

Congress of the United States
Washington, DC 20510

September 28, 2022

The Honorable Lina M. Khan, Chair
Federal Trade Commission (FTC)
600 Pennsylvania Ave, NW
Washington, DC 20580

Dear Chair Khan,

We write to urge you to use your authority to initiate an investigation into the harmful trade practices of Chinese multinational furniture manufacturing company Man Wah Holdings LTD., Inc. (“Man Wah”) and its American subsidiary Man Wah USA. Specifically, we ask that this investigation determine whether Man Wah’s years-long campaign to infringe upon Wisconsin company Raffel Systems, LLC’s (“Raffel”) intellectual property violated Section 5 of the *Federal Trade Commission Act*.

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 lighted cup holder for motion furniture.


We believe an investigation is warranted given a recent verdict in the United States District Court for the Eastern District of Wisconsin, where a jury found Man Wah to be guilty of illegally producing and selling knockoffs of Raffel’s proprietary cup holder. During the trial, the jury was presented evidence that the then-chief executive of Man Wah USA believed his company’s actions against Raffel constituted as “fraud.” These actions included but were not limited to attempting to pay-off a former Raffel employee to stake a claim to certain Raffel patents, producing cup holders that fraudulently included Raffel’s patent numbers and manufacturing information, and selling dangerously defective knockoffs to unsuspecting suppliers and customers. As a result of these actions and the reputational damage Raffel suffered because of Man Wah’s efforts to remove the company from the competitive marketplace, the jury elected to charge Man Wah with more than \$100 million in damages.


This example of a multinational corporation deploying a calculated and duplicitous assault against a Wisconsin small business highlights the significant challenges that American businesses face from intellectual property theft by bad-faith actors, specifically from China. Notably, Man Wah’s operations as a publicly traded company are based in Hong Kong.

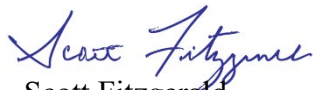
We believe Man Wah’s years-long effort to produce and sell knockoffs of Raffel’s invention warrants the FTC’s full attention. No American worker should ever have their hard-earned paychecks jeopardized by these kinds of abusive trade practices, and your agency initiating an

investigation could prevent Man Wah from continuing its practice of stealing intellectual property from other small businesses across Wisconsin and the country.

Sincerely,


Tammy Baldwin
United States Senator


Glenn Grothman
Member of Congress


Scott Fitzgerald
Member of Congress