

**PUBLIC VERSION**

**UNITED STATES INTERNATIONAL TRADE COMMISSION**

**Washington, D.C.**

**In the Matter of**

**CERTAIN MIRRORS WITH INTERNAL  
ILLUMINATION AND COMPONENTS  
THEREOF**

**Inv. No. 337-TA-1055**

**ORDER NO. 8: INITIAL DETERMINATION GRANTING JOINT MOTION BY  
COMPLAINANT ELECTRIC MIRROR, LLC AND RESPONDENT  
LUMIDESIGN INC. FOR TERMINATION OF THE  
INVESTIGATION AS TO RESPONDENT LUMIDESIGN INC.  
BASED ON A SETTLEMENT AGREEMENT**

(July 6, 2017)

On June 21, 2017, Complainant Electric Mirror, LLC (“Electric Mirror”) and Respondent Lumidesign Inc. (“Lumidesign”) filed a joint motion (1055-004) to terminate the Investigation as to Lumidesign based on a settlement agreement. They request that the procedural schedule and all deadlines that pertain or otherwise relate to Lumidesign be suspended, pending final resolution of this motion. In addition, Electric Mirror and Lumidesign request that the undersigned and the Commission limit disclosure of the confidential version of the settlement agreement to the settling parties.<sup>1</sup>

The Commission’s Rules provide that “[a]ny party may move at any time for an order to terminate an investigation in whole or in part as to any or all respondents on the basis of settlement, a licensing or other agreement . . . .” 19 C.F.R. § 210.21(a)(2); *see also Certain Organizer Racks and Prods. Containing Same*, Inv. No. 337-TA-466, Order No. 7 at 2 (Feb. 19, 2001). In the instant proceeding, the motion to terminate is based upon a Settlement Agreement, which appears to resolve the dispute between Electric Mirror and Lumidesign. A copy of said

---

<sup>1</sup> No objections were received regarding this request.

agreement is attached hereto as Exhibit A. Consistent with 19 C.F.R. § 210.21(b)(1), Electric Mirror and Lumidesign confirm that “there are no other agreements, written or oral, express or implied between the parties concerning the subject matter of the Investigation.” (Mot. at 2; *see also* Mem. at 2.)

In any initial determination terminating an investigation by settlement agreement or consent order, the administrative law judge is directed to consider and make appropriate findings regarding the effect of the proposed settlement on the public health and welfare, competitive conditions in the United States economy, production of like or directly competitive articles in the United States, and United States consumers. 19 C.F.R. § 210.50(b)(2). Electric Mirror and Lumidesign assert that it is in the interest of the public and administrative economy to grant this motion because “Commission policy and the public interest generally favor settlements.” (Mem. at 3.) The undersigned agrees that termination of this Investigation does not impose any undue burdens on the public health and welfare, competitive conditions in the United States economy, production of like or directly competitive articles in the United States, or United States consumers.

Accordingly, it is the undersigned’s Initial Determination that the joint motion (1055-004) to terminate this Investigation with respect to Lumidesign based on a settlement agreement be granted. The undersigned further finds that Electric Mirror’s and Lumidesign’s request for a stay should be granted and the Investigation as to Lumidesign is hereby stayed pending final resolution of the motion. This Initial Determination, along with supporting documentation, is hereby certified to the Commission.

Pursuant to 19 C.F.R. § 210.42(h), this Initial Determination 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, pursuant to 19 C.F.R. § 210.44, orders, on its own motion, a review of the Initial Determination or certain issues herein.

**SO ORDERED.**

A handwritten signature in black ink, appearing to read "Charles E. Bullock", written over a horizontal line.

Charles E. Bullock  
Chief Administrative Law Judge

**EXHIBIT A**

**PUBLIC VERSION  
OF  
SETTLEMENT AGREEMENT**

## SETTLEMENT & LICENSE AGREEMENT

This Settlement Agreement (“Agreement”) is effective as of June 20, 2017 (“Effective Date”), between Electric Mirror, LLC (“Electric Mirror”), a Washington entity, having a principal place of business at 6101 Associated Boulevard, Everett, WA 98203; and Lumidesign Inc. (“Lumidesign”), a Canadian entity, having a principal place of business at 55 West Beaver Creek Road, Unit 34, Richmond Hill, Ontario L4B 1K5, Canada (Electric Mirror and Lumidesign are collectively referred to herein as the “Parties” and each individually referred to herein as a “Party”).

### *Witnesseth:*

WHEREAS, the Parties are presently involved in litigation in the Southern District of New York in the case styled as Civil Action No. 1:17-cv-01740, *Electric Mirror, LLC v. Lumidesign Inc.*, and at the U.S. International Trade Commission styled as Investigation No. 337-TA-1055, *In the Matter of Certain Mirrors With Internal Illumination and Components Thereof*, (collectively the “Litigations”) and wish to avoid further litigation;

WHEREAS, the Parties desire to enter into this settlement to formally set forth their agreement to settle the Litigations; and

WHEREAS, Electric Mirror is willing to grant Lumidesign a license relating to the patent at issue in the Litigations, and Lumidesign is willing to accept such a license upon the terms and conditions stated in this Agreement;

NOW THEREFORE, Electric Mirror and Lumidesign, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, intending to be legally bound, hereby agree as follows.

### ARTICLE 1: DEFINITIONS

- 1.1 “Affiliate” shall mean, with respect to a Party: any firm or corporation or other legal entity which controls, is controlled by, or is under common control with such Party, where “control” means direct or indirect ownership of more than fifty percent (50%) of all issued shares or equity of the subject entity with power to vote or the power in fact to control the management decisions of such entity at any time during the term of this Agreement; and their respective successors, assigns, parents, subsidiaries, divisions, and affiliated corporations, whether past, present, or future, as well as their officers, directors, principals, agents, members, managers, executors, and administrators.
- 1.2 “Commercial Sale” shall mean the sale or transfer for value to an unaffiliated third party within the United States of the Licensed Product(s), [REDACTED]
- 1.3 “Licensed Product” shall mean any product that is covered by one or more claims of the Licensed Patent and is, or has been, made by or for Lumidesign during the Term set forth in Article 5.

- 1.4 “Licensed Patent” shall mean U.S. Patent No. 7,853,414 that is asserted against Lumidesign in the Litigations, and that Electric Mirror represents that it owns and is not expired.
- 1.5 “Person” means a natural person, trust, estate, general or limited liability partnership, limited liability company or any incorporated or unincorporated organization, association, or other entity.

**ARTICLE 2: PATENT LICENSE, COVENANT NOT TO SUE AND RELEASE**

2.1 Subject to [REDACTED], Electric Mirror hereby grants to Lumidesign a [REDACTED] license under the Licensed Patent with respect to the Licensed Product that Lumidesign makes, has made, uses, sells and/or imports into the United States for the Term of the license as set forth in Article 5.

2.2 Subject to [REDACTED], Electric Mirror hereby grants to customers of Lumidesign’s a [REDACTED] license under the Licensed Patent to use and sell the Licensed Product that were transferred by Commercial Sale from Lumidesign. [REDACTED]

2.3 Lumidesign acknowledges that it shall have no right, title, or interest in or to any intellectual property rights of Electric Mirror, except to the extent set forth in the licenses granted to Lumidesign and its customers in Sections 2.1 and 2.2.

2.4 Subject to [REDACTED], Electric Mirror, on behalf of itself and its Affiliates, [REDACTED] arising out of or relating in any way to [REDACTED] occurring before the Effective Date (except for representations or obligations expressly included in this Agreement).

2.5 Subject to [REDACTED] Lumidesign [REDACTED]

arising out of or relating in any way to

occurring before the Effective Date (except for representations or obligations expressly included in this Agreement).

- 2.6 Subject to Electric Mirror covenants not to sue Lumidesign or any of its Affiliates, or their respective officers, directors, principals, shareholders, members, employees, agents, servants, consultants, experts, representatives and attorneys for actual or alleged direct or indirect infringement of the Licensed Patent solely with respect to the Licensed Product. Notwithstanding anything to the contrary,

the covenant granted in this section is expressly limited to Licensed Product. Electric Mirror further covenants not to sue Lumidesign's or any of its Affiliates' customers, end-users, manufacturers, partners, distributors, and contractors, for actual or alleged direct or indirect infringement of the Licensed Patent, solely with respect to the Licensed Product. For clarity, the covenant not to sue described in this Section is subject to

### ARTICLE 3: TERMS

- 3.1 Lumidesign, as herein provided, shall for all Licensed Products sold by Lumidesign to unaffiliated third parties in the United States on or after the Effective Date of this Agreement. The

, not reduced by that may have been applied.

- 3.2 In addition, and in consideration of the licenses, releases, and covenants granted by Electric Mirror, and the dismissal of the Litigations, Lumidesign shall

- 3.3 in the following manner. The agreed-upon

after the end of each calendar quarter in which sales of Licensed Product occurred.

3.4 The Parties agree that this is a litigation settlement and no representation is made that the foregoing [REDACTED] alleged in the Litigations.

3.5

[REDACTED]

3.6 Simultaneous [REDACTED] Lumidesign shall deliver to Electric Mirror a written statement certified by Lumidesign [REDACTED]

[REDACTED] Electric Mirror agrees that this information is highly proprietary and confidential to Lumidesign, and agrees not to use or disclose the information to any party outside Electric Mirror except during the course of a judicial proceeding or arbitration between Electric Mirror and Lumidesign related to this Agreement.

3.7 Electric Mirror shall have the right, at its own expense, upon reasonable notice during normal business hours, but not more than once in any calendar year [REDACTED]

[REDACTED] If this reveals [REDACTED] after Electric Mirror provides Lumidesign with notice [REDACTED]

3.8 If the Parties disagree [REDACTED] Electric Mirror may not terminate this Agreement on the basis of such disagreement, and Electric Mirror's [REDACTED]

#### ARTICLE 4: REPRESENTATIONS AND WARRANTIES

4.1 Electric Mirror's Representations and Warranties. Electric Mirror represents and warrants that as of the Effective Date:



- (a) *Ownership of the Licensed Patent.* Electric Mirror is the owner of all right, title and interest in and to the Licensed Patent under this Agreement and has the right to grant a license covenant under the Licensed Patent to Lumidesign.
- (b) *No Conflict.* To the best of Electric Mirror's knowledge, the execution, delivery and performance of this Agreement by Electric Mirror does not conflict with any agreement, instrument or understanding, oral or written, to which it is a signatory or by which it may be bound, and does not violate any law or regulation of any court, governmental body or administrative or other agency having authority over it.
- (c) *Authority.* Electric Mirror is validly existing and in good standing or active under the laws of its jurisdictions of organization and has the power and authority to enter into this Agreement.

4.2 **Lumidesign's Representations and Warranties.** Lumidesign represents and warrants to Electric Mirror that:


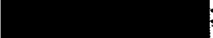
- (a) *No Conflict.* To the best of Lumidesign's knowledge, the execution, delivery and performance of this Agreement by Lumidesign does not conflict with any agreement, instrument or understanding, oral or written, to which it is a signatory or by which it may be bound, and does not violate any law or regulation of any court, governmental body or administrative or other agency having authority over it.
- (b) *Authority.* Lumidesign is validly existing and in good standing or active under the laws of its jurisdictions of organization and has the power and authority to enter into this Agreement.

(c)







4.3 Nothing in this Agreement shall be construed as:

- (a) a warranty or representation by Electric Mirror  ; or
- (b) a warranty or representation that anything made, used, sold, or otherwise disposed of under any license granted in this Agreement is or will be free from alleged infringement of patents of Electric Mirror, other than the Licensed Patent, or of patents of third parties; or
- (c) an obligation by any Party to bring or prosecute actions or suits against third parties for infringement; or
- (d) an obligation by any Party to furnish any manufacturing or technical information.

**ARTICLE 5: TERM AND TERMINATION**

- 5.1 This Agreement shall become effective on the Effective Date and shall remain in effect so long as at least one claim of the Licensed Patent remains unexpired, valid, and enforceable.
- 5.2 The terms and conditions of this Agreement, including those set forth in Article 5, are binding upon and inure to the benefit of the Parties and their respective Affiliates.

**ARTICLE 6: DISPUTES**

- 6.1  the U.S. District Court for the Western Division of Washington (Seattle) shall be the exclusive venue for any dispute relating to this Agreement. 
- 6.2 If any part of this Agreement is found by a judicial or administrative body of competent jurisdiction to be invalid, void, or unenforceable, all remaining parts of this Agreement shall continue in full force and effect without being invalidated in any way. Termination, expiration, cancellation or abandonment of this Agreement through any means or for any

reason shall not relieve the Parties of any obligation accruing prior thereto and shall be without prejudice to the rights and remedies of either party with respect to any antecedent breach of any of the provisions of this Agreement.

6.3 Disputes between the Parties regarding the scope of the Licensed Products shall be resolved as follows:

(a) [REDACTED]

(b) [REDACTED]

(c) [REDACTED]

(d) [REDACTED]

(e) [REDACTED]

**ARTICLE 7: CONFIDENTIALITY, PRESS RELEASES  
AND PERMITTED DISCLOSURES**

7.1 The Parties agree that Confidential Information, the terms and conditions of this Agreement, and the negotiations that led to these agreements, including [REDACTED] will be treated as confidential business information maintained in confidence and will not be disclosed to any other Person or entity except to enforce the terms therein, or as may be required by law or the rules of a governmental agency; provided, however, that any such disclosure is done pursuant either to a protective order, entered by a court of competent jurisdiction, or an agreement that restricts dissemination to "outside counsel's eyes only" or a similar level of confidentiality. The Parties agree that this Section permits disclosure to each Party's accountants, financial advisors, auditors, sources of capital, and lawyers, and to fulfill reporting requirements of any local, state, or federal authority, including without

limitation any customs authority, as well as in the course of a judicial proceeding between the Parties.

7.2 Lumidesign and Electric Mirror may each issue a press release in the thirty (30) days following execution of this Agreement by both Parties, that includes statements that Lumidesign settled these actions by a license of undisclosed terms. Aside from such press releases, the Parties will keep confidential the terms of this Agreement and any related agreements.

7.3 This Agreement constitutes a settlement of disputed claims [REDACTED] by mutual agreement; provided, however, that this Agreement may be used in any proceeding to enforce its terms.

7.4 If asked about the Litigations or the Parties' dispute, the Parties are permitted only to state that the dispute has been amicably resolved, the Parties reached a mutually acceptable settlement by a license of undisclosed terms, and the Litigations are being or have been terminated. The Parties agree that neither Party or its counsel will make any representations [REDACTED]

#### **ARTICLE 8: DISMISSAL OF SUITS**

8.1 The Parties agree to promptly complete and file appropriate papers to dismiss and terminate the Litigations between them.

8.2 The Parties will cooperate and use their best efforts to promptly effectuate the final dismissal and termination of the Litigations.

#### **ARTICLE 9: MISCELLANEOUS PROVISIONS**

9.1 **Assignment and Change of Control by Lumidesign.** Lumidesign may not assign this Agreement or the license granted under it, by operation of law or otherwise, except as provided herein. [REDACTED]

Any assignment made in violation of this requirement shall be void.

9.2 **Assignment and Change of Control by Electric Mirror.** Electric Mirror may assign or license the Licensed Patent, so long as such assignee or licensee agrees to be bound by the obligations of Electric Mirror hereunder as if such assignee or licensee were a party hereto and any assignment or exclusive license made in violation of this provision shall be void.

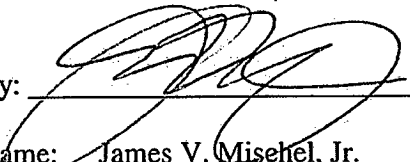
- 9.3 **Notice of Assignments.** To the extent either Party makes an assignment, whether complete or partial, of its rights under this Agreement where permitted by the express terms of the Agreement, that Party shall provide written notice to the non-assigning Party.
- 9.4 **Force Majeure.** The failure or delay of either Party to perform any obligation under this Agreement by reason of earthquake, flood, fire, or other act of God, riots, wars, terrorism, strikes, lockouts, accidents in transportation, or other causes beyond its control (“force majeure”) shall not be deemed to be a breach of this Agreement; provided, however, that the Party so prevented from complying herewith shall not have procured such force majeure, shall have used reasonable diligence to avoid such force majeure or ameliorate its effects, and shall continue to take all actions within its power to comply as fully as possible with the terms of this Agreement.
- 9.5 **Notices.** Any notices or communications that may be required by or under this Agreement shall be in writing and delivered to the Parties by sending via overnight courier (*e.g.*, USPS Express Mail, FedEx or UPS) to the addresses below, and shall be deemed received upon confirmation of delivery:
- |  |  |
|--|--|
| <p><u>To Electric Mirror:</u></p> <p>James V. Mischel, Jr.<br/> Electric Mirror, LLC<br/> 6101 Associated Boulevard<br/> Everett, WA 98203</p> | <p><u>To Lumidesign:</u></p> <p>Maurice Wong<br/> Lumidesign Inc.<br/> 55 West Beaver Creek Road<br/> Unit 34<br/> Richmond Hill, Ontario L4B 1K5,</p> |
|--|--|
- 9.6 **Further Assurances.** Each Party shall take all such steps, execute all such documents, and do all such acts and things as may be reasonably required by the other Party to give effect to the transactions contemplated by this Agreement.
- 9.7 **Agency and Representation.** The legal relationship between the Parties shall not be construed such that any Party is deemed a partner or agent of any other Party, nor shall it confer upon any Party the right or power to bind the other Parties in any contract or to the performance of any obligations as to any third Person.
- 9.8 **Non-Waiver.** Neither the failure of any Party to enforce at any time any of the provisions of this Agreement nor the granting of any time or other indulgence shall be construed as a waiver of that provision or of the right of that Party thereafter to enforce that or any other provision.
- 9.9 **Severability.** In the event that any provision of this Agreement would be held to be invalid, prohibited or unenforceable for any reason, such provision shall be ineffective, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction. Notwithstanding the foregoing, if such provision could be more narrowly drawn so as not to be invalid, prohibited or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be so

narrowly drawn, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

- 9.10 **Costs.** Each Party shall bear its own costs arising out of the negotiation and preparation of this Agreement.
- 9.11 **Entire Agreement and Amendment.** This Agreement sets forth the entire agreement between the Parties with respect to the subject matter thereof and supersedes all prior written or oral agreements. This Agreement may not be amended except by a further written agreement duly executed by authorized representatives of the Parties.
- 9.12 **Counterparts.** This Agreement may be executed in any number of counterparts each one of which shall be taken together to constitute one and the same instrument. This Agreement may be signed by facsimile or in electronic form and shall be deemed effective upon receipt of a facsimile or electronic signature.
- 9.13 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Washington without reference to its choice of law and conflict of laws provisions. The Parties agree that all actions and proceedings arising out of or related to this Agreement or the Settlement Agreement shall be brought only in accordance with the provisions of Article 6.
- 9.14 **Interpretation.** The Parties acknowledge and agree that: (a) each Party and its representatives has reviewed and negotiated the terms and provisions of this Agreement and have contributed to its revision; (b) the rule of construction to the effect that any ambiguities are resolved against the drafting Party shall not be employed in the interpretation of this Agreement; and (c) the terms and provisions of this Agreement shall be construed fairly as to each Party and not in favor of or against either Party regardless of which Party was generally responsible for the preparation of this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed by their duly authorized representatives as of the date first above written.

**ELECTRIC MIRROR, LLC**

By:   
Name: James V. Mischel, Jr.  
Title: CEO  
Date: 6-20-17.

**LUMIDESIGN INC.**

By: \_\_\_\_\_  
Name: Maurice Wong  
Title: Chief Designer  
Date: \_\_\_\_\_

narrowly drawn, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

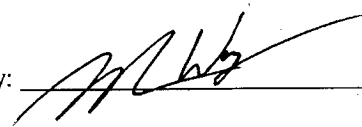
- 9.10 **Costs.** Each Party shall bear its own costs arising out of the negotiation and preparation of this Agreement.
- 9.11 **Entire Agreement and Amendment.** This Agreement sets forth the entire agreement between the Parties with respect to the subject matter thereof and supersedes all prior written or oral agreements. This Agreement may not be amended except by a further written agreement duly executed by authorized representatives of the Parties.
- 9.12 **Counterparts.** This Agreement may be executed in any number of counterparts each one of which shall be taken together to constitute one and the same instrument. This Agreement may be signed by facsimile or in electronic form and shall be deemed effective upon receipt of a facsimile or electronic signature.
- 9.13 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Washington without reference to its choice of law and conflict of laws provisions. The Parties agree that all actions and proceedings arising out of or related to this Agreement or the Settlement Agreement shall be brought only in accordance with the provisions of Article 6.
- 9.14 **Interpretation.** The Parties acknowledge and agree that: (a) each Party and its representatives has reviewed and negotiated the terms and provisions of this Agreement and have contributed to its revision; (b) the rule of construction to the effect that any ambiguities are resolved against the drafting Party shall not be employed in the interpretation of this Agreement; and (c) the terms and provisions of this Agreement shall be construed fairly as to each Party and not in favor of or against either Party regardless of which Party was generally responsible for the preparation of this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed by their duly authorized representatives as of the date first above written.

**ELECTRIC MIRROR, LLC**

**LUMIDESIGN INC.**

By: \_\_\_\_\_

By:  \_\_\_\_\_

Name: James V. Mischel, Jr.

Name: Maurice Wong

Title: CEO

Title: Chief Designer

Date: \_\_\_\_\_

Date: 20/06/2017

**PUBLIC CERTIFICATE OF SERVICE**

I, Lisa R. Barton, hereby certify that the attached **PUBLIC VERSION ORDER NO. 8** has been served upon the following parties as indicated, on **7/6/2017**.



Lisa R. Barton, Secretary  
U.S. International Trade Commission  
500 E Street, SW, Room 112  
Washington, DC 20436

**On Behalf of Complainants Electric Mirror, LLC and Kelvin  
42 LLC:**

Stephen J. Rosenman  
**CAPITAL IP LAW GROUP PLLC**  
5335 Wisconsin Avenue NW, Suite 440  
Washington, DC 20015

- Via Hand Delivery
- Via Express Delivery
- Via First Class Mail
- Other: \_\_\_\_\_

**On Behalf of Majestic Mirrors & Frame, LLC:**

Benjamin Levi  
**MCKOOL SMITH P.C.**  
1999 K Street, NW, Suite 600  
Washington, DC 20006

- Via Hand Delivery
- Via Express Delivery
- Via First Class Mail
- Other: \_\_\_\_\_

**On Behalf of Lumidesign Inc.:**

Drew M. Wintringham  
**DLA PIPER LLP (US)**  
1251 Avenue of the Americas, 27<sup>th</sup> Floor  
New York, NY 10020-1104

- Via Hand Delivery
- Via Express Delivery
- Via First Class Mail
- Other: \_\_\_\_\_



**CERTAIN MIRRORS WITH INTERNAL ILLUMINATION  
AND COMPONENTS THEREOF**

**Inv. No. 337-TA-1055**

Certificate of Service – Page 2

**RESPONDENT:**

Project Light, LLC  
(d/b/a Project Light Inc., Prospetto Light, LLC and/or Prospetto  
Lighting, LLC)  
4976 Hudson Drive  
Stow, OH 44224

- Via Hand Delivery
- Via Express Delivery
- Via First Class Mail
- Other: \_\_\_\_\_