

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

In the Matter of

**CERTAIN ROAD MILLING
MACHINES AND COMPONENTS
THEREOF**

Investigation No. 337-TA-1067

**NOTICE OF COMMISSION DECISION TO DENY RESPONDENTS' MOTION
FOR A PARTIAL STAY OF THE COMMISSION'S REMEDIAL ORDERS
PENDING APPEAL**

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has determined to deny respondents' motion for a partial stay of the Commission's remedial orders pending appeal.

FOR FURTHER INFORMATION CONTACT: Michael Liberman, Esq., Office of the General Counsel, U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C. 20436, telephone (202) 205-3115. 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 <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 August 25, 2017, based on a complaint filed by Wirtgen America, Inc. of Antioch, Tennessee ("Wirtgen America," "Wirtgen," or "Complainant"). 82 FR 40595-96 (Aug. 25, 2017). The complaint alleges a violation of section 337 by reason of infringement of certain claims of U.S. Patent Nos. 7,530,641 ("the '641 patent"); 7,828,309 ("the '309 patent"); 9,624, 628 ("the '628 patent"); 9,644,340 ("the '340 patent"); and 9,656, 530 ("the '530 patent").¹ The notice of

¹ On March 14, 2018, Wirtgen filed an unopposed motion seeking to terminate the investigation as to the '628 Patent. The ALJ granted the motion in an ID (Order No. 30) issued on March 27, 2018. The Commission determined not to review that ID. See Notice dated April 27, 2018.

investigation named Caterpillar Bitelli SpA of Minerbio BO, Italy;² Caterpillar Prodotti Stradali S.r.L. of Minerbio BO, Italy; Caterpillar Americas CV of Geneva, Switzerland; Caterpillar Paving Products, Inc. of Minneapolis, Minnesota; and Caterpillar Inc., of Peoria, Illinois (collectively, “Caterpillar,” or “Respondents”). The Commission’s Office of Unfair Import Investigations was named as a party, but later withdrew from the investigation. The presiding administrative law judge (“ALJ”) (Judge Shaw) held an evidentiary hearing on the question of violation of section 337 from April 20 through April 24, 2018.

On October 1, 2018, the ALJ issued his final initial determination (“ID”) finding that a violation of section 337 occurred in the importation into the United States, the sale for importation, or the sale within the United States after importation, of certain road milling machines and components thereof with respect to the ’309 and ’530 patents, but that such a violation did not occur with respect to the ’641 and ’340 patents. *See ID*, Cover. On October 18, 2018, the ALJ issued his Recommended Determination (“RD”) on remedy and bonding, recommending that, if the Commission finds a violation of section 337 in the present investigation, the Commission should: (1) issue a limited exclusion order (“LEO”) covering products that infringe the patent claims as to which a violation of section 337 has been found; (2) issue cease and desist orders (“CDOs”); and (3) require no bond during the Presidential review period. RD at 23. The parties timely filed their respective public interest statements pursuant to Commission Rule 210.50(a)(4). Additionally, the following third party customers of Caterpillar filed submissions on public interest (in the form of letters): Alban Tractor Co. Inc.; Foley Equipment Company; Gregory Poole Equipment Company; HOLT CAT; MacAllister Machinery, Inc.; Quinn Company; and Wheeler CAT.

Both Complainant and Respondents filed timely petitions for review of various portions of the ID, and timely responses thereto. On April 17, 2019, the Commission issued a notice in which it determined to review in part the final ID. *See* 84 FR 16882-84 (Apr. 23, 2019). In particular, the Commission determined to review the ALJ’s findings and analysis pertaining to the obviousness determinations with regard to claims 26, 35, and 36 of the ’309 patent, *see ID* at 107-111, 120-123, 124-128, 128-130, 130-136, and, on review, to state that these findings and analysis lead to the conclusion that claims 26, 35, and 36 are invalid as obvious. As a result, the Commission modified the conclusion of law No. 18 on page 436 of the ID to read as follows: “18) Caterpillar has shown through clear and convincing evidence that asserted claim 36 of the ’309 Patent is invalid as obvious under 35 U.S.C. 103. Caterpillar has not shown through clear and convincing evidence that asserted claims 10 and 29 of the ’309 Patent are invalid under 35 U.S.C. 103.” *Id.* at 16883.

The Commission determined not to review any issues relating to the ’340, ’641, and ’530 patents. *See id.* The Commission requested written submissions on remedy, the public interest, and bonding. *Id.* Both Complainant and Respondents timely filed their opening and responsive briefs. No other submissions were received by the Commission.

² On December 4, 2017, Wirtgen filed an unopposed motion seeking to terminate respondent Caterpillar Bitelli SpA based on the withdrawal of the complaint as to that respondent. The ALJ granted the motion in an ID (Order No. 11), which issued on December 19, 2017. The Commission determined not to review that ID. *See Notice* (January 18, 2018).

On July 18, 2019, based on the record in this investigation, the Commission found a violation of section 337 as to the '309 and '530 patents and determined that the appropriate form of relief in this investigation is: (1) an LEO prohibiting the unlicensed entry of infringing road-milling machines and components thereof covered by one or more of claim 29 of the '309 patent or claims 2, 5, 16, or 23 of the '530 patent that are manufactured abroad for or on behalf of, or imported by or on behalf of, any of the Respondents or any of their affiliated companies, parents, subsidiaries, or other related business entities, or their successors or assigns; and (2) CDOs directed against Caterpillar Paving Products, Inc. and Caterpillar Inc., and their affiliated companies, parents, subsidiaries, or other related business entities, or their successors or assigns. *See* 84 FR 35690-91 (Jul. 24, 2019). The Commission determined that the remedial orders “should include an exception for service and repair.” *Comm’n Op.* at 14, 23 (July 18, 2019). The Commission further determined that the public interest factors enumerated in subsections (d)(1) and (f)(1) (19 U.S.C. §§ 1337(d)(1), (f)(1)) do not preclude issuance of the above-referenced remedial orders. Additionally, the Commission determined to impose a bond of fourteen (14) percent of entered value of the covered products during the period of Presidential review (19 U.S.C. § 1337(j)). The Commission terminated the investigation and issued a notice to that effect. 84 FR 35690-91.

On August 29, 2019, Respondents filed “Respondents’ Motion for a Partial Stay of the Commission Remedial Orders Pending Appeal” (“the Motion”). On September 9, 2019, Complainant filed “Wirtgen’s Opposition to Caterpillar’s Motion for a Partial Stay of the Commission’s Remedial Orders Pending Appeal” (“the Opposition”). Respondents filed an appeal of the Commission’s final determination with the Federal Circuit which was docketed on September 27, 2019. Prior to that, Complainant had filed its appeal stemming from the same investigation. On October 21, 2019, the Federal Circuit consolidated these two appeals as being in the nature of cross-appeals, with Respondents designated as the nominal appellants and Complainant designated as the nominal cross-appellee. *See Caterpillar v. ITC* (2019-1911, -2445), Court Order dated October 21, 2019 at 2.

Having examined the record in this investigation, including the Respondents’ Motion and Complainant’s Opposition, the Commission has determined to deny Respondents’ Motion.

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: January 21, 2020