

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

In the Matter of

**CERTAIN CERAMIC CAPACITORS AND
PRODUCTS CONTAINING SAME**

Investigation No. 337-TA-692

**NOTICE OF COMMISSION DETERMINATION TO REVIEW IN PART A FINAL
INITIAL DETERMINATION FINDING NO VIOLATION OF SECTION 337;
SCHEDULE FOR FILING WRITTEN SUBMISSIONS ON THE ISSUES UNDER
REVIEW AND ON REMEDY, THE PUBLIC INTEREST AND BONDING**

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has determined to review in part the final initial determination (“ID”) issued by the presiding administrative law judge (“ALJ”) on December 22, 2010, finding no violation of section 337 of the Tariff Act of 1930, 19 U.S.C. § 1337, in this investigation.

FOR FURTHER INFORMATION CONTACT: Panyin A. Hughes, Office of the General Counsel, U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C. 20436, telephone (202) 205-3042. 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 (<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 November 4, 2009, based on a complaint filed by Murata Manufacturing Co., Ltd. of Kyoto, Japan and Murata Electronics North America, Inc. of Smyrna, Georgia (collectively, “Murata”). 74 *Fed. Reg.* 57193-94 (Nov. 4, 2009). The complaint alleged violations of section 337 of the Tariff Act of 1930 (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 ceramic capacitors and products containing the same by reason of infringement of various claims of United States Patent Nos. 6,266,229 (“the ’229 patent”); 6,014,309 (“the ’309 patent”); 6,243,254 (“the ’254 patent”); and 6,377,439 (subsequently terminated from the investigation). The complaint named Samsung Electro-Mechanics Co., Ltd. of Suwon City, Korea and Samsung Electro-Mechanics America, Inc. of Irvine, California (collectively, “Samsung”) as respondents.

On December 22, 2010, the ALJ issued his final ID, finding no violation of section 337 by Respondents with respect to any of the asserted claims of the asserted patents. Specifically, the ALJ found that the accused products do not infringe the asserted claims of the '254 patent. The ALJ also found that none of the cited references anticipated the asserted claims and that none of the cited references rendered the asserted claims obvious. The ALJ further found that the asserted claims were not rendered unenforceable due to inequitable conduct. The ALJ, however, found that asserted claims 11-14, 19, and 20 of the '254 patent failed to satisfy the requirements of 35 U.S.C. § 112 for lack of written description. Likewise, the ALJ found that the accused products do not infringe asserted claim 3 of the '309 patent and that none of the cited references anticipated or rendered obvious the asserted claims. The ALJ further found that the asserted claim was not rendered unenforceable due to inequitable conduct. Similarly, the ALJ found that the accused products meet all the limitations of the asserted claims of the '229 patent and that the claims are not rendered unenforceable due to inequitable conduct. The ALJ further found that the cited references do not anticipate the asserted claims but found that the prior art rendered the asserted claims obvious. The ALJ concluded that an industry exists within the United States that practices the '254 and '229 patents but that a domestic industry does not exist with respect to the '309 patent as required by 19 U.S.C. § 1337(a)(2) and (3).

On January 4, 2011, Murata and the Commission investigative attorney filed petitions for review of the ID. That same day, Samsung filed a contingent petition for review of the ID. On January 12, 2011, the parties filed responses to the various petitions and contingent petition for review.

Having examined the record of this investigation, including the ALJ's final ID, the petitions for review, and the responses thereto, the Commission has determined to review the final ID in part. Specifically, the Commission has determined to review the findings related to the '229 patent and in particular the finding that AAPA (Applicant Admitted Prior Art) does not invalidate the asserted claims of the '229 patent. With respect to the '309 patent, it is unclear whether the ALJ made a specific finding that Nakano discloses a thickness ratio of 0.01 to 10. ID at 167. To the extent that the ALJ made such a finding, the Commission reverses and does not adopt such a finding as its own. The Commission has determined not to review the issues related to the '309 patent and '254 patent raised by the petitions for review and terminates the '309 and '254 patents from the investigation.

The parties are requested to brief their positions on the issues under review with reference to the applicable law and the evidentiary record. In connection with its review, the Commission is particularly interested in responses to the following questions:

1. Can characterizations of the prior art that patent applicants make in the specification constitute the “single allegedly anticipatory reference pursuant to Section 102”? *See* ID at 139. Even if those characterizations cannot constitute such a reference, are applicants bound by characterizations of the prior art contained in the specification? In your response, please consider *Pharmastem Therapeutics, Inc. v. Viacell, Inc.*, 491 F.3d 1342, 1362 (Fed. Cir. 2007) and *Constant v. Advanced Micro-Devices, Inc.*, 848 F.2d 1560, 1570 (Fed. Cir. 1988).
2. Assume that patent applicants are bound by their characterizations as described above. Have the '229 applicants made concessions showing that the asserted claims of the '229 patent are anticipated or obvious? Please specify how the alleged applicant admissions disclose that a single prior art reference discloses each limitation of the asserted claims and/or that a combination of prior art references render the claims obvious. Please cite only record evidence and relevant legal authority to support your position.
3. Assume that the specification can constitute a single allegedly anticipatory reference pursuant to Section 102. Please provide an analysis as to anticipation and obviousness. Please cite only record evidence and relevant legal authority to support your position.

In connection with the final disposition of this investigation, the Commission may (1) issue an order that could result in the exclusion of the subject articles from entry into the United States, and/or (2) issue one or more cease and desist orders that could result in the respondent(s) 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 likely to do so. For background, *see In the Matter of Certain Devices for Connecting Computers via Telephone Lines*, Inv. No. 337-TA-360, USITC Pub. No. 2843 (December 1994) (Commission Opinion).

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 U.S. Trade Representative, as delegated by the President, has 60 days to approve or disapprove the Commission's action. *See* Presidential Memorandum of July 21, 2005, 70 *Fed. Reg.* 43251 (July 26, 2005). During this period, the subject articles would be entitled to enter the United States under bond, in an amount determined by the Commission. The Commission is therefore interested in receiving submissions concerning the amount of the bond that should be imposed if a remedy is ordered.

WRITTEN SUBMISSIONS: The parties to the investigation are requested to file written submissions on the issues identified in this notice. Parties to the investigation, interested government agencies, and any other interested parties are encouraged to file written submissions on the issues of remedy, the public interest, and bonding. Such submissions should address the recommended determination by the ALJ on remedy and bonding with respect to the '229 patent. Complainants and the IA are also requested to submit proposed remedial orders for the Commission's consideration. Complainants are also requested to state the date that the patent expires and the HTSUS numbers under which the accused products are imported. The written submissions and proposed remedial orders must be filed no later than close of business on Tuesday, March 8, 2011. Reply submissions must be filed no later than the close of business on Tuesday, March 15, 2011. No further submissions on these issues will be permitted unless otherwise ordered by the Commission.

Persons filing written submissions must file the original document and 12 true copies thereof on or before the deadlines stated above with the Office of the Secretary. Any person desiring to submit a document 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. § 210.6. Documents for which confidential treatment by the Commission is sought will be treated accordingly. All nonconfidential written submissions will be available for public inspection at the Office of the Secretary.

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 210.42-46 and 210.50 of the Commission's Rules of Practice and Procedure (19 C.F.R. §§ 210.42-46 and 210.50).

By order of the Commission.

/s/
William R. Bishop
Hearings and Meetings Coordinator

Issued: February 23, 2011