

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

In the Matter of

**CERTAIN SEMICONDUCTOR CHIPS
WITH MINIMIZED CHIP PACKAGE
SIZE AND PRODUCTS CONTAINING
SAME**

Investigation No. 337-TA-605

**NOTICE OF COMMISSION FINAL DETERMINATION OF VIOLATION OF
SECTION 337; TERMINATION OF INVESTIGATION; ISSUANCE OF LIMITED
EXCLUSION ORDER AND CEASE AND DESIST ORDERS**

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 19 U.S.C. § 1337 by Spansion, Inc. and Spansion, LLC, both of Sunnyvale, California (collectively "Spansion"); QUALCOMM, Inc. of San Diego, California ("Qualcomm"); ATI Technologies of Thornhill, Ontario, Canada ("ATI"); Motorola, Inc. of Schaumburg, Illinois ("Motorola"); STMicroelectronics N.V. of Geneva, Switzerland ("ST-NV"); and Freescale Semiconductor, Inc. of Austin, Texas ("Freescale") (collectively, "Respondents") in the above-captioned investigation. The investigation is terminated.

FOR FURTHER INFORMATION CONTACT: Megan M. Valentine, Office of the General Counsel, U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C. 20436, telephone (202) 708-2301. Copies of non-confidential 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 at <http://www.usitc.gov>. The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) 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 May 21, 2007, based on a complaint filed by Tessera against Spansion, Qualcomm, ATI, Motorola, ST-NV, and Freescale. *72 Fed. Reg.* 28522 (May 21, 2007). The complaint alleges violations of Section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. § 1337, in the importation into the United States, the sale for importation, and the sale within the United States after importation of certain semiconductor

chips with minimized chip package size or products containing same by reason of infringement of one or more claims of U.S. Patent Nos. 5,852,326, and 6,433,419.

On December 1, 2008, the presiding administrative law judge (“ALJ”) issued his final ID finding no violation of Section 337 by Respondents. The ID included the ALJ’s recommended determination (“RD”) on remedy and bonding. In his ID, the ALJ found that Respondents’ accused products do not infringe the asserted claims the ‘326 patent or the asserted claims of the ‘419 patent. The ALJ additionally found that the asserted claims of the ‘326 and ‘419 patents are not invalid for failing to satisfy the enablement requirement or the written description requirement of 35 U.S.C. § 112 ¶ 1. The ALJ further found that the asserted claims of the ‘326 and ‘419 patents are not invalid as indefinite of 35 U.S.C. § 112 ¶ 2. The ALJ also found that the asserted claims of the ‘326 and ‘419 patents are not invalid under 35 U.S.C. § 102 for anticipation or under 35 U.S.C. § 103 for obviousness. Finally, the ALJ found that an industry in the United States exists with respect to the ‘326 and ‘419 patents as required by 19 U.S.C. § 1337(a)(2) and (3). In his RD, the ALJ recommended that, should the Commission determine that a violation exists, a limited exclusion order (“LEO”) would be properly directed to Respondents’ accused chip packages and to the downstream products of Motorola, a named respondent.

On December 15, 2008, Tessera and the Commission investigative attorney (“IA”) filed separate petitions seeking review of the ALJ’s determination concerning non-infringement of the asserted claims of the ‘326 and ‘419 patents. Also on December 15, 2008, Respondents filed various contingent petitions seeking review of certain aspects of the ALJ’s findings as concern both the ‘326 and ‘419 patents in the event that the Commission determined to review the ID’s findings concerning non-infringement. On December 23, 2008, Respondents filed an opposition to Tessera’s and the IA’s petitions for review, and Tessera and the IA filed separate responses to Respondents’ various contingent petitions for review.

On January 30, 2009, the Commission determined to review the final ID in part and requested briefing on the issues it determined to review, remedy, the public interest, and bonding. 74 *Fed. Reg.* 6175-6 (Feb. 5, 2009). The Commission determined to review: 1) the ALJ’s finding that Respondents’ accused devices do not infringe the asserted claims the ‘326 and ‘419 patents; 2) the ALJ’s finding that Tessera has waived any argument that the accused products indirectly infringe the ‘419 patent; 3) the ALJ’s finding that Motorola’s invention of the 1989 68HC11 OMPAC chip (“OMPAC”) does not anticipate the asserted patents under 35 U.S.C. § 102(b); and 4) the ALJ’s finding that the Motorola’s OMPAC invention does not anticipate the asserted patents under 35 U.S.C. § 102(g). *Id.* The Commission determined not to review the remaining issues decided in the ID. On February 6, 2009, Respondents filed a motion to extend the briefing schedule. On February 10, 2009, the Commission issued a Notice extending the deadline for receiving initial submissions and reply submissions in light of the fact that the ALJ did not issue the public version of the final ID until February 9, 2009. The Commission also extended the target date to April 14, 2009. The Commission issued a corrected version of the Notice on February 18, 2009, clarifying the deadline for reply submissions of issues relating to violation of Section 337.

On February 23, 2009, the parties filed initial written submissions regarding the issues on review, remedy, the public interest, and bonding. On March 5, 2009, the parties filed response submissions. Several respondents (“the 649 Respondents”) in co-pending investigation *Certain Semiconductor Chips with Minimized Chip Package Size and Products Containing Same*, Inv. No. 337-TA-649 (“the 649 Investigation”), also filed reply briefs on remedy, the public interest, and bonding. In its initial submission on remedy, Tessera requested that the Commission issue a “tailored” general exclusion order (“GEO”) should the Commission determine that there is a violation of Section 337. Tessera also requested that, should the Commission determine that the current record is not adequate to support issuance of a GEO, the Commission should issue the LEO recommended by the ALJ immediately, and then conduct further proceedings regarding the availability of a tailored GEO. The IA concurred. Respondents in this investigation and the 649 Respondents opposed Tessera’s request for a “tailored” GEO. On March 9, 2009, Siliconware Precision Industries Co., Ltd. and Siliconware U.S.A., Inc. (collectively “SPIL Respondents”), who are respondents in the 649 Investigation, filed a motion to extend the date for filing reply submissions to the Commission’s Notice of Review of the final ID and to compel the production of Tessera’s initial confidential briefing in response to the Commission’s Notice.

In support its February 23, 2009, brief on Remedy, the Public Interest and Bonding, Tessera submitted an affidavit from Dr. Stephen Prowse and a statement from Mr. Bernard Cassidy. On March 5, 2009, Respondents filed a motion to strike Dr. Prowse’s affidavit and Mr. Cassidy’s statement. On March 16, 2009, the IA filed a response in support of Respondents’ Motion to Strike.

On March 11, 2009, Spansion filed a Notice of Commencement of Bankruptcy Proceedings and of Automatic Stay, requesting a stay of the investigation because it and certain of its subsidiaries had filed for relief under Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. § 101 *et seq.* Tessera filed an opposition to Spansion’s request on March 18, 2009, and the IA filed an opposition on March 23, 2009.

On March 26, 2009, the Commission issued a Notice requesting additional briefing on remedy and extending the target date. 74 *Fed. Reg.* 14820-1 (April 1, 2009). In the Notice, the Commission asked the parties and any interested non-parties to address whether Tessera is entitled to a GEO under 19 U.S.C. § 1337(d)(2), whether the Commission has the authority to issue a “tailored” GEO, which would ostensibly reach only specified downstream products, and whether the Commission has the authority to issue an LEO immediately and then issue a GEO at a later date when the Commission concludes the investigation. On April 10, 2009, Tessera, the IA, Respondents, and several interested non-parties filed initial written submissions in response to the Commission’s request for additional briefing on remedy. Respondent Spansion did not submit any briefing in response to the Commission’s request. On April 20, 2009, Tessera, the IA, Respondents, and the SPIL Respondents filed reply submissions in response to the Commission’s request for additional briefing on remedy. On April 20, 2009, the Commission issued a Notice in response to a motion from Broadcom extending the due date for reply submissions from interested non-parties to April 29, 2009, since the public versions of the

parties' initial submissions were not due to be filed until April 22, 2009. Notice of Commission Determination to Extend the Deadline for Receiving Reply Submission from Interested Parties in Response to the Commission's Request for Additional Briefing on Remedy (April 20, 2009). On April 29, 2009, the interested non-parties submitted their reply briefs.

On April 24, 2009, respondent Qualcomm filed a motion for leave to file a petition for reconsideration pursuant to 19 C.F.R. § 210.47 of the Commission's determination not to review the ID's finding that the asserted claims of the patents-in-suit are not indefinite. Qualcomm argued that the United States Patent and Trademark Office rejected as "indefinite" under 35 U.S.C. § 112, ¶2, new claims submitted by Tessera in connection with the reexamination of U.S. Patent No. 6,133,627, one of the parent patents of the '419 patent. Tessera filed an opposition to Qualcomm's motion on April 30, 2009. The IA filed an opposition on May 4, 2009. Qualcomm filed a reply to Tessera's and the IA's oppositions on May 5, 2009.

Having examined the record of this investigation, including the ALJ's final ID, the Commission has determined to reverse the ID's determination of no violation of the '326 patent and '419 patent. Specifically, the Commission reverses the ID's finding that Respondents' accused devices do not infringe asserted claims 1, 2, 6, 12, 16-19, 21, 24-26, and 29 of the '326 patent and asserted claims 1-11, 14, 15, 19, and 22-24 of the '419 patent. The Commission further reverses the ID's conclusion regarding waiver with respect to any claims that the accused chip packages indirectly infringe the asserted claims of the '419 patent. Moreover, the Commission finds that Respondents have contributorily infringed the asserted claims of the '419 patent. The Commission also modifies the ID's analysis concerning its finding that the '326 and '419 patents are not invalid under 35 U.S.C. § 102(b) to clarify that the statute requires comparing the on-sale date of alleged prior art against the priority date of the asserted patents, not against the conception date of the asserted patents.

The Commission has determined that the appropriate form of relief is (1) a limited exclusion order under 19 U.S.C. § 1337(d)(1) prohibiting the unlicensed entry of semiconductor chips with minimized chip package size and products incorporating these chips that infringe one or more of claims 1, 2, 6, 12, 16-19, 21, 24-26, and 29 of the '326 patent and claims 1-11, 14, 15, 19, and 22-24 of the '419 patent, and are manufactured abroad by or on behalf of, or imported by or on behalf of, Spansion, Qualcomm, ATI, Motorola, ST-NV, and Freescale; and (2) cease and desist orders directed to Motorola, Qualcomm, Freescale, and Spansion.

The Commission has further determined that the public interest factors enumerated in Section 337(d) and (f) (19 U.S.C. § 1337(d), (f)) do not preclude issuance of the limited exclusion order and the cease and desist orders. The Commission has determined that the bond for temporary importation during the period of Presidential review (19 U.S.C. § 1337(j)) shall be in the amount of 3.5% of the value of the imported articles that are subject to the order. The Commission's order was delivered to the President and the United States Trade Representative on the day of its issuance.

Additionally, the Commission denies the motion by the SPIL Respondents to extend the

date for reply submissions to the Commission's Notice of Review of the final ID and to compel the production of Tessera's initial confidential briefing in response to the Commission's Notice of Review. The Commission further denies Spansion's motion for a stay of the investigation in light of the commencement of bankruptcy proceedings involving it. The Commission also denies respondent Qualcomm's motion for leave to file a petition for reconsideration of the Commission's determination not to review the ID's finding that the asserted claims of the patents-in-suit are not indefinite. Finally, the Commission denies Respondents' motion to strike the Prowse Affidavit and the Cassidy Statement.

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 210.42-50 of the Commission's Rules of Practice and Procedure (19 C.F.R. §§ 210.42-50).

By order of the Commission.

/s/
Marilyn R. Abbott
Secretary to the Commission

Issued: May 20, 2009