

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

In the Matter of)

CERTAIN OPTICAL DISK CONTROLLER CHIPS)
AND CHIPSETS AND PRODUCTS CONTAINING)
SAME, INCLUDING DVD PLAYERS AND PC OPTICAL)
STORAGE DEVICES)

Inv. No. 337-TA-506

**NOTICE OF COMMISSION DECISION TO REVIEW PORTIONS
OF AN INITIAL DETERMINATION FINDING A VIOLATION OF
SECTION 337 OF THE TARIFF ACT OF 1930**

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has determined to review certain portions of a final initial determination (“ID”) of the presiding administrative law judge (“ALJ”) finding a violation of section 337 of the Tariff Act of 1930, as amended, in the above-captioned investigation.

FOR FURTHER INFORMATION CONTACT: Clara Kuehn, Esq., Office of the General Counsel, U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C. 20436, telephone (202) 205-3012. Copies of the public version of the ALJ’s ID and all other nonconfidential 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 14, 2004, based on a complaint filed on behalf of Zoran Corporation and Oak Technology, Inc. both of Sunnyvale, CA (collectively “complainants”). 69 Fed. Reg. 19876. The complaint, as supplemented, alleged violations of

section 337 of the Tariff Act of 1930 in the importation into the United States, the sale for importation, and the sale within the United States after importation of certain optical disk controller chips and chipsets and products containing same, including DVD players and PC optical storage devices, by reason of infringement of claims 1–12 of U.S. Patent No. 6,466,736 (the ‘736 patent), claims 1–3 of U.S. Patent No. 6,584,527, and claims 1–35 of U.S. Patent No. 6,546,440 (the ‘440 patent). *Id.*

The notice of investigation identified 12 respondents. 69 *Fed. Reg.* 19876. On June 7, 2004, the ALJ issued an ID (Order No. 5) terminating the investigation as to two respondents on the basis of a consent order and settlement agreement. On June 22, 2004, the ALJ issued an ID (Order No. 7) granting complainants’ motion to amend the complaint and notice of investigation to add nine additional respondents. Those IDs were not reviewed by the Commission.

On December 22, 2004, the ALJ issued an ID (Order No. 33) granting complainants’ motion to terminate the investigation in part with respect to claims 2–6, 8–10, and 11 of the ‘736 patent and claims 2–4, 6, 9, 11, 12, 15–18, 20, 22–34, and 35 of the ‘440 patent. On January 28, 2005, the ALJ issued an ID (Order No. 37) granting complainants’ motion to terminate the investigation in part with respect to claim 12 of the ‘736 patent. Neither ID was reviewed by the Commission. The claims remaining in issue are claims 1 and 7 of the ‘736 patent; claims 1, 5, 7, 8, 10, 13, 14, 19, and 21 of the ‘440 patent; and claims 1, 2, and 3 of the ‘527 patent.

An eight-day evidentiary hearing was held on February 7–12, and 14–15, 2005.

On May 16, 2005, the ALJ issued his final ID, findings of fact and conclusions of law, and recommended determination on remedy and bonding. The ALJ concluded that there was a violation of section 337 based on his findings that (a) the accused products infringe claim 3 of the ‘527 patent, (b) the ‘527 patent is not unenforceable, (c) claim 3 is not invalid, and (d) complainants have satisfied the domestic industry requirement with respect to the ‘527 patent. Although the ALJ found that the other asserted claims of the ‘527 patent (claims 1 and 2) are not invalid, he found that the accused products do not infringe those claims. The ALJ found no violation with respect to the other patents in issue. He found that the accused products do not infringe any asserted claim of the ‘440 or ‘736 patents and that complainants have not satisfied the domestic industry requirement with respect to those patents. He also found that the asserted claims of the ‘440 and ‘736 patents are not invalid and that those patents are not unenforceable.

On May 27, 2005, complainants and respondents each petitioned for review of portions of the final ID. On June 6, 2005, complainants, respondents, and the IA filed responses to the petitions for review.

Having examined the record in this investigation, including the ID, the petitions for review, and the responses thereto, the Commission has determined (1) to review the ID’s findings of fact and conclusions of law with respect to the ‘527 and ‘440 patents and (2) not to review the ID’s findings of fact and conclusions of law with respect to the ‘736 patent. Thus, the Commission finds no violation of section 337 with respect to the ‘736 patent. The Commission has further determined to review and modify the ID to clarify that respondents accused only of infringing asserted claims of the ‘736 patent (*viz.*, respondents Audiovox Corporation; Initial Technology, Inc.; Mintek Digital, Inc.; Shinco International AV Co., Ltd.; Changzhou Shinco Digital Technology Co., Ltd.; Jiangsu Shinco Electronic Group Co., Ltd.; Terapin Technology Pte., Ltd. [formerly known as Teraoptix d/b/a Terapin Technology] of Singapore; and Terapin

Technology U.S. [formerly also known as Teraoptix]) are not in violation of Section 337.

In connection with its review, the Commission is particularly interested in responses to the following questions, with all answers supported by citations to legal authority and the evidentiary record:

1. Have respondents waived the argument that the '527 and '440 patents are invalid under 35 U.S.C. § 102(f) for nonjoinder of unidentified "Western Digital engineers" as co-inventors by failing to present it to the ALJ? (*See* respondents' petition for review at 51.) Identify with citations to previous briefing where this specific argument and any supporting evidence was presented to the ALJ.
2. May a patent be held invalid for nonjoinder of an unidentified co-inventor under 35 U.S.C. § 102(f)? If so, did respondents present to the ALJ the required clear and convincing evidence to support a *prima facie* case? In addition to supporting your answer with citations to the evidentiary record and legal authority, address *Gemstar v. Int'l Trade Comm'n*, 383 F.3d 1352, 1382-83 (Fed. Cir. 2004), and *Solomon v. Kimberly-Clark Corp.*, 216 F.3d 1372, 1381-82 (Fed. Cir. 2000).
3. The following questions relate to claim construction. In your answers, identify any finding of fact or conclusion of law with respect to infringement, the technical prong of the domestic industry requirement, unenforceability, or invalidity in the ID rendered clearly erroneous or legally erroneous under your proposed claim interpretation. Provide supporting citations to the record.
 - (a) What is the impact, if any, of the July 12, 2005, en banc decision of the U.S. Court of Appeals for the Federal Circuit in *Phillips v. AWH Corporation* on the ID's construction of the asserted claims of the '527 and '440 patents?
 - (b) Did respondents waive their argument that the host interface limitations of the asserted claims should be construed to require support for eight ATA command block registers plus a separate multi-byte command buffer at the same time by failing to raise this argument before the ALJ? Identify where this specific argument was presented to the ALJ with citations to previous briefing.
 - (c) Assume that the description of the digital signal processor interface in the summary of the invention section of the '527 patent (*e.g.*, '527 patent, col. 3, ll. 15 - 28) is understood as a description of the "storage medium interface" (claims 1 and 2 of the '527 patent). Does the summary of the invention section ('527 patent, col. 3, ll. 20-28) demonstrate a clear intention to limit the scope of the data error detection and correction circuitry limitations of claims 1 and 2? Why, or why not? In your answer, address the following claim language: "data error detection and correction circuitry including . . . error correction circuitry for performing error correction on data *received from* said interface" (claim 1) and "data error detection and correction circuitry *coupled to* said storage medium interface" (claim 2).
 - (d) How should the terms "controller" and "directly" be construed?
4. Have respondents waived their argument that the ALJ erred in failing to make a determination

concerning the date of actual reduction to practice of the HISIDE product by failing to raise that argument before him? (*See* respondents' petition for review at 112-13: "there is no initial determination of the date of reduction to practice for any claim of the '440 and '527 patents and there is no initial determination of the date of actual reduction to practice of [Western Digital's] HISIDE product that Respondents showed anticipates the claims of the '440 and '527 patent [sic].") Identify with citations to previous briefing where this specific argument and any supporting evidence was presented to the ALJ.

5. Did the ALJ err in omitting the MT1189 from the list of MediaTek OSC chips accused of infringing the asserted claims of the '440 and '527 patents (ID at 110) or err in including the MT1528, MT1558, or MT1668 in that list? Why or why not? Identify with specificity evidence in the record that would support a finding that the MT1189, MT1528, MT1558, or MT1668 infringe any asserted claim of the '527 or '440 patents.

6. Should the asserted claims of the '440 and '527 patents be accorded the conception date found by the Commission in the 409 investigation for the claims of the '715 patent? Why or why not? In your answer, address any relevant admission(s) by respondents. (*See* ID at 129 n.45.)

In connection with the final disposition of this investigation, the Commission may issue (1) an order that could result in the exclusion of the subject articles from entry into the United States, and/or (2) cease and desist orders that could result in respondents being required to cease and desist from engaging in unfair acts in the importation and sale of such articles. Accordingly, the Commission is interested in receiving written submissions that address the form of remedy, if any, that should be ordered. If a party seeks exclusion of an article from entry into the United States for purposes other than entry for consumption, the party should so indicate and provide information establishing that activities involving other types of entry either are adversely affecting it or are likely to do so. For background information, see the Commission Opinion, *In the Matter of Certain Devices for Connecting Computers via Telephone Lines*, Inv. No. 337-TA-360.

If the Commission contemplates some form of remedy, it must consider the effects of that remedy upon the public interest. The factors the Commission will consider include the effect that an exclusion order and/or cease and desist orders would have on (1) the public health and welfare, (2) competitive conditions in the U.S. economy, (3) U.S. production of articles that are like or directly competitive with those that are subject to investigation, and (4) U.S. consumers. The Commission is therefore interested in receiving written submissions that address the aforementioned public interest factors in the context of this investigation.

If the Commission orders some form of remedy, the President has 60 days to approve or disapprove the Commission's action. During this period, the subject articles would be entitled to enter the United States under a bond, in an amount to be determined by the Commission and prescribed by the Secretary of the Treasury. The Commission is therefore interested in receiving submissions concerning the amount of the bond that should be imposed.

WRITTEN SUBMISSIONS: The parties to the investigation are requested to file written

submissions on the issues under review. The submission should be concise and thoroughly referenced to the record in this investigation, including references to exhibits and testimony. Additionally, the parties to the investigation, interested government agencies, and any other interested persons are encouraged to file written submissions on the issues of remedy, the public interest, and bonding. Such submissions should address the ALJ's May 16, 2005, recommended determination on remedy and bonding. Complainants and the Commission investigative attorney are also requested to submit proposed remedial orders for the Commission's consideration. Complainants are requested to supply the expiration dates of the patents at issue and the HTSUS numbers under which the accused products are imported. The written submissions and proposed remedial orders must be filed no later than the close of business on August 1, 2005. Reply submissions must be filed no later than the close of business on August 8, 2005. No further submissions will be permitted unless otherwise ordered by the Commission.

Persons filing written submissions must file with the Office of the Secretary the original and 12 true copies thereof on or before the deadlines stated above. Any person desiring to submit a document (or portion thereof) to the Commission in confidence must request confidential treatment unless the information has already been granted such treatment during the proceedings. All such requests should be directed to the Secretary of the Commission and must include a full statement of the reasons why the Commission should grant such treatment. *See* 19 C.F.R. § 201.6. Documents for which confidential treatment is granted by the Commission will be treated accordingly. All nonconfidential written submissions will be available for public inspection at the Office of the Secretary.

This action is taken under the authority of section 337 of the Tariff Act of 1930, as amended (19 U.S.C. § 1337), and in sections 210.42 - .46 of the Commission's Rules of Practice and Procedure (19 C.F.R. § 210.42 - .46).

By order of the Commission.

Marilyn R. Abbott
Secretary to the Commission

Issued: July 19, 2005