JULY AT THE COMMISSION:

New Investigations or Ancillaries: 0
Terminations: 11
Complaints Pending Institution: 3
Total New Investigations for 2022: 33
Initial Determination issued in: 1298, 1283, 1194, 1121
Commission Opinions Issued in: 1240, 1195, 1260 (Confidential), 1244 (Confidential)
No new CAFC opinions
OUII Complaint Activity: Low

Judge David Shaw has retired from the ITC and become the Chief Judge on the Copyright Royalty Board. Judge Shaw served as an ITC administrative law judge since 2011. Prior to becoming an ITC administrative law judge, Judge Shaw served as an attorney for the Commission for more than 20 years.

Lisa Barton has transitioned from her role as Secretary to the Commission to Acting Chief Administrative Officer of the Commission. Prior to being Secretary (and before that, Acting Secretary), Ms. Barton served as an attorney for the Commission since 2008.

Katherine Hiner has become the Acting Secretary to the Commission. Ms. Hiner most recently served as Supervisory Attorney, Docket Services for the Commission. She has served as an attorney for the Commission since 2011.

Commission Grants Complainant’s Motion to Terminate Investigation After Federal Circuit Remand Despite Respondent’s Opposition to Motion

The Commission granted Complainant’s motion to terminate the investigation after the Federal Circuit issued a remand decision favorable to Respondents, and despite Respondent’s opposition to the motion and request for a non-infringement ruling.

(Prepared by Tommy Martin, Special Counsel, Baker Botts L.L.P.)

Commission Affirms the ALJ Shaw’s Finding of No Violation in Investigation Involving SEP Waiver Claim

The Commission affirmed ALJ Shaw’s finding of no violation of Section 337 because Philips failed to prove infringement, domestic industry and disclose its essential intellectual property rights (IPRs) timely.

(Prepared by Eunhye Summer Chu, Associate, AMS Trade LLP)

ALJ Moore Questions Whether an Investigation Should Proceed When a Patent Is Set to Expire Prior to the Target Date

ALJ Moore asked the Complainant to show cause as to why the Investigation should proceed when the asserted patent will expire before the Commission could grant any relief. The case is now being terminated.

(Prepared by Gerar Mazarakis, Associate, Troutman Pepper)

ALJ Elliot Denies Unopposed Motion for Summary Determination that Complainant Satisfies the Economic Prong of the Domestic Industry Requirement

ALJ Elliot denied complainant’s unopposed motion for summary determination that it satisfies the economic prong of the domestic industry requirement because complainant failed to make “an evidentiary showing adequate to the circumstances.”

(Prepared by Brendan F. McLaughlin, Associate, Ropes & Gray LLP)

ALJ Bhattacharyya Grants-in-part and Denies-in-part Complainant’s Motion to Amend the Complaint and Notice of Investigation

ALJ Bhattacharyya granted-in-part and denied-in-part Complainant’s Motion to Amend the Complaint and Notice of Investigation with regard to Complainant’s domestic industry allegations and the plain-language description of the accused products.

(Prepared by Adam R. Hess, Partner, Squire Patton Boggs)
Summary: On June 15, 2022, the Commission issued a Notice terminating this investigation between Complainant Kyocera Senco Brands Inc. (now known as Kyocera Senco Industrial Tools, Inc.) (“Complainant”) and Respondent Hitachi Koki U.S.A., Ltd. (now known as Koki Holdings America Ltd.) (“Respondent”). The Notice also rescinded the Commission’s previously issued remedial orders.

The Commission initially issued an LEO and CDO based on a finding that Respondent infringed one of five asserted patents. The Parties stipulated that the other four patents were no longer at issue after claim construction and a ruling excluding Complainant’s expert testimony with respect to proving infringement under the doctrine of equivalents (but not literal infringement).

In considering the parties’ consolidated appeals, the Federal Circuit: (1) ruled that Complainant’s expert testimony should have been excluded for literal infringement, not just infringement under the doctrine of equivalents; (2) reversed the Commission’s finding that a disputed limitation was not a means-plus-function limitation; (3) held that the another limitation was not met; (4) affirmed the Commission on all other issues on appeal; and (5) remanded the case for further proceedings consistent with its opinion.

Complainant moved to terminate the remand proceeding based on withdrawal of its complaint. Respondent opposed, seeking a further finding by the Commission of infringement, which the Commission concluded “would amount to a declaratory judgment of noninfringement” for Respondent. The Commission granted the motion to terminate based on its lack of authority to proceed with declaratory or any other counterclaims, noting that proceeding as requested “would result in a waste of public and private resources,” and “would be in tension, if not outright conflict, with section 337(c).”

The Commission declined to directly address Respondent’s argument that granting Complainant’s motion under these circumstances could result in a further expenditure of resources by leaving the door open for Complainant to instigate a new investigation on the same patents. Instead, the Commission concluded that it would be premature to decide the effect, if any, of this termination on a future complaint that might be filed, while declining to decide whether or how the record from the instant investigation may be used in a future investigation.

(Prepared by Tommy Martin, Special Counsel, Baker Botts L.L.P.)
Summary: On July 6, 2022, the Commission affirmed ALJ Shaw’s final initial determination (“ID”) finding no violation of Section 337 with respect to Complainant’s four cellular communication patents alleged to be standard-essential patents (“SEPs”).

The complaint was filed on December 17, 2020 by Koninklijke Philips N.V. and Philips RS North America LLC, alleging that ten Respondents, including Thales Group, violated Section 337 in importing and selling certain UMTS and LTE cellular communication products into the United States. On April 1, 2022, ALJ Shaw, in his final ID, found no violation of Section 337 with respect to each of the four asserted patents. Specifically, the ID found that Complainant failed to prove infringement by Respondents either directly or indirectly. The ID further found many of the asserted patent claims invalid, and all four patents are unenforceable under a doctrine of implied waiver due to Complainant’s failure to declare its asserted patents to ETSI as “essential” to the standard for over six years, which was described by ALJ Shaw as “opportunistic delay.” Lastly, the ID found that while Complainant satisfied the economic prong, it failed to satisfy the technical prong because Complainant did not provide any specific claim-by-claim analysis concerning any of its domestic industry products but instead relied on general LTE functionality of the products.

Following the final ID, the Complainant filed a petition for review on April 13, 2022, and the Commission determined to review in part the final ID. The Commission also received public interest statements from Complainants and Respondents as well as a number of third parties and interested individuals.

Upon review, the Commission took no position on several issues, including claim construction of the certain terms in the ’935 patent, invalidity of claim 9 and 12 of the ‘711 patent, no direct infringement of the ‘271 patent, and satisfaction of the economic prong of the domestic industry requirement. It also took no position on the ID’s finding that Complainant impliedly waived its right to assert the asserted patents and that Respondents failed to demonstrate both their express/implied license defense or their equitable estoppel defense.

Furthermore, the Commission determined not to review the remaining findings in the ID, including that (1) there has been no infringement of the asserted claims of the all four patents; (2) technical prong of the domestic industry requirement was not met; (3) claim 9 of the ‘711 patent and claim 12 of the ‘943 patent are invalid as indefinite; and (4) the asserted claims of the ‘271 patent are invalid as indefinite and for lack of written description. Accordingly, the Commission affirmed ALJ Shaw’s final ID’s finding of no violation of Section 337 and terminated the investigation.

(Prepared by Eunhye Summer Chu, Associate, AMS Trade LLP)
ALJ Moore Questions Whether an Investigation Should Proceed When a Patent Is Set to Expire Prior to the Target Date

*In the Matter of Certain Composite Baseball and Softball Bats and Components Thereof*, Inv. No. 337-TA-1283, Order No. 19 (June 17, 2022)

Before ALJ Moore

**Summary:** On June 17, 2022, ALJ Moore *sua sponte* ordered Complainant Easton Diamond Sports, LLC (“Easton”) to show cause as to why the Investigation should proceed against Respondents Monsta Athletics LLC (“Monsta”) and Juno Athletics LLC (“Juno”). The impetus for the order was the fact that the sole asserted patent will expire before the target date and before any potential relief from the Commission.

In response to the Order, Easton pointed out various factors that allegedly led to the target date extending past expiration of the patent, including an order from ALJ Moore denying Easton’s motion for summary determination of infringement. Since then, Easton has moved to terminate the Investigation as to Monsta based on withdrawal of the Complaint and to stay the procedural schedule as to Juno to allow the parties to finalize settlement. The investigation is thus being terminated before ALJ Moore rules on the request to show cause.

(Prepared by Gerar Mazarakis, Associate, Troutman Pepper)
Summary: On May 6, 2022, Complainants and Respondent stipulated that Respondent “does not dispute [Complainants’] satisfaction of the economic prong of the domestic industry requirement in Investigation No[] . . . 337-TA-1301” and further agreed to not oppose a motion for summary determination regarding satisfaction of the economic prong. In accordance with this stipulation, Complainants filed an unopposed motion for summary determination that they satisfy the economic prong of the domestic industry requirement. Complainants submitted the motion with both expert and factual support. Staff took no position on the motion.

ALJ Elliot denied the motion on June 28, 2022. While he accepted the stipulation, he stated that “even in uncontested cases like this one, the Commission requires an evidentiary showing adequate to the circumstances.” He further compared the present motion to Certain In Vitro Fertilization Products, Components Thereof, and Products Containing Same, Inv. No. 337-TA-1196, Comm’n Op. at 17 (Oct. 28, 2021), where the Commission “found that some of the complainant’s claimed investments were non-qualifying and that the evidence of ‘significant’ investment was insufficient in context.” Specifically, the ALJ found that Complainant’s “DI case needs more attention to allocation, selection of qualifying activities, and support for significance.”

On July 13, 2022, Complainants filed an unopposed motion for leave to file an unopposed renewed motion for summary determination that attempts to address the issues previously identified by the ALJ. The ALJ has not yet issued a decision on this motion.
Summary: The 1312 investigation was instituted pursuant to Maxell, Ltd.'s (“Maxell”) March 30, 2022 complaint. In its complaint, Maxell alleged that it satisfied the domestic industry requirement through the domestic activities of its licensees, Apple Inc. (“Apple”) and BLU Products, Inc (“BLU”).

On May 6, 2022, Maxell filed a motion to amend the complaint and notice of investigation. Maxell sought to: (1) remove domestic industry allegations based on the domestic activities of Apple; (2) add domestic industry allegations based on the domestic activities of Respondent Lenovo US; and (3) amend the plain-language description of accused products to include Lenovo-branded products. Respondents Lenovo Group Ltd., Lenovo (United States) Inc. (“Lenovo US”), and Motorola Mobility, LLC (“Motorola”) (collectively, “Lenovo”) did not oppose the removal of domestic industry allegations based on Apple’s activities but opposed Maxell’s motion in all other respects.

Amending the Complaint to Replace Apple’s Domestic Activities with Those of Lenovo US

Maxell’s motion to replace Apple with Lenovo US for purposes of establishing a domestic industry was based on a license between Lenovo and Hitachi Consumer Electronics Co., Ltd., the prior owner of the portfolio of which the asserted patents are a part. According to Maxell, the alleged Lenovo US domestic industry products are licensed under the Hitachi-Lenovo agreement, while the accused Lenovo products are not. Maxell argued that good cause exists for its proposed substitution of Lenovo US for Apple with respect to domestic industry because Maxell did not fully comprehend certain facts prior to institution. Maxell also argued that no party would be prejudiced by the amendment.

Lenovo argued that good cause did not exist for the amendment because Maxell did not act diligently in seeking to add domestic industry allegations based on Lenovo US. According to Lenovo, Maxell’s proposed modifications are based on information available to Maxell prior to institution of the investigation, and thus do not constitute recently changed circumstances justifying the amendment.

ALJ Bhattacharyya agreed with Lenovo and denied Maxell’s motion to add domestic industry allegations based on Lenovo US’s products. ALJ Bhattacharyya found that Maxell did not show good cause for amending its domestic industry allegations. ALJ Bhattacharyya also noted that the “good cause” requirement and the “lack of prejudice” requirement are separate requirements for amending a complaint and notice of investigation. Thus, even if Maxell was able to demonstrate that no party would be prejudiced, Maxell’s failure to establish good cause was fatal to its motion. On the other hand, Maxell’s request to withdraw allegations based on Apple’s domestic activities was granted, as it was unopposed by Lenovo.

Proposed Amendment to the Plain-Language Description of the Accused Products

Pursuant to 19 C.F.R. § 210.12(a)(12), the complaint identified the accused products as “certain mobile electronic devices, i.e., smartphones.” On April 13, 2022, prior to institution, Maxell amended the description, replacing “smartphones” with “Motorola-branded smartphones.” On April 28, 2022, Maxell filed another amendment to the description to include “Lenovo-branded smartphones.” Seven hours later, on that same day, the Commission issued the Notice of Institution, which included Maxell’s April 13 amendment, but not Maxell’s April 28 amendment. On April 29, 2022, the Commission informed Maxell that the Commission had not considered Maxell’s April 28 amendment. The Commission further advised that if Maxell wanted to alter the plain-language description of the accused products, Maxell would need to submit a motion to the assigned ALJ requesting amendment of the complaint and notice of institution.

Maxell’s motion argued that the proposed amendment would not substantively increase the scope of the investigation and that Maxell expressly clarified the scope prior to being notified of the institution of the investigation. Despite Lenovo’s arguments to the contrary, ALJ Bhattacharyya agreed with Maxell and found that Maxell timely sought to amend the plain-language description. Under these circumstances, including that Maxell promptly moved to amend the description after being notified that the amendment had not been considered, ALJ Bhattacharyya found that good cause existed for the proposed amendment to the plain-language description.

(Prepared by Adam R. Hess, Partner, Squire Patton Boggs)
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