

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

In the Matter of

**CERTAIN LITHIUM-ION BATTERY
CELLS, BATTERY MODULES,
BATTERY PACKS, COMPONENTS
THEREOF, AND PRODUCTS
CONTAINING THE SAME**

Investigation No. 337-TA-1181

**NOTICE OF COMMISSION DETERMINATION TO REVIEW IN PART
AN INITIAL DETERMINATION (“ID”) GRANTING SUMMARY DETERMINATION**

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission (“Commission”) has determined to review an initial determination (“ID”) (Order No. 23) granting complainants’ motion for summary determination that respondents failed to establish a licensing defense. The Commission has determined to review the ID in part and, on review, has determined to take no position on certain analyses. The Commission has determined not to review the ID’s conclusion that respondents cannot establish the license defense at issue.

FOR FURTHER INFORMATION CONTACT: Sidney Rosenzweig, Office of the General Counsel, U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C. 20436, telephone (202) 708-2532. Copies of non-confidential documents filed in connection with this investigation may be viewed on the Commission’s electronic docket (EDIS) at <https://edis.usitc.gov>. For help accessing EDIS, please email EDIS3Help@usitc.gov. General information concerning the Commission may also be obtained by accessing its Internet server at <https://www.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: On November 4, 2019, the Commission instituted this investigation based on a complaint filed by LG Chem, Ltd. of Seoul, Republic of Korea (“LG Chem”); LG Chem Michigan Inc. of Holland, Michigan; and Toray Industries, Inc. of Tokyo, Japan (together, “LG”). 84 FR 59415 (Nov. 4, 2019). The complaint, as supplemented, alleges violations of section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. 1337, due to the importation into the United States, sale for importation, or sale in the United States after importation of certain lithium-ion battery cells, battery modules, battery packs, components thereof, and products containing the same that purportedly infringe one or more claims of U.S. Patent Nos. 7,662,517 (the “517 patent”); 7,638,241; 7,709,152; and 7,771,877. *Id.* The complaint also alleges the existence of a domestic industry. *Id.* The notice of investigation names SK Innovation Co., Ltd., of Seoul, Republic of Korea (“SKI”) and SK Battery America,

Inc., of Atlanta, Georgia (together, “SK”) as respondents. *Id.* The Office of Unfair Import Investigations was not named as a party. *Id.*

In its response to the complaint and notice of investigation, SK asserted a defense that it does not infringe the ’517 patent because it possesses a license from a 2014 settlement agreement between complainant LG Chem and respondent SKI.

On October 9, 2020, LG moved for a summary determination that SK cannot establish its licensing defense. LG argued that the covenant not to sue in the settlement agreement is limited to Korean Registered Patent No. 775,310 (“KR310”) and does not extend to foreign counterparts such as the ’517 patent. On October 22, 2020, SK opposed the motion.

On November 5, 2020, the ALJ issued an ID pursuant to Commission Rules 210.18(b) and 210.42(c) (19 CFR 210.18(b), 210.42(c)), granting LG’s motion for summary determination that SK cannot establish its licensing defense. The ID finds that the settlement agreement unambiguously provided a covenant not to sue regarding KR310 but not for other patents. No petitions for review of the ID were filed.

Having reviewed the record, the underlying briefs, and the ID, the Commission has determined to review the ID in part. In connection with review, the Commission notes that (1) the parties agreed that Korean law governs the agreement and did not extensively brief the choice-of-law or international-comity issues to the ALJ; (2) the ID appears to reach the same conclusion regardless of whether federal common law or Korean law governs; and (3) SK did not petition for review of the ID, and thus, has abandoned and waived its license defense. The Commission has determined to review the ID’s choice-of-law and international-comity analyses. *See, e.g.*, ID at 6-7, 11. On review, the Commission takes no position on these issues. The Commission has determined not to review the ID’s conclusion that SK cannot establish the license defense at issue. *Id.* at 11.

Vice Chair Stayin joins the Commission’s determination to review the ID’s choice-of-law and international-comity analyses and take no position on these issues. Vice Chair Stayin takes no position on the Commission’s determination not to review the ID’s conclusion regarding SK’s license defense for two reasons: (1) because the Commission takes no position on the choice-of-law and international-comity analysis, there is no legal standard through which to analyze LG Chem’s motion; and (2) SK abandoned this license defense by failing to petition for review of the ID.

The Commission vote for this determination took place on December 7, 2020.

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 Part 210 of the Commission's Rules of Practice and Procedure (19 CFR Part 210).

By order of the Commission.

A handwritten signature in black ink, appearing to read 'Lisa R. Barton', with a stylized flourish at the end.

Lisa R. Barton
Secretary to the Commission

Issued: December 7, 2020