

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C. 20436

In the Matter of)

CERTAIN AUDIO PROCESSING INTEGRATED)
CIRCUITS AND PRODUCTS CONTAINING SAME)

Inv. No. 337-TA-538

**NOTICE OF COMMISSION FINAL DETERMINATION OF A VIOLATION OF
SECTION 337 AS TO TWO PATENTS AND ISSUANCE OF A
LIMITED EXCLUSION ORDER; TERMINATION OF INVESTIGATION**

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has determined that there is a violation of section 337 of the Tariff Act of 1930, 19 U.S.C. § 1337, by Actions Semiconductor Co. of Guangdong, China (“Actions”) with respect to United States Patent Nos. 6,633,187 (“the ‘187 patent”), and 6,366,522 (“the ‘522 patent”) and has issued a limited exclusion order in the above-captioned investigation.

FOR FURTHER INFORMATION CONTACT: Steven W. Crabb, Esq., Office of the General Counsel, U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C. 20436, telephone (202) 708-5432. Copies of the public version of the ALJ’s initial determination (“ID”) and all other nonproprietary documents filed in connection with this investigation are or will be available for inspection during official business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C. 20436, telephone 202-205-2000.

General information concerning the Commission may also be obtained by accessing its Internet server (<http://www.usitc.gov>). The public record for this investigation may be viewed on the Commission's electronic docket (EDIS-ON-LINE) at <http://edis.usitc.gov>. Hearing-impaired persons are advised that information on this matter can be obtained by contacting the Commission’s TDD terminal on 202-205-1810.

SUPPLEMENTARY INFORMATION: The Commission instituted this investigation on April 18, 2005, based on a complaint filed on behalf of SigmaTel, Inc. (“complainant”) of Austin, Texas. *70 Fed. Reg.* 20172. The complaint alleged violations of section 337 in the importation into the United States, sale for importation, and sale within the United States after importation of certain audio processing integrated circuits and products containing same by reason of infringement of claim 10 of U.S. Patent No. 6,137,279 (“the ‘279 patent”), and claim 13 of the ‘187 patent. *Id.* The notice of investigation named Actions as the only respondent.

On June 9, 2005, the ALJ issued an ID (Order No. 5) granting complainant's motion to amend the complaint and notice of investigation to add further allegations of infringement of the previously asserted patents and to add an allegation of a violation of section 337 by reason of infringement of claims 1, 6, 9, and 13 of the '522 patent. That ID was not reviewed by the Commission.

On October 13, 2005, the ALJ issued an ID (Order No. 9) granting complainant's motion to terminate the investigation as to the '279 patent. On October 31, 2005, the Commission determined not to review the ID.

On March 20, 2006, the ALJ issued his final ID and recommended determination on remedy and bonding. The ALJ concluded that there was a violation of section 337. Specifically, he found that claim 13 of the '187 patent was not invalid and was infringed by Actions' accused product families 207X, 208X, and 209X. The ALJ also determined that claims 1, 6, 9, and 13 of the '522 patent were not invalid and were infringed by Actions' accused product families 208X and 209X.

On May 5, 2006, the Commission determined to review the ALJ's construction of a claim limitation of the '522 patent, infringement of the '522 patent, and the ALJ's determination that SigmaTel met the technical prong of the domestic industry requirement in regard to the '522 patent. 71 *Fed. Reg.* 27512 (May 11, 2006). The Commission also determined to review the ALJ's claim construction of the term "memory" in claim 13 of the '187 patent and simultaneously to modify that construction by removing the apparently inadvertent inclusion of the word "firmware." *Id.* The Commission declined to review the remainder of the ID. *Id.* The Commission requested briefing on the issues under review and on remedy, the public interest, and bonding. *Id.* Briefs and responses on the issues under review and on remedy, the public interest, and bonding were filed by all parties in a timely manner.

On June 12, 2006, Actions filed a paper with the Commission titled "Actions' Identification of Erroneous Citations to the Evidentiary Record by SigmaTel and the Initial Determination that are Material to Remedy Issues" alleging that testimony regarding the size of memory typically used in MP3 players incorporating the accused chips was inaccurately portrayed by SigmaTel and the ALJ. SigmaTel filed an opposition on June 13, 2006, and the Commission investigative attorney ("IA") filed a response on June 15, 2006. SigmaTel filed another submission on the same subject on August 21, 2006. On August 24, 2006, Actions' filed a motion to strike SigmaTel's August 21, 2006, submission. Because the allegedly erroneous citations were not raised in Actions' petition for review, and were in fact expressly agreed to by Actions in response to SigmaTel's proposed findings of fact, we do not consider Actions' arguments. Thus, SigmaTel's June 13, 2006, and August 21, 2006, submissions; the IA's June 15, 2006, submission; and Actions' August 24, 2006, submission have all been rendered moot and have not been considered.

On August 24, 2006, SigmaTel filed "Complainant SigmaTel, Inc.'s Motion for Leave to

File a Short Brief to Correct an Error in Actions' Reply to SigmaTel's Comments on the ALJ's Remand Findings and Determination." Both Actions and the IA filed responses to SigmaTel's motion. We hereby deny this motion.

On review, the Commission construed the disputed claim phrase "produce the system clock control signal and power supply control signal based on a processing transfer characteristic of the computation engine" to mean that both the system clock control signal and the power supply control signal are required to be produced during operation of the integrated circuit such that the voltage and the frequency of the integrated circuit are adjusted based on a processing transfer characteristic, but that the processing transfer characteristic is not determined in any particular manner. *71 Fed. Reg.* 36358-36359 (June 26, 2006). The Commission determined, with respect to the accused products that do not use the version 952436 firmware, that the ALJ made sufficient findings to find infringement of the asserted claims of the '522 patent under the Commission's claim construction, and adopted his findings with respect to those products. *Id.* The Commission determined that SigmaTel's products satisfy the technical prong of the domestic industry requirement with regard to the '522 patent under the Commission's claim construction. *Id.* The Commission remanded the investigation to the ALJ for the sole issue of determining whether Actions' products using the 952436 version firmware infringe the asserted claims of the '522 patent. The Commission deferred addressing issues relating to remedy, public interest, and bonding, for both the '187 patent and the '522 patent. *Id.*

The ALJ issued a remand initial determination ("Remand ID") on August 3, 2006, finding that Actions' accused products using the 952436 version firmware, other than the 2051, 2180, and PMA 300 models, do not infringe claims 1, 6, 9, and 13 of the '522 patent.

In its remand notice, the Commission invited comments from the parties addressing the ALJ's determination on remand (*71 Fed. Reg.* 36358 (June 26, 2006)). On August 11, 2006, SigmaTel filed non-responsive comments addressing the appropriate remedy, and Actions and the IA filed comments supporting the ALJ's determination on remand. On August 18, 2006, Actions and the IA each filed responses to SigmaTel's comments, supporting the ALJ's determinations on remand and noting that SigmaTel's comments addressed only remedy issues. Because the Commission limited the parties' comments to the remand issue, it has disregarded SigmaTel's additional comments on remedy.

Having examined the record of this investigation, including the ALJ's final ID and Remand ID and the submissions of the parties, the Commission has determined (1) that there is a violation of section 337 by Actions with regard to claim 13 of the '187 patent; (2) that there is a violation of section 337 by Actions with regard to claims 1, 6, 9, and 13 of the '522 patent, except with respect to those products using the 952436 version firmware as noted in the ALJ's Remand ID; and (3) to issue a limited exclusion order with respect to Actions' infringing products. The Commission's order was delivered to the President and to the U.S. Trade Representative on the day of its issuance.

The authority for the Commission's determination is contained in section 337 of the

Tariff Act of 1930, as amended (19 U.S.C. § 1337), and in sections 210.45, 210.49, and 210.50 of the Commission's Rules of Practice and Procedure (19 C.F.R. § 210.45, 210.49, and 210.50).

By order of the Commission.

/s/

Marilyn R. Abbott
Secretary to the Commission

Issued: September 15, 2006