

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

In the Matter of

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

**Investigation No. 337-TA-605
(Bond Forfeiture Proceeding)**

**NOTICE OF COMMISSION DETERMINATION TO
GRANT A JOINT MOTION TO TERMINATE
A BOND FORFEITURE PROCEEDING ON THE BASIS OF SETTLEMENT;
VACATUR OF ALJ ORDER NO. 73; TERMINATION OF PROCEEDING**

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has determined to grant the joint motion to terminate the bond forfeiture proceeding between Tessera, Inc. of San Jose, California ("Tessera") and Freescale Semiconductor, Inc. of Austin, Texas ("Freescale") in the above caption investigation. ALJ Order No. 73 is vacated as moot. The proceeding 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 of San Jose, California against Spansion, Inc. and Spansion, LLC, both of Sunnyvale, California (collectively "Spansion"); Qualcomm Incorporated 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. *72 Fed. Reg.* 28522 (May 21, 2007). The complaint alleged 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 May 20, 2009, the Commission issued its final disposition of the investigation, finding a violation of section 337. 74 *Fed. Reg.* 25579-81 (May 28, 2009). The Commission also issued a limited exclusion order (“LEO”) against all respondents and cease and desist orders against Freescale, Qualcomm, Spansion, ATI and Motorola. On August 18, 2009, the Commission granted a joint petition by Tessera and Motorola to rescind in whole the cease and desist order directed to Motorola based upon a license agreement entered into between the two parties. The Federal Circuit ultimately upheld the Commission’s determination (*see Spansion, Inc. v. ITC*, 629 F.3d 1331 (Fed. Cir. 2010), *reh’g and reh’g en banc denied*, March 29, 2011), and on November 28, 2011, the Supreme Court denied the respondents’ petitions for a writ of certiorari (*see* Supreme Court Nos. 11-127, 128).

On May 21, 2012, Tessera filed a motion for summary determination of bond forfeiture by Freescale, seeking to have the bonds posted by Freescale pursuant to the LEO and cease and desist order forfeited, as well as the payment of any pre-judgment interest. On June 1, 2012, Freescale filed a response opposing the motion. On September 18, 2012, the ALJ issued an ID (Order No. 73), granting Tessera’s motion in part, finding that Freescale should forfeit a percentage of the posted bond and pay pre-judgment interest.

On October 9, 2012, Tessera and Freescale filed a joint motion to terminate the bond forfeiture proceeding based on a settlement stipulation entered into between the parties. The motion indicated that, as of the date of the motion, Freescale paid to Tessera directly the amount owed according to Order No. 73. The motion requested that the Commission and Customs remit to Freescale the entirety of the bond amount posted by Freescale during the Presidential review period, and that this Investigation be terminated as to Freescale. The Office of Unfair Import Investigations is no longer participating in this investigation, and therefore, did not file a response.

Having examined the record of this investigation, the Commission has determined to grant the joint motion to terminate the bond forfeiture proceeding with respect to Freescale. Section 337(c) provides, in relevant part, that the Commission may terminate an investigation “on the basis of an agreement between the private parties to the investigation.” When the investigation is before the Commission, as is the case here, the Commission may act on a motion to terminate on the basis of settlement. *See Certain Automotive Multimedia Display and Navigation Systems, Components Thereof, and Products Containing Same*, Inv. No. 337-TA-657, Notice of Commission Determination To Grant the Joint Motion To Terminate the Investigation on the Basis of Settlement, 75 *Fed. Reg.* 1080-81 (Jan. 8, 2010). Section 210.21(b) of the Commission’s Rules of Practice and Procedure (19 C.F.R. § 210.21(b)), which implements Section 337(c), requires that a motion for termination based upon a settlement contain a copy of that settlement agreement, as well as a statement that there are no other agreements, written or oral, express or implied, between the parties concerning the subject matter of the investigation.

The joint motion complies with these requirements.

The Commission also considers the public interest when terminating an investigation based upon a settlement agreement. 19 C.F.R. § 210.50(b)(2). We find no evidence that termination of the investigation will prejudice the public interest or that settlement will adversely impact the public health and welfare, competitive conditions in the United States economy, the production of like or directly competitive articles in the United States, or United States consumers. Moreover, the public interest favors settlement to avoid needless litigation and to conserve public and private resources.

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 section 210.21 of the Commission's Rules of Practice and Procedure (19 C.F.R. § 210.21).

By order of the Commission.

A handwritten signature in black ink, appearing to read "Lisa R. Barton", written in a cursive style.

Lisa R. Barton
Acting Secretary to the Commission

Issued: November 2, 2012