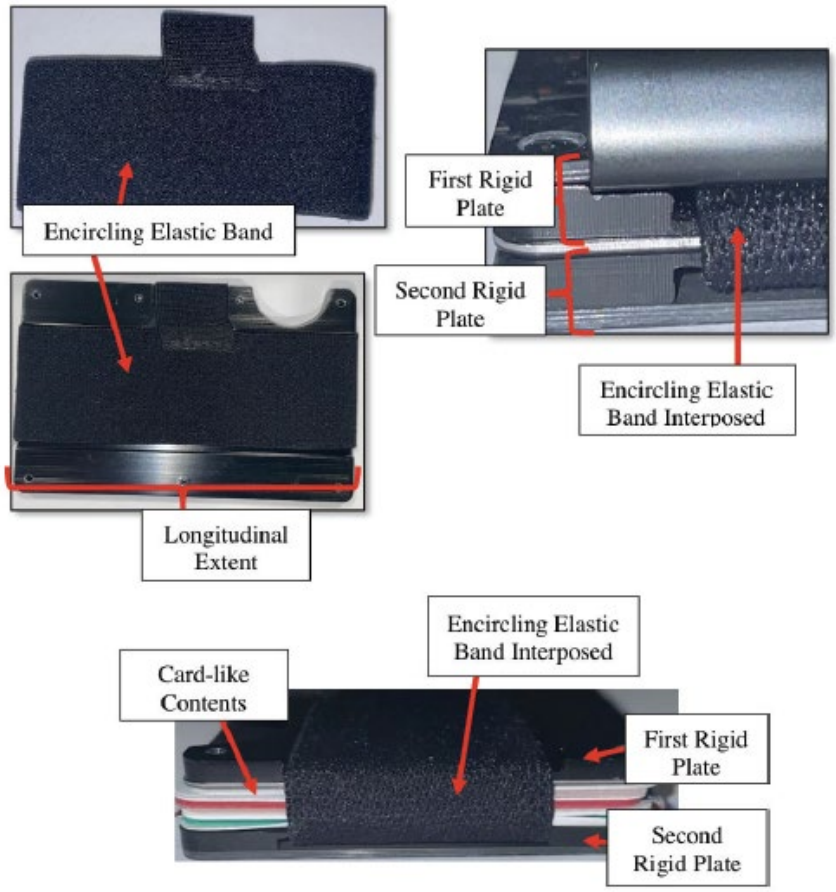
Claim 1 includes the limitation "at least two rigid plates interposed to sandwich card-like contents there between, each rigid plate having a longitudinal extent." CX-0001, cl. 1. The evidence shows that the INSGG Accused Products meet this limitation. CX-0007C at Q/A 236.



Id.

(3) Limitation 1[b]

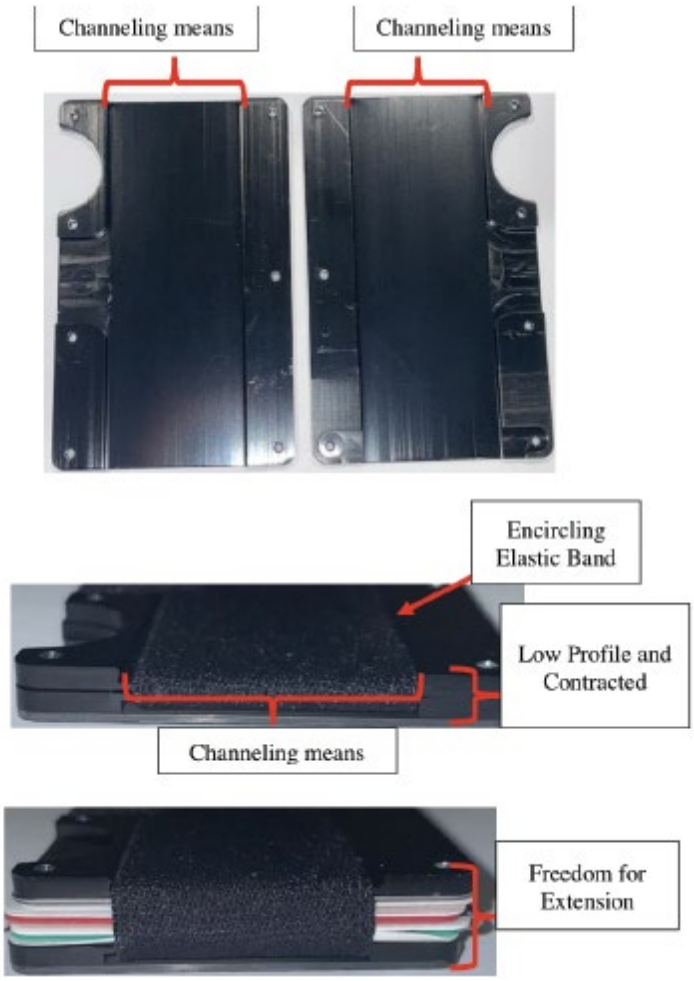
Claim 1 includes the limitation "at least one encircling band interposed with at least two rigid plates along a longitudinal extents thereof to bias them inwardly and securely hold card-like contents while providing elastic volume there between for adding or removing contents." CX-0001, cl. 1. The evidence shows that the INSGG Accused Products meet this limitation. CX-0007C at Q/A 237.



Id.

(4) Limitation 1[c]

Claim 1 includes the limitation "a channeling means configured to minimize the profile of the wallet and hold position of the at least one encircling band with respect to each rigid plate while allowing freedom for the dynamic extension and contraction of the band over the entire running length thereof; and." CX-0001, cl. 1. The evidence shows that the INSGG Accused Products meet this limitation. CX-0007C at Q/As 238-239.

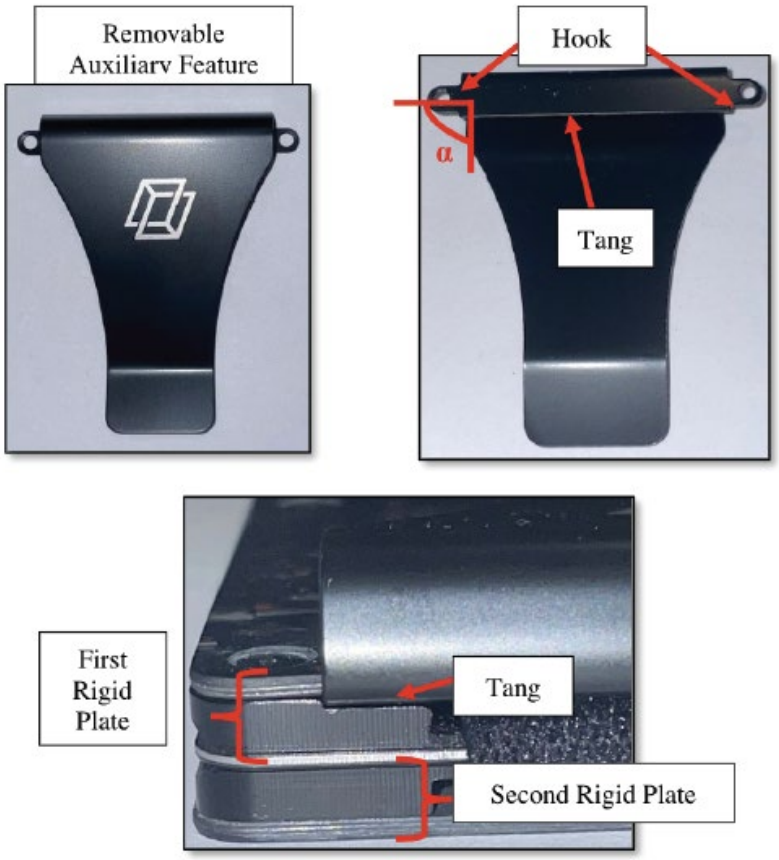


Id. at Q/A 238.

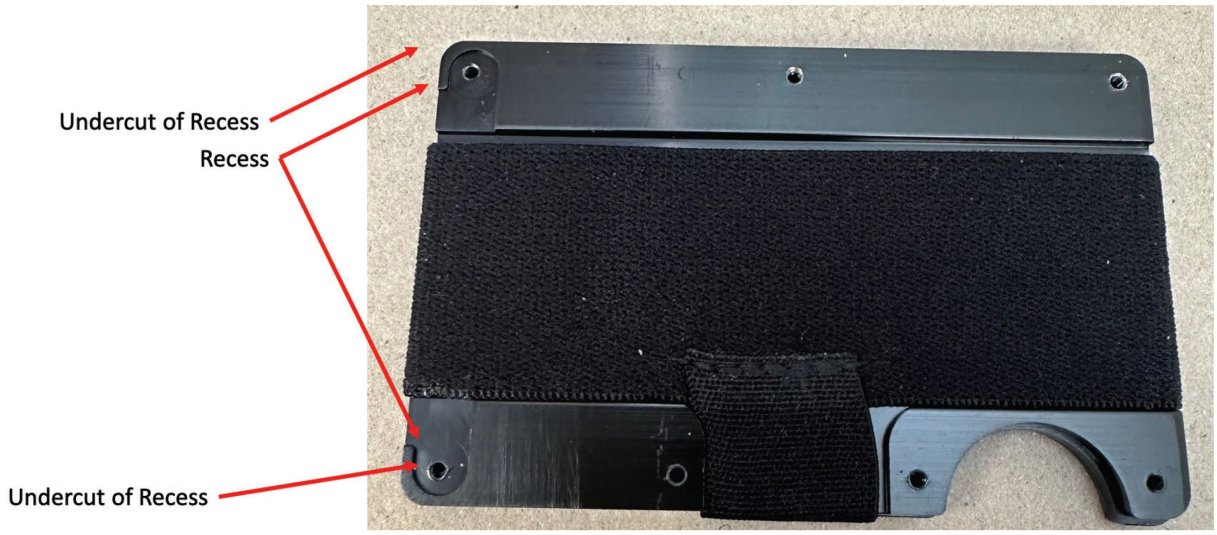
(5) Limitation 1[d]

Claim 1 includes the limitation "an auxiliary feature removably attached to at least one of the at least rigid plates, the auxiliary feature having a tang insertable into a recess formed inside the at least two rigid plates, the tang having a hook, the hook extending at an angle to the tang, the hook engaging an undercut of the recess to prevent inadvertent dislodgement of the auxiliary feature from the recess." CX-0001, cl. 1. The evidence shows that this limitation is met.

Dr. Kurfess testified that the auxiliary feature is the money clip portion of the INSGG wallet. CX-0007C at Q/A 240.



Id. He further explained that the internal configuration of the INSGG Accused Product shows a recess with an undercut, "[a]nd it's the part that the money clip (and its tangs and hooks) nests into." *Id*. at Q/A 241.



Id.

(6) Limitation 1[e]

Claim 1 includes the limitation "whereby, card-like contents may be carried with minimal silhouette on or with a person while allowing expandable capacity and ready access to individual contents from between the at least two rigid plates." CX-0001, cl. 1. The evidence shows that the INSGG Accused Products meet the requirements of this limitation. CX-0007C at Q/A 242 (discussing how the INSGG wallets are "expandable in addition to being minimalist"); CX-0052 (describing the INSGG wallets as able to "[h]old anywhere from 1-12 cards at a time" and having "easy card access").

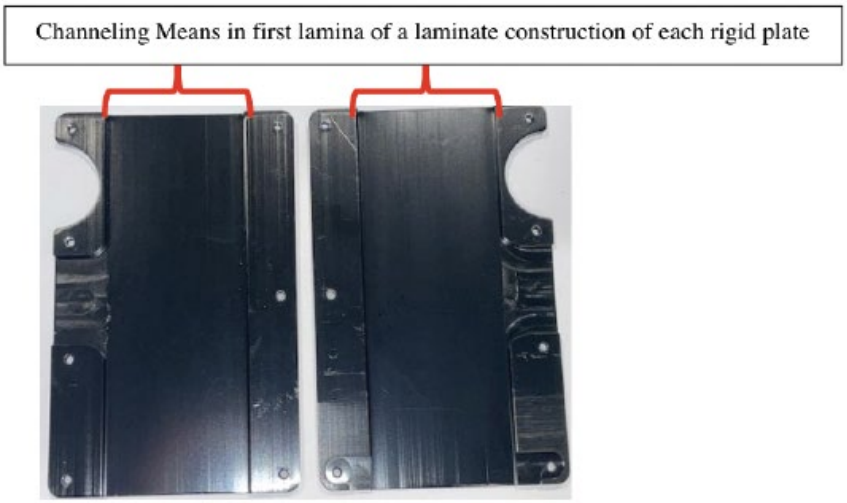
(7) Conclusion

Accordingly, for the reasons set forth above, I find that the INSGG Accused Products infringe claim 1 of the '808 patent.

ii) Claim 2

Ridge asserts that the additional limitation of claim 2, which depends on claim 1, is met by the INSGG Accused Products. CIB at 20. Staff agrees. SIB at 29. The evidence shows that the

INSGG Accused Products have a channeling means that is "a longitudinal groove in a first lamina of the laminate construction of each rigid plate, the groove slidingly receiving the part of the at least one encircling elastic band." CX-0007 at Q/A 245.



Id.

iii) Claim 14

(1) Limitation 14[pre]

The preamble recites "A compact wallet, comprising:". For the same reasons as for claim limitation 1[pre], the evidence shows that the INSGG Accused Products are compact wallets. CX-0007C at Q/A 258.

(2) Limitation 14[a]

Claim 14 includes the limitation "at least two rigid plates interposed to sandwich card-like contents there between, each rigid plate having a groove along a longitudinal extent thereof." For the same reasons as for claim limitations 1[a] and 1[b] with respect to the rigid plates and claim 2 with regard to grooves, the evidence shows that the INSGG Accused Products meet this limitation. CX-0007C at Q/A 259.

(3) Limitation 14[b]

Claim 14 includes the limitation "at least one encircling elastic band slidingly interposed in the grooves to bias the at least two rigid plates inwardly and securely hold the card-like contents while providing elastic volume there between for adding or removing contents, the grooves configured to hold position of the at least one encircling elastic band with respect to each rigid plate while allowing freedom for the dynamic extension and contraction of the band over the entire running length thereof." For the same reasons as for claim limitation 1[c], the evidence shows that the INSGG Accused Products meet this limitation. CX-0007C at Q/A 260.

(4) Limitation 14[c]

Claim 14 includes the limitation "a recess formed inside at least one of the at least two rigid plates, the recess operable to receive a tang of an auxiliary feature, the recess having an undercut operable to engage a hook of the tang to prevent inadvertent dislodgement of the auxiliary feature from the recess when the auxiliary feature is removably positioned in at least one of the at least two rigid plates, the hook extending at an angle to the tang." CX-0001, cl. 14. For the same reasons as for claim limitation 1[d], the evidence shows that the INSGG Accused Products meet this limitation. CX-0007C at Q/A 261.

(5) Limitation 14[d]

Claim 14 includes the limitation "whereby, card-like contents may be carried with minimal silhouette on or with a person while allowing expandable capacity and ready access to individual contents from between the at least two rigid plates." CX-0001, cl. 14. For the same reasons as for claim limitation 1[e], the evidence shows that the INSGG Accused Products meet this limitation. CX-0007C at Q/A 262.

(6) Conclusion

Accordingly, for the reasons set forth above, I find that the INSGG Accused Products infringe claim 14 of the '808 patent.

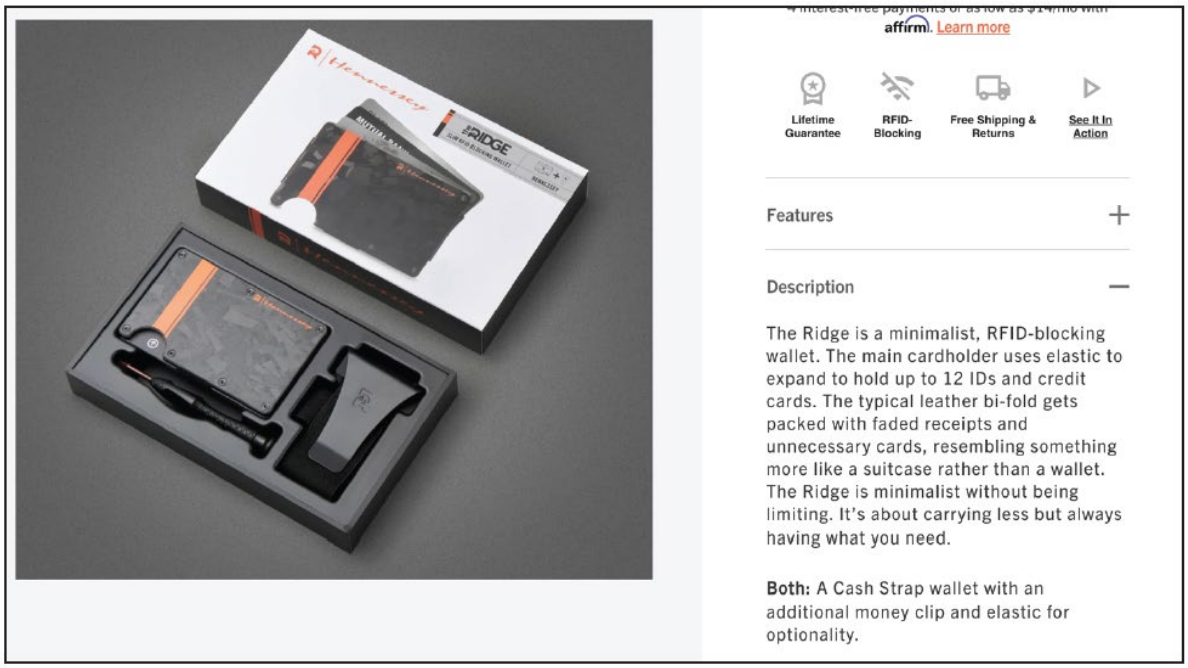
C. Technical Prong of the Domestic Industry Requirement

Ridge asserts that its Ridge-branded and [redacted]-branded wallets practice claims 1, 2, and 14 of the '808 patent. CIB at 20-24. Staff agrees, stating: "The evidence shows that Ridge satisfies the technical prong of the domestic industry requirement for the '808 Patent." SIB at 32. The Participating Respondents do not dispute that the Ridge DI Products practice the '808 patent. EDIS Doc. ID 804588 at ¶¶ 11, 13 ("For purposes of this Investigation, Respondents will not dispute that the technical prong of the domestic industry requirement within the meaning of 19 U.S.C. § 1337(a)(2) is satisfied for this Investigation with respect to the Asserted DI Products.").

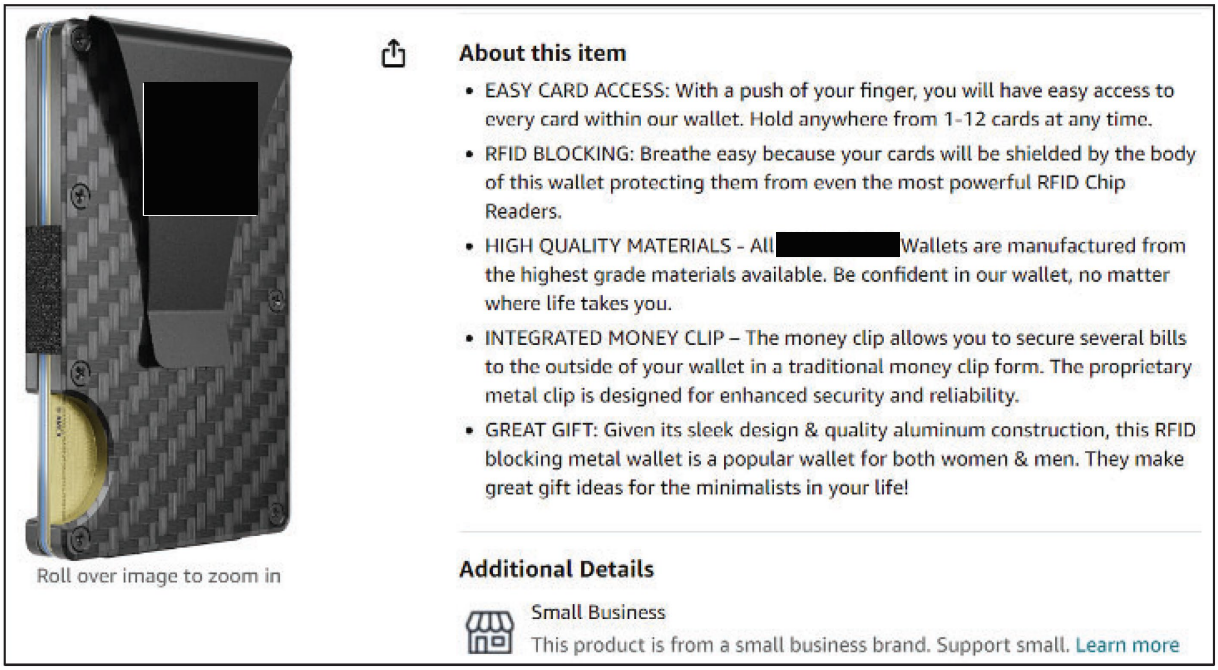
1. Claim 1

a) Limitation 1[pre]

The evidence shows that the DI Products are compact wallets. CX-0007C at Q/As 290-292, 337-338. As shown below, the Ridge-branded wallet is described as a "minimalist, RFID-blocking wallet."



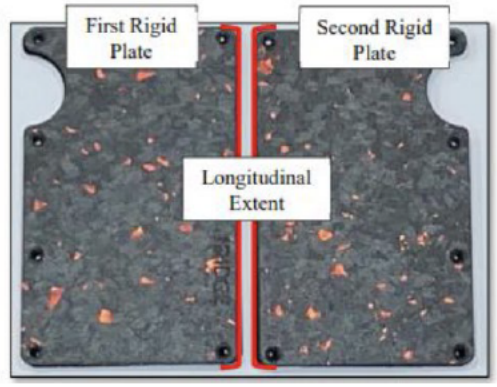
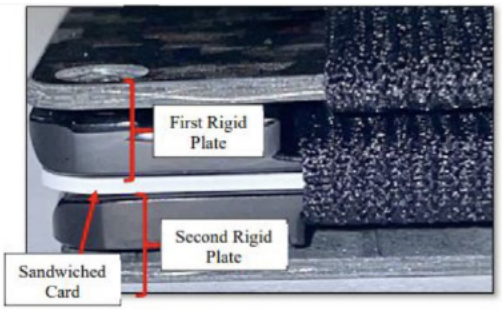
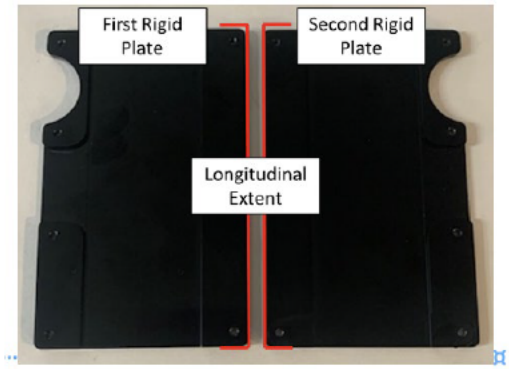
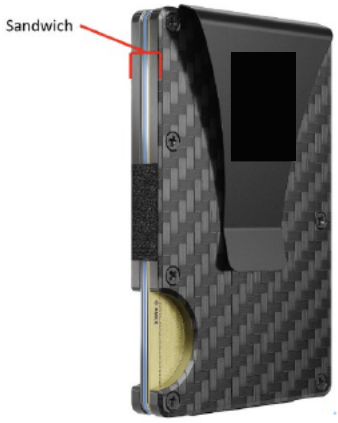
CX-0011. The [redacted]-branded wallet is also described as a minimalist wallet.



CX-00012.

b) Limitation 1[a]

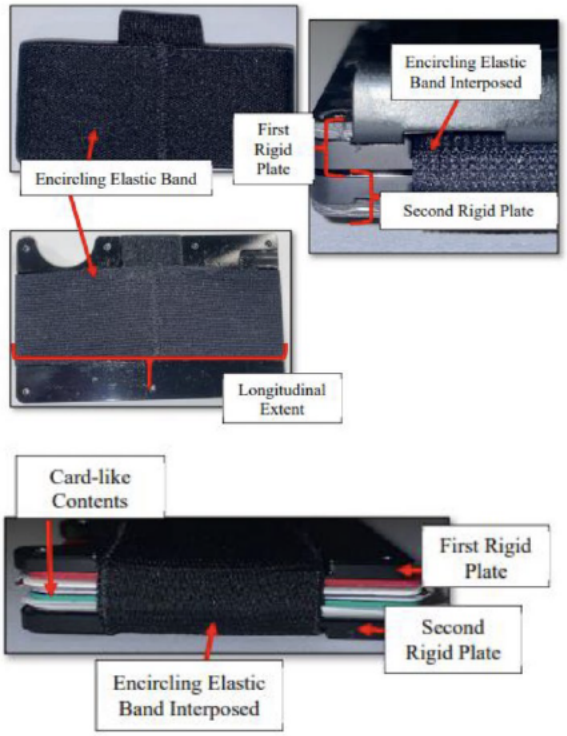
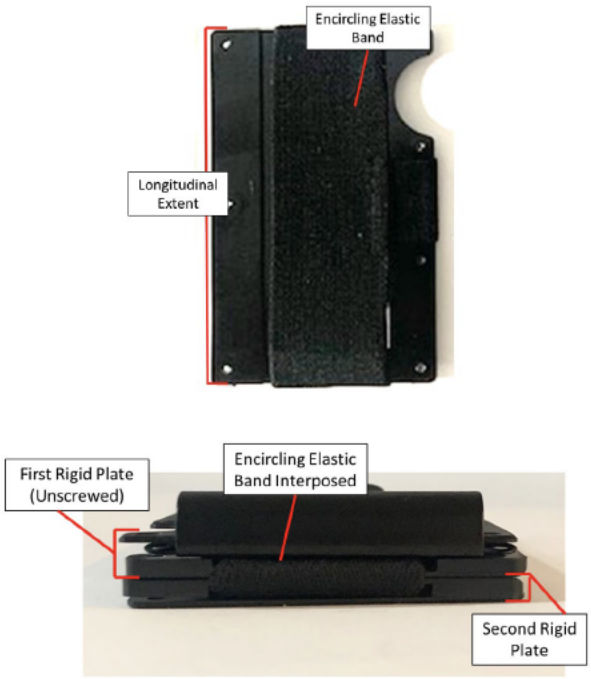
The evidence shows that the Ridge DI Products include "at least two rigid plates interposed to sandwich card-like contents there between, each rigid plate having a longitudinal extent."

RIDGE-BRANDED	[redacted]-BRANDED
 	 

CX-0007C at Q/As 293 (Ridge-branded), 340 ([redacted]-branded).

c) Limitation 1[b]

The evidence shows that the Ridge DI Products include "at least one encircling band interposed with at least two rigid plates along a longitudinal extents thereof to bias them inwardly and securely hold card-like contents while providing elastic volume there between for adding or removing contents."

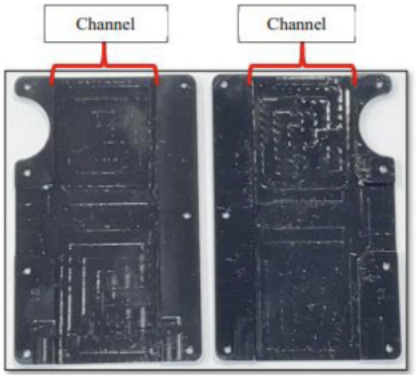
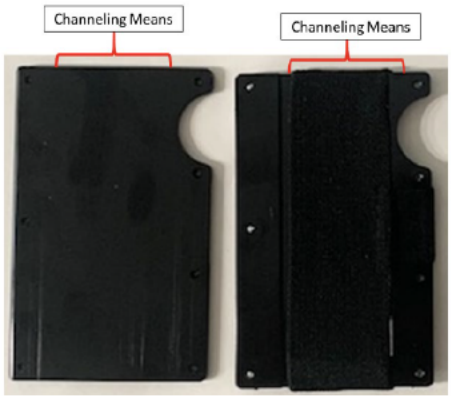
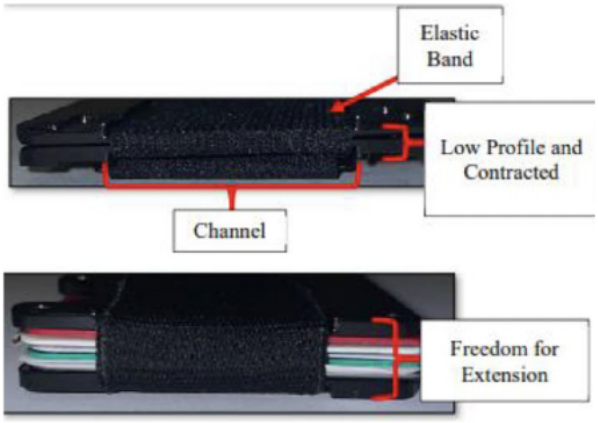
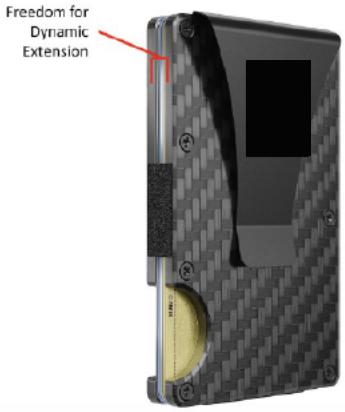
RIDGE-BRANDED	[redacted]-BRANDED
	

CX-0007C at Q/As 294 (Ridge-branded), 341 ([redacted]-branded).

d) Limitation 1[c]

The evidence shows that the Ridge DI Products include "a channeling means configured to minimize the profile of the wallet and hold position of the at least one encircling elastic band with respect to each rigid plate while allowing freedom for the dynamic extension and contraction of the band over the entire running length thereof."

Dr. Kurfess testified that the structure of the identified channeling means (shown below) is "a groove spanning the extent of one or more of the rigid plates or a longitudinal bore through one or more of the rigid plates" as required by the agreed-upon construction. CX-0007C at Q/As 295-296, 343.

RIDGE-BRANDED	[redacted]-BRANDED
	
	

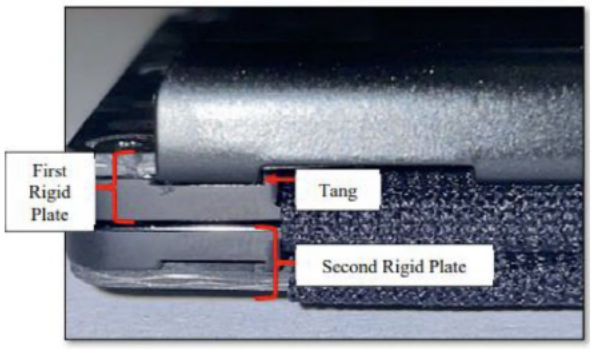
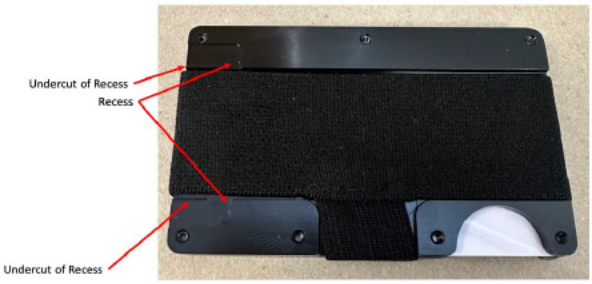
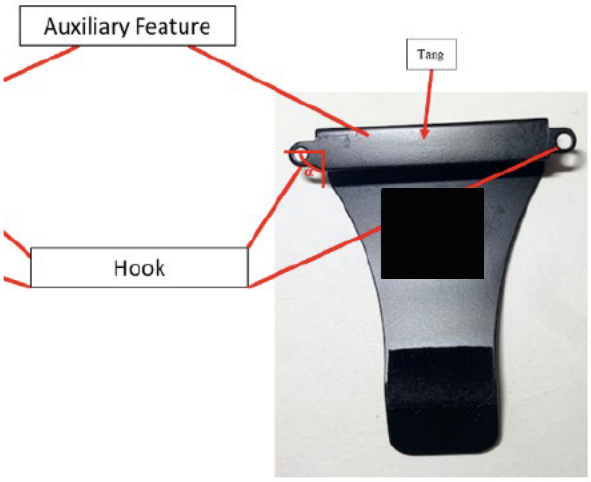
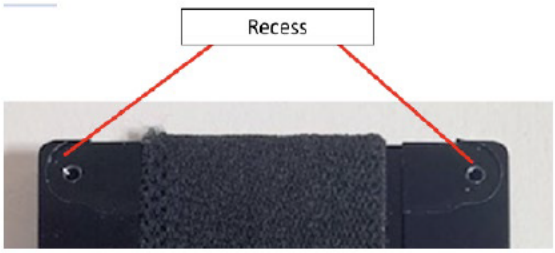
Id. at Q/As 295 (Ridge-branded), 343 ([redacted]-branded). Dr. Kurfess further testified that the function of the identified channeling means is "to minimize the profile of the wallet and hold position of the at least one encircling elastic band with respect to each rigid plate while allowing freedom of the dynamic extension and contraction of the band over the entire running length thereof." CX-0007 at Q/As 296, 343.

e) Limitation 1[d]

The evidence shows that the Ridge DI Products include "an auxiliary feature removably attached to at least one of the at least two rigid plates, the auxiliary feature having a tang insertable into a recess formed inside the at least two rigid plates, the tang having a hook, the hook extending

at an angle to the tang, the hook engaging an undercut of the recess to prevent inadvertent dislodgement of the auxiliary feature from the recess." CX-0007 at Q/A 297-299, 343-345.

Dr. Kurfess testified that there are two money clip designs sold under the Ridge-brand, and both meet the recited "auxiliary feature" limitation of the claim. CX-0007 at Q/As 297-298; *see also* CPX-0005 and CPX-0006. Similarly, Dr. Kurfess testified that the money clip sold with the [redacted]-branded wallet also meets the recited "auxiliary feature" limitation of the claim. CX-0007 at Q/A 344.

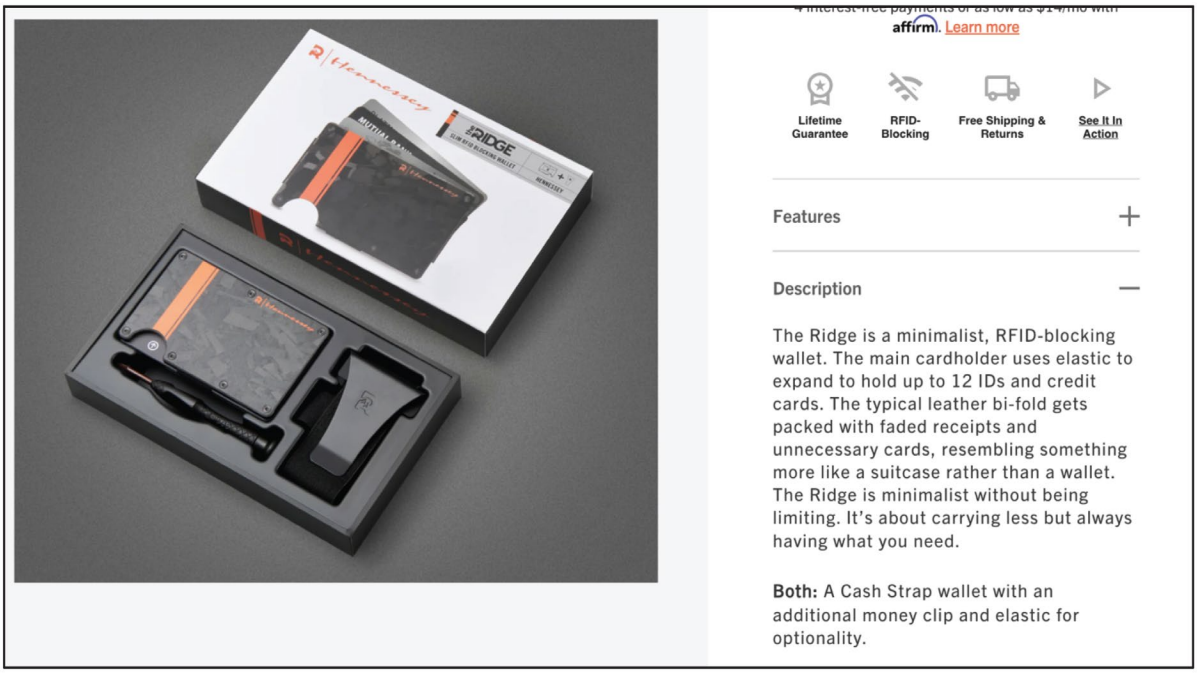
RIDGE-BRANDED	**[redacted]-BRANDED**
  First money clip design:	 

RIDGE-BRANDED	[redacted]-BRANDED
 Second, alternative money clip design: 	

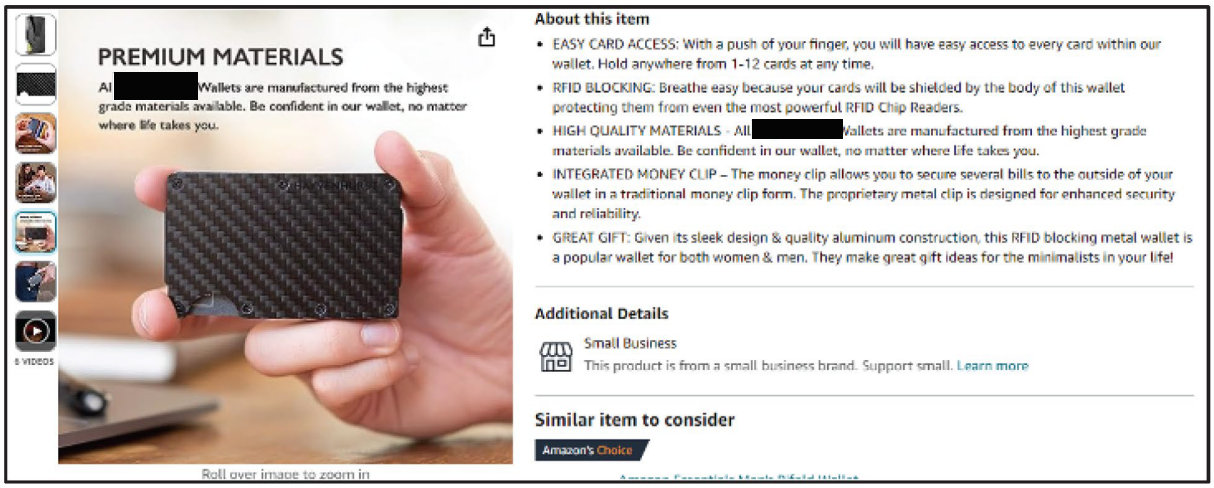
Id. at Q/As 297 (Ridge-branded), 344-345 ([redacted]-branded).

f) Limitation 1[e]

The evidence shows that the Ridge DI Products are configured such that "card-like contents may be carried with minimal silhouette on or with a person while allowing expandable capacity and ready access to individual contents from between the at least two rigid plates." Ridge's website describes the DI wallets as being minimalist, expandable, and providing easy access to credit cards.



CX-0011 (describing Ridge-branded wallet as "minimalist" and using "elastic to expand to hold up to 12 IDs and credit cards").



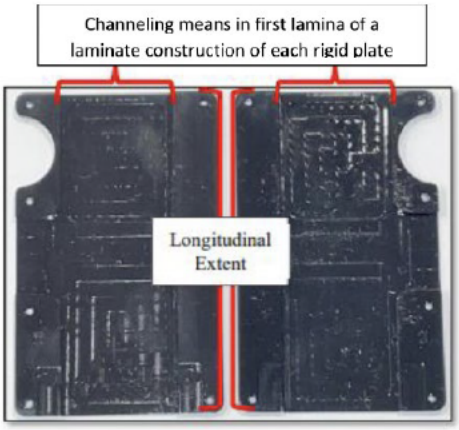
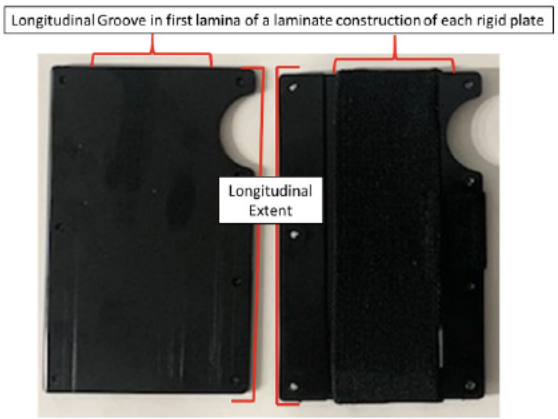
CX-0012 (describing the [redacted]-branded product as having "EASY CARD ACCESS"); *see also* CX-0007C at Q/As 300, 346.

g) Conclusion

Accordingly, for the reasons set forth above, I find that the Ridge DI Products practice claim 1 of the '808 patent.

2. Claim 2

The evidence shows that the Ridge DI products have a channeling means that is "a longitudinal groove in a first lamina of the laminate construction of each rigid plate, the groove slidingly receiving the part of the at least one encircling elastic band."

RIDGE-BRANDED	[redacted]-BRANDED
	

CX-0007 at Q/As 302-303 (Ridge-branded), 348-349 ([redacted]-branded). I therefore find that the Ridge DI Products practice claim 2 of the '808 patent.

3. Claim 14

a) Limitation 14[pre]

The preamble recites "A compact wallet, comprising:". For the same reasons as for claim limitation 1[pre], the evidence shows that the Ridge DI Products are compact wallets. CX-0007C at Q/As 316, 362.

b) Limitation 14[a]

Claim 14 includes the limitation "at least two rigid plates interposed to sandwich card-like contents there between, each rigid plate having a groove along a longitudinal extent thereof." For the same reasons as for claim limitations 1[a] and 1[b] with respect to the rigid plates and claim 2 with regard to grooves, the evidence shows that the Ridge DI Products meet this limitation. CX-0007C at Q/As 317, 363.

c) Limitation 14[b]

Claim 14 includes the limitation "at least one encircling elastic band slidingly interposed in the grooves to bias the at least two rigid plates inwardly and securely hold the card-like contents while providing elastic volume there between for adding or removing contents, the grooves configured to hold position of the at least one encircling elastic band with respect to each rigid plate while allowing freedom for the dynamic extension and contraction of the band over the entire running length thereof." For the same reasons as for claim limitation 1[c], the evidence shows that the Ridge DI Products meet this limitation. CX-0007C at Q/As 318, 364.

d) Limitation 14[c]

Claim 14 includes the limitation "a recess formed inside at least one of the at least two rigid plates, the recess operable to receive a tang of an auxiliary feature, the recess having an undercut operable to engage a hook of the tang to prevent inadvertent dislodgement of the auxiliary feature from the recess when the auxiliary feature is removably positioned in at least one of the at least two rigid plates, the hook extending at an angle to the tang." CX-0001, cl. 14. For the same reasons as for claim limitation 1[d], the evidence shows that the Ridge DI Products meet this limitation. CX-0007C at Q/As 319, 365.

e) Limitation 14[d]

Claim 14 includes the limitation "whereby, card-like contents may be carried with minimal silhouette on or with a person while allowing expandable capacity and ready access to individual contents from between the at least two rigid plates." CX-0001, cl. 14. For the same reasons as for claim limitation 1[e], the evidence shows that the Ridge DI Products meet this limitation. CX-0007C at Q/As 320, 366.

f) Conclusion

I therefore find that the Ridge DI Products practice claim 14 of the '808 patent.

4. Conclusion

Accordingly, for the reasons set forth above, Ridge has satisfied the technical prong of the domestic industry requirement for the '808 patent.

D. Validity

The '808 patent is presumed valid and enforceable. *See* 35 U.S.C. § 282. Staff does not challenge the validity or enforceability of the '808 patent. SIB at 32 ("The Staff is also not challenging validity or enforceability."). The Participating Respondents stipulated that they would not present any arguments or evidence regarding validity or enforceability. EDIS Doc. ID 806028 at ¶¶ 1-4; *see also Lannom Mfg. Co. v. U.S. Int'l Trade Comm'n*, 799 F.2d 1572, 1580 (Fed. Cir. 1986) ("We conclude, therefore, that Congress did not authorize the Commission to redetermine patent validity when no defense of invalidity has been raised.").

VII. ECONOMIC PRONG OF THE DOMESTIC INDUSTRY REQUIREMENT

Ridge alleges that a domestic industry exists under 19 U.S.C. § 1337(a)(3)(A), (B), and (C). CIB at 24-39. In support, Ridge provided testimony from Mr. Sean Frank, its current CEO, Mr. Daniel Kane, one of Ridge's founders and the named inventor of the '808 patent, and Mr. Martinez, Ridge's domestic industry expert. *See generally* CX-0004C (Frank DWS); CX-0005

(Kane DWS); CX-0006C (Martinez DWS). Staff agrees that a domestic industry exists. SIB at 42-47. The Participating Respondents have stipulated that Ridge has met its burden to show a significant and/or substantial domestic industry has been established in the United States. EDIS Doc. ID 804588 at ¶¶ 14-19.

A. Analysis

Ridge is a U.S. company that was started in 2013. CX-0004C at Q/A 5. As Mr. Frank explained, Ridge started very simply: "Daniel Kane and his dad Paul Kane worked up a prototype where they took plastic gift cards, glued them together, and removed excess material to create a track. Daniel's mom then sewed the elastic bands to go in that track, and the Ridge wallet was born." *Id*. Ridge has now sold more than 2.2 million wallets in the United States and generates revenue of more than $100 million per year. *Id*. at Q/A 6.

1. Allocation Methodology

A complainant is not obligated to use a particular allocation methodology. *Certain High-Density Fiber Optic Equip. & Components Thereof*, 337-TA-1194, Comm'n Op. at 65 (Aug. 23, 2021) (*"High-Density Fiber Optic Equip*."). Rather, "all that is required is the use of reasonable allocations for the purposes of establishing the economic prong of the domestic industry requirement." *Certain Solid State Storage Drives, Stacked Elecs. Components, & Prods. Containing Same*, Inv. No. 337-TA-1097, Comm'n Op. at 21 (June 29, 2018). The Commission has previously explained that "[t]he use of a sales-based allocation is one acceptable way to determine the numerical value of domestic industry investments for each Asserted Patent." *Certain Carburetors & Prods. Containing Such Carburetors*, Inv. No. 337-TA-1123, Comm'n Op. at 17 (Oct. 28, 2019) ("*Certain Carburetors*"); *see also Certain Collapsible Sockets for Mobile Elec. Devices & Components Thereof*, Inv. No. 337-TA-1056, Comm'n Op. at 16 (July 9, 2018) ("A

sales-based allocation may be applied to determine . . . the investments 'relating to the articles protected by the patent.'").

Ridge's domestic industry expert, Mr. Christopher Martinez, reviewed and analyzed Ridge's operations in the United States related to the '808 patent. *See generally* CX-0006C. Mr. Martinez used a sales-based methodology to allocate Ridge's total expenses to the DI Products and the claimed domestic industry activities from August 2016 to February 2023. *See, e.g.*, CX-0006C at Q/As 161, 188-205; CX-0401; CX-0484; CX-0531. At the hearing, Mr. Martinez prorated Ridge's expenditures to October 2020 (when the '808 patent issued) to February 2023 (when the complaint was filed). Martinez, Tr. at 47:16-50:9.

2. 19 U.S.C. § 1337(a)(3)(A) and (B)

As an initial matter, Ridge contends that "it is proper to count expenses for subparts (a) and (b) beginning in 2016 and continuing until the filing of the Complaint." CIB at 35. In Staff's view, "it is not clear that the investments prior to issuance of an asserted patent are cognizable under subsections (A) and (B)." SIB at 43. I agree with Staff. 19 U.S.C. § 1337(a)(3) requires the Commission consider investments in "articles protected by the *patent*." (emphasis added). For this reason, I will only consider Ridge's post-patent expenses as they relate to these subsections.

Ridge is headquartered in Santa Monica, California. CX-0004C at Q/As 6, 10; CX-0006C at Q/As 46, 49-51, 206-207. The Santa Monica facility is what Ridge considers its "main" office. CX-0005C at Q/A 32. Ridge performs product development, research and design, and returns, among other activities, in the 3,800 sq. ft. Santa Monica facility. CX-0005 at Q/As 33-34, 83; CX-0004C at Q/A 10; CX-0006C at Q/As 49, 206-207. Ridge entered into a lease agreement for the Santa Monica facility on July 29, 2019, with an initial base rent of [redacted] per month. CX-0006C at Q/As 50, 208; CX-0416; CX-0417; CX-0004C at Q/A 11. Ridge has since extended the lease

though October 31, 2024, with a monthly base rent increasing to [redacted] during the final year. CX-0006C at Q/As 211-212; CX-1290; CX-0004C at Q/A 11.

Turning to labor and capital, all of Ridge's employees are based in the United States, where they work on the development, design, and other critical functions related to the DI Products. CX-0006C at Q/A 314; CX-0004C at Q/As 41-43; CX-0005C at Q/As 32-34. All product work by the core product development team occurs out of Ridge's Santa Monica facility. CX-0006C at Q/As 221, 228-230; Kane, Tr. at 30:25-31:2; CX-0004C at Q/As 43-44. Ridge initially employed three employees. CX-0006C at Q/As 228-229. Ridge now employs over 60 U.S.-based employees. CX-0004C at Q/As 6-7; CX-0006C at Q/As 230, 321; CX-0078C.

At the hearing, Mr. Martinez testified that Ridge's plant and equipment expenditures relating to its Santa Monica headquarters from October 6, 2020, to February 3, 2023, was [redacted]. Martinez, Tr. at 47:20-48:24; *see also* CX-0490C; CX-0491C; CX-0006C at Q/As 215-221. Mr. Martinez then testified that for the same time period, Ridge incurred [redacted] in labor expenditures attributable to the DI Products. *Id*. at 49:1-21; *see also* CX-0492C; CX-0493C; CX-0006C at Q/As 235-250. Mr. Martinez also testified that Ridge's salary expenses for its design and development team allocable to the DI Products would have been [redacted] for the time period October 2020 to February 2023. *Id*. at 49:22-50:9; *see also* CX-0493C; CX-0497C; CX-0006C at Q/As 242-250. In addition, Mr. Martinez testified that in his expert opinion, these expenditures are significant in the context of Ridge and its industry. *Id*. at 50:10-51:2; *see also* CX-0006C at Q/As 314-317, 320-321.

3. Significance of Ridge's Investments

To establish a domestic industry, a complainant need not eclipse some "minimum monetary expenditure." *Stringed Musical Instruments*, Comm'n Op. at 25-26. Nor does a complainant need

"to define the industry itself in absolute mathematical terms." *Id*. A complainant need only establish that its activities are significant by showing how those activities are important to the articles protected by the patent in the context of the company's operations, the marketplace, or the industry in question. *See Certain Printing & Imaging Devices & Components Thereof*, Inv. No. 337-TA-690, Comm'n Op. at 27-30 (Feb. 17, 2011); *Male Prophylactic Devices*, Comm'n Op. at 39. This substantiality must be demonstrated both qualitatively and quantitatively. *Lelo v. Int'l Trade Comm'n*, 786 F.3d 879, 885 (Fed. Cir. 2015).

One method of assessing significance is to consider "the value added to the product from a complainant's activities in the United States." *Certain Carburetors*, Comm'n Op. at 18; *see also Certain Bone Cements, Components Thereof & Prods. Containing the Same*, Inv. No. 337-TA-1153, Comm'n Op. at 26 (Jan. 25, 2021). Here, all product development activities take place at the Santa Monica facility. As such, the investments incurred relating to that facility are quantitatively significant. *See Certain Apparatus & Methods of Opening Containers*, Inv. No. 337-TA-1255, Initial Det., at 34-35 (Dec. 20, 2021) (explaining that when all of the economic activity related to a domestic industry product takes place within the United States the investments are quantitatively significant), *unreviewed by* Comm'n Notice (Feb. 3, 2022)). As for Ridge's labor and capital, Ridge's domestic investments allocable to the DI Products totaled over [redacted].[5] Martinez, Tr. at 49:6-51:2; CX-0006C at Q/As 314-316. This is quantitatively large and given Ridge's size, constitutes a significant domestic investment. *See Stringed Musical Instruments*, Comm'n Op. at 25 ("[T]he requirement for showing the existence of a domestic industry will depend on … the complainant's relative size.").

[5] As noted above, Ridge does not employ *any* employees for product development, research, or development, outside of the United States. CX-0006C at Q/A 314; CX-0004C at Q/A 41.

I also find Ridge's domestic investments in plant and equipment and employment of labor and capital relating to the DI Products to be qualitatively significant. The evidence demonstrates that DI Products are an important part of Ridge's product portfolio, and account for a significant percentage of Ridge's revenues.[6] CX-0006C at Q/A 316 ("When isolating the analysis to the United States, Ridge's [DI] wallet revenues account for between [redacted]% and [redacted]% of revenue, with an average over the period of [redacted]%."). As Mr. Frank testified, "[i]t was that Ridge Wallet that put us on the map." CX-0004C at Q/A 13 ("I say it all the time, but we really are the 'house wallets built.'"). Mr. Kane testified that Ridge's design and development activities, which take place in the United States, were instrumental in getting the DI Products to market, and remain vital to its success.[7] Kane, Tr. at 31:6-14. In fact, Ridge accounts for approximately [redacted]%[8] of the market for compact, minimalist wallets in the United States. CX-0006C at Q/As 146, 320; CX-0481C; CX-0477C.

B. Conclusion

For these reasons, I find the economic prong of the domestic industry requirement met under 19 U.S.C. § 1337(a)(3)(A) and (B).[9]

VIII. CONCLUSIONS OF LAW

1. The Commission has subject matter, personal, and *in rem* jurisdiction in this investigation.

2. Ridge has standing to assert the '808 patent.

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[6] The majority of Ridge's revenues ([redacted]%) have been generated in the United States. CX-0006C at Q/A 316.

[7] Third-party recognition confirms that these domestic activities are essential to Ridge's business. *See, e.g.*, CX-0006C at Q/A 58; CX-0079; CX-0028; CX-0029; CX-0030; CX-0031.

[8] Excluding [redacted] sales, Ridge's market share is [redacted]%. CX-0006C at Q/As 146, 320.

[9] I have already determined that Ridge satisfied the economic prong under sections 337(a)(3)(A) and (B). For this reason, I need not decide whether Ridge satisfies the economic prong under section 337(a)(3)(C).

3. The importation requirement of section 337 is satisfied for the accused products.

4. Claims 1, 2, and 14 of the ’808 patent have been infringed by the ARW Accused Products.

5. Claims 1, 2, and 14 of the ’808 patent have been infringed by the SWZA Accused Products.

6. Claims 1, 2, and 14 of the ’808 patent have been infringed by the RossM Accused Products.

7. Claims 1, 2, and 14 of the ’808 patent have been infringed by the INSGG Accused Products.

8. The ’808 patent is valid.

9. The record demonstrates that the technical prong of the domestic industry requirement has been satisfied for the ’808 patent.

10. The record demonstrates that the economic prong of the domestic industry requirement has been satisfied for the ’808 patent.

11. A violation has been shown by the importation and sale of articles that infringe claims 1, 2, and 14 of the ’808 patent.

IX. RECOMMENDED DETERMINATION ON REMEDY AND BOND

A. General Exclusion Order

Section 337(d)(2) provides that a general exclusion order (“GEO”) may issue in cases where (a) a general exclusion from entry of articles is necessary to prevent circumvention of an exclusion order limited to products of named respondents; or (b) there is a widespread pattern of violation of section 337, and it is difficult to identify the source of infringing products. 19 U.S.C. § 1337(d)(2). The statute essentially codifies Commission practice under *Certain Airless Paint Spray Pumps & Components Thereof*, Inv. No. 337-TA-90, Comm’n Op. at 18-19, USITC Pub. 119 (Nov. 1981) (“*Spray Pumps*”). *See Certain Neodymium-Iron-Boron Magnets, Magnet Alloys, and Articles Containing the Same,* Inv. No. 337-TA-372 (“*Magnets*”), Comm’n Op. on Remedy, the Public Interest and Bonding at 5 (USITC Pub. 2964 (1996)) (statutory standards “do not differ

significantly" from the standards set forth in *Spray Pumps*). In *Magnets*, the Commission confirmed that there are two requirements for a general exclusion order: (1) a "widespread pattern of unauthorized use;" and (2) "certain business conditions from which one might reasonably infer that foreign manufacturers other than the respondents to the investigation may attempt to enter the U.S. market with infringing articles." *Id.* The focus now is primarily on the statutory language itself and not an analysis of the *Spray Pump* factors. *Ground Fault Circuit Interrupters & Prods. Containing Same*, Inv. No. 337-TA-615, Comm'n Op. at 25 (Mar. 9, 2009).

Ridge asserts that a GEO is necessary to prevent circumvention of a limited exclusion order ("LEO") "due to U.S. market conditions—such as high U.S. demand, relatively low barriers to new entrants, extensive manufacturing resources, established distribution channels within the U.S., and anonymity—that incentivize and facilitate such circumvention." CIB at 41. Ridge also contends "it is incredibly difficult to identify the sources of infringing products . . . because the illegitimate manufacture, trade, and sale of infringing products is disguised at every level of the supply chain." *Id*. at 46. In Staff's view, the evidence shows that the issuance of a GEO in this investigation is warranted. SIB at 47-51.

1. Circumvention of a Limited Exclusion Order

The evidence shows that there are low barriers to entrance into the market for compact wallets, while the demand for wallets continues to rise. Sellers of knockoff compact wallets do not manufacture the wallets but rather acquire them from manufacturers in China and then resell the infringing wallets into the United States.[10] Sellers of knockoff products can quickly set up shop

[10] The Participating Respondents are a perfect example. ARW and SWZA do not design or manufacture any of their products. CX-0006C at Q/As 106, 109. They purchase the accused products from a Chinese manufacturer, import them into the United States, and set up an online shop. CX-0009 at 11:7-10, 12:20-13:9, 14:11-18, 15:11-16:10, 17:3-19:4, CX-0008 at 11:6-13:4,

and due to the low cost of production, it is easy to enter the market. CX-0006C at Q/A 330-333; CX-0004C at Q/As 105, 112, 114; CX-0007C at 385. Mr. Frank explained that with the infrastructure of e-commerce shops like Alibaba, eBay, and Amazon, sellers of knockoff compact wallets can set up shop for as little as $5000. CX-0004C at Q/As 112, 114; Frank, Tr. at 39:18-40:14. In fact, Mr. Frank testified that the reason Ridge launched [redacted], a subsidiary of Ridge that sells wallets at a lower price point, was to try and cannibalize some of the already cannibalized sales back to Ridge. Frank, Tr. 41:8-21. He stated that [redacted] has done "several million dollars" in profits with an initial investment of a "couple thousand bucks." *Id*. And this was accomplished "with absolutely no team, attention, ad budget or anything." *Id*.

Because the demand for the infringing compact wallets is strong and the profits are high, there is an incentive to circumvent a LEO. Frank, Tr. at 41:8-10; CX-0006C at Q/A 148; CX-0481. At their depositions, the corporate representatives for the Participating Respondents testified that they believe that the accused products are, or will be, profitable. CX-0009 at 14:11-18 (citing profitability as reason for selling wallets), 16:19-17:2, 34:16-23, 35:2-5, 35:11-18 (wallets accounted for 95 percent of profit), 57:14-17; CX-0008 at 11:6-13 (citing "good profitability" as

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18:3-19:11, 19:22-20:11; CX-0006C at Q/As 106-109. The corporate representatives for ARW and SWZA explained that all they do is specify the quantity and color for the products they want to sell, and the factory does the rest. CX-0008 at 18:14-19:11, 19:22-20:11, CX-0009 at 17:3-23, 18:8-25; *see also* CX-0006C at Q/A 383; CX-0004C at Q/A 112. Furthermore, the Chinese manufacturer that provides ARW and SWZA with wallets, also provides wallets to other sellers. CX-0009 at 50:4-25; CX-0008 at 11:14-29, 20:19-21:15; CX-0006C at Q/A 106; CX-0007C at Q/A 384. While one manufacturer was identified during this investigation, there are other manufacturers and discovering information about them has proven difficult. Kane, Tr. at 42:16-27:5. Mr. Kane testified that he "see[s] new sellers selling the same thing with a different logo." CX-0005 at Q/A 94; *see also* CX-0006C at Q/A 337 (citing to instances where Ridge saw infringing products continue to be offered for sale under the same address but by a different seller name). This shows that the number of parties attempting to import infringing products is constantly changing and growing.

a reason to start selling the accused products), 24:2-11 (stating that "profit will grow later on significantly"). For example, ARW testified that it made about $650,000 of profit selling the ARW Accused Products between August 2021 to January 2023, and that sales were increasing. CX-0009 at 35:2-5. Mr. Martinez estimated that ARW would have generated $1.2 million and SWZA $433,000 in revenues from January 1, 2023, to July 31, 2023, had Amazon not delisted their accused products. CX-0006C at Q/A 148; *see also* CX-0481 (showing large revenues for other knockoff sellers); Frank, Tr. at 41:8-10.

For these reasons, I find that the evidence shows a LEO could be easily circumvented – by respondents and others – due to the low costs of market entry and high profitability. *See Certain Cases for Portable Electronic Devices,* Inv. No. 337-TA-867/861, Comm'n Op. at 9 (July 10, 2014) ("[T]he respondents can easily circumvent a LEO by selling infringing goods online … and foreign manufacturing operations can change their names and distribution patterns to avoid detection.").

2. Widespread Pattern of Unauthorized Use

A cursory internet search reveals scores of other entities that import and sell knockoff compact wallets. *See* CX-0006C at Q/As 338-340; CX-0004C at Q/As 90-91, 111-119. Ridge itself has purchased over 500 knockoff wallets but does not know the companies that manufacture any of those knockoffs. Kane, Tr. at 27:11-25. Mr. Frank estimates that there are at least "several dozen" of such manufacturers. Frank, Tr. at 41:4-7. Mr. Kane described the compact wallet market as "a game of whack-a-mole. We knock one infringer down, and a half dozen others spring up." CX-0005C at Q/A 91; *see also* CX-0006C at Q/A 337 (testifying that the knockoff wallets continue to offered for sale under the same address but by a different seller name); CX-0007C at Q/A 392 ("Operating as third-party sellers on platforms such as Amazon.com allows for sellers to pop-up,

disappear, and then pop-up again under a different name or brand."). The Commission has found numerous online sales of infringing imported products – just like the situation here – can constitute a pattern of violation. *See, e.g.*, *Certain Loom Kits for Creating Linked Articles*, Inv. No. 337-TA-923, Comm'n Op. at 14 (June 26, 2015)

It is also difficult to identify the sources of the infringing products. Mr. Frank testified that Ridge has identified 37 companies that "sell knock-off wallets on Amazon" and it is "very hard . . . to identify who is actually responsible for infringement." CX-0004C at Q/As 108, 114. And, as demonstrated at the hearing, it is impossible to determine the source from inspecting the products themselves. Kane, Tr. at 24:16-27:5. This is because distributors and sellers not only conceal their identities through aliases and inaccurate business information but will also change their names to escape detection. CX-0006C at Q/As 337-340; CX-0004C at Q/As 112, 114. In addition, the infringing products may be packaged in unmarked, generic packaging, which makes it easier for the unauthorized sellers and/or importers to evade U.S. Customs and Border Protection. *See, e.g., Certain Toner Cartridges & Components Thereof,* Inv. No. 337-TA-829, Comm'n Op. at 7 (July 29, 2013).

In addition, the fact that the Commission and Ridge had difficulty serving some respondents confirms how hard it is to identify source of the infringing goods. *See Certain Hand Dryers & Housing for Hand Dryers*, Inv. No. 337-TA-1015, Comm'n Op. at 7-8 (Oct. 30, 2017) (finding that it is difficult to identify the source of the infringing products as evidenced by complainant's difficulties in serving the respondents) ("*Hand Dryers*"). By way of example, Ridge attempted to serve Defaulting Respondent RossM through various methods of service, including through delivery to its registered business address, authorized correspondent's address, and third-party virtual mailbox, electronic mail to its authorized correspondent and support team, and

electronic delivery through its Amazon Seller Profile. *See* EDIS Doc. ID 796581 There is even evidence indicating that RossM is still selling the accused products. CX-0006C at Q/As 334, 346; CX-0004C at Q/As 116-117 (noting that Ridge was able to purchase an accused product as of September 18, 2023).

The evidence therefore shows a widespread pattern of infringement (by respondents and non-respondents alike), as well as difficulty identifying the source of infringing products.

3. Conclusion

While a GEO may issue on satisfaction of either prong of section 337(d)(2), I find that both are satisfied here. Thus, if the Commission finds a violation of section 337, I recommend issuance of a GEO for the reasons set forth above.

B. Limited Exclusion Order

The Commission has broad discretion in selecting the form, scope, and extent of the remedy in a section 337 proceeding. *Viscofan, S.A. v. U.S. Int'l Trade Comm'n*, 787 F.2d 544, 548 (Fed. Cir. 1986). A LEO directed to a respondent's infringing products is among the remedies that the Commission may impose. *See* 19 U.S.C. § 1337(d).

Ridge submits that if a violation is found, the Commission should issue a LEO "without any carveouts, certification provisions, grandfather clauses, or exceptions." CIB at 41. If the Commission determines not to issue a GEO, Staff believes a LEO is appropriate. SIB at 51.

Should the Commission find a violation but not issue a GEO, I recommend entry of a LEO against the accused products found to infringe.

C. Cease and Desist Order

Section 337(f)(1) provides that the Commission may issue cease and desist orders to respondents found to be in violation. *See* 19 U.S.C. § 1337(f)(1).

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Under Commission precedent, "[c]ease and desist orders are generally issued when, with respect to the imported infringing products, respondents maintain commercially significant inventories in the United States or have significant domestic operations that could undercut the remedy provided by an exclusion order." *Certain Air Mattress Sys., Components Thereof, & Methods of Using the Same*, 337-TA-971, Comm'n Op. at 49 (June 20, 2017) (citation omitted). "A complainant seeking a cease and desist order must demonstrate, based on the record, that this remedy is necessary to address the violation found in the investigation so as to not undercut the relief provided by the exclusion order." *Certain Arrowheads with Deploying Blades & Components Thereof & Packaging Thereof*, Inv. No. 337-TA-977, Comm'n Op. at 17 (Apr. 28, 2017); *see also Certain Electric Skin Care Devices, Brushes & Chargers Therefor, & Kits Containing the Same*, Inv. No. 337-TA-959, Comm'n Op. at 26 (Feb. 13, 2017).

Ridge asserts that the Participating Respondents maintain commercially significant inventories in the United States, that RossM operates in the United States, and that the nature of INSGG's business operations "makes it likely that INSGG maintained and continues to maintain a significant inventory of its Accused Products" in the United States. CIB at 49-50. Ridge therefore submits that cease and desist orders are appropriate. *Id*. Staff also believes cease and desist orders are warranted as to both the Participating and Defaulting Respondents. SIB at 52-54.

1. The Participating Respondents

ARW and SWZA fulfilled orders through Amazon.com fulfillment centers located in the United States until January 2023. CX-0006C at Q/As 353-355, 365-367. The Participating Respondents then relocated their on-hand inventories to third party storage facilities located within the United States. *See* CX-0009 at 23:3-20; CX-0008 at 15:4-20, 17:18-24; CX-0006C at Q/A 358.

The evidence shows that the Participating Respondents maintain commercially significant inventories of the accused products in the United States. Specifically, ARW currently has 26,508 units of remaining inventory with a value between $583,176 and $605,973 stored in a warehouse in Texas. CX-0006C at Q/As 356-357. Similarly, SWZA has 6,988 units of remaining inventory with a value between $127,950 and $133,401 stored in a warehouse in Maryland. *Id*. at Q/As 368-369.

Based on these facts, I recommend that cease and desist orders issue as to the Participating Respondents if the Commission determines that a violation of section 337 has occurred.

2. The Defaulting Respondents

Because Ridge requests a GEO, "the Commission evaluates the violation and exclusion of articles from entry for Defaulting Respondents under section 337(d)(2) rather than section (g)(2)." *Certain High-Density Fiber Optic Equip.*, Comm'n Op. at 86 (citing *Certain Water Filters and Components Thereof*, Inv. No. 337-TA-1126, Comm'n Op. at 13-14 n.2 (Nov. 15, 2019)). The Commission has further stated that because the "requested CDOs are "[i]n addition to . . . taking action under subsection (d)," "such request is evaluated under section 337(f)(1) rather than 337(g)(1)." *Id*.

a) RossM

"For defaulting respondents located in the United States, the Commission infers the presence of commercially significant domestic inventories due to their domestic presence and lack of participation in the proceeding." *Hand Dryers*, Comm'n Op. at 10; *see also Certain Mobile Device Holders & Components Thereof*, Inv. No. 337-TA-1028, Comm'n Op. at 24 (Mar. 22, 2018) ("[I]n cases were the respondent is located in the United States and is found in default under Section 337(g)(1), the Commission has consistently inferred the presence of commercially significant inventories in the United States based on the facts of record").

Because RossM is located in the United States, it is reasonable to infer that RossM maintains commercially significant inventory in the United States. For this reason, I recommend issuance of a cease and desist order against RossM.

b) INSGG

The Commission will issue cease and desist orders against defaulting foreign respondents in certain circumstances. *See, e.g., Certain Toner Cartridges & Components Thereof*, Inv. No. 337-TA-829, Comm'n Op. at 9-10 (July 29, 2013). The Commission does not "automatically infer the presence of a domestic inventory" but rather "considers whether the facts alleged in the complaint and any other record evidence suggest that the defaulted foreign respondent maintains a commercially significant inventory and/or engages in significant commercial operations in the United States." *Hand Dryers*, Comm'n Op. at 11; *see also Certain Digital Photo Frames & Image Display Devices & Components Thereof*, Inv. No. 337-TA-807, Comm'n Op. at 9 (Mar. 27, 2013).

Here, Ridge alleged facts in its complaint showing that INSGG engages in significant domestic activities, such as importing and selling infringing articles in the United States via online sales. More specifically, the evidence shows that the INSGG Accused Products sold on Amazon.com are fulfilled from a domestic Amazon.com fulfillment center. Compl. Exs. 3, 34, 38; CX-0006C at Q/As 115-116; CX-0518C. The Commission has previously found that the sale and fulfillment of imported accused products through a domestic Amazon.com fulfillment center "supports the inference that [the foreign defaulting respondents] maintain a commercially significant inventory of infringing articles in the United States[.]" *Hand Dryers*, Comm'n Op. at 11. I therefore find that a cease and desist order directed to INSGG is appropriate.

D. Bond

Pursuant to section 337(j)(3), the administrative law judge and the Commission must determine the amount of bond to be required of a respondent, during the 60-day Presidential review

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period following the issuance of permanent relief, in the event that the Commission determines to issue a remedy. The purpose of the bond is to protect the complainant from any injury. 19 U.S.C. § 1337(j)(3); 19 C.F.R. §§ 210.42(a)(1)(ii), 210.50(a)(3).

When reliable price information is available, the Commission has often set the bond by eliminating the differential in sales prices between the domestic product and the imported, infringing product. *Certain Microsphere Adhesives, Process for Making Same, & Prods. Containing Same, Including Self-Stick Repositionable Notes*, Inv. No. 337-TA-366, Comm'n Op. at 24, USITC Pub. No. 2949 (1995). In other cases, the Commission has turned to alternative approaches, especially when the level of a reasonable royalty rate could be ascertained. *See Certain Integrated Circuit Telecomm. Chips & Prods. Containing Same, Including Dialing Apparatus*, Inv. No. 337-TA-337, Comm'n Op. at 41-43, USITC Pub. No. 2670 (1995). A 100% bond has been required when no effective alternative existed. *Certain Flash Memory Circuits & Prods. Containing Same*, Inv. No. 337-TA-382, USITC Pub. No. 3046, Comm'n Op. at 26-27 (July 1997) (a 100% bond imposed when price comparison was not practical because the parties sold products at different levels of commerce, and the proposed royalty rate appeared to be *de minimis* and without adequate support in the record).

1. The Participating Respondents

Ridge requests a 100 percent bond. CIB at 52. Staff also recommends a 100% bond. SIB at 55.

The record shows that reliable price comparisons are available. Ridge's DI Products sell for between $45 and $250 per unit[11], whereas the average sale price is approximately $22 for the ARW Accused Products and approximately $19 for the SWZA Accused Products. CX-0006C at

[11] This averages out to $147.50 per unit.

Q/As 351, 363, 378; CX-1227. The price differential between Ridge's DI Products and the ARW/SWZA Accused Products is therefore more than 100%. However, because Ridge only requests a 100% bond, I recommend a 100% bond of the entered value during the Presidential review period.

2. The Defaulting Respondents

Ridge submits that a 100 percent bond is appropriate "given the unavailability of pricing or royalty information for the Defaulting Respondents." CIB at 52. Staff agrees with Ridge's request for a 100 percent bond. SIB at 54.

None of the Defaulting Respondents participated in discovery. As a result, a reliable price comparison is not possible nor is there any evidence in the record regarding royalty rates. I therefore agree with Ridge and Staff that a 100% bond is appropriate.

X. INITIAL DETERMINATION ON VIOLATION

For the reasons set forth above, it is my Initial Determination that a violation of section 337 of the Tariff Act, as amended, has occurred in the importation into the United States and the sale within the United States after importation of certain compact wallets and components thereof based on infringement of U.S Patent No. 10,791,808.

I hereby certify to the Commission this Initial Determination and the Recommended Determination.

XI. ORDER

Within seven days of the date of this document, the parties shall jointly submit a single proposed public version with any proposed redactions indicated in red. If the parties submit excessive redactions, they may be required to provide declarations from individuals with personal knowledge, justifying each proposed redaction and specifically explaining why the information

sought to be redacted meets the definition for confidential business information set forth in 19 C.F.R. § 201.6(a). To the extent possible, the proposed redactions should be made electronically, in a single PDF file using the "Redact Tool" within Adobe Acrobat. The proposed redactions should be submitted as "marked" but not yet "applied." The proposed redactions should be submitted via email to Moore337@usitc.gov and not filed on EDIS.

Bryan F. Moore
Administrative Law Judge

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PUBLIC CERTIFICATE OF SERVICE

I, Lisa R. Barton, hereby certify that the attached **INITIAL DETERMINATION** has been served via EDIS upon the Commission Investigative Attorney, **Linda Chang, Esq.**, and the following parties as indicated, on **March 25, 2024**.

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