

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

In the Matter of

**CERTAIN DC-DC CONTROLLERS AND
PRODUCTS CONTAINING SAME**

**Investigation No. 337-TA-698
and
Investigation No. 337-TA-698
(Enforcement Proceeding)**

**NOTICE OF A COMMISSION DETERMINATION TO GRANT-IN-PART AND
DENY-IN-PART ENFORCEMENT COMPLAINANTS' AND RESPONDENT'S JOINT
PETITION TO RESCIND THE COMMISSION'S CONSENT ORDER AND CIVIL
PENALTY ORDER**

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has determined to grant-in-part and deny-in-part a joint petition filed by enforcement complainants Richtek Technology Corp. of Hsinchu, Taiwan, and Richtek USA, Inc. of San Jose, California (collectively, "Richtek") and respondent uPI Semiconductor Corporation ("uPI") of Hsinchu, Taiwan, to rescind the Commission's consent order and civil penalty order issued in the above-identified investigation and subsequent enforcement proceeding, respectively. The Commission has determined to grant the joint petition as to rescission of the consent order and deny the joint petition as to rescission of the civil penalty order.

FOR FURTHER INFORMATION CONTACT: Clint Gerdine, Office of the General Counsel, U.S. International Trade Commission, 500 E Street, SW., Washington, D.C. 20436, telephone (202) 708-2310. 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, SW., Washington, D.C. 20436, telephone (202) 205-2000. General information concerning the Commission may also be obtained by accessing its Internet server at <https://www.usitc.gov>. The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) at <https://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 an underlying enforcement proceeding on September 6, 2011, based on an enforcement complaint filed by Richtek. 76 FR 55109-10. The complaint alleged violations of the August 13, 2010, consent orders issued in the underlying investigation by the continued practice of prohibited activities such as importing, offering for sale, and selling for importation into the United States DC-DC controllers or products containing the same that infringe one or more of U.S. Patent Nos. 7,315,190 (“the =190 patent”); 6,414,470 (“the =470 patent”); and 7,132,717 (“the ’717 patent”); or that contain or use Richtek’s asserted trade secrets. The Commission’s notice of institution of enforcement proceedings named uPI and Sapphire Technology Limited (“Sapphire”) of Shatin, Hong Kong, as respondents. Sapphire was later terminated from the enforcement proceeding based on a settlement agreement. A Commission investigative attorney (“IA”) participated in the enforcement proceeding.

On June 8, 2012, the administrative law judge (“ALJ”) issued his enforcement initial determination (“EID”) finding that uPI violated the August 13, 2010, consent order (“the Consent Order”) it had entered into. He found importation and sale of accused products that infringe all asserted claims of the patents at issue, and importation and sale of formerly accused products that contain or use Richtek’s asserted trade secrets. The ALJ found that uPI’s products developed after the Consent Order issued did not misappropriate Richtek’s asserted trade secrets based on independent development by uPI. The ALJ recommended enforcement measures for uPI’s violation that included the following: (1) modifying the Consent Order to clarify that the Order applies (and has always applied) to all uPI affiliates, past, present, or future; and (2) imposing a civil penalty of \$750,000 against uPI.

On November 14, 2012, after review, the Commission affirmed the ALJ’s finding that uPI violated the Consent Order, imposed a civil penalty of \$620,000 on respondent uPI for violation of the Consent Order on 62 days, and modified the Consent Order as recommended. The Commission affirmed the ALJ’s finding of direct infringement of claims 1-11 and 26-27 of the =190 patent with respect to uPI’s formerly accused products, but vacated the ALJ’s finding that uPI did not induce infringement of claims 1-11 and 26-27 of the ’190 patent. The Commission also reversed the ALJ’s finding that claims 29 and 34 of the ’470 patent are directly infringed by respondent uPI’s accused DC-DC controllers and products containing the same, and determined that Richtek waived any allegations of indirect infringement with respect to the ’470 patent. This action resulted in a finding of no violation of the Consent Order with respect to the ’470 patent. The Commission affirmed the ALJ’s finding that uPI’s formerly accused products contained or used Richtek’s asserted trade secrets to violate the Consent Order, but that uPI’s post-Consent Order products did not misappropriate Richtek’s asserted trade secrets.

Both uPI and Richtek timely appealed the Commission’s final determination. On September 25, 2014, the U.S. Court of Appeals for the Federal Circuit issued its opinion in *uPI Semiconductor Corp. v. ITC* and *Richtek Technology Corp. v. ITC*, 767 F.3d 1372 (Fed. Cir. 2014). Regarding uPI’s appeal, the Court affirmed the Commission’s findings but reduced the number of days of violation by eight (8) days. *Id.* at 1380. Regarding Richtek’s appeal, the Court reversed the Commission’s determination that uPI did not violate the Consent Order based on trade secret

misappropriation with respect to uPI's post-Consent Order products and found that substantial evidence did not support the Commission's conclusion that uPI's post-Consent Order products were independently developed. *Id.* at 1383. The Court remanded the case to the Commission for further proceedings with respect to violation of the Consent Order. *Id.*

On January 6, 2016, following remand proceedings, the Commission issued a modified civil penalty order ("the Civil Penalty Order") which added eleven days to the total number of days in violation. Thus, the Commission found a violation of the Consent Order by uPI on 65 days and imposed a civil penalty in the amount of \$650,000. uPI did not appeal the Commission's remand determination.

On November 29, 2016, Richtek and uPI jointly filed a petition to rescind the Commission's Consent Order and Civil Penalty Order issued in the underlying investigation and enforcement/remand proceedings under Commission Rule 210.76(a)(1) based on a November 18, 2016, settlement agreement between the parties. On December 9, 2016, the IA filed a response in support of the motion. On April 27, 2017, the Commission requested written submissions from the parties regarding a question it posed on the issue of rescinding the Commission's civil penalty order. On May 18, 2017, uPI and the IA each filed a submission in response to the Commission's request. No other party filed a response.

Having reviewed all of the parties' submissions and for the reasons set forth in the Commission's Order, issued contemporaneously with this notice, the Commission has determined to grant the joint petition as to rescission of the Consent Order and to deny the joint petition as to rescission of the Civil Penalty Order.

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.



Lisa R. Barton
Secretary to the Commission

Issued: October 16, 2017