King & Spalding

Trade & Manufacturing Alert

July 2013 | Print Issue

In This Issue

Proposed Sale Of Smithfield To Chinese Company Has Some Critics Squealing, While Others Say It Will Bring Home The Bacon

Smithfield Foods, Inc. announced that it had entered into a definitive merger agreement with Chinese holding company Shuanghui International Holdings Limited on May 29, 2013. Based in Virginia, Smithfield is the world's largest pork processor and hog producer. The company also sells packaged meats in the United States under a number of brand names. Shuanghui International is the majority shareholder of Henan Shuanghui Investment & Development, the largest meat processing enterprise in China. Shuanghui International will acquire all outstanding shares of Smithfield Foods and also will acquire Smithfield's debts. If the $4.7 billion deal goes through, it will be the largest acquisition of a U.S. consumer brand by a Chinese firm. **More »**

Currency Exchange Rate Oversight Reform Act of 2013 Introduced In The Senate

With mounting evidence that undervalued foreign currencies drive the U.S. trade deficit, a bipartisan group of U.S. senators has introduced the *Currency Exchange Rate Oversight Reform Act of 2013*. Reviving a 2011 bill that was approved by the Senate but never brought to a vote in the House of Representatives, the Act equates undervalued currency exchange rates with subsidies and mandates countervailing measures against responsible states. Senator Casey (D-PA) hailed it as an effort "to level the playing field" for U.S. manufacturers. **More »**

ITC Sides With Samsung To Ban Certain Apple Products

The U.S. International Trade Commission ("ITC") issued an exclusion order on June 4, 2013 banning importation of Apple Inc.'s older products, including iPhone 3 and 4 and iPad 2 products. The basis for the ITC's exclusion order is Apple's infringement of a Samsung patent that is essential to the 3G cellular telecommunications standard. The patent feud between the two Global 500 companies has been ongoing since well before 2011. After losing several small battles against Apple and then a jury verdict of $600 million in 2012, Samsung's win could allow the company to regain ground. The intellectual property battle at the ITC, in particular, raises pressing questions about the role of intellectual property in high-tech trade. The ITC's exclusion order is the first decision ordering an injunction on a standard essential patent ("SEP"). Samsung, as the owner of an SEP, committed to license such essential patent on terms that are fair, reasonable, and nondiscriminatory. **More »**

News Of Note

- **Indictments Issued For Duty Evaders –** A Federal grand jury in San Juan, Puerto Rico returned a three-count indictment against five individuals and three companies for evading the payment of antidumping and countervailing duties. Specifically, the indictment charges the individuals and the companies with conspiracy to smuggle goods into the United States and conspiracy to commit money laundering. **More »**

- **Columbia FTA Provides Benefits To U.S. Manufacturers –** Acting USTR Demetrios Marantis celebrated the preliminary success of the U.S.-Colombia Free Trade Agreement on May 15, 2013, the first anniversary of its entry into force. According to USTR, exports of U.S. goods to Columbia have increased by 20 percent ($2.6 billion) compared to the year prior to implementation. **More »**

- **White House Announces High-Tech Patent Reform Initiatives –** The White House released a fact sheet prepared by its Task Force on High-Tech Patent Issues aimed at protecting U.S. consumers and businesses from what it describes as "frivolous litigation" by Patent Assertion Entities ("PAEs") on June 4, 2013. The five executive actions and seven legislative recommendations outlined on the fact sheet require more transparency with respect to patent ownership and demand letters, tightening of standards at the Patent and Trademark Office, and providing legal protections for downstream consumers and businesses. **More »**

- **Manufacturers Speak Up At Hearing On TTIP Agreement –** The Obama Administration held a two-day public hearing on the proposed Transatlantic Trade and Investment Partnership Agreement ("TTIP") between the U.S. and the EU on May 29 and 30, 2013. Over sixty witnesses addressed a number of different trade topics, including agriculture, health, and technology. **More »**

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