

KELLEY DRYE & WARREN LLP

A LIMITED LIABILITY PARTNERSHIP

WASHINGTON HARBOUR, SUITE 400

3050 K STREET, NW

WASHINGTON, D.C. 20007-5108

(202) 342-8400

FACSIMILE

(202) 342-8451

www.kelleydrye.com

NEW YORK, NY

CHICAGO, IL

STAMFORD, CT

PARSIPPANY, NJ

BRUSSELS, BELGIUM

AFFILIATE OFFICES

MUMBAI, INDIA

M E M O R A N D U M

TO: Kimberly Korbel, AWWA Executive Director

FROM: Kathy Cannon

DATE: May 31, 2016

RE: ITC Decision on Viraj Section 337 Action

On May 25, 2016, the U.S. International Trade Commission issued its final determination in the section 337 trade action involving certain stainless steel products produced by Viraj. This 337 action was filed by Valbruna alleging theft of multiple trade secrets by Viraj and seeking a broad remedy to address this theft. The Commission upheld the Administrative Law Judge's (ALJ) findings of the violations by Viraj and issued a broad remedy that included a limited exclusion order ("LEO") and a cease and desist order against Viraj. As you know, we submitted on behalf of the AWWA, comments urging the Commission to sustain the ALJ findings and, in particular, to find that a remedy would not adversely affect the public interest—a finding the Commission reaffirmed in its final decision, as well.

Most importantly for the AWWA, the LEO bars the entry into the United States of all Viraj products manufactured using any of the more than 300 misappropriated trade secrets listed in Valbruna's complaint and extends to any products manufactured or imported by or on behalf of Viraj and its affiliates. Because the trade secret violations relate to the melt-process for stainless steel, the exclusion would apply to all stainless products, including stainless steel wire, manufactured by Viraj. The LEO will be in place for 16.7 years. In addition, a broad cease and

desist order would be issued against Viraj Profiles, prohibiting it from importing or selling its products in the United States.

Final implementation of this decision is subject to a 60-day review by the President (who may, but rarely does, reject the proposed Commission remedy). A 13.4 percent bond has been issued against all Viraj imports while the Presidential review is pending.

Overall, this decision reflects a very positive development in terms of enforcing U.S. trade laws designed to remedy trade secret thefts as well as a resultant remedy that will help to address the increasing volumes of imports of a wide array of stainless steel products from Viraj in India. If you have any questions about this decision, please let me know.