

2012

## NOTE: Tianrui Group Co. v. International Trade Commission: The Dubious Status of Extraterritoriality and the Domestic Industry Requirement of Section 337

Viki Economides

Follow this and additional works at: <http://digitalcommons.wcl.american.edu/aulr>



Part of the [International Trade Commons](#)

---

### Recommended Citation

Economides, Viki. "NOTE: Tianrui Group Co. v. International Trade Commission: The Dubious Status of Extraterritoriality and the Domestic Industry Requirement of Section 337." American University Law Review 61, no.4 (2012): 1235-1252.

This Notes & Casenotes is brought to you for free and open access by the Washington College of Law Journals & Law Reviews at Digital Commons @ American University Washington College of Law. It has been accepted for inclusion in American University Law Review by an authorized administrator of Digital Commons @ American University Washington College of Law. For more information, please contact [fbrown@wcl.american.edu](mailto:fbrown@wcl.american.edu).

---

NOTE: Tianrui Group Co. v. International Trade Commission: The Dubious Status of Extraterritoriality and the Domestic Industry Requirement of Section 337

## NOTE

# *TIANRUI GROUP CO. V. INTERNATIONAL TRADE COMMISSION: THE DUBIOUS STATUS OF EXTRATERRITORIALITY AND THE DOMESTIC INDUSTRY REQUIREMENT OF SECTION 337*

VIKI ECONOMIDES\*

## TABLE OF CONTENTS

Introduction.....	1236
I. Background .....	1238
A. Elements of a Trade Secret and of a Section 337 Case .....	1238
B. <i>TianRui</i> and Developments at the ITC.....	1241
II. The Federal Circuit Rejected the Presumption Against Extraterritoriality and Established the Existence of a Domestic Industry .....	1243
A. Allowing Extraterritorial Jurisdiction for Conduct that Occurred Entirely Abroad Contradicts Supreme Court Precedent.....	1243
B. Misapplication of the Domestic Industry Requirement.....	1247
Conclusion .....	1251

---

\* Senior Staff Member, *American University Law Review*, Volume 61; J.D. Candidate, May 2012, *American University, Washington College of Law*; B.A. Political Science, 2009, *McGill University*. Many thanks to Professor Jonas Anderson for helping me develop my understanding of trade secrets and providing me with information about this case. I would also like to thank everyone on the *American University Law Review* for their hard work preparing this piece for publication.

## INTRODUCTION

In 2007, one journalist, Dirk Lammers, undertook a seemingly innocuous task: to avoid anything “Made in China” for just one week.<sup>1</sup> He was not the first to undertake such a challenge in consumerism. Others before him declared a boycott on Chinese products for an entire year,<sup>2</sup> acting either out of concern for safety regarding allegations of Chinese food contamination and faulty assembly-line production of tires and toys,<sup>3</sup> or simply reacting to the realization that everything they owned—or close to it—was Chinese.<sup>4</sup> Lammers wanted to see if a boycott on Chinese goods was even feasible—whether an American consumer who *wanted* to buy strictly American products could succeed.<sup>5</sup> In a word, the answer was no. Lammers, like those before him, failed.<sup>6</sup> Sneakers, tennis rackets, toothpaste, and obscure ingredients in most food staples are all “Made in China.”<sup>7</sup> This ubiquitous phrase is here to stay and will continue to represent a formidable competitor in the American market because it signals products that are cheaper and virtually indistinguishable from their American or European prototypes.

The results of Lammers’ experiment reflect the larger economic reality that the United States has increased its imports from China more than two hundred percent since 2001.<sup>8</sup> Federal courts have responded to this changing dynamic in the area of trade secrets with jurisprudence that carries serious implications regarding extraterritorial jurisdiction and international trade law. Facts in cases involving trade secret misappropriation are generally similar:

---

1. Dirk Lammers, *What to Do When Everything is ‘Made in China?’ A One-Week Attempt to Avoid Products From There Meets With Little Success*, MSNBC (June 29, 2007, 6:26 PM), [http://www.msnbc.msn.com/id/19508453/ns/business-world\\_business/t/what-do-when-everything-made-china/#.TwtK7G\\_Lyzk](http://www.msnbc.msn.com/id/19508453/ns/business-world_business/t/what-do-when-everything-made-china/#.TwtK7G_Lyzk).

2. See, e.g., SARA BONGIORNI, *A YEAR WITHOUT “MADE IN CHINA”: ONE FAMILY’S TRUE LIFE ADVENTURE IN THE GLOBAL ECONOMY 1* (2007).

3. Eve Tahmincioglu, *One Mom’s Fruitless Quest to Boycott China: Reporter Struggles in Attempt to Protect Family from Unsafe Products*, MSNBC (Nov. 21, 2007, 5:40 PM), [http://www.msnbc.msn.com/id/21825517/ns/business-holiday\\_retail/t/one-moms-fruitless-quest-boycott-china/](http://www.msnbc.msn.com/id/21825517/ns/business-holiday_retail/t/one-moms-fruitless-quest-boycott-china/).

4. BONGIORNI, *supra* note 2, at 3, 5 (explaining late one night she attempted to “kick China out,” but instead she opted not to bring any more Chinese products into her home because to remove China from her house would have left her house barren).

5. Lammers, *supra* note 1.

6. *Id.*

7. *Id.*

8. See *U.S.-China Trade Secret Statistics and China’s World Trade Statistics*, US-CHINA BUS. COUNCIL, <https://www.uschina.org/statistics/tradetable.html> (last visited Mar. 2, 2012) (providing the yearly change in U.S. imports from China from 2001 to 2010).

inventor-company develops a new process for the production of widgets, and then competitor-company hires away inventor-company's employees and steals the process.<sup>9</sup> The question in these cases usually turns on whether all the elements of a trade secret cause of action are met, and jurisdictional issues are rarely determinative.<sup>10</sup> The facts are more complicated, however, when the competitor-company is a foreign corporation, and the misappropriation occurs entirely abroad. In a recent case, the United States Court of Appeals for the Federal Circuit grappled with this very issue. In *TianRui Group Co. v. International Trade Commission*,<sup>11</sup> the Federal Circuit affirmed the International Trade Commission's authority under section 337 of the Tariff Act of 1930<sup>12</sup> to investigate conduct that allegedly amounted to unlawful misappropriation of trade secrets that occurred entirely in China.<sup>13</sup> This decision complicates Supreme Court precedent on the issue of extraterritorial jurisdiction and stretches a key element of a section 337 case beyond reasonable limits.

This Note asserts that the Federal Circuit inappropriately expanded its jurisdiction in *TianRui* for two main reasons. First, an established presumption that U.S. laws do not apply extraterritorially should have prevented jurisdiction because the conduct in this case occurred entirely outside of the United States.<sup>14</sup> Second, section 337 requires that the unfair act threaten to destroy or substantially injure an industry in the United States.<sup>15</sup> The actions in *TianRui* cannot satisfy this requirement because there can be no domestic industry where a United States inventor no longer employs the misappropriated process in its production of widgets.

---

9. See, e.g., *Bimbo Bakeries USA, Inc. v. Botticella*, 613 F.3d 102, 105 (3d Cir. 2010) (involving an employee from Bimbo Bakeries with special knowledge regarding English muffins leaving to join Hostess Brands); *PepsiCo, Inc. v. Redmond*, 54 F.3d 1262, 1264 (7th Cir. 1995) (involving an employee from Pepsi being solicited by a competitor for a job involving pricing and strategic planning of sports drinks).

10. *Bimbo Bakeries*, 613 F.3d at 109 (listing the elements of a trade secret cause of action under the Pennsylvania Uniform Trade Secrets Act); *PepsiCo*, 54 F.3d at 1267–68 (listing the elements of a trade secret cause of action under the Illinois Trade Secrets Act).

11. 661 F.3d 1322 (Fed. Cir. 2011).

12. 19 U.S.C. § 1337 (2006).

13. *TianRui*, 661 F.3d at 1324.

14. See *Morrison v. Nat'l Austl. Bank Ltd.*, 130 S. Ct. 2869, 2883, 2888 (2010) (concluding that securities violations occurring in a foreign jurisdiction were not sufficient to support federal jurisdiction); *Microsoft Corp. v. AT&T Corp.*, 550 U.S. 437, 441–42 (2007) (holding that patent infringement occurring entirely abroad was not within the scope of the statute under which the action was challenged because the conduct occurred abroad).

15. Tariff Act of 1930 § 337(a)(1)(A).

Part I of this Note will provide background about the elements of a trade secret claim and a section 337 cause of action. Part I will then introduce *TianRui* and provide a description of the facts of the case, its procedural posture, and the major holdings of the Federal Circuit. Part II of this Note will critique the Federal Circuit's reasoning and argue that *TianRui* was incorrectly decided because it contradicted Supreme Court precedent regarding extraterritoriality and compromised the domestic industry requirement of a section 337 claim under the Tariff Act of 1930.

## I. BACKGROUND

### A. *Elements of a Trade Secret and of a Section 337 Case*

In general, there are two approaches to determining whether a plaintiff possesses a trade secret. Most states ascribe to the Uniform Trade Secret Act (UTSA), which defines a trade secret as:

information . . . [that] derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and . . . is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.<sup>16</sup>

Thus, under the UTSA, a plaintiff must show four elements: (1) that it has a secret; (2) that the secret has commercial value; (3) that the plaintiff has taken reasonable precautions to protect the secret; and (4) that the defendant acquired the secret through improper means.<sup>17</sup>

Several states, however, have not adopted the UTSA<sup>18</sup> and instead look to the *Restatement of Torts* for the definition of a trade secret.<sup>19</sup> According to the *Restatement*, a trade secret is "any formula, pattern, [or] device" which is "secret" such that it is not a "[matter] of public knowledge," and where, "except by the use of improper means, there

---

16. UNIF. TRADE SECRETS ACT § 1(4) (1985).

17. See also *Metallurgical Indus. Inc. v. Fourtek, Inc.*, 790 F.2d 1195, 1202 (5th Cir. 1986) (explaining that "a trade secret can exist in a combination of characteristics and components each of which, by itself, is in the public domain, but the unified process, design and operation of which in unique combination, afford a competitive advantage and is a protectible [sic] secret" (quoting *Imperial Chem. Indus. Ltd. v. Nat'l Distillers & Chem. Corp.*, 342 F.2d 737, 742 (2d Cir. 1965))).

18. Notably, Massachusetts, New York, North Carolina, and Texas have not enacted statutes modeled after the UTSA. *Trade Secrets Act*, UNIF. LAW COMM'N, <http://www.nccusl.org/Act.aspx?title=Trade%20Secrets%20Act> (last visited Mar. 2, 2012).

19. RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 39 cmt. f (1995).

would be difficulty in acquiring the information.”<sup>20</sup> While the definition largely mirrors the definition in the UTSA, the *Restatement* does not delineate strict elements that must be met but rather depends on the totality of the circumstances, including a consideration of six factors:

(1) the extent to which the information is known outside of [the plaintiff’s] business; (2) the extent to which it is known by employees and others involved in his business; (3) the extent of measures taken by him to guard the secrecy of the information; (4) the value of the information to him and to his competitors; (5) the amount of effort or money expended by him in developing the information; and (6) the ease or difficulty with which the information could be properly acquired or duplicated by others.<sup>21</sup>

A particularly strong showing of one factor can make up for a weak showing of another.<sup>22</sup> Furthermore, both of these definitions carry the implicit requirement that a trade secret have some modicum of originality.<sup>23</sup>

Alternatively, the plaintiff may bring its claim under section 337 of the Tariff Act of 1930, which some commentators have described as a quicker and more effective means of protecting a trade secret than pursuing a remedy in the courts.<sup>24</sup> Section 337(a) prohibits “[u]nfair methods of competition and unfair acts in the importation of articles . . . into the United States . . . the threat or effect of which is . . . to destroy or substantially injure an industry in the United

---

20. *Id.* Acquisition of a trade secret through the intentional hiring-away of employees of a company may also amount to improper means—withstanding the lack of a formal confidentiality agreement—if the court finds that the employee was bound by an implied duty of confidentiality given the nature of his work and his position within the company. *See, e.g., E. I. du Pont de Nemours Powder Co. v. Masland*, 244 U.S. 100, 102 (1917) (regarding instances of limited disclosure, the recipient of secret information implicitly agrees not to “fraudulently abuse the trust reposed in him”); *Smith v. Dravo Corp.*, 203 F.2d 369, 376 (7th Cir. 1953) (discussing the presence of an implied duty of confidentiality notwithstanding the lack of an express agreement).

21. RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 39 cmt. f (1995).

22. *See, e.g., Rockwell Graphic Sys., Inc. v. DEV Indus., Inc.*, 925 F.2d 174, 177–78, 180 (7th Cir. 1991) (holding that summary judgment was inappropriate where plaintiff’s action of disclosing confidential trade information was necessary to utilize that information and that a determination of the reasonableness of the disclosures in light of the industry at issue was needed).

23. *See Buffets, Inc. v. Klinke*, 73 F.3d 965, 968 (9th Cir. 1996) (holding that the plaintiff cannot claim its relatively straightforward recipes for BBQ chicken and macaroni and cheese as trade secrets).

24. *See Gary M. Hnath, Section 337 Investigations at the U.S. International Trade Commission: A Powerful Weapon Toy Companies Can Use to Block Unfair Imports*, THE TOY BOOK, May/June 2010, at 84, 86 (estimating that section 337 investigations are usually completed in twelve to sixteen months).

States.”<sup>25</sup> The statute operates under the auspices of the International Trade Commission (ITC) and is used primarily to prevent importations involving patent infringement.<sup>26</sup> The language of section 337 is broad, however, and can be used to prevent importations that involve other unfair acts.<sup>27</sup>

For ITC cases involving statutory intellectual property (patents, trademarks, and copyrights), a complainant must show: (1) that the product in question has been imported into the United States;<sup>28</sup> (2) that importation constitutes “infringement” under the relevant statutory definition;<sup>29</sup> and (3) that a domestic industry exists.<sup>30</sup> Complainants alleging infringement of non-statutory intellectual property (IP), such as trade secrets, have to prove an additional element: that the respondent’s acts caused or threatened to cause injury to the domestic industry.<sup>31</sup>

The domestic industry element historically limited the availability of trade law protection to companies who manufactured their patented products in the United States.<sup>32</sup> There are two prongs of the domestic industry requirement: the “economic” prong and the “technical” prong.<sup>33</sup> The economic prong examines the type of

---

25. 19 U.S.C. § 1337(a)(1)(A) (2006).

26. See Gary M. Hnath, *Section 337 Investigations at the US International Trade Commission Provide A Powerful Remedy Against Misappropriation of Trade Secrets*, INTELL. PROP. & TECH. L.J., June 2010 at 1, 1 (estimating that ninety percent of section 337 cases involve patent infringement).

27. See *id.* at 5 (explaining the ITC’s ability to fashion remedies is broad so as to prevent respondents from designing around an exclusion order).

28. The importation requirement is quite broad and includes any activity that amounts to movement of a product across borders. See, e.g., *Certain Welded Stainless Steel Pipe & Tube*, Inv. No. 337-TA-29, USITC Pub. 863, at 11 (Feb. 1978) (Commission Determination and Action) (stating that the importation requirement is not limited to actual importation but includes ancillary acts “in the sale by an owner, importer, consignee, or agent of either”).

29. 19 U.S.C. § 1337(a)(1)(B)–(E); see also Hnath, *supra* note 26, at 1–2 (discussing the choice of law issues that commonly arise and how these impact the elements the complainant must prove). For instance, patent infringement is established by applying standard patent law found under Title 35 of the U.S. Code and under Federal Circuit precedent.

30. 19 U.S.C. § 1337(a)(2); see Gary M. Hnath & James M. Gould, *Litigating Trade Secret Cases at the International Trade Commission*, 19 AIPLA Q.J. 87, 101 (1991) (enumerating certain factors the ITC has considered in determining whether the domestic industry has been injured including foregone customers; decreasing sales; declining production and profitability; the volume of imports; level of market penetration by imports; and foreign capacity to increase exports).

31. Hnath, *supra* note 26, at 3.

32. See 19 U.S.C. § 1337(a)(2) (making the law applicable only if an established or developing industry existed in the United States).

33. *Certain Variable Speed Wind Turbines & Components Thereof*, Inv. No. 337-TA-376, USITC Pub. 3003, at 14, 17 (Nov. 1996) (Commission Determination and Action) (elaborating that the economic prong questions whether an industry exists or is being established, and the technical prong asks whether the industry actually uses the proprietary information or product at issue); see also Jose M. Recio, *A Change*



commercial activity in which the owner of the IP is engaged and requires a demonstration that the owner has invested in the manufacturing, or is engaged in engineering, researching, or licensing the asserted patent.<sup>34</sup> The technical prong examines whether the owner is actually exploiting the asserted IP.<sup>35</sup>

*B. TianRui and Developments at the ITC*

Amsted Industries is an American manufacturer of cast steel railway wheels and the developer of two secret manufacturing processes: the ABC process and the Griffin process.<sup>36</sup> At the time of the complaint, Amsted no longer employed the ABC process at its foundries and instead only licensed the process to several foundries in China.<sup>37</sup> TianRui is a Chinese manufacturer of cast steel railway wheels that hired nine employees away from one of Amsted's Chinese licensees, Datong ABC Castings Company Limited, and thereby acquired the ABC process.<sup>38</sup> The Datong employees were trained in the ABC process and were notified that the process was confidential and proprietary information.<sup>39</sup> Eventually, TianRui partnered with an American company and began importing and marketing TianRui wheels in the United States, becoming Amsted's sole competitor.<sup>40</sup>

On February 16, 2010, the ITC issued a ten-year limited exclusion order against TianRui pursuant to section 337.<sup>41</sup> TianRui appealed to the Federal Circuit, asking that it consider whether the ITC's

---

*in Establishing the Domestic Industry Requirement at the International Trade Commission*, 39 AIPLA Q.J. 131, 142 (2011) (explaining that the economic prong is more difficult to show because it requires a minimum level of domestic economic activity and contributions).

34. Certain Variable Speed Wind Turbines & Components Thereof, Inv. No. 337-TA-376, USITC Pub. 3003, at 14–15 (Nov. 1996) (Commission Determination and Action).

35. *Id.* at 17–18.

36. TianRui Grp. Co. v. Int'l Trade Comm'n, 661 F.3d 1322, 1324 (Fed. Cir. 2011).

37. *Id.*

38. *Id.*

39. *Id.* Specifically, eight of the nine employees signed confidentiality agreements, but all nine were advised that they were under a duty not to disclose confidential information. *Id.*

40. *Id.* at 1324–25.

41. Certain Cast Steel Ry. Wheels, Processes for Mfg. or Relating to Same & Certain Prods. Containing Same, Inv. No. 337-TA-665, USITC Pub. 4265, at 1–2 (Feb. 16, 2010) (Limited Exclusion Order). When the Commission finds a 337 violation, the Commission decides whether to issue a general exclusion order or a limited exclusion order. See Ralph A. Mittelberger & Gary M. Hnath, *Changes in Section 337 as a Result of the GATT-Implementing Legislation*, 22 AIPLA Q.J. 465, 471 (1994) (explicating that a limited exclusion order directs the U.S. Customs Service to exclude only those infringing products that came from the parties to the case, while a general exclusion order directs the U.S. Customs Service to exclude all of the goods found to violate section 337).

authority under section 337 extended to conduct that occurred entirely abroad, and whether an injury to a domestic industry can exist where no domestic manufacturer is currently practicing the secret process.<sup>42</sup> The Federal Circuit answered in the affirmative on both issues.<sup>43</sup>

The court held that the statute applied extraterritorially, despite the presumption, for three reasons. First, the nature of section 337 governs unfair acts in the “importation of articles,” which necessarily involves an international transaction.<sup>44</sup> The focus is on the prevention of entry based on conduct that occurred abroad—not the regulation of the underlying conduct.<sup>45</sup> Second, the exclusion order does not purport to regulate purely foreign conduct because the foreign conduct is only marginally relevant: it is merely a “predicate” to the claim that TianRui committed unfair acts of competition.<sup>46</sup> Finally, the history of section 337 indicates that Congress intended a broad and flexible meaning of “unfair methods of competition,” including its application to conduct that occurred entirely abroad.<sup>47</sup>

Regarding the domestic industry requirement of section 337, the Federal Circuit explained that in instances of non-statutory IP, the industry does not have to relate to the asserted process.<sup>48</sup> The specific provisions relating to statutory IP require that the industry relate to the IP in question.<sup>49</sup> The court explained that the non-statutory “general provision” has no such requirement.<sup>50</sup>

---

42. *TianRui*, 661 F.3d at 1324.

43. *Id.* at 1337.

44. *Id.* at 1329 (internal quotation marks omitted) (explaining that the statute was akin to an immigration statute that bars entry of an alien for having engaged in particular conduct in his home country).

45. The dissent rejected the majority’s immigration analogy. *Id.* at 1338 (Moore, J., dissenting) (indicating that unlike the immigration scenario, the process by which the wheels entered the U.S. and the presence of the wheels on U.S. soil, is lawful).

46. *See id.* at 1329–30 (majority opinion) (positing that the extraterritorial conduct serves only to establish “an element of a claim alleging a domestic injury and seeking a wholly domestic remedy”).

47. *See* U.S. TARIFF COMM’N, SIXTH ANNUAL REPORT 4 (1922) (advising Congress that the new provisions “make it possible for the President to prevent unfair practices, even when engaged in by individuals residing outside the jurisdiction of the United States”).

48. *TianRui*, 661 F.3d at 1335. TianRui argued that the section 337 requirement “that the acts of unfair competition threaten ‘to destroy or substantially injure an industry in the United States’” cannot be met where the domestic industry does not practice the misappropriated protected process. *Id.* (quoting 19 U.S.C. § 1337(a)(1)(A)(i) (2006)). TianRui explicated that the element necessitates the existence of a domestic industry that is related to the asserted IP “in the same manner that is required for statutory intellectual property.” *Id.*

49. *Id.*

50. *Id.* However, TianRui argued that the Omnibus Trade and Competitiveness Act of 1988, Pub. L. No. 100-418, § 1342, 102 Stat. 1107, 1212 (amending 19 U.S.C. § 1337), removed only the injury requirement for statutory IP and retained the general

## II. THE FEDERAL CIRCUIT REJECTED THE PRESUMPTION AGAINST EXTRATERRITORIALITY AND ESTABLISHED THE EXISTENCE OF A DOMESTIC INDUSTRY

This Part criticizes the *TianRui* opinion on two grounds. First, the majority did not follow Supreme Court precedent on the issue of extraterritorial application of a statute in the absence of a clear grant of authority from Congress. In effect, the Federal Circuit attempted to discern congressional intent where it was not explicitly provided by extending section 337 to misconduct that occurred entirely abroad.<sup>51</sup> Second, the Federal Circuit ignored ITC precedent regarding the domestic industry requirement of section 337. There is strong case law suggesting that a domestic industry does not exist where the proprietary process at issue is not in use in the United States.<sup>52</sup>

### A. *Allowing Extraterritorial Jurisdiction for Conduct that Occurred Entirely Abroad Contradicts Supreme Court Precedent*

The majority in *TianRui* discounted the Supreme Court's clear policy regarding extraterritoriality: "[w]hen a statute gives no clear indication of extraterritorial application, it has none."<sup>53</sup> Section 337 does not explicitly authorize extraterritorial application, so it was improper for the court to allow the Commission to prevent importation of products borne from an infringement that occurred entirely abroad.

Preliminarily, it may be argued that the statute was not applied extraterritorially because the court only prevented TianRui from importing products that used the misappropriated secret into the United States<sup>54</sup>—the court did not stop TianRui from selling its products to consumers outside the United States. However, the court ruled that conduct that occurred entirely abroad constituted an unfair act of competition sufficient to invoke section 337.<sup>55</sup> Thus, this is an issue of extraterritoriality because Chinese companies were

---

requirement that the domestic industry relate to the IP (statutory or non-statutory) asserted. *TianRui*, 661 F.3d at 1335–36.

51. *TianRui*, 661 F.3d at 1331–32 (concluding that Congress intended that the Commission would consider conduct abroad).

52. See *infra* Part II.B (arguing that the Federal Circuit misapplied the domestic industry requirement).

53. *Morrison v. Nat'l Austl. Bank Ltd.*, 130 S. Ct. 2869, 2878 (2010); see also *EEOC v. Arabian Am. Oil Co.*, 499 U.S. 244, 250–51 (1991) (stating that Congress's intent as to the extraterritorial application of a statute "must be deduced by inference from boilerplate language" found in many other congressional acts), *superseded by statute*, Civil Rights Act of 1991, Pub. L. No. 102-166, § 109, 105 Stat. 1071, 1077.

54. *TianRui*, 661 F.3d at 1329–30.

55. *Id.* at 1324.

prevented from doing business with the United States for conduct that occurred entirely within China.

Supreme Court jurisprudence indicates that the presumption against extraterritoriality functions as an overarching paradigm and canon of interpretation.<sup>56</sup> The majority in *TianRui* relied in part on *Morrison v. National Australia Bank Ltd.*<sup>57</sup> for the proposition that the Supreme Court allows “context [to] be consulted as well” and that the presumption is not a “clear statement rule.”<sup>58</sup> In fact, it is. In *Morrison*, the Supreme Court reconsidered the United States Court of Appeals for the Second Circuit’s decision attempting to discern Congress’s extraterritorial intentions regarding Rule 10b-5 and section 10(b) of the Securities and Exchange Act of 1934.<sup>59</sup> The Court concluded that section 10(b), and thus Rule 10b-5, does not allow foreign plaintiffs to bring suit in the United States where the securities at issue are traded entirely on a foreign exchange.<sup>60</sup>

Despite language of the Exchange Act that appears to account for the regulation of securities exchanges “operating in interstate *and foreign* commerce,”<sup>61</sup> the Court denied the extraterritorial application of the statute.<sup>62</sup> Section 30 of the Exchange Act provides that the foreign location of the transaction renders the Act inapplicable.<sup>63</sup> In *Morrison*, all the relevant parties and securities were Australian, rendering the transaction foreign and thus outside the scope of section 10.<sup>64</sup>

Had the Federal Circuit applied the Supreme Court’s logic in *Morrison*, the presumption against extraterritoriality would have survived. Section 337 lacks the “boiler-plate” language usually present to rebut the presumption against extraterritoriality.<sup>65</sup> The Supreme Court has stipulated that it does not necessarily require an

---

56. See, e.g., *Morrison*, 130 S. Ct. at 2877 (recalling that the presumption against extraterritoriality is a “canon of construction” rather than a limitation on Congress’s power to legislate (citing *Blackmer v. United States*, 284 U.S. 421, 437 (1932))).

57. 130 S. Ct. 2869 (2010).

58. *TianRui*, 661 F.3d at 1329 n.2 (internal quotation marks omitted) (citing *Morrison*, 130 S. Ct. at 2883).

59. *Morrison v. Nat’l Austl. Bank Ltd.*, 547 F.3d 167, 168, 174 (2d Cir. 2008), *aff’d*, 130 S. Ct. 2869 (2010).

60. *Morrison*, 130 S. Ct. at 2883.

61. Securities Exchange Act of 1934, Pub. L. 73-291, 48 Stat. 881, 881 (emphasis added).

62. *Morrison*, 130 S. Ct. at 2883 (applying the presumption against extraterritoriality).

63. Securities Exchange Act of 1934 § 30, 15 U.S.C. § 78dd (2006).

64. *Morrison*, 130 S. Ct. at 2875–76, 2884 (noting that the presumption against extraterritoriality is a “craven watchdog,” and it even applies notwithstanding the involvement of some domestic activity).

65. *EEOC v. Arabian Am. Oil Co.*, 499 U.S. 244, 250–51 (1991), *superseded by statute*, Civil Rights Act of 1991, Pub. L. No. 102-166, § 109, 105 Stat. 1071, 1077.

express statement of extraterritorial application and will consider other factors such as a statutory language, structure, and congressional intent.<sup>66</sup> But the Federal Circuit attempted to “discern” Congress’s intent in the same way that the Second Circuit did in *Morrison*: by reasoning that importation necessitates extraterritorial applicability and explaining that this type of argument is consistent with Supreme Court precedent despite the Exchange Act’s “and foreign commerce” language.<sup>67</sup> The *Morrison* Court makes clear that ambiguity in the language regarding a statute’s applicability overseas will obviate its extraterritorial reach.<sup>68</sup>

Importantly, *Morrison* provides significant language regarding the presumption against extraterritoriality, which was ignored by the Federal Circuit in *TianRui*. Justice Scalia, writing for the majority, acknowledged that “it is a rare case of prohibited extraterritorial application that lacks *all* contact with the territory of the United States.”<sup>69</sup> Yet that is precisely what happened in *TianRui*—the conduct at issue lacked all territorial contact with the United States because the unfair acts and misappropriation took place entirely within China.<sup>70</sup>

*Microsoft Corp. v. AT&T Corp.*<sup>71</sup> explains that where a statute provides for some extraterritorial application, the presumption limits its applicability to those limited terms.<sup>72</sup> *Microsoft* involved the applicability of section 271(f)(1) of the Patent Act to acts amounting to patent infringement occurring entirely abroad.<sup>73</sup> Section 271(f)(1) provides that infringement occurs when someone in the United States supplies the uncombined components of a patent to actively induce its combination abroad, such that the act would have constituted a patent infringement had it occurred in the United

---

66. See *Sale v. Haitian Ctrs. Council, Inc.*, 509 U.S. 155, 177 (1993) (relying on statutory structure, language, and legislative history to conclude that the statute at issue applies in only one instance).

67. *TianRui Grp. Co. v. Int’l Trade Comm’n*, 661 F.3d 1322, 1332–33 (Fed. Cir. 2011).

68. *Morrison*, 130 S. Ct. at 2878.

69. *Id.* at 2884; see also Appellants’ Reply Brief on Appeal at 11, *TianRui*, 661 F.3d 1322 (No. 2010-1395) (interpreting this to suggest that minor and lawful acts that occur domestically will not rebut the presumption against extraterritoriality).

70. *TianRui*, 661 F.3d at 1324; see *Morrison*, 130 S. Ct. at 2885 (offering that foreign countries also regulate their securities exchanges and have their own determinations as to what constitutes fraud, necessary disclosures, available discovery, and joinder provisions in their court rules).

71. 550 U.S. 437 (2007).

72. *Id.* at 457–58.

73. See *id.* at 441–42 (citing 35 U.S.C. § 271(f)(1) (2006)) (noting that AT&T had a patent on a computer that digitally recorded and compressed speech and that Microsoft’s Windows software is capable of infringing on this patent when loaded onto a computer).

States.<sup>74</sup> Therefore, section 271(f)(1) operates as an exception to the general presumption in patent law that “no infringement occurs when a patented product is made and sold in another country.”<sup>75</sup> At issue in *Microsoft* was whether Microsoft’s act of transmitting a master copy of Windows software<sup>76</sup> abroad, which was then copied abroad and loaded onto computers made and sold abroad, amounted to infringement.<sup>77</sup> The Court concluded that it did not.<sup>78</sup>

The Supreme Court explained that the presumption was still relevant even where the statute provided for some extraterritorial applicability.<sup>79</sup> In contrast, the Federal Circuit explained that extraterritorial jurisdiction over non-statutory IP is not limited by statute and expanded the statute’s reach to include wholly

---

74. 35 U.S.C. § 271(f)(1).

75. *Microsoft*, 550 U.S. at 441.

76. Software is defined as the “set of instructions, known as code, that directs a computer to perform specified functions or operations.” *Fantasy Sports Props., Inc. v. SportsLine.com, Inc.*, 287 F.3d 1108, 1118 (Fed. Cir. 2002).

77. *Microsoft*, 550 U.S. at 441–42.

78. *See id.* at 449–52. The Court explained that there were two major issues involved in the case. First, the Court addressed the issue of whether software qualifies as a component for the purposes of section 271(f). *Id.* More specifically, the issue was whether “software in the abstract” can constitute a component. *Id.* at 448. The Court explained that it could not because software detached from its medium is not capable of being combined—only copies of it are combinable. *Id.* at 449. The second issue, relying on the first, was whether the components at issue were supplied from the United States. *Id.* at 452. Because only the copies of the software constituted components, and these copies were made abroad, section 271(f) was inapplicable. *Id.* at 454.

79. *See id.* at 455–56 (elaborating that in these circumstances the presumption operated as an “instructive” tool in determining the extent of a statute’s extraterritorial reach); *see also* *Deepsouth Packing Co. v. Laitram Corp.*, 406 U.S. 518, 531 (1972) (providing that patent legislation was not intended to operate beyond the bounds of the United States, and, as foreign patent legislation has no control over the United States markets, American patent legislation has no applicability abroad), *superseded by statute*, Patent Law Amendments Act of 1984, Pub. L. No. 98-622, 98 Stat. 3383. *But see* Timothy A. Cook, *Courts as Diplomats: Encouraging an International Patent Enforcement Treaty Through Extraterritorial Constructions of the Patent Act*, 97 VA. L. REV. 1181, 1189 (2011) (noting that twelve years after *Deepsouth*, Congress responded to the Supreme Court’s decision by passing the Patent Law Amendments Act of 1984, which declared that acts completed outside the United States would constitute infringement if they were prompted by “contributory activity” within the United States). Some argue that Congress’s past reactions to a rigid application of the anti-extraterritoriality canon should be indicative of a more lenient congressional intent to allow the extraterritorial application of statutes. *See, e.g.*, H.R. REP. NO. 102-40, pt. 2, at 1 (1991) (noting that the Civil Rights Act of 1991 was intended to overturn a number of Supreme Court Civil Rights cases); Cook, *supra*, at 1189–90 (noting that the Patent Law Amendments Act of 1984 was intended to overturn *Deepsouth*); Richard W. Painter, *The Dodd-Frank Extraterritorial Jurisdiction Provision: Was it Effective, Needed or Sufficient?*, 1 HARV. BUS. L. REV. 195, 199 (2011) (stating that Dodd-Frank Act section 929P(b) was a response to *Morrison*); *see also* George T. Conway III, *Extraterritoriality After Dodd-Frank*, HARVARD LAW SCHOOL FORUM ON CORPORATE GOVERNANCE AND FINANCIAL REGULATION (Aug. 5, 2010, 8:58 AM), <http://blogs.law.harvard.edu/corpgov/2010/08/05/extraterritoriality-after-dodd-frank/>.

extraterritorial conduct.<sup>80</sup> Even if the Federal Circuit could find some grant of extraterritorial applicability in section 337 to trade secret violations, however, the language of the statute should have limited its applicability to those terms, not expanded it based on statutory silence. Ultimately, the absence of a congressional grant of extraterritorial jurisdiction in section 337 cases involving non-statutory IP (such as trade secrets) should have caused the Federal Circuit to uphold the presumption against extraterritoriality.

### B. *Misapplication of the Domestic Industry Requirement*

The Federal Circuit's explication of the domestic industry requirement expanded the scope of section 337 by finding that misappropriation of a trade secret that was no longer in use threatened to substantially injure a domestic industry.<sup>81</sup> The court explained that there was no express requirement in section 337 regarding non-statutory IP that necessitated the IP at issue to relate to the domestic industry—that is, it was irrelevant that Amsted Industries no longer used the proprietary process.<sup>82</sup> This conclusion is inapposite to prior ITC determinations, which have implied that absent a showing that the misappropriation barred the complainant from either entering into the industry or developing a competitive product, the complainant must show that the trade secret was in use at the time of the complaint.<sup>83</sup>

---

80. See Timothy R. Holbrook, *Extraterritoriality in U.S. Patent Law*, 49 WM. & MARY L. REV. 2119, 2127–28 (2008) (bifurcating the interpretation of the extraterritorial reach of U.S. patents into two views: a strict view, as adopted by the Supreme Court, and an “effects-based” test, adopted by some courts and commentators). In essence, the Federal Circuit applied an approach that mimics the “effects-based test” adopted by some courts and commentators by allowing the trade secret to cover acts that occurred outside the United States based entirely on its effect on the U.S. market. See *id.* at 2154 (permitting any act that effects the U.S. market, albeit abroad, to serve as a basis for jurisdiction).

81. *TianRui Grp. Co. v. Int’l Trade Comm’n*, 661 F.3d 1322, 1336–37 (Fed. Cir. 2011).

82. The decision was based largely on the administrative law judge’s finding that it was unnecessary for the domestic industry to actually use the process and instead, it was sufficient to show that the misappropriation of the process injured the complainant’s domestic industry. *Id.* at 1326.

83. The history of section 337 provides further support for this proposition. Before 1988, plaintiffs in section 337 cases had to prove either that the defendants’ acts threatened to destroy or substantially injure an existing domestic industry that was “economically and efficiently operated,” or that the alleged unfair acts prevented the establishment of such an industry. See, e.g., *Certain Roller Units*, Inv. No. 337-TA-044, USITC Pub. 944, at 2 (Feb. 1979) (Memorandum Opinion); S. Alex Lasher, *The Evolution of the Domestic Industry Requirement in Section 337 Investigations Before the United States International Trade Commission*, 18 U. BALT. INTELL. PROP. L.J. 157, 167 (2010) (maintaining that Congress believed the “elimination of the ‘economically and efficiently operated’ requirement would” make section 337 more accessible to plaintiffs by lowering the costs of litigation). But see Antoinette M. von dem Hagen,

As explained by the majority in *TianRui*, the Omnibus Trade and Competitiveness Act of 1988<sup>84</sup> strengthened section 337.<sup>85</sup> The act altered the domestic industry requirement for statutory IP by enumerating specific criteria to determine the existence of a domestic industry but did not change the domestic industry and injury requirements for non-statutory IP.<sup>86</sup> In those cases, the ITC has consistently applied its precedent to determine whether the domestic industry requirement is satisfied.<sup>87</sup>

As a preliminary matter, a complainant in a section 337 case must establish the existence of a domestic industry.<sup>88</sup> Prior ITC decisions explain that the domestic industry requirement is judged based on the “production-related activities that exploit the intellectual property rights in issue.”<sup>89</sup> The scope of the industry is therefore limited to the products manufactured in the United States,<sup>90</sup> and “section 337 protects domestic industries, not importers or inventors.”<sup>91</sup> In trade secret misappropriation cases arising under section 337, the domestic industry constitutes “that portion of complainant’s domestic operations devoted to utilization of the confidential and proprietary technology at issue which is the target of the unfair acts or practices.”<sup>92</sup>

As such, to prove one part of the domestic industry requirement in a trade secret case, one must demonstrate that resources were

---

Note, *Trade-Based Remedies for Copyright Infringement: Utilizing a “Loss Preventative” Synthesis*, 12 HASTINGS COMM. & ENT. L.J. 99, 136 (1989) (articulating that the phrase “economically and efficiently operated” was never defined and was never grounds for denying relief for lack of a showing).

84. Pub. L. No. 100-418, § 1342, 102 Stat. 1107, 1212 (1988).

85. See *TianRui*, 661 F.3d at 1335–36 (explaining that the separate requirements for statutory IP enumerated in the Omnibus Trade and Competitiveness Act merely indicated that the injury requirement was no longer an element to be proven in the case of statutory IP).

86. Gary M. Hnath & James M. Gould, *Litigating Trade Secret Cases at the International Trade Commission*, 19 AIPLA Q.J. 87, 95 (1991).

87. See *id.* at 96 (elaborating that disputes over the definition of a domestic industry usually arise in cases involving multiple asserted trade secrets).

88. See *infra* notes 89–92 and accompanying text (illustrating the domestic industry requirement).

89. Certain Elec. Power Tools, Battery Cartridges, & Battery Chargers, Inv. No. 337-TA-284, USITC Pub. 2389, at 238 (June 1991) (Commission Determination and Action).

90. *Id.* at 239.

91. See *id.* at 243 (explaining that “[p]roduction-related activities distinguish a domestic industry from an importer or inventor” (internal quotation marks omitted) (citation omitted)); see also Mittelberger & Hnath, *supra* note 41, at 468 (providing that section 337 originally was intended to provide a remedy against cartels, not as a means of protecting IP).

92. Certain Processes for the Manufacture of Skinless Sausage Casings & Resultant Prod., Inv. No. 337-TA-148/169, USITC Pub. 1624, at 341 (Dec. 1984) (Commission Determination and Action).



devoted domestically to the use of the trade secret.<sup>93</sup> The *Floppy Disk Drives*<sup>94</sup> case, cited to by the majority in *TianRui*,<sup>95</sup> never resolved the issue of whether unfair acts that compromise the confidentiality of trade secret information can nevertheless satisfy the domestic industry requirement.<sup>96</sup> Thus, the case should not have conclusively supported the court's assertion that domestic use of the trade secret was unnecessary to finding the existence of a domestic industry.

As in *TianRui*, the complainant in *Floppy Disk Drives* admitted that none of its facilities was exploiting the trade secrets at issue, and none of its disk drives was using the trade secrets.<sup>97</sup> Unlike *TianRui*, however, the complainant alleged that it did not pursue a design that involved the trade secret because, by that time, respondents had already stolen or destroyed most of the drawings relating to the trade secret design.<sup>98</sup> The complainant further alleged that, but for the respondents' unfair acts, the complainant would have developed a disk drive using the trade secret.<sup>99</sup> The administrative law judge explained that a determination on these facts involved considering additional "substantial factual issues and complicated legal questions,"<sup>100</sup> which were never ultimately addressed by the ITC because the case was dismissed on other grounds.<sup>101</sup> Unlike the discussion in *Floppy Disk Drives*, Amsted was not blocked from exploiting the ABC process as a result of *TianRui*'s unfair acts, and its decision to discontinue use of the ABC process had nothing to do with the alleged misappropriation thereof.<sup>102</sup> These facts are thus distinguishable from *Floppy Disk Drives* and illustrate an alternative issue that went unaddressed by the Federal Circuit.

---

93. See Mittelberger & Hnath, *supra* note 41, at 488 (stating that a complaint must prove "that a domestic industry exists or is in the process of being established in connection with the infringed intellectual property right").

94. Certain Floppy Disk Drives & Components Thereof, Inv. No. 337-TA-203, USITC Pub. 1756, at 44-45 (Sept. 1985) (Initial Determination).

95. *TianRui Grp. Co. v. Int'l Trade Comm'n*, 661 F.3d 1322, 1336 (Fed. Cir. 2011).

96. See Certain Floppy Disk Drives & Components Thereof, Inv. No. 337-TA-203, USITC Pub. 1756, at 48, 80 (Sept. 1985) (Initial Determination) (denying summary determination on the issue of whether the domestic industry was economically and efficiently operated but granting summary determination on the issue of injury to a domestic industry and refusing to find a section 337 violation).

97. *Id.* at 43.

98. *Id.* at 45.

99. *Id.* at 33.

100. *Id.* at 48.

101. *Id.* at 80 (granting summary determination on the issues of importation and substantial injury).

102. *TianRui Grp. Co. v. Int'l Trade Comm'n*, 661 F.3d 1322, 1324 (Fed. Cir. 2011) (retiring the ABC process at its Alabama foundries in exchange for use of the Griffin process).

The Federal Circuit did not address the issue of whether a company in a section 337 trade secret case can prove the existence of a domestic industry solely through overseas licensing activities.<sup>103</sup> The answer is likely yes, with some evaluation of the economic nature of the activities.<sup>104</sup> Although Amsted may not have engaged in production-related activities, it was certainly “exploiting” its trade secret by licensing it to foreign manufacturers.<sup>105</sup> In many ways, a company such as Amsted that owns a trade secret, but is not using it, is very similar to the “non-practicing entity” (NPE) in patent law.<sup>106</sup> Although the term carries derogatory connotations,<sup>107</sup> the NPE owns a patent but does not use it for production purposes.<sup>108</sup> Instead, it licenses the proprietary information or process to another party and litigates claims against those who infringe on the IP.<sup>109</sup>

The domestic industry requirement in cases involving NPEs similarly involves proof of the economic and technical prongs,<sup>110</sup> but it allows for the possibility of a lesser showing of economic activity depending on the type of licensing frequency and economic investment.<sup>111</sup> The ITC has established that, where continual patent licensing activity and technical support for the IP exist, the domestic

---

103. See *id.* at 1337 (supporting its holding on the existence of a domestic industry rather than infringement of overseas licensing opportunities).

104. See *Certain Stringed Musical Instruments & Components Thereof*, Inv. No. 337-TA-586, USITC Pub. 4120, at 23–24 (Dec. 2009) (Initial Determination) (denying relief by evaluating the nature, and not merely the quantity, of the economic activity); see also Recio, *supra* note 33, at 146 (elaborating that the ITC may be willing to find the existence of a domestic industry on a substantially lower showing of economic activity but will also take into account the nature of that activity).

105. See Pablo M. Bentes et al., *International Trade*, 45 INT’L LAW. 79, 91 (2011) (regarding the domestic industry requirement, section 337 complainants are increasingly relying on a general showing of exploitation of the IP, rather than production expenditures, which has likely been a result of the United States’s shift from a manufacturing-based economy to an information-based economy).

106. See Recio, *supra* note 33, at 143–44 (defining NPEs as non-manufacturing but license-holding legal entities in patent infringement cases).

107. See Robert Wagner, *Federal Circuit Sanctions Non-Practicing Entity for Baseless Lawsuit—Eon-Net LP v. Flagstar Bancorp*, PIT IP TECH BLOG (Aug. 2, 2011), <http://pitiptechblog.com/2011/08/02/federal-circuit-sanctions-non-practicing-entity-for-baseless-lawsuit-eon-net-lp-v-flagstar-bancorp/> (illustrating that NPEs often buy patents with the sole purpose of bringing meritless claims to force settlements in cases that are notoriously expensive to litigate).

108. See Recio, *supra* note 33, at 143–44 (explaining that NPEs hold licenses to numerous patents which they then license and enforce against infringement).

109. *Id.*

110. See *supra* notes 32–35 and accompanying text (explaining the two prongs of the domestic industry requirement).

111. *Certain Variable Speed Wind Turbines & Components Thereof*, Inv. No. 337-TA-376, USITC Pub. 3003, at 14–15 (Nov. 1996) (Commission Determination and Action).

industry requirement will likely be satisfied.<sup>112</sup> Continual licensing and technical support together demonstrate investment in labor, research and development, and engineering of the asserted IP.<sup>113</sup> The ITC has yet to determine whether, in the extreme case where the NPE engages purely in licensing activity, the domestic industry requirement is satisfied.<sup>114</sup>

Arguably, *Amsted* is closely related to the patent cases involving continual licensing and technical support. The issue still remains, however, whether the complete lack of a domestic connection to the ABC process bars a finding that a domestic industry exists. Certainly, it complicates finding a “substantial injury” where the only injury to *Amsted* would be that it now has competition from a foreign manufacturer when it previously enjoyed a monopoly on the production of cast steel railway wheels. Ultimately, the Federal Circuit incorrectly based its conclusion in *TianRui* on the distinction between statutory and non-statutory IP and missed the opportunity to answer an unresolved question in section 337 jurisprudence regarding licensing activity and the domestic industry requirement in cases involving trade secret misappropriation.

#### CONCLUSION

The Federal Circuit inappropriately expanded the scope of section 337 to include an unfair act of misappropriation of a trade secret that was no longer in use by the complainant that occurred entirely abroad. The Supreme Court has expounded a clear stance on the

---

112. *Id.* at 69. The ITC will allow a substantially lesser showing of economic activity where the NPE made nominal capital investments in attempting to bring a product to market. *Certain Audible Devices for Divers*, Inv. No. 337-TA-365, USITC Pub. 2903, at 45–46 (Aug. 1995) (Initial Determination).

113. *But see* *Certain Stringed Musical Instruments & Components Thereof*, Inv. No. 337-TA-586, USITC Pub. 4120, at 23–24 (Dec. 2009) (Initial Determination) (barring relief where the complainant merely established that he spent \$8500 to make product prototypes and that he partook in several unsuccessful pre-suit licensing discussions).

114. *See* Complaint, *Certain Elec. Devices, Including Handheld Wireless Commc’ns Devices*, Inv. No. 337-TA-667/673 (Dec. 2008). Here, the ITC had the opportunity to determine whether a holder of 180 patents, and a licensor of three, satisfied the domestic industry requirement as a result of patent litigation expenses it incurred. *Id.* ¶¶ 95–96. The parties settled before a final determination could be made, *Certain Elec. Devices, Including Handheld Wireless Commn’cs Devices*, Inv. No. 337-TA-667/673, at 1–3 (Feb. 12, 2010) (Initial Determination) (granting a joint motion to terminate the investigation on the basis of a settlement agreement), but some argue that this type of activity was not the type Congress intended to protect through the amendments to section 337, *see* COMM. ON WAYS & MEANS, TRADE AND INTERNATIONAL ECONOMIC POLICY REFORM ACT OF 1987, H.R. REP. NO. 100-40, pt. 1, at 156–58 (1987) (declaring that licensing activity in section 337 should not be used as a loophole to filing suit).

extraterritorial application of statutes: no jurisdiction exists over acts that occurred entirely abroad without a clear grant from Congress. By attempting to discern congressional intent from a statute that lacked explicit boilerplate language indicating extraterritorial application, the Federal Circuit did exactly what the Supreme Court had previously chastised. Furthermore, the amendments to section 337 demonstrate that, despite the changes to the domestic industry requirement in statutory IP cases, the requirement that a domestic industry be present in non-statutory IP cases has not changed and continues to rely on ITC precedent. Under these circumstances, the Federal Circuit incorrectly found that a domestic industry existed despite the lack of production-related activities. TianRui did not impede Amsted from entering or creating a domestic industry of cast steel railway wheels but was merely competing with the American manufacturer of like products who was otherwise alone in the American cast steel railway wheel market.