

PUBLIC VERSION

**UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.**

In the Matter of

**CERTAIN CRAFTING MACHINES
AND COMPONENTS THEREOF**

Investigation No. 337-TA-1426

COMMISSION OPINION

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I. INTRODUCTION

On April 14, 2026, the Commission determined to review in part the final initial determination (“FID”) issued by the Chief Administrative Law Judge (“ALJ”) on January 21, 2026. 91 *Fed. Reg.* 20,699-701 (Apr. 17, 2026); 19 C.F.R. § 210.44. Specifically, the Commission determined to review the FID’s findings on the economic prong of the domestic industry requirement. On review, the Commission affirms the FID’s determination that Complainant Cricut, Inc. (“Cricut”) has demonstrated that a domestic industry exists with respect to U.S. Patent No. D893,563 (“the D563 patent”) under section 337(a)(3)(B), as modified and supplemented by the additional findings set forth herein. Accordingly, the Commission has determined that there has been a violation of section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. § 1337, with respect to the D563 patent. The Commission finds the appropriate remedy is a general exclusion order (“GEO”) prohibiting the importation into the United States of certain crafting machines and components thereof that infringe the D563 patent.

The four remaining respondents were all previously found in default.¹ With regard to those defaulted respondents, the Commission has determined that the appropriate remedy is: (1) a limited exclusion order (“LEO”) under section 337(g)(1) directed to defaulting respondent LiPing Zhan (“Konduone”) with respect to U.S. Patent No. 11,905,646 (“the ’646 patent”); (2) an LEO under section 337(g)(1) directed to defaulting respondents Bozhou Wanxingyu Technology Co. Ltd., Bozhou Zhongdaxiang Technology Co., Ltd., and Shanghai Sishun E-Commerce Co., Ltd. (collectively, the “Vevor Respondents”) with respect to U.S. Patent No. D1,029,090 (“the D090 patent”); and (3) cease and desist orders (“CDO”) under section

¹ The Commission did not review the FID’s findings that the participating respondents HK Sijiu International Share Co., Ltd., Hunan Sijiu Technology, Co. Ltd., and Guangdong Rongtu Technology Co., Ltd. (collectively, “HTVRONT”) did not infringe any asserted patent. FID at 36-51; Comm’n Notice (Apr. 14, 2026).

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337(g)(1) directed to defaulting respondents Konduone with respect to the '646 and D563 patents and the Vevor Respondents with respect to the D090 patent.

The Commission has further determined that the public interest will not be adversely affected by the issuance of these orders and the amount of bond to be posted during the period of Presidential review is set to one hundred percent (100%) of the entered value of the imported articles. This opinion sets forth the Commission's reasoning in support of that determination.

II. BACKGROUND

A. Procedural History

The Commission instituted this investigation on December 11, 2024, based on a complaint filed on behalf of Cricut of South Jordan, Utah. 89 *Fed. Reg.* 99,905-06 (Dec. 11, 2024). The complaint, as supplemented, alleged violations of section 337 in the importation into the United States, the sale for importation, and the sale within the United States after importation of certain crafting machines and components thereof by reason of infringement of certain claims of the '646 patent, the D563 patent, the D090 patent, U.S. Patent No. 11,208,758 ("the '758 patent"), U.S. Patent No. D910,724 ("the D724 patent"), and U.S. Patent No. D926,237 ("the D237 patent"). *Id.* The complaint further alleged that an industry in the United States exists or is in the process of being established. The Commission's notice of investigation named eight (8) respondents: the three Vevor Respondents of China; Konduone of Jingzhou, China; Hunan Sijiu Technology, Co. Ltd. of Changsha, China; Hunan Sijiu Electronic Technology Co., Ltd. ("HSET") of Changsha, China; Guangdong Rongtu Technology Co., Ltd. of Foshan City, China; and SainStore Technology Co., Ltd. of Dongguan City, China ("SainStore"). *Id.* at 99,905-06. The Office of Unfair Import Investigations ("OUII") was also named as a party. *Id.* at 99,906.

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On January 31, 2025, the Commission partially terminated the investigation as to SainStore based on a consent order stipulation and issued a consent order against SainStore. Order No. 5 (Jan. 8, 2025), *unreviewed by* Comm’n Notice (Jan. 31, 2025).

On April 3, 2025, Respondent HSET was terminated from this investigation, HK Sijiu International Share Co., Ltd. of Hong Kong, China was added to this investigation as a new respondent, and U.S. Design Patent No. D877,214 (“the D214 patent”) was also added to this investigation. Order No. 10 (Mar. 6, 2025), *unreviewed by* Comm’n Notice (Apr. 3, 2025), 90 *Fed. Reg.* 15161-62 (Apr. 8, 2025). The target date was extended to May 13, 2026.

On April 4, 2025, claims 19 and 20 of the ’758 patent were terminated from the investigation based on withdrawal of the complaint. Order No. 11 (Mar. 17, 2025), *unreviewed by* Comm’n Notice (Apr. 4, 2025).

The Vevor Respondents and Konduone were found in default pursuant to 19 C.F.R. § 210.16. Order No. 17 (May 7, 2025), *unreviewed by* Comm’n Notice (May 28, 2025).

On May 27, 2025, the Commission partially terminated the investigation as to the D090 patent against HTVRONT based on a consent order stipulation and issued a consent order against HTVRONT with respect to that patent. Order No. 16 (Apr. 30, 2025), *unreviewed by* Comm’n Notice (May 27, 2025).

Cricut and HTVRONT filed stipulations regarding importation and inventory, EDIS Doc. ID 851658 (May 20, 2025), representative products, EDIS Doc. ID 853532 (June 11, 2025), and the economic and technical prongs of the domestic industry requirement, EDIS Doc. ID 854207 (June 18, 2025). The parties also agreed that the remainder of the investigation could be adjudicated through motions practice. FID at 5.

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On September 4, 2025, Cricut filed a motion for summary determination as to violation and remedy. Mot. No. 1426-017. In its motion, Cricut requested an LEO and a CDO against Konduone for alleged violations based on infringement of the '646 patent and the D563 patent. Cricut also requested an LEO and a CDO against the Vevor Respondents for alleged violations based on infringement of the D090 patent. Cricut further requested GEOs to remedy alleged violations based on infringement of the D563, the D724, and the D237 patents but later withdrew its requests for GEOs as to the D724 and the D237 patents. FID at 6-7 (citing Order No. 26 (Jan. 14, 2026)). Cricut's motion did not address the '758 or the D214 patents or request any remedy as to those patents. *Id.* at 9.

Also, on September 4, 2025, HTVRONT moved to partially terminate this investigation as to the products HTVRONT was discontinuing—the Square Heat Press, Reduced Square Heat Press, Mini Heat Press, Mini3 Heat Press, and Hat Heat Press (the “Old HTVRONT Products”)—based upon a consent order stipulation and proposed consent order. Motion No. 1426-014. HTVRONT's motion to partially terminate the investigation as to the Old HTVRONT Products was granted on January 20, 2026, and the Commission issued a second consent order against HTVRONT. Order No. 27 (Jan. 20, 2026), *unreviewed by* Comm'n Notice (Feb. 17, 2026). HTVRONT also moved for summary determination of non-infringement of certain redesigned products. Mot. No. 1426-016.

The FID addressed the only two issues remaining in this investigation: (1) Cricut's motion for summary determination that Konduone has violated section 337 as to the D563 patent and claims 8-12 of the '646 patent, and the Vevor Respondents have violated section 337 as to the D090 patent, and for a recommended determination on remedy (Mot. No. 1426-017), and

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(2) HTVRONT's motion for summary determination that certain redesigned products do not infringe the patents asserted in this investigation (Mot. No. 1426-016).

On January 21, 2026, the Chief ALJ issued his FID, finding a violation of section 337 by Konduone as to the D563 patent and claims 8-12 of the '646 patent and by the Vevor Respondents as to the D090 patent. The FID also found HTVRONT's redesigned products were ripe for adjudication, and the redesigned products are entitled to summary determination of non-infringement. The FID further found no violation of section 337 as to the '758 or D214 patents because Cricut did not present any evidence or argument as to those patents. Furthermore, the FID determined that Cricut's contentions in its summary determination motion that the Old HTVRONT Products infringe the D724 and D237 patents were moot in view of the consent order stipulation in Order No. 27. No petitions for review of the FID were filed.

No party filed a public interest submission pursuant to 19 C.F.R. § 210.50(a)(4), and the Commission did not receive any submissions from the public on public interest issues raised by the RD. *See* 91 *Fed. Reg.* 3,542-543 (Jan. 27, 2026).

As discussed above, on April 14, 2026, the Commission determined on its own initiative to review the FID's findings on the economic prong of the domestic industry requirement. 91 *Fed. Reg.* 20,699-701 (Apr. 17, 2026); 19 C.F.R. § 210.44. The Commission also requested briefing on remedy, bonding, and the public interest.

On April 28, 2026, Cricut and OUII filed their respective initial submissions on remedy, bonding, and the public interest.² OUII filed a response submission on May 5, 2026. No other party filed a submission before the Commission.

² *See* Complainant Cricut, Inc.'s Written Submission in Response to Notice of a Commission Determination to Review in Part a Final Initial Determination Finding a Violation of Section 337; Request for Written Submissions on Remedy, the Public Interest, and Bonding,

III. STANDARD ON REVIEW

When the Commission reviews an initial determination, in whole or in part, it reviews the determination *de novo*. *Certain Electronic Stud Finders, Metal Detectors and Electrical Scanners*, Inv. No. 337-TA-1221, Comm’n Op. at 9 (Feb. 15, 2022) (citations omitted), *aff’d*, *Zircon Corp. v. Int’l Trade Comm’n*, 101 F.4th 817 (Fed. Cir. 2024). With respect to the issues under review, “the Commission may affirm, reverse, modify, vacate, or remand for further proceedings, in whole or in part, the initial determination of the administrative law judge.” 19 C.F.R. § 210.45(c). The Commission also “may make any finding or conclusions that in its judgment are proper based on the record in the proceeding.” *Id.*; *see also Beloit Corp. v. Valmet Oy*, 742 F.2d 1421, 1423 (Fed. Cir. 1984).

IV. ANALYSIS

As discussed above, the Commission determined on its own initiative to review the FID’s findings on the economic prong of the domestic industry requirement. The Commission did not review the remaining findings, conclusions, and supporting analysis in the FID, including its findings that Cricut has demonstrated that the EasyPress products practice the D563 patent, that there was no violation as to the ’758 and D214 patents, no violation as to HTVRONT’s redesigned products, and Cricut’s allegations as to the D724 and D237 patents were moot.

The Commission’s findings, conclusions, and supporting analysis follow. The Commission affirms and adopts the FID’s findings, conclusions, and supporting analysis that are not inconsistent with the Commission’s opinion.

EDIS Doc ID 880528 (Apr. 28, 2026) (“CSub”); Response of the Office of Unfair Import Investigations to the Commission’s Request for Written Submissions Regarding Remedy, the Public Interest, and Bonding, EDIS Doc ID 880518 (Apr. 28, 2026) (“OSub”).

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A. Economic Prong of the Domestic Industry Requirement

When a section 337 investigation is based on allegations of patent infringement, the complainant must show that “an industry in the United States, relating to the articles protected by the patent . . . exists or is in the process of being established.” 19 U.S.C. § 1337(a)(2). An industry is “considered to exist if there is in the United States, with respect to the articles protected by the patent . . . 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).

The FID determined that Cricut satisfied the economic prong of the domestic industry requirement under subparagraphs (A) and (B) of section 337(a)(3) with respect to the ’646, D563, and D090 patents.³ FID at 72.

Respondent HTVRONT and OUII did not contest that Cricut satisfies the economic prong of the domestic industry requirement before the ALJ, and they did not file a petition for review of the FID. *See id.* at 68; JX-0011, Joint Stipulation Relating to Domestic Industry (EDIS Doc. ID 854207) (June 18, 2025). The Commission determined to review on its own initiative the FID’s findings on the economic prong.

On review, the Commission affirms and supplements the FID’s determination that Cricut has demonstrated a domestic industry exists with respect to the D563 patent, as discussed below. Notably, the Commission supplements the FID by addressing contextual evidence Cricut offered to support the significance of its asserted domestic investments. Based on a holistic assessment

³ Cricut did not allege the existence of a domestic industry under section 337(a)(3)(C).

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of the evidence presented by Cricut, the Commission finds that Cricut has demonstrated that a domestic industry exists under 19 U.S.C. § 1337(a)(3)(B) (labor and capital) with respect to the

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EasyPress products, which are protected by the D563 patent.^{4,5} The Commission takes no

⁴ Commissioner Kearns, however, does not agree with the approach taken by the other Commissioners to assess the significance of Cricut's domestic investments in this case. As previously noted by Commissioner Kearns, "[t]he Commission's significance analysis should be based on [a] full picture of all expenses associated with the product, not a selective subset of those expenses. One could not establish a domestic industry by demonstrating, for example, that the vast majority of expenses associated with packaging the product (*e.g.*, ribbon-tying expenses) occur in the United States, or that the vast majority of accounting expenses take place in the United States." *See Certain Vaporizer Devices, Cartridges Used Therewith, and Components Thereof*, Inv. No. 337-TA-1368, Notice at 3 n.1 (Jun. 20, 2024) (separate views of Commissioner Kearns as to why the economic prong of the domestic industry requirement was satisfied). Manufacturing need not necessarily occur in the United States for an exclusion order to issue; however, "setting aside" or ignoring foreign manufacturing expenses is not proper when assessing whether the industry is domestic or not. In this case, a determination that Cricut's domestic employment of labor is significant should not be based on only a subset of its labor costs when there are foreign labor costs related to manufacturing the domestic industry products by at least one contractor in China.

Moreover, comparing cherry-picked segments of domestic labor (*i.e.*, only "R&D, technical service, warranty and repair, and sales and marketing" of domestic and worldwide labor) is not sufficient to meet the statutorily required "significant employment of labor" (which is not limited to only certain expenses), particularly when such comparisons do not account for Cricut's reliance on foreign third-party manufacturing labor. This is particularly apparent after *Lashify, Inc. v. U.S. Int'l Trade Comm'n*, 130 F.4th 948, 959 (Fed. Cir. Mar. 5, 2025), which requires the Commission to consider all domestic labor and capital with respect to the DI products. This raises the possibility of a situation in which the only DI product labor in the United States is a small amount of sales and marketing, with overseas labor comprised of extensive manufacturing but no sales and marketing. If only that subset of expenses is considered, then the economic prong could be met under section 337(a)(3)(B) in such a situation because 100 percent of sales and marketing labor was in the United States, clearly not a result intended by Congress. Of course, if a complainant wishes to focus on its investments in research and development, the statute also permits considering such investments under section 337(a)(3)(C).

Here, Commissioner Kearns agrees that the record evidence supports the existence of a domestic industry based on Cricut's labor investments for the latest EasyPress model, the EasyPress 3, under 19 U.S.C. § 1337(a)(3)(B) with respect to the D563 patent. Specifically for EasyPress 3, Cricut's total domestic labor and capital investments of [REDACTED] comprised [REDACTED] of Cricut's cost of goods sold from 2020-Q3 2024, which Commissioner Kearns finds significant. *See Vander Veen Rep.* ¶¶ 74-75, Tab 4c, Tab 12i. However, Commissioner Kearns takes no position on the significance of Cricut's domestic investments for the other EasyPress products.

⁵ Commissioner Karpel does not consider the majority's approach to be one that assesses the significance based on only a subset of labor costs. Instead, the Commission considered all labor costs (expenses) on the record of this investigation which include all labor costs for the D563 patent incurred by Cricut both in the United States and abroad. Commissioner Karpel also

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position on whether a domestic industry exists under section 337(a)(3)(A). *See Beloit*, 742 F.2d at 1423. The Commission also takes no position on the FID's findings as to whether a domestic industry exists with respect to the '646 and D090 patents given that the only remaining respondents alleged to infringe these patents have been found in default and Cricut requests only limited relief under section 337(g)(1) with respect to these two patents. *Id.* Therefore, consistent with section 337(g)(1), the Commission presumes the facts alleged in the complaint, including satisfaction of the domestic industry requirement, to be true as to the '646 and D090 patents. 19 U.S.C. § 1337(g)(1); Compl. ¶¶ 102, 104-07, 128-32, 150-56, Exs. 24 & 35.

The FID found, and the Commission agrees, that Cricut sells several models of its EasyPress heat press that undisputedly practice the D563 patent: EasyPress, EasyPress 2, and EasyPress 3. FID at 54-57. Cricut's EasyPress products were launched at various times between 2017 and 2022. Cricut's first EasyPress was released in August 2017 and discontinued in February 2022. Vander Veen Rep. ¶ 22. Cricut released the EasyPress 2 in 2018 and the

considered that a third party manufactures the EasyPress products abroad on Cricut's behalf. However, section 337 does not demand a comparison of complainant's asserted investments to the costs of manufacturing that product abroad in order to show that complainant's asserted investments are significant. The absence of any such requirement is especially evident here given the facts of this investigation where [REDACTED] R&D labor occurs in the United States and without which there would be no DI products. Commissioner Karpel considers that demanding such a comparison risks denying section 337 protection to an entire class of complainants that have developed and commercialized their innovations in the United States but had them manufactured abroad, an outcome she believes is neither consistent with the statute nor the Federal Circuit's decisions to date addressing the domestic industry requirement. *See Certain Soft Projectile Launching Devices, Components Thereof, Ammunition, and Products Containing Same*, Inv. No. 337-TA-1325, Comm'n Op. (Dec. 18, 2025) (Separate Views of Chair Karpel in Dissent). She further observes that nothing compels the Commission to find a complainant's investments significant simply because complainant can, with respect to a certain category of labor such as sales and marketing, generate a ratio of its domestic investments to foreign investments in that category that is sufficiently large while ignoring other quantitative and qualitative record evidence that would show based on a holistic review of all relevant considerations that even taking into account that large ratio, complainant's investments are not significant.

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EasyPress 3 in March 2022. *Id.* Both the EasyPress 2 and 3 were sold on the market at the time of the filing of the complaint.

The undisputed record evidence demonstrates that Cricut's domestic investments under subparagraph (B) of section 337(a)(3) include research and development (R&D), engineering and testing, technical service (Member Care), warranty and repair, and sales and marketing. Vander Veen Rep. ¶¶ 62-66, 68-73. Cricut's domestic industry expert, Dr. Thomas D. Vander Veen, testified that Cricut has invested millions of dollars each year in the United States for the development and continued support of the EasyPress product family. *Id.* ¶ 80. In particular, the FID found that Cricut has incurred [REDACTED] in labor expenditures attributable to the EasyPress product family from 2017 through Q3 2024, including [REDACTED] in labor expenditures since 2020 for the EasyPress 3 product alone.⁶ FID at 64 (citing Vander Veen Rep. ¶¶ 74-75, Tab 4c), 70 (citing Vander Veen Rep. ¶¶ 82, 83, Tab 12j, Tab 12k). After providing an overview of the domestic industry, where the FID reviewed Cricut's domestic activities as well as its multiple facilities and number of employees in the United States, the FID reviewed Cricut's asserted investments in plant and equipment and labor and found in particular that Cricut's investments in labor for the D563 patent totaled [REDACTED] *Id.* at 57-59, 64-66. The FID then analyzed whether Cricut's investments in the domestic industry were significant, taking into account qualitative and quantitative information on the record, finding in particular that based on a holistic review of all relevant considerations that Cricut had made significant investments in

⁶ The Commission recognizes that Cricut's labor investments is likely underinclusive because Cricut's claimed labor investments for Member Care, product remanufacturing and refurbishment go through only the first quarter of 2024. Vander Veen Rep., Tab 4c.

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the employment of labor with respect to articles protected by the patent. *Id.* at 67-71. No one challenged these findings, or petitioned for review of them, and the Commission affirms them.⁷

The Commission supplements the FID's analysis of the significance of Cricut's investments to highlight the FID's findings that the majority of Cricut's employees are based in the United States, where they work on R&D, technical support (Member Care), remanufacturing, and sales and marketing related to the EasyPress products. *Id.* at 68; *see also id.* at 58-59, 64 (citing Vander Veen Rep. ¶ 35). In particular, as of January 2025, Cricut employed approximately 633 individuals, 474 (75%) of whom are in the United States. *Id.* at 68. Cricut had [REDACTED] employed in R&D and [REDACTED] these employees were located in the United States. *Id.* Indeed, the Commission finds that [REDACTED] of Cricut's employment of labor for the research and development of the EasyPress products take places in the United States. Vander Veen Rep. ¶ 83 (testifying that Cricut's R&D U.S. labor [REDACTED] global R&D (including contractors)). Additionally, Cricut's Member Care team is [REDACTED] employees, all of whom are located in the United States. FID at 68; *see also* 59 (citing Vander Veen Rep. ¶ 40). Cricut [REDACTED] in the Quality Engineering department performing product refurbishment and remanufacturing of domestic industry products, all of whom are located in the United States. FID at 68; *see also* 59 (citing Vander Veen Rep. ¶ 42). Finally, Cricut [REDACTED] in its Marketing department, all of whom were located in the United States. FID at 59 (citing Vander Veen Rep. ¶ 44).

The Commission also highlights the FID's findings that the record evidence shows that Cricut's design and development activities, which take place in the United States, were

⁷ As previously noted, Commissioner Kearns does not agree with the approach taken by the other Commissioners to assess the significance of Cricut's domestic investments in this case.

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instrumental in getting the EasyPress products to market and remain vital to its success. *Id.* at 67; Vander Veen Rep. ¶¶ 38, 81. For instance, as the FID noted, Cricut created a new class of products with the launch of the EasyPress in 2017, as embodied in the D563 patent. FID at 67 (finding the “evidence shows that Cricut has pioneered new categories of heat press products through its research and development). Cricut’s expert, Mr. Charles Mauro, stated that the “overall field of hand-held heat press design was . . . stagnant for decades until the arrival [of] the Cricut heat presses in 2017.” CX-0001C.137-.138 (Mauro Rep.) ¶¶ 226-228. He explained that “there was a gap in the marketplace between household irons, which were designed to be pushed back and forth over fabric, and industrial heat presses, which were generic-looking, unwieldy, expensive, and typically in a clamshell configuration.” Memorandum in Support of Complainant Cricut’s Motion for Summary Determination, EDIS Doc ID 861855, at 28-29 (citing Mauro Rep. ¶ 227). To address this gap, Mr. Mauro observed that “Cricut created a new category of products, heat presses designed for household use, with outstanding visual design and performance.” Mauro Rep. ¶ 227. He explained that Cricut designed this new category of heat presses to be “precise and well-engineered,” as well as “fun and approachable with soft/elegant features.” *Id.* ¶ 228. In this way, he remarked that “Cricut elevated the generic heat press through the application of engineering innovation and modern, engaging non-functional ornamental design.” *Id.*

The FID also found, and the Commission agrees in this investigation, that “Cricut’s domestic investments, particularly in R&D, create value that Cricut captures over the lifetime of the product.” FID at 68. Dr. Vander Veen testified that Cricut’s R&D “create value for Cricut over a long period of time” because “Cricut’s R&D investments generally occur just prior to a product’s launch and early on in that product’s life cycle.” Vander Veen Rep. ¶ 81. Dr. Vander

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Veen explained that “Cricut’s ongoing investments in technical customer service, product refurbishment and remanufacturing, and even sales and marketing, allow it to capture a significant return on those R&D investments for years after the initial product launch.” *Id.*

One comparison that the Commission has previously considered is a comparison of domestic to foreign activities, as the FID did here. Specifically, the FID considered the significance of Cricut’s domestic labor activities compared to Cricut’s related foreign activities because Cricut presented its evidence in that manner. FID at 68-70. The Commission notes that the evidence shows that Cricut has foreign operations [REDACTED] supporting manufacturing, R&D, technical service, and sales and marketing related to the EasyPress products. Vander Veen Rep. ¶ 82. Setting aside manufacturing, the FID observed, and the Commission agrees, that Cricut’s domestic investments in R&D, technical service, warranty and repair, and sales and marketing are significantly greater than its corresponding foreign investments in the same categories of activities.⁸ FID at 70; Vander Veen Rep., Tab 12c (comparing domestic and foreign labor expenditures for R&D, engineering, and testing activities by domestic industry product and patent), Tab 12e (member care), Tab 12f (marketing).

In particular, relying on Dr. Vander Veen’s expert report, the FID found that Cricut’s domestic industry investments in the employment of labor were [REDACTED] of its corresponding global investments in the employment of labor for articles that practice the D563 patent. FID at 70. The FID found, and the Commission agrees, that a holistic review of all relevant considerations, including the contextual evidence summarized above, shows that Cricut has made significant investments in the employment of labor with respect to articles protected by the

⁸ As explained below, Commissioner Kearns does not believe a significance finding should be based on only a subset of its labor costs.

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D563 patent. *Id.* at 71. The Commission accordingly affirms the FID’s conclusion that Cricut has satisfied the domestic industry requirement under section 337(a)(3)(B) with respect to the D563 patent.

The Commission nevertheless supplements the FID with the following additional analysis and findings, which provide further support for that conclusion. Specifically, the Commission addresses additional evidence offered by Cricut regarding the significance of Cricut’s domestic labor investments. As noted above, the FID considered the significance of Cricut’s domestic labor activities relative to Cricut’s related foreign activities because Cricut presented its evidence in that manner. Dr. Vander Veen, however, also offered an additional comparison of Cricut’s domestic industry investments to Cricut’s cost of goods sold (“COGS”). A COGS comparison can demonstrate the value added to the domestic industry product and is one way the Commission has previously relied on to show significance.⁹ *See, e.g., Certain Electric Shavers and Components and Accessories Thereof*, Inv. No. 337-TA-1230, Comm’n Op. at 10-13 (May 3, 2022) (affirming the FID’s conclusion that the economic prong of the domestic industry is satisfied under section 337(a)(3)(B) including the FID’s finding that the complainant’s employment of labor and capital was significant based on a comparison with the total cost of goods for the domestic industry products). Specifically, Dr. Vander Veen calculated across the entire approximately 11-year time period from 2013-Q3 2024, Cricut’s total domestic industry

⁹ Commissioner Karpel does not join this sentence as she does not agree that comparing domestic investments to COGS measures the “value added” to the domestic industry product, *i.e.*, the increase in the product’s value attributable to those domestic investments. Rather, consistent with Dr. Vander Veen’s expert report, she observes that COGS may serve as a proxy for foreign manufacturing costs, given the DI products in this investigation are manufactured abroad. Vander Veen Rep. ¶ 84. Comparing domestic investments to COGS may therefore provide context regarding the relative magnitude of those investments in relation to the cost of manufacturing the product abroad. For that purpose, such a comparison may be relevant to the domestic industry analysis.

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investments related to the D563 patent [REDACTED] the COGS for these products. This comparison provides additional support for the conclusion that Cricut's domestic investments are significant under section 337(a)(3)(B). This evidence further reinforces the Commission's determination that Cricut's domestic labor investments of [REDACTED] with respect to the EasyPress products are significant.

On the record of this investigation, and in view of the absence of any petitions for review, the Commission finds that Cricut has demonstrated the existence of a domestic industry under section 337(a)(3)(B) with respect to the D563 patent.

B. Remedy, the Public Interest, and Bonding

1. Remedy

The Commission has "broad discretion in selecting the form, scope, and extent of the remedy." *Philip Morris Products S.A. v. Int'l Trade Comm'n*, 63 F.4th 1328, 1339-1340 (Fed. Cir. 2023).

a. General Exclusion Order for the D563 Patent

Under section 337(d)(2), "the authority of the Commission to order an exclusion from entry of articles shall be limited to persons determined by the Commission to be violating this section unless the Commission determines that

(A) a general exclusion from entry of articles is necessary to prevent circumvention of an exclusion order limited to products of named persons; or

(B) there is a pattern of violation of this section and it is difficult to identify the source of infringing products."

19 U.S.C. § 1337(d)(2). A GEO may issue when either prong of section 337(d)(2) is satisfied. *Certain Toner Cartridges and Components Thereof*, Inv. No. 337-TA-740, Comm'n Op. at 6 (Oct. 5, 2011).

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Based on the record evidence and the submissions of OUII and Cricut discussed below, the Commission finds that the record evidence shows that a GEO is necessary to prevent defaulting respondent Konduone from circumventing an LEO. RD at 77 (citing 19 U.S.C. § 1337(d)(2)(A)). The Commission also finds that the record evidence shows a pattern of violation and that it is difficult to identify the source of products that infringe the D563 patent. *Id.* at 79 (citing 19 U.S.C. § 1337(d)(2)(B)). Thus, the Commission finds that both prongs of section 337(d)(2) support the issuance of a GEO with respect to the D563 patent.

i. Section 337(d)(2)(A) – Circumvention of an LEO

The record evidence demonstrates that multiple factors indicate that a GEO is appropriate to prevent circumvention of an LEO. First, the presence of defaulting respondents is a factor supporting the issuance of a GEO. *See, e.g., Certain Self-Anchoring Beverage Containers*, Inv. No. 337-TA-1092, Order No. 14, 2018 WL 4357626, at *12 (Aug. 27, 2018). Specifically, the RD found “Konduone failed to respond to the complaint and notice of investigation and failed to participate in this investigation, suggesting it is unlikely to abide by a Commission remedy limited to Konduone.” RD at 77 (citing *Certain Blood Flow Restriction Devices with Rotatable Windlasses and Components Thereof*, Inv. No. 337-TA-1364, Corrected Comm’n Op. at 10 (Oct. 23, 2024); *Certain Fish-Handling Pliers & Packaging Thereof*, Inv. No. 337-TA-1169, Comm’n Op. at 13 (Aug. 10, 2020)); *see* CSub at 6; OSub at 8.

Second, the undisputed evidence shows that various aspects of the heat press market make an LEO particularly susceptible to circumvention, including:

- (1) low barriers of entry and ease of replication of operations indicate there are many products for sale online that are sold under different branding and appear to copy the D563 patent, RD at 78 (citing Vander Veen Rep. ¶¶ 89, 90, 98; Mauro Rep. ¶ 324);

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- (2) incentive to sell the Accused Products, including high demand and profitability, *id.* at 78-79 (citing Vander Veen Rep. ¶¶ 92-94);
- (3) practices that maintain anonymity of the manufacturer or importer, including masking identity of the product source, *id.* at 79 (citing Vander Veen Rep. ¶ 95; Mauro Rep. ¶ 324);
- (4) complex corporate structures and expansive supply chains, including the same entity doing business under different names, frequent corporate name changes, address changes, and restructuring, *id.* (citing Mauro Rep. ¶ 324), CSub at 9 (citing Vander Veen Rep. ¶ 97); and
- (5) prevalence of online sales of the Accused Products both on domestic websites such as Amazon.com and Walmart.com and on Chinese websites such as Temu.com and AliExpress.com, RD at 78 (citing Vander Veen Rep. ¶¶ 89, 98), CSub at 10.

Taken together, the Commission agrees with the RD that Cricut presented evidence that indicates Konduone would likely circumvent an LEO. RD at 79. As Cricut points out in its submission, the Commission has previously found such factors sufficient to warrant a GEO under section 337(d)(2)(A). CSub at 7-8 (citing *e.g.*, *Certain Toner Cartridges and Components Thereof*, Inv. No. 337-TA-829, Comm’n Op. at 7-8 (July 29, 2013); *Certain Electric Skin Care Devices, Brushes and Chargers Therefor, and Kits Containing the Same*, Inv. No. 337-TA-959, Comm’n Op. at 17 (Feb. 13, 2017); *Certain Cases for Portable Electronic Devices*, Inv. No. 337-TA-867/861 (Consolidated), Comm’n Op. at 9 (July 10, 2014); *Certain Loom Kits for Creating Linked Articles*, Inv. No. 337-TA-923, Comm’n Op. at 12 (May 21, 2015)).

ii. Section 337(d)(2)(B) – Widespread Pattern of Violation and Difficulty Identifying Source of Infringing Products

The record evidence also demonstrates a widespread pattern of violation. In particular, the RD found a “search for ‘Cricut Heat Press’ on amazon.com returned over 2,000 results, with many showing heat presses that appear almost identical to the Cricut’s patented design,” including heat presses sold under the brand names AST&T, BetterSub, Ciezeical, Calogy, Imren,

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Lolssa, MeColour, and Vevor. RD at 79-80 (citing Vander Veen. Rep. ¶ 98; Mauro Rep. ¶ 324); *see* CSub at 10-15. The RD noted that “[g]roups of these heat presses share significant similarities indicating they were manufactured by the same foreign entity but sold under different brand names.” RD at 80 (citing Mauro Rep. ¶ 324); *see* CSub at 16.

In addition to the widespread pattern of violation, the RD also found the record evidence shows there is difficulty identifying the source of the infringing products sold on websites such as Temu and AliExpress. RD at 80. For example, the RD explained the evidence shows that a website listing for an “AST&T” heat press offered a 1-year warranty by “Konduone,” which “suggests the Konduone entity may be disguising its heat presses by selling them under multiple brand names.” *Id.* (citing CX-0005). Taken together, the Commission agrees with the RD that Cricut presented evidence that indicates there is a pattern of violation by sources that are difficult to identify.

In view of the above, the Commission has determined to issue a GEO as to the D563 patent under section 337(d)(2)(A) and (B).

b. Limited Exclusion Order for the ’646 and D090 Patents

Pursuant to 19 U.S.C. § 1337(g)(1) and 19 C.F.R. § 210.16(c)(1), the Commission may issue an LEO directed against products imported by persons found in default, excluding from entry into the United States accused products imported by that defaulting respondent.

Cricut requested, and the RD recommended, the issuance of an LEO barring entry of the Vevor Respondents’ products that infringe the D090 patent and an LEO barring entry of Konduone’s products that infringe the ’646 patent provided that the public interest factors do not preclude issuance of an exclusion order in this case. RD at 73.

Having examined the record of this investigation, the RD, and the parties’ submissions, the Commission finds that Complainant has satisfied all the requirements of section

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337(g)(1)(A)-(E). In accordance with section 337(g)(1)(A), Complainant filed the complaint pursuant to Commission Rule 210.12, including “a statement of the facts constituting the alleged unfair methods of competition and unfair acts.” 19 C.F.R. § 210.12(a)(2); Compl. ¶¶ 102-107, 128-132. Section 337(g)(1)(B) is satisfied because Complainant effected service of the complaint and notice of investigation on the defaulting respondents. 19 U.S.C. § 1337 (g)(1)(B); *see* Order No. 14 (Apr. 8, 2025); Complainant’s Submission regarding Proof of Service to Embassies and Respondents (Jan. 3, 2025); Complainant’s Supplemental Certificate of Service (Feb. 13, 2025). Sections 337(g)(1)(C) and (D) are satisfied because all of the defaulting respondents failed to respond to the complaint and notice of investigation and failed to show good cause why they should not be found in default. 19 U.S.C. §§ 1337 (g)(1)(C), (D); Order No. 14; Order No. 17 (May 7, 2025), *unreviewed by* Comm’n Notice (May 28, 2025). Section 337(g)(1)(E) is satisfied because Complainant seeks relief limited solely to the defaulting respondents regarding the claims of the ’646 patent and the D090 patent. 19 U.S.C. § 1337 (g)(1)(E); CSub at 3. Lastly, section 337(g)(1) is satisfied because the LEO is consistent with Complainant’s “request” and “the facts alleged in the complaint.” 19 U.S.C. § 1337 (g)(1); CSub at 3. Because the conditions in 19 U.S.C. § 1337(g)(1)(A)–(E) have been satisfied, the Commission has determined to issue an LEO against each of the defaulting respondents under section 337(g)(1).

c. Cease and Desist Orders

Section 337(g)(1) provides that in addition to, or in lieu of, the issuance of an exclusion order, the Commission may issue a CDO as a remedy for violation of section 337. 19 U.S.C. § 1337 (g)(1). Both of the defaulters, Konduone and the Vevor Respondents, are foreign entities. The Commission has generally declined to automatically presume the presence of domestic inventories and issue CDOs directed to foreign entities. *See, e.g., Certain Elec. Skin Care*

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Devices, Brushes and Chargers Therefor, and Kits Containing the Same, Inv. No. 337-TA-959, Comm’n Op. at 28-29 (Feb. 13, 2017). CDOs 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. *See, e.g., Certain Tobacco Heating Articles and Components Thereof*, Inv. No. 337-TA-1199, Comm’n Op. at 49 (Sept. 29, 2021), *aff’d*, *Philip Morris Products S.A.*, 63 F.4th at 1332; *Certain Audio Players and Controllers, Components Thereof, and Products Containing Same*, Inv. No. 337-TA-1191, Comm’n Op. at 26 (Jan. 6, 2022), *aff’d*, *Sonos, Inc. v. Int’l Trade Comm’n*, 2024 WL 1507605 (Fed. Cir. Apr. 8, 2024). Complainants bear the burden on this issue. “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.” *Tobacco Heating Articles*, Comm’n Op. at 49-50 (citations omitted); *Audio Players*, Comm’n Op. at 26-27 (citations omitted); *see also* H.R. REP. No. 100-40, at 160 (1987).

The RD found the un rebutted evidence shows that Konduone and the Vevor Respondents likely maintain commercially significant inventories of the accused products in the United States. RD at 75-76. In particular, the complaint states that both Konduone’s and the Vevor Respondents’ accused products are believed to be manufactured in China. Compl. ¶¶ 138, 144 (citing Ex. 1 (Tobin Decl.) at Exs. 1F, 1K, 1L). With respect to Konduone, the RD explained that “Cricut submitted evidence with its complaint that Cricut’s counsel ordered a Konduone Heat Press Machine from Amazon.com on August 1, 2024. The item shipped free the next day and was delivered to Dallas, Texas by August 5, 2025.” RD at 75 (citing Compl., Ex. 1K). Although the address from which the Konduone heat press product was shipped was not

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identified, OUII argued that “the ability to ship an item ordered on Amazon.com within three days generally means the purchased item is located in the United States and is being purchased as an ‘Amazon Prime’ product that is regularly available for shipping on an expedited basis.” OUII’s Omnibus Response, EDIS Doc ID 864688, at 78 (Sept. 19, 2025).

Regarding the Vevor Respondents, the RD explained that “Cricut submitted evidence that Cricut’s counsel ordered the Vevor Desktop Vinyl Cutter on July 24, 2024” directly from <http://www.vevor.com>. RD at 75 (citing Compl., Ex. 1F); Compl. ¶ 145. The item was shipped the same day by Federal Express from Austell, Georgia and delivered to Dallas, Texas by July 26, 2024. RD at 75. OUII argued that “[t]his three-day delivery time and the Austell, Georgia shipping address support concluding that there is an inventory of Vevor products in the United States.” OUII’s Omnibus Response at 79.

The RD noted that “[i]n cases [] involving foreign defaulting respondents, the Commission has issued cease and desist orders when faced with similar facts. RD at 75-76 (citing, *e.g.*, *Certain Earpiece Devices and Components Thereof*, Inv. No. 337-TA-1121, Comm’n Op. at 29 (Nov. 8, 2019) (“[T]he Commission has issued [cease-and-desist orders] against foreign defaulting respondents who utilize Amazon facilities in the United States to fulfill their orders.”)); *see* OSub at 15-16 (citing, *e.g.*, *Certain Powered Cover Plates*, Inv. No. 337-TA-1124, Comm’n Op at 26 (July 10, 2020); *Certain Mobile Device Holders and Components Thereof*, Inv. No. 337-TA-1028, Comm’n Op. at 24 (Mar. 22, 2018); *Skin Care Devices* at 31-33; *Certain Pillows & Seat Cushions, Components Thereof, & Packaging Thereof*, Inv. No. 337-TA-1328, Comm’n Op. at 10-13 (Nov. 13, 2023)). In view of the above, the Commission has determined to issue a CDO against each of the defaulting respondents

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Konduone and the Vevor Respondents.¹⁰

2. The Public Interest

Section 337 requires the Commission, upon finding a violation of section 337, to issue an LEO “unless, after considering the effect of such exclusion upon the public health and welfare, competitive conditions in the United States economy, the production of like or directly competitive articles in the United States, and United States consumers, it finds that such articles should not be excluded from entry.” 19 U.S.C. § 1337(d)(1). Similarly, the Commission must consider these public interest factors before issuing a GEO under section 337(d)(2) and an LEO and/or CDO under section 337(g)(1). 19 U.S.C. §§ 1337(d)(2), (g)(1).

The Chief ALJ was not directed by the Commission to take evidence or hear arguments from the parties regarding the public interest factors. Cricut and OUII submit that none of the statutory public interest factors weigh against the entry of relief in this investigation. Respondents did not file any submission addressing the public interest factors. The Commission did not receive any submissions from the public on the public interest factors. *See* 91 *Fed. Reg.* 3,542-543.

¹⁰ Commissioner Karpel concurs with the majority that CDOs directed to Konduone and the Vevor Respondents should issue but bases her decision on grounds that differ from the majority. Subject to consideration of the public interest factors, she finds that section 337(g)(1) compels the issuance of the requested CDOs when the criteria of 337(g)(1)(A-E) are satisfied and does not join the majority view that requested CDOs may only issue with respect to foreign respondents when complainant demonstrates that the defaulting respondents maintain significant domestic inventories. Because the criteria under subsections 337(g)(1)(A)-(E) are satisfied with regard to Konduone and the Vevor Respondents, as set forth above, *see* Order No. 14; Order No. 17 (May 7, 2025), *unreviewed by* Comm’n Notice (May 28, 2025), and the public interest factors as detailed in Section V.B. do not support a finding that the remedial orders in this investigation would be contrary to the public interest, Commissioner Karpel finds that section 337(g)(1) directs the Commission to issue the CDOs.

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i. Public Health and Welfare

The Commission finds that the remedial orders will have no impact on public health and welfare because there is no information in the record to indicate any impact and the products at issue in this investigation—crafting machines—are not the types of articles that are likely to raise public health and welfare concerns. *See* CSub at 20; OSub at 18. Respondents do not dispute this.

ii. Competitive Conditions in the United States

The Commission also finds that issuing remedial orders will not adversely impact competitive conditions in the United States. As Complainant and OUII explained, the record demonstrates the continued availability of other crafting machines, including at least (1) those produced by Cricut; and (2) the HTVRONT Respondents' redesigned products that are not subject to Consent Orders. *See* CSub at 20; OSub at 18; RD at 51 (exemplary non-infringing HTVRONT redesigned product). Respondents do not dispute this.

iii. The Production of Like or Directly Competitive Articles in the United States

Based on the record presented, the Commission finds that the requested relief would not adversely affect the production of like or directly competitive articles in the United States. Complainant and OUII argue that substitute products are available in the U.S. market and there is no evidence of domestic manufacturing of any accused products by the defaulting respondents. *See* CSub at 20; OSub at 18. Respondents do not dispute this.

iv. United States Consumers

The Commission finds that U.S. consumers would not be adversely impacted by the remedial orders because, as noted above, there are competing products available, including products sold by Cricut. *See* CSub at 21; OSub at 19. Respondents do not dispute this.

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In view of the above, the Commission finds that none of the statutory public interest factors weigh against the entry of relief in this investigation.

3. Bonding

If the Commission enters an exclusion order or a cease and desist order, a respondent may continue to import and sell its products during the 60-day period of Presidential review under a bond in an amount determined by the Commission to be “sufficient to protect the complainant from any injury.” 19 U.S.C. § 1337(j)(3); *see also* 19 C.F.R. § 210.50(a)(3). When reliable price information is available in the record, the Commission has often set the bond in an amount that would eliminate the price differential between the domestic product and the imported, infringing product. *See Tobacco Heating Articles*, Comm’n Op. at 77 (citations omitted). The Commission also has used a reasonable royalty rate to set the bond amount where a reasonable royalty rate could be ascertained from the evidence in the record. *See, e.g., id.* Where the record establishes that the calculation of a price differential is impractical or there is insufficient evidence in the record to determine a reasonable royalty, the Commission has imposed a bond of one hundred percent (100%). *See, e.g., id.*

The RD recommended a bond of one hundred percent (100%) of the value of the entered products during the Presidential review period as suggested by Cricut and OUII. RD at 81. The RD found a bond of one hundred percent (100%) is appropriate as to the defaulting respondents given the unavailability of pricing or royalty information. *Id.* (citing *Certain Pick-Up Truck Folding Bed Cover Sys. and Components Thereof (III)*, Inv. No. 337-TA-1353, Comm’n Op. at 21 (Oct. 3, 2024); *Certain Batteries and Prods. Containing Same*, Inv. No. 337-TA-1244, Comm’n Op. at 25-26 (Sept. 8, 2022) (setting the bond at 100% of the entered value of the infringing imported product for defaulting respondents)).

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The Commission agrees with the RD's recommendation to set the bond at one hundred percent (100%) during the period of Presidential review. As Cricut and OUII point out, there is no established royalty rate for the asserted patents because they are not licensed. RD at 81; OSub at 17; CSub at 17-18. The parties also note that there is no reliable evidence as to the average price differential between the accused and domestic industry products because the defaulting respondents did not participate in the investigation and, therefore, failed to participate in discovery. *Id.*

V. CONCLUSION

For the reasons set forth herein, the Commission has determined that Complainant has established a violation of section 337 with respect to the D563 patent and that the appropriate remedy is a GEO. The Commission also has determined to issue LEOs and CDOs as to each defaulting respondent under section 337(g)(1). The Commission has further determined that the public interest does not preclude these remedies, and the bond during the period of Presidential review is set at one hundred percent (100%) of the entered value.

By order of the Commission.

A handwritten signature in black ink, appearing to read 'Lisa R. Barton', enclosed within a thin black rectangular border.

Lisa R. Barton
Secretary to the Commission

Issued: July 16, 2026