

UNITED STATES INTERNATIONAL TRADE COMMISSION

Washington, D.C.

In the Matter of

**CERTAIN SOFT PROJECTILE LAUNCHING
DEVICES, COMPONENTS THEREOF,
AMMUNITION, AND PRODUCTS
CONTAINING SAME**

Inv. No. 337-TA-1325

**ORDER NO. 45: INITIAL DETERMINATION GRANTING COMPLAINANTS’
MOTION FOR TERMINATION OF THE INVESTIGATION AS TO
SPLAT-R-BALL RESPONDENTS BASED ON SETTLEMENT AND
REQUEST FOR LIMITED SERVICE OF SETTLEMENT
AGREEMENT [MOTION DOCKET NO. 1325-032]**

(May 19, 2023)

I. INTRODUCTION

On May 17, 2023, pursuant to 19 C.F.R. § 210.21(b), Complainants, Hasbro, Inc. (“Hasbro”) and Spin Master Inc. (with Hasbro, “Complainants”) moved to (“Motion”): (i) terminate this Investigation with respect to Respondents Splat-R-Ball LLC (“Splat-R-Ball”), Daisy Manufacturing Company (“Daisy”), and S-Beam Precision Products Ltd. (“S-Beam”) (collectively, “Splat-R-Ball Respondents”); and (ii) stay the Procedural Schedule with respect to the Splat-R-Ball Respondents pending a final ruling on this Motion. (Motion Docket No. 1325-032 (May 17, 2023); Mot. at 1.).

Complainants state that Hasbro and Splat-R-Ball Respondents have entered into a confidential settlement that resolves the claims asserted by Complainants against the Splat-R-Ball Respondents and their products. (*Id.*). According to Complainants, the settlement consists of two agreements: (i) a confidential agreement between Complainant Hasbro and the Splat-R-

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Ball and Daisy (Conf. Ex. A); and (ii) a confidential settlement agreement between Hasbro and the S-Beam (Conf. Ex. B) (collectively, the “Settlement Agreements”). (*Id.*).

Complainants also requested that service of the confidential, unredacted versions of the Settlement Agreements be limited to Chambers and the Commission Investigative Staff (“Staff”).¹ (*Id.* at 3.).

Hasbro certifies that, in accordance with Ground Rule 2.2, it informed Staff, and all private parties of this Motion. (*Id.* at 2.). Hasbro reports that: (i) Staff indicated that it may take a position after reviewing the papers; (ii) the Splat-R-Ball Respondents do not oppose this Motion; and (iii) the PTT Respondents² oppose this Motion. (*Id.*). Subsequently, Chambers was informally notified that the PTT Respondents no longer opposed the Motion.

For the reasons discussed below, Complainants’ Motion to terminate the Splat-R-Ball Respondents from this Investigation, stay the Procedural Schedule with respect to the Splat-R-Ball Respondents, and limit service of the unredacted, confidential Settlement Agreements. is granted.

II. RELEVANT LAW

Under Commission Rule 210.21(a)(2), any party may move at any time to terminate an investigation in-whole or in-part with respect to any or all respondents on the basis of a settlement, a license, or other agreement as provided in Commission Rule 210.21(b). 19 C.F.R. § 210.21(a)(2).

¹ Complainants attached confidential, unredacted version of the Settlement Agreements to the Motion as Confidential Exhibits A and B. (Mot. at 2; Mot. at Conf. Exs. A-B.). Redacted, non-confidential versions of the Settlement Agreements were attached to the Motion as Public Exhibits A and B. (Mot. at 2; Mot. at Public Exs. A-B.).

² The PTT Respondents are Prime Time Toys LLC, Prime Time Toys Ltd., and Easebon Services Ltd.

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Commission Rule 210.21(b) permits termination of an investigation with respect to one or more respondents on the basis of a license or other settlement agreement, and requires that a motion for termination by settlement contain: (i) the license agreement or other settlement agreements; (ii) any supplemental agreements; (iii) any documents referenced in the motion or attached agreements; and (iv) a statement that there are no other agreements, written or oral, express or implied between the parties concerning the subject matter of the investigation. 19 C.F.R. § 210.21(b). Where the license and/or settlement agreement contains confidential business information (“CBI”), a redacted public version of the agreement must accompany the motion to terminate. *Id.*

An administrative law judge may grant said motion upon such terms and conditions as she deems proper. *Id.* The Commission has held that “in the absence of extraordinary circumstances, termination of an investigation will be readily granted to a complainant during the prehearing stage of an investigation.” *Certain Ultrafiltration Membrane Sys., and Components Thereof, Including Ultrafiltration Membranes*, Inv. No. 337-TA-107, Comm’n Action and Order at 2 (U.S.I.T.C. Mar. 11, 1982); *see also Certain Television Sets, Television Receivers, Television Tuners, and Components Thereof*, Inv. No. 337-TA-910, Order No. 50 at 2 (U.S.I.T.C. Nov. 12, 2014). Moreover, public policy supports termination in order to conserve public and private resources. *Certain Universal Serial Bus (“USB”) Portable Storage Devices, Including USB Flash Drives and Components Thereof*, Inv. No. 337-TA-788, Order No. 16 at 2 (U.S.I.T.C. Mar. 21, 2012).

III. DISCUSSION

Complainants attached confidential, unredacted version of the Settlement Agreements to the Motion as Confidential Exhibits A and B. (Mot. at Conf. Exs. A-B.). Redacted, non-

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confidential version of the Settlement Agreements were attached to the Motion as Public Exhibits A and B, as required by Commission Rule 210.21(b). (Mot. at Public Exs. A-B.).

Consistent with Commission Rules 210.21(a)(1) and 210.21(b)(1), Complainants represent that “[t]here are no other agreements, written or oral, express or implied, between Complainants and the Splat-R-Ball Respondents concerning the subject matter of this Investigation.” (Mot. at 1.). Accordingly, the requirements of Commission Rules 210.21(a)(1) and 210.21(b)(1) have been met.

A review of the papers filed in connection with the Motion supports a finding that terminating the Splat-R-Ball Respondents from this Investigation on the basis of the Settlement Agreements between Hasbro and the Splat-R-Ball Respondents would not be contrary to the public health and welfare, competitive conditions in the U.S. economy, the production of like or directly competitive articles in the United States, or to U.S. consumers. To the contrary, the Splat-R-Ball Respondents’ termination from this Investigation is in the public interest and will conserve public and private resources. *See, e.g., Certain Consumer Elecs., Including Mobile Phones and Tablets*, Inv. No. 337-TA-839, Order No. 35, 2013 WL 453756, *2 (U.S.I.T.C. Feb. 4, 2013) (“[T]ermination of litigation under these circumstances as an alternative method of dispute resolution is generally in the public interest and will conserve public and private resources.”).

The Procedural Schedule and all interim deadlines with respect to the Splat-R-Ball Respondents will be suspended pending a final ruling on this Motion.

With regard to Complainants’ request to limit service of the unredacted, confidential versions of the Settlement Agreements, Complainants have shown good cause to limit service. (Mot. at 3.). Accordingly, service of the unredacted, confidential versions of the Settlement

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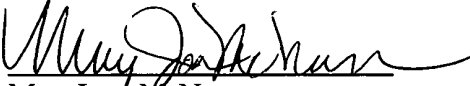
Agreements will be limited to Chambers and Staff.³ See, e.g., *Certain Machine Vision Software, Machine Vision Sys., and Prods. Containing the Same*, Inv. No. 337-TA-680, Order No. 17 (Initial Determination), 2009 WL 3535542 (U.S.I.T.C. Oct. 26, 2009) (holding that counsel for non-settling respondents were not entitled to receive unreacted financial terms of settlement).

IV. CONCLUSION

For the reasons set forth above, Complainants' Motion, Motion Docket No. 1325-032, is hereby *granted*. It is my Initial Determination that the Splat-R-Ball Respondents be terminated from this Investigation. This Initial Determination ("ID") is filed with confidential copies of the Settlement Agreements attached as Exhibits A and B to the confidentially filed ID, and public copies of the Settlement Agreements attached as Exhibits A and B to the publicly filed ID.

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

SO ORDERED.


MaryJoan McNamara
Administrative Law Judge

³ Hasbro specifically requested to "not to serve the unredacted version of Exhibit A & B on any other private party in this Investigation." (Mot. at 3.).

