

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

In the Matter of

**CERTAIN BIOMETRIC SCANNING
DEVICES, COMPONENTS THEREOF,
ASSOCIATED SOFTWARE, AND
PRODUCTS CONTAINING THE SAME**

Investigation No. 337-TA-720

**NOTICE OF COMMISSION DECISION TO REVIEW-IN-PART A FINAL INITIAL
DETERMINATION FINDING A VIOLATION OF SECTION 337; REQUEST FOR
WRITTEN SUBMISSIONS REGARDING THE ISSUES UNDER REVIEW AND
REMEDY, BONDING, AND THE PUBLIC INTEREST**

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 a final initial determination ("ID") of the presiding administrative law judge ("ALJ") finding a violation of section 337 in the above-captioned investigation, and is requesting written submissions regarding the issues under review and remedy, bonding, and the public interest.

FOR FURTHER INFORMATION CONTACT: Clint Gerdine, Esq., Office of the General Counsel, U.S. International Trade Commission, 500 E Street, S.W., 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, 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 June 17, 2010 based on a complaint filed on May 11, 2010, by Cross Match Technologies, Inc. ("Cross Match") of Palm Beach Gardens, Florida. *75 Fed. Reg.* 34482-83. The complaint, as amended on May 26, 2010, 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 biometric scanning devices, components

thereof, associated software, and products containing the same by reason of infringement of certain claims of U.S. Patent Nos. 5,900,993 (“the ‘993 patent”); 7,203,344 (“the ‘344 patent”); 7,277,562 (“the ‘562 patent”); and 6,483,932 (“the ‘932 patent”). The complaint further alleges that an industry in the United States exists as required by subsection (a)(2) of section 337, and names two respondents, Suprema, Inc. (“Suprema”) of Korea and Mentalix, Inc. of Plano, Texas.

On November 10, 2010, the Commission issued notice of its determination not to review the ALJ’s ID granting Cross Match’s motion to amend the complaint by adding allegations of infringement as to claims 5-6, 12, and 30 of the ‘562 patent, and claims 7, 15, 19, and 45 of the ‘344 patent. On December 27, 2010, the Commission issued notice of its determination not to review the ALJ’s ID granting Cross Match’s motion to terminate the investigation as to claims 6-8, 13-15, and 19-21 of the ‘932 patent (eliminating this patent from the investigation); claims 13 and 16 of the ‘993 patent; claims 4, 15, 30, 32, and 44 of the ‘344 patent; and claim 2 of the ‘562 patent based on withdrawal of these claims from the complaint. On March 18, 2011, the Commission issued notice of its determination not to review the ALJ’s ID granting Cross Match’s motion for summary determination that it satisfies the economic prong of the domestic industry requirement.

On June 17, 2011, the ALJ issued his final ID finding a violation of section 337 by Suprema by reason of infringement of one or more of claims 10, 12, and 15 of the ‘993 patent. The ALJ also found a violation of section 337 by reason of infringement of claim 19 of the ‘344 patent. The ALJ found no violation of section 337 with respect to the ‘932 patent. He also issued his recommendation on remedy and bonding during the period of Presidential review. On July 5, 2011, Cross Match, respondents, and the Commission investigative attorney (“IA”) each filed a petition for review of the final ID; and on July 13, 2011, each filed a response to the other party’s opposing petition.

Upon considering the parties’ filings, the Commission has determined to review-in-part the ID. Specifically, the Commission has determined to review the ALJ’s finding of a violation of section 337 based on infringement of claim 19 of the ‘344 patent. The Commission has determined not to review the remainder of the ID.

On review, with respect to violation, the parties are requested to submit briefing limited to the following issues:

- (1) Who infringes claim 19 of the ‘344 patent and what type of infringement has occurred? Please consider direct, contributory, and induced infringement.
- (2) Is there is a sufficient nexus between the infringer’s unfair acts and importation to find a violation of section 337? *See, e.g., Dynamic Random Access Memories, Components Thereof and Products Containing Same*, Inv. No. 337-TA-242, Comm’n Op. (Sept. 21, 1987); *Certain Cardiac Pacemakers and Components Thereof*, Inv. No. 337-TA-162, 1984 WL 273827, Order No. 37 (March 21, 1984).

In addressing these issues, the parties are requested to make specific reference to the evidentiary record and to cite relevant authority.

In connection with the final disposition of this investigation, the Commission may issue an order that results in the exclusion of the subject articles from entry into the United States. 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).

When 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.

When 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 section 337(j), 19 U.S.C. § 1337(j) and the 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 under review that specifically address the Commission's questions set forth in this notice. The submissions should be concise and thoroughly referenced to the record in this investigation. 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, and such submissions should address the recommended determination by the ALJ on remedy and bonding. The complainant and the IA are also requested to submit proposed remedial orders for the Commission's consideration. Complainant is also requested to state the dates that the patents at issue expire and the HTSUS numbers under which the accused articles are imported. The written submissions and proposed remedial orders must be filed no later than close of business on August 30, 2011. Reply submissions must be filed no later than the close of business on September 8. 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 of the Commission's Rules of Practice and Procedure, 19 C.F.R. §§ 210.42-46.

By order of the Commission.

/s/
James R. Holbein
Secretary to the Commission

Issued: August 18, 2011