

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

In the Matter of

**CERTAIN RADIO FREQUENCY
IDENTIFICATION (“RFID”) PRODUCTS
AND COMPONENTS THEREOF**

Investigation No. 337-TA-979

**NOTICE OF COMMISSION DETERMINATION TO REVIEW-IN-PART
THE FINAL INITIAL DETERMINATION; SCHEDULE FOR FILING
WRITTEN SUBMISSIONS ON THE ISSUES UNDER REVIEW**

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’s (“ALJ”) on June 22, 2017, finding no violation of section 337 of the Tariff Act of 1930, as amended. The Commission requests certain briefing from the parties on the issues under review, as indicated in this notice.

FOR FURTHER INFORMATION CONTACT: Cathy Chen, Esq., Office of the General Counsel, U.S. International Trade Commission, 500 E Street, SW, Washington, DC 20436, telephone (202) 205-2392. 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, DC 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 this investigation on January 11, 2016, based on a complaint filed by Neology, Inc. of Poway, California (“Neology”). 81 FR 1205-06 (Jan. 11, 2016). The complaint, as supplemented, 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 radio frequency identification (“RFID”) products and components thereof by reason of infringement of certain claims of U.S. Patent Nos. 8,325,044 (“the ’044 patent”); 7,119,664 (“the ’664 patent”); and 8,587,436 (“the ’436 patent”). The complaint further alleges that an industry in the United States exists as required by 19 U.S.C. § 1337(a)(2). The notice of investigation

named numerous respondents. Respondents Kapsch TrafficCom IVHS, Inc. of McLean, Virginia; Kapsch TrafficCom Holding Corp. of McLean, Virginia; Kapsch TrafficCom Canada, Inc. of Mississauga, Ontario, Canada; Star Systems International, Ltd. of Kwai Chung, Hong Kong; and STAR RFID Co., Ltd. of Bangkok, Thailand (collectively, “Respondents”) remain in the investigation. The Office of Unfair Import Investigations is also a party in this investigation.

All asserted claims of the ’664 patent and certain asserted claims of the ’044 patent and the ’436 patent have been terminated from the investigation. *See* Comm’n Notice (Sept. 27, 2016). Only claims 13, 14, and 25 of the ’044 patent and claims 1, 2, and 4 of the ’436 patent remain in the investigation (collectively, “the Asserted Claims”).

On June 22, 2017, the ALJ issued her final ID finding no violation of section 337 by the Respondents in connection with the Asserted Claims. The final ID found that all of the Asserted Claims are invalid on multiple grounds. Notwithstanding the invalidity of the Asserted Claims, the final ID also found that the accused products infringe the Asserted Claims; that Neology’s domestic industry products practice claim 25 of the ’044 patent and claims 1, 2, and 4 of the ’436 patent; and that Neology has satisfied the economic prong of the domestic industry requirement as to the ’044 and the ’436 patents.

Neology filed a timely petition for review of the final ID, challenging the final ID’s finding that the Asserted Claims are invalid. That same day, the Commission’s Investigative Attorney (“IA”) filed a contingent petition for review of the final ID and Respondents filed a joint contingent petition for review of the final ID. Neology and the IA both challenge certain of the final ID’s findings with respect to the economic prong of the domestic industry requirement as to the ’436 patent. Respondents also challenge the final ID’s finding that the Asserted Claims are not invalid under 35 U.S.C. § 101. On July 13, 2017, the parties each filed a timely response to the petitions for review. On July 24, 2017, Respondents filed their public interest comments pursuant to Commission Rule 210.50(a)(4). Two days later, Neology filed a response to Respondents’ public interest comments. The Commission also received public interest comments from multiple non-parties.

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-in-part the final ID. Specifically, the Commission has determined to review: (1) the final ID’s findings that the Asserted Claims are not entitled to claim priority to an earlier filing date; (2) the final ID’s findings that the Asserted Claims are invalid; (3) the final ID’s finding that the Asserted Claims are not invalid under 35 U.S.C. § 101; and (4) the final ID’s finding that Neology has satisfied the economic prong of the domestic industry requirement with respect to the ’436 patent.

The parties are invited to brief their responses to the following questions only, with reference to the applicable law and the evidentiary record.

1. Does the final ID find that the Asserted Claims are invalid for lack of written description under 35 U.S.C. § 112, in addition to finding that the Asserted Claims are not entitled to an earlier priority date? Do both issues rise and fall together?

Was the issue of whether the Asserted Claims are invalid for lack of written description adequately presented before the ALJ?

2. In addition to “security keys,” Application No. 10/615,026 discloses other “keys,” including “cryptographic keys,” “credit and debit exchange keys,” “encryption keys,” and “exchange encrypted keys,” in various disclosed embodiments. Please discuss how these other “keys” are used in the application disclosure, how they relate or do not relate to “security keys,” and whether they provide written description support for the claimed “security key.” If they provide written description support for the claimed “security key,” please explain if the application disclosure actually or inherently discloses their transmittance from a RFID reader to a RFID transponder.
3. Did Respondents argue before the ALJ that the Asserted Claims were anticipated by prior art RFID readers, tags, and toll systems that practice the Gen2 Standard/6C Protocol and/or by the Gen2 Standard/6C Protocol publications? Does the final ID find that the Asserted Claims are anticipated by prior art RFID readers, tags, and toll systems that practice the Gen2 Standard/6C Protocol and/or by the Gen2 Standard/6C Protocol publications? Please provide citations to record evidence setting forth where the limitations of each Asserted Claim can be found in the prior art RFID readers, tags, and toll systems that practice the Gen2 Standard/6C Protocol or the Gen2 Standard/6C Protocol publications, including the limitation “transmit the identifier to a central database” as required by claims 1, 2, and 4 of the ’436 patent and claims 13 and 14 of the ’044 patent.

The parties are not to brief other issues on review, which are adequately presented in the parties’ existing filings. At this time, the Commission is not interested in receiving written submissions on remedy, public interest, or bonding.

WRITTEN SUBMISSIONS: Each party’s written submission responding to the above questions and any response to the initial submissions should be no more than 30 pages. The written submissions must be filed no later than close of business on Tuesday, September 5, 2017. Reply submissions must be filed no later than the close of business on Wednesday, September 13, 2017. No further submissions on these issues will be permitted unless otherwise ordered by the Commission.

Persons filing written submissions must file the original document electronically on or before the deadlines stated above and submit 8 true paper copies to the Office of the Secretary by noon the next day pursuant to Commission Rule 210.4(f), 19 C.F.R. 210.4(f). Submissions should refer to the investigation number (“Inv. No. 979”) in a prominent place on the cover page and/or the first page. (*See Handbook for Electronic Filing Procedures*, https://www.usitc.gov/secretary/documents/handbook_on_filing_procedures.pdf). Persons with questions regarding filing should contact the Secretary, (202) 205-2000.

Any person desiring to submit a document to the Commission in confidence must request confidential treatment. All such requests should be directed to the Secretary to 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 by the Commission is properly sought will be treated accordingly. All information, including confidential business information and documents for which confidential treatment is properly sought, submitted to the Commission for purposes of this Investigation may be disclosed to and used: (i) by the Commission, its employees and Offices, and contract personnel (a) for developing or maintaining the records of this or a related proceeding, or (b) in internal investigations, audits, reviews, and evaluations relating to the programs, personnel, and operations of the Commission including under 5 U.S.C. Appendix 3; or (ii) by U.S. government employees and contract personnel, solely for cybersecurity purposes. All contract personnel will sign appropriate nondisclosure agreements. All non-confidential written submissions will be available for public inspection at the Office of the Secretary and on EDIS.

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 C.F.R. 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: August 16, 2017