Congress of the United States Mashington, DC 20510

September 28, 2022

The Honorable Alexander Hoehn-Saric Chair U.S. Consumer Product Safety Commission 4330 East West Highway Bethesda, MD 20814

Dear Chair Hoehn-Saric,

We write to urge you to use your authority to initiate an investigation into Chinese multinational furniture manufacturing corporation Man Wah Holdings LTD., Inc. ("Man Wah") and its American subsidiary Man Wah USA's possible violations of the *U.S. Consumer Product Safety Commission (CPSC) Act*, which requires companies to disclose to your agency potentially defective and dangerous products. We believe this action is warranted given a recent verdict in the United States District Court for the Eastern District of Wisconsin, where a jury found Man Wah guilty of illegally selling knockoffs of a patented multi-functional lighted cup holder produced by Wisconsin company, Raffel Systems, LLC ("Raffel").

Raffel, founded in 1982, is a global producer of electronic systems and components for furniture based in Germantown, Wisconsin. Though the company has global operations, it is still a small business in the United States, with about 30 employees in Wisconsin. Raffel has a portfolio of intellectual property and holds patents related to its proprietary cup holder.

Evidence was presented at trial that the then-chief executive of Man Wah USA was aware that, due to his company's efforts to infringe upon Raffel's intellectual property, Raffel was receiving consumer safety complaints linked to the defective knockoff cup holders. These complaints included electrical faults that could have exposed consumers to potential safety risks. Additionally, the jury reviewed materials that proved Man Wah knowingly distributed a misleading letter to its customers that failed to mention customer complaints about its knockoff cup holders, the possible safety risks associated with those cup holders, or any proactive actions the company planned to undertake to protect its customers from the potential dangers of its defective product.

Man Wah's attempts to skirt CPSC regulations could have unnecessarily placed Americans at risk. As such, Man Wah's effort to suppress the faulty nature of its knockoff product warrants your agency's full attention. In addition, it is evident that this case underscores the potential consequences of not taking steps to prevent abusive trade practices that are routinely deployed against American companies by various bad-faith actors, specifically those from China. Notably, Man Wah's operations as a publicly traded company are based in Hong Kong.

No American should ever have their safety jeopardized by a corporation placing financial profit over the well-being of its customers, and we believe that the CPSC initiating an investigation into Man Wah's failure to disclose these potential safety risks could prevent Man Wah and other multinational corporations from deploying these deceptive trade practices in the future.

Sincerely,

Tammy Baldwin United States Senator

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Glenn Grothman Member of Congress

Ican Fiter mel Scott Fitzgerald

Scott Fitzgerald Member of Congress