



## NEWS RELEASE

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## Faegre Drinker Customs and International Trade Team Secures Favorable Court Decision for Home Depot in Doorknobs Litigation

**CHICAGO — April 14, 2020** — A team of [Faegre Drinker](#) lawyers and trade specialists, led by partner [Randy Rucker](#), won a case for Home Depot concerning the proper tariff classification of the company's keyed entry doorknobs in *The Home Depot U.S.A., Inc. v. United States*, Slip Op. 20-40 (Ct. Int'l Trade March 26, 2020).

Partner [Kathleen M. Murphy](#), counsel [Mollie D. Sitkowski](#), and trade specialist [Deirdre R. Coleman](#) assisted on the matter. Rucker argued the case at the U.S. Court of Appeals for the Federal Circuit (CAFC) and on remand at the Court of International Trade (CIT).

After remand from the CAFC, the CIT agreed that Home Depot's entry doorknobs are properly classified with other doorknobs in the tariff provision for "base metal mountings, fittings and similar articles" rather than the tariff provision for "key-operated locks." This reclassification reduces the duty rate for the entry doorknobs from 5.7% to 3.9%.

U.S. Customs and Border Protection (CBP) historically classified doorknobs under two different tariff headings based on whether the doorknob included a keyed lock mechanism. This resulted in entry doorknobs (those with a keyed lock mechanism) being classified at a higher duty rate than privacy- or passage-type doorknobs (which have a non-keyed lock mechanism or no lock at all).

Home Depot believed that the CBP's classification treatment was incorrect, as doorknobs of a particular style are made with different functions to suit different customer needs but still have the character and function of a doorknob. Home Depot's doorknobs look nearly identical (e.g., finish and knob style) and have the same primary function, whether they are entry, privacy, or passage type. Therefore, the company felt all doorknobs should be classified in the same tariff provision regardless of the type of locking mechanism.

To overturn the CBP's long-established administrative precedent, Home Depot engaged Faegre Drinker to litigate the issue. This litigation has a long history, as the CIT initially granted summary

judgment in favor of the government, holding that the entry doorknobs were properly classified as key-operated locks. On appeal, the CAFC reversed the lower court, finding Home Depot's entry doorknobs were part key-operated lock and part doorknob. The CAFC remanded to the CIT to decide a single issue – what is the “essential character” of the entry doorknobs, the key-operated lock component or the doorknob component?

On remand, the CIT carefully considered both qualitative and quantitative factors to assess the essential character of the entry doorknobs, including a review of relevant commercial standards and marketing materials; a comparison of the weight, value, and surface area of the doorknob and lock components; and an assessment of the primary function of the entry doorknobs. In its analysis, the CIT found that the commercial standards and marketing materials did not weigh in favor of classifying the entry doorknobs as either locks or doorknobs and that the quantitative factors provided only limited support that the doorknob components provided the essential character.

Ultimately, the CIT determined that the primary function of a doorknob, even one with a key-operated lock mechanism, is to grasp, open, and close a door. The court held that the doorknob components of the entry doorknobs, not the key-operated lock components, provide the essential character, and these entry doorknobs are properly classified as “base metal mountings, fittings and similar articles” like passage and privacy doorknobs.

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