

In the Matter of

**CERTAIN POLYMER GEOGRID
PRODUCTS AND PROCESSES
THEREFOR**

Investigation No. 337-TA-303
(Commission Decision of
June 14, 1991)



USITC PUBLICATION 2416

AUGUST 1991

**United States International Trade Commission
Washington, DC 20436**

UNITED STATES INTERNATIONAL TRADE COMMISSION

COMMISSIONERS

Anne E. Brunsdale, Acting Chairman

Seeley G. Lodwick

David B. Rohr

Don E. Newquist

**Address all communications to
Kenneth R. Mason, Secretary to the Commission
United States International Trade Commission
Washington, DC 20436**

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

In the Matter of)

CERTAIN POLYMER GEOGRID PRODUCTS AND)
PROCESSES THEREFOR)

Investigation No. 337-TAS-903

U.S. I.T.C.
OFFICE OF THE
SECRETARY

JUN 14 4 51 PM '91

NOTICE OF DECISION TO DISMISS INVESTIGATION FOR MOOTNESS
AND VACATE INITIAL DETERMINATION

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has determined to dismiss the above-captioned investigation for mootness and to vacate the presiding administrative law judge's (ALJ) final initial determination (ID).

FOR FURTHER INFORMATION CONTACT: Jean Jackson, Esq., Office of the General Counsel, U.S. International Trade Commission, 500 E Street, S.W., Washington, DC 20436; telephone 202-252-1104. Hearing-impaired individuals are advised that information about this matter can be obtained by contacting the Commission's TDD terminal, 202-252-1810.

SUPPLEMENTARY INFORMATION: On August 10, 1989, Tensar Corporation filed a complaint under section 337 alleging infringement of two U.S. patents exclusively licensed to Tensar covering polymer geogrid products and a process for making such products. The Commission instituted an investigation of the complaint and issued a notice of investigation which was published in the Federal Register on September 20, 1989 (54 Fed. Reg. 38752). On July 11, 1990, the Commission determined not to review an ID designating the investigation "more complicated" and extending the statutory deadline for completion of the investigation by six months.

On September 20, 1990, the presiding ALJ issued her final ID finding no violation of section 337 in the investigation. On October 4, 1990, in response to a joint request by complainant and respondents, the Commission suspended its investigation in order to allow the private parties to borrow exhibits from the Commission's record for use in a jury trial in concurrent litigation between the same parties, Tenax Corp. v. The Tensar Corp., Civil Action No. H-89-424, in the U.S. District Court for the District of Maryland. 55 Fed. Reg. 41394 (October 11, 1990).

259

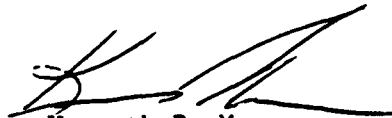
On November 23, 1990, the jury trial concluded with a verdict of patent infringement in favor of Tensar. The parties returned the exhibits to the Commission on December 19, 1990. Since several post-trial motions were pending before the district court, the Commission determined, on December 31, 1990, to continue its suspension until the final judgment of the district court. 56 Fed. Reg. 873-874 (Jan. 9, 1991). On April 16, 1991, the district court issued a final judgment.

On May 6, 1991, the Commission lifted its suspension of the investigation. On May 10, 1991, complainant filed a motion to terminate the investigation as moot because it had received all possible relief from the district court in concurrent litigation. (The district court had ruled that complainant's patent was valid and infringed by the same firms that are the respondents in the Commission investigation. The court awarded damages and issued an injunction against respondents.) In the alternative, complainant moved to withdraw its complaint and to dismiss the investigation without prejudice. Complainant also requested that the ID be vacated.

Copies of the Commission order, its opinion in support of the order, and all other nonconfidential documents filed in connection with this investigation are or will be available for inspection during official business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 500 E Street, S.W., Washington, DC 20436; telephone: 202-252-1000.

This action is taken under the authority of section 337 of the Tariff Act of 1930, 19 U.S.C. § 1337 and Commission interim rule 210.51(a), § 19 C.F.R. § 210.51(a).

By order of the Commission.



Kenneth R. Mason
Secretary

Issued: June 14, 1991

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

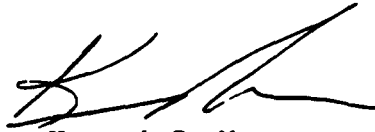
In the Matter of)
)
)
 CERTAIN POLYMER GEOGRID PRODUCTS AND) Investigation No. 337-TA-303
 PROCESSES THEREFOR)
)
)

ORDER

Having considered complainant's motion of May 10, 1991, it is hereby
ORDERED that:

1. Complainant's motion for leave to file a reply is granted.
2. Complainant's motion to terminate the investigation for mootness is granted.
3. Complainant may not file another section 337 complaint based on U.S. Letters Patent 4,374,798 against any of the respondents to this investigation that seeks exclusion of the same products that were at issue in this investigation.
4. The initial determination issued by the presiding administrative law judge on September 20, 1990, is vacated.
5. The Secretary shall serve copies of this Order and the Commission opinion in support thereof (to be issued later) on each party of record to this investigation and publish notice thereof in the Federal Register.

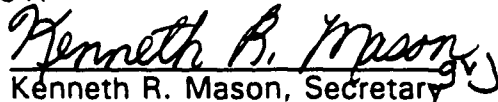
By order of the Commission.


Kenneth R. Mason
Secretary

Issued: June 14, 1991

CERTIFICATE OF SERVICE

I, Kenneth R. Mason, hereby certify that the attached NOTICE OF COMMISSION DECISION TO DISMISS INVESTIGATION FOR MOOTNESS AND VACATE INITIAL DETERMINATION was served upon T. Spence Chubb, Esq. and John R. Kroeger, Esq. and the following parties via first class mail, and air mail where necessary on June 17, 1991.


Kenneth R. Mason, Secretary
U. S. International Trade Commission
500 E Street, S.W.
Washington, D.C. 20436

For Complainant: The Tensar Corporation

Harvey B. Jacobson, Jr.
Marvin R. Stern
Michael R. Slobasky
FLEIT, JACOBSON, COHN, PRICE,
HOLMAN AND STERN
400 7th St., N.W.
Washington, D.C. 20004-2201

Gary J. Rinkerman
Thomas J. O'Connell
FITZPATRICK, CELLA, HARPER & SCINTO
1001 Pennsylvania Avenue, N.W.
Washington, D.C. 20004

For Respondents: RDB Plastotechnica SpA & Tenax Corporation

Arthur F. Fergenson
Jeffrey T. Agnor
WEINBERG AND GREEN
10480 Little Patuxent Pkwy.
Suite 950
Columbia, MD. 21044-3506

Bernel Goldberg, Esq.
Thomas J. Trendl, Esq.
MUDGE, ROSE, GUTHRIE, ALEXANDER & FERDON
2121 K Street, N.W.
Suite 700
Washington, D.C. 20037

Neil B. Siegel, Esq.
Scott M. Daniels, Esq.
SUGHRUE, MION, ZINN,
MacPEAK & SEAS
2100 Pennsylvania Avenue, N.W.
Washington, D.C. 20037

CERTIFICATE OF SERVICE

For Respondents: RDB Plastotechnica SpA & Tenax Corporation

R.V. Lupo, Esq.
Jack Q. Lever, Jr., Esq.
Donna M. Tanguay, Esq.
WILLIAN, BRINKS, OLDS, HOFER
GILSON & LIONE
2000 K Street, N.W.
Suite 200
Washington, D.C. 20006

GOVERNMENT AGENCIES:

Mr. Charles S. Stark
Antitrust Div./U.S. Dept of Justice
Room 3264, Main Justice
Pennsylvania Avenue & Tenth Street, N.W.
Washington, D.C. 20530

Don Woodstock, Esq.
Assistant Director for
International Antitrust
Federal Trade Commission
Room 355
Pennsylvania Ave., at 6th Street, N.W.
Washington, D.C. 20580

Sandra H. Shapiro
Associate General Counsel
Department of Health & Human Svcs.
Room 5362, Cohen Building
330 Independence Avenue, S.W.
Washington, D.C. 20201

Michael T. Schmitz
Chief Counsel
U.S. Customs Service
1301 Constitution Avenue, N.W.
Washington, D.C. 20229

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

RECEIVED
OFFICE OF THE SECRETARY
U.S. INTERNATIONAL TRADE COMMISSION

91 AUG -1 P3:14

In the Matter of _____

CERTAIN POLYMER GEOGRID PRODUCTS AND _____
PROCESSES THEREFOR _____

Investigation No. 337-TA-303

COMMISSION OPINION

Introduction

On May 10, 1991, complainant Tensar Corp. (Tensar) filed a motion pursuant to Commission interim rule 210.51(a), 19 C.F.R. § 210.51(a), to terminate this investigation as moot or, in the alternative, to withdraw its complaint. The basis for Tensar's motion was an order by a U.S. district court permanently enjoining the respondents to the Commission investigation from importing, making, using, or selling in the United States any of the geogrid products at issue in the Commission investigation.¹ Termination of the investigation was opposed by the respondents. The Commission investigative attorney favored termination, but opposed the form of termination requested by complainant.

¹ See, Tenax Corp. et al. v. Tensar Corp., Civil Action No. 89-424, Revised Judgment and Permanent Injunction (April 16, 1991).

Procedural History

The Commission instituted this investigation on September 20, 1989, based on a complaint filed August 10, 1989, by Tensar.² The complaint alleged that RDB Plastotechnica S.p.A. of Como, Italy and Tenax Corp. of Jessup, Maryland ("respondents") were infringing U.S. Letters Patent 4,756,946, which covers polymer geogrid products, and U.S. Letters Patent 4,374,798, which covers a process for making geogrid products.³ Both patents are licensed exclusively to complainant Tensar. At the time that the Commission's investigation was instituted, Tensar and respondents were already involved in concurrent litigation in the U.S. District Court for the District of Maryland, Tenax Corp. et al. v. The Tensar Corp., Civil Action No. H-89-424.⁴

The investigation was designated "more complicated,"⁵ and the presiding administrative law judge (ALJ) issued her final initial determination (ID) on September 20, 1990. The ID found no violation of section 337 in the importation, or the sale within the United States after importation, of geogrid products from Italy.⁶ On October 4, 1990, while the ID was pending

² 54 Fed. Reg. 38752 (Sept. 20, 1989).

³ Polymer geogrids are plastic lattice structures used in the construction industry to reinforce or stabilize earth embankments, dams, dikes, and retaining walls. Geogrids are also used to reinforce fill materials under highways and building foundations.

⁴ The district court litigation concerned a declaratory judgment action brought by Tenax and RDB Plastotechnica against Tensar and a counterclaim for patent infringement brought by Tensar.

⁵ 55 Fed. Reg. 28465 (July 11, 1990)..

⁶ The ID found, inter alia, that the two patents in issue were invalid as obvious under 35 U.S.C. § 103 but that, if not invalid, the patents would have been found to be infringed by respondents' products. On October 11, 1990, the owner of the patent covering the geogrid product
(continued...)

before it, the Commission granted the joint motion of the parties to borrow evidentiary exhibits, then in the custody of the Commission, for use in the concurrent district court litigation. The Commission suspended its own investigation until the exhibits were returned.⁷ On November 23, 1990, the jury in the district court litigation returned a verdict of patent infringement in favor of Tensar. The district court issued a permanent injunction barring Tenax and RDB Plastotechnica, the respondents in the Commission investigation, from importing, making, using, or selling infringing geogrid products in the United States.⁸ On March 7, 1991, respondents specifically represented to the district court that they would abide by this injunction.⁹

The borrowed evidentiary exhibits were returned to the Commission on December 19, 1990. Since several post-trial motions were pending before the district court when the exhibits were returned, the Commission decided to continue its suspension until the district court issued its final judgment,¹⁰ which it did on April 16, 1991.¹¹ On May 2, 1991, the Commission decided to resume the investigation effective May 6, 1991, and established a schedule for completing it.

⁶(...continued)

disclaimed and dedicated that patent to the public. 1124 O.G. 139 (March 26, 1991). Accordingly, issues relating to the product patent became moot.

⁷ 55 Fed. Reg. 41394 (Oct. 11, 1990).

⁸ Tenax v. Tensar, Judgment and Permanent Injunction, (November 23, 1990).

⁹ Letter from respondents' counsel to Chief Judge Harvey, dated March 7, 1991.

¹⁰ 56 Fed. Reg. 873-4 (Jan. 9, 1991).

¹¹ Tenax v. Tensar, Revised Judgment and Permanent Injunction (April 16, 1991).

On May 10, 1991, Tensar moved to terminate the investigation, based either on mootness or on withdrawal of its complaint. The motion also sought to vacate the pending ID. Tensar agreed not to seek relief from the Commission again with respect to the specific products involved. On May 22, 1991, respondents filed opposing papers, and the Commission investigative attorney filed a response that supported termination but opposed the form of termination requested by Tensar.¹² On June 14, 1991, the Commission terminated the investigation for mootness and vacated the pending ID.¹³ This opinion explains the reasons for the Commission's action.

Discussion

Tensar believes that it has already received all possible relief, and so no longer wishes the Commission to pursue its investigation. Tensar is satisfied with the permanent injunction it won in district court and with respondents' promise to obey that injunction. Given that section 337 remedies are prospective only,¹⁴ and that the U.S. District Court for the District of Maryland has permanently enjoined respondents from importing, making, using, or selling the products at issue in the Commission investigation, and that complainant has voluntarily renounced any additional section 337 remedy, we

¹² The investigative attorney argued that the investigation should be terminated with prejudice based upon Tensar's declaration that it no longer seeks a section 337 remedy.

¹³ Commission Order of June 14, 1991, issued in Polymer Geogrid Products and Processes Therefor, Inv. No. 337-TA-303.

¹⁴ Texas Instruments v. U.S. International Trade Commission, 851 F.2d 342, 344 (Fed. Cir. 1988).

see no need to continue this investigation. ¹⁵ The Commission has terminated investigations for mootness when this situation has occurred in the past. ¹⁶

A decision to terminate this investigation for mootness is supported as well by the federal court practice of dismissing a proceeding as moot if it seeks the same relief already accorded by another tribunal. ¹⁷ The rule applies unless there is the prospect that "final decision of some unresolved issue may protect against a recurrence of the dispute." ¹⁸ In Altvater v. Freeman, 319 U.S. 359 (1943), the Supreme Court held that a counterclaim for a declaratory judgment of patent invalidity was not mooted by a ruling that the subject patent was not infringed, because the dispute between the parties went beyond the particular products at issue in the case.

Respondents argue that Altvater should govern here because of a recent contempt proceeding in the district court. In that proceeding, Tensar accused respondents of violating the injunction by manufacturing new products that

¹⁵ Acting Chairman Brunsdale notes that Tensar's complaint contained a request for a general exclusion order. That request is standard in section 337 cases, and would provide broader relief than that which the district court granted. During the course of the investigation, however, Tensar represented that respondents were the only known infringers of the process patent, and there is nothing in the record to indicate otherwise. There are, therefore, no infringing imports that a general exclusion order would reach that are not already covered by the district court injunction.

¹⁶ See e.g., Plastic Fastener Assemblies, Inv. No. 337-TA-36 (permanent injunction mooted investigation); See also, Wire Electrical Discharge Machining Apparatus, Inv. No. 337-TA-290 (preliminary injunction mooted exclusion order modification proceeding where complainant did not oppose termination of the proceeding).

¹⁷ 13A C. Wright, A. Miller & E. Cooper, Federal Practice and Procedure § 3533.2 (1984). See also, New York by Abrams v. Seneci, 817 F. 2d 1015, 1017 (2nd Cir. 1987) (holding that the case was moot since an injunction granted by a state court provided all the relief requested in the federal action.)

¹⁸ Id.

also infringed Tensar's patent. Although the contempt motion was denied, respondents contend that it demonstrates Tensar's intent to obstruct aggressively the introduction into the U.S. market of any new product manufactured by the respondents. This may be true, but it does not affect the fact that right now there are no disputes left unresolved between the parties.

Respondents' apprehension that Tensar will bring another section 337 action against them if the investigation is dismissed as moot is unfounded. The mere fact that Tensar is aggressively enforcing its district court injunction in district court does not necessarily mean that Tensar will bring harassing actions against respondents at the Commission. Tensar states that it is content to use the federal judiciary to vindicate its patent rights in the products that are the subject of the current Commission investigation. The Commission notes that it has discretion in deciding whether to institute section 337 investigations and could exercise that discretion if it believed Tensar was using section 337 to harass the respondents.

Finally, in light of the full determination of the issues by the district court, it would be wasteful of public and private funds for the Commission to continue this investigation. If the investigation were continued, the Commission could give Tensar no more relief than it has already been granted by the district court. The Commission therefore terminates this investigation as moot.

The remaining issue is whether the ALJ's ID should be vacated. Respondents urge us not to vacate it because they are currently appealing a ruling of the district court that they willfully infringed Tensar's process patent. They feel that the ALJ's finding that Tensar's patent was invalid demonstrates the reasonableness of their own similar belief and that Tensar's

motive in moving to vacate the ID is to prevent respondents from relying on it in their appeal of the district court ruling to the Federal Circuit.

The practice of the federal courts of appeal is to vacate the judgments of district courts and to order dismissal of the action when a case becomes moot on appeal in order to "eliminate a judgment, review of which was prevented through happenstance."¹⁹ The Federal Circuit follows this rule when section 337 orders become moot on appeal.²⁰ Inasmuch as the Commission reviews IDs issued by ALJs, the Commission's position is analogous to that of an appeals court. Accordingly, we determine to vacate the ALJ's final ID in this investigation. Our decision to do so is made easier by the longstanding rule that our determinations on patent validity have no res judicata effect on the enforcement of patents in district court.²¹ Our decision to vacate and this rule deprive the ID of any preclusive effect. Its weight as precedent or simply informed comment will be for the Federal Circuit to decide.

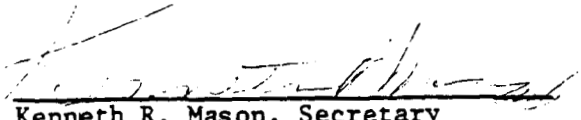
¹⁹ United States v. Munsingwear, 340 U.S. 36, 39 (1950); See also, City of Mesquite v. Aladdin's Castle, Inc., 455 U.S. 283, 288 n. 9 (1983); Lewis v. Continental Bank Corporation, 494 U.S. 472, 110 S. Ct. 1249, 1256 (1990).

²⁰ Texas Instruments Inc. v. U.S. International Trade Commission, 851 F.2d 342, 344 (Fed. Cir. 1988).

²¹ Tandon v. U.S. International Trade Commission, 831 F.2d 1017, 1019 (Fed. Cir. 1987).

CERTIFICATE OF SERVICE

I, Kenneth R. Mason, hereby certify that the attached: THIS IS THE COMMISSION'S OPINION FOR THE NOTICE AND ORDER ISSUED ON JUNE 14, 1991, was served upon T. Spence Chubb, Esq., and John R. Kroeger, Esq., and the following parties via first class mail, and air mail where necessary, on August 2, 1991.



Kenneth R. Mason, Secretary
U.S. International Trade Commission
500 E Street, S.W.
Washington, D.C. 20436

For Complainant: The Tensar Corporation

Harvey B. Jacobson, Jr.
Marvin R. Stern
Michael R. Slobasky
FLEIT, JACOBSON, COHN, PRICE,
HOLMAN AND STERN
400 7th St., N.W.
Washington, D.C. 20004-2201

Gary J. Rinkerman
Thomas J. O'Connell
FITZPATRICK, CELLA, HARPER & SCINTO
1001 Pennsylvania Avenue, N.W.
Washington, D.C. 20004

For Respondents: RDB Plastotechnica SPA & Tenax Corporation

Arthur F. Fergenson
Jeffrey T. Agnor
WEINBERG AND GREEN
10480 Little Patuxent Pkwy.
Suite 950
Columbia, MD. 21044-3506

Bernel Goldberg, Esq.
Thomas J. Trendl, Esq.
MUDGE, ROSE, GUTHRIE, ALEXANDER & FERDON
2121 K Street, N.W.
Suite 700
Washington, D.C. 20037

Neil B. Siegel, Esq.
Scott M. Daniels, Esq.
SUGHRUE, MION, ZINN,
MacPEAK & SEAS
2100 Pennsylvania Avenue, N.W.
Washington, D.C. 20037

GOVERNMENT AGENCIES:

Mr. Charles S. Stark
Antitrust Div./U.S. Dept of Justice
Room 3264, Main Justice
Pennsylvania Avenue & Tenth Street, N.W.
Washington, D.C. 20530

Don Woodstock, Esq.
Assistant Director for
International Antitrust
Federal Trade Commission
Room 355
Pennsylvania Ave., at 6th Street, N.W.
Washington, D.C. 20580

Sandra H. Shapiro
Associate General Counsel
Department of Health & Human Svcs.
Room 5362, Cohen Building
330 Independence Avenue, S.W.
Washington, D.C. 20201

Michael T. Schmitz
Chief Counsel
U.S. Customs Service
1301 Constitution Avenue, N.W.
Washington, D.C. 20229

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

OFFICIAL BUSINESS

ADDRESS CORRECTION REQUESTED

Postage And Fees Paid
U.S. International Trade Commission



ADDRESS CHANGE
 Remove from List
 Change as Shown
Please detach address label and mail to address shown above.