

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

In the Matter of

**CERTAIN INTEGRATED CIRCUIT
CHIPS AND PRODUCTS CONTAINING
THE SAME**

Investigation No. 337-TA-859

**NOTICE OF THE COMMISSION'S DETERMINATION TO REVIEW IN PART THE
FINAL INITIAL DETERMINATION; REQUEST FOR SUBMISSIONS**

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 ("ALJ") on March 21, 2014, finding no violation of section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. § 1337, in this investigation.

FOR FURTHER INFORMATION CONTACT: Amanda Pitcher Fisherow, Office of the General Counsel, U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C. 20436, telephone (202) 205-2737. 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 October 23, 2012, based on a complaint filed by Realtek Semiconductor Corporation ("Realtek") of Hsinchu, Taiwan alleging violations of section 337 of the Tariff Act of 1930 (19 U.S.C. § 1337), as amended, by reason of infringement of certain claims of U.S. Patent Nos. 6,787,928 ("the '928 patent") and 6,963,226 ("the '226 patent"). 77 Fed. Reg. 64826. The notice of investigation named as respondents LSI Corporation of Milpitas, California; and Seagate Technology of Cupertino, California (collectively "Respondents"). The '226 patent was terminated from the investigation.

On March 21, 2014, the ALJ issued the subject final ID finding no violation of section 337. The ALJ held that no violation occurred in the importation into the United States, the sale for importation, or the sale within the United States after importation of certain integrated circuit chips and products containing the same that infringe one or more of claims 1-10 of the '928 patent. Although the ALJ found that the asserted claims were infringed, the ALJ held claims 1-10 of the '928 patent invalid and found that no domestic industry exists.

The final ID also included the ALJ's recommended determination on remedy. The ALJ recommended that if the Commission finds a violation, that the Commission issue a limited exclusion order that includes a six month waiting period to permit only Respondent Seagate to replace the accused chips with non-infringing chips. *Id.* The ALJ further recommended that Realtek be required to submit quarterly reports certifying that it continues to maintain a domestic industry with respect to the domestic industry products and to specify the nature of the activities that constitute the domestic industry. The ALJ also recommend that the Commission not issue cease and desist orders. Further, the ALJ recommended that the Commission set a zero bond.

On April 4, 2014, Realtek filed a petition for review and on April 7, 2014 Respondents filed a contingent petition for review. The parties timely responded to each other's petitions for review. The Commission has determined to review the ID with the exception of the following: (1) construction of the term "second pad layer," (2) findings on jurisdiction, and (3) level of one of ordinary skill in the art.

The parties are requested to brief their positions on the issues under review with reference to the applicable law and the evidentiary record. In connection with its review, the Commission is particularly interested in responses to the following questions:

- (1) Does the evidence of record show that a person of ordinary skill in the art would understand the "lower electric-conduction layer" to be composed of a single layer or that it could be composed of one or more layers? Does the evidence of record (*e.g.*, intrinsic evidence, expert testimony, etc.) preclude the "lower electric-conduction layer" from being composed of more than one planar layer? Please also cite and/or discuss any relevant case law.
- (2) If the "lower electric-conduction layer" may be composed of more than a single planar layer, what impact would that have, if any, on the ALJ's invalidity findings?
- (3) If the "lower electric-conduction layer" may be composed of more than a single planar layer, do the accused products infringe the asserted claims?
- (4) If the "lower electric-conduction layer" may be composed of more than a single planar layer, what impact would that have, if any, on the ALJ's domestic industry findings?
- (5) Discuss whether Realtek waived its argument that the term "wherein a noise from the substrate is kept away from the first pad layer by the lower

electric-conduction layer” should be construed to require a significant or substantial reduction of noise.

(6) In light of the specification’s stated goals, what would a person of ordinary skill in the art understand as the amount of reduction in noise required by the wherein clause of claim 10? *See e.g.*, ’928 patent at 1:7-14, 2:20-26, 29-34. Please provide citations to the evidentiary record and discuss relevant case law pertaining to this issue.

(7) Is the limitation “wherein a noise from the substrate is kept away from the first pad layer by the lower electric-conduction layer” of claim 10 indefinite? Would one of ordinary skill in the art understand the scope of the limitation, and if so what is that scope? Please cite to record evidence.

(8) If the “wherein a noise from the substrate is kept away from the first pad layer by the lower electric-conduction layer” limitation requires significant or substantial reduction of noise, is claim 10 invalid?

(9) If the “wherein a noise from the substrate is kept away from the first pad layer by the lower electric-conduction layer” limitation of claim 10 requires a significant or substantial reduction of noise, do the accused products infringe claim 10?

(10) If the “wherein a noise from the substrate is kept away from the first pad layer by the lower electric-conduction layer” limitation of claim 10 requires significant or substantial reduction of noise, do the domestic industry products practice claim 10?

(11) Discuss whether or not the evidence of record shows the metal layers 53 and 54 of the Ker application are “necessarily” coupled to a “second pad layer” that provides a bonding zone to an external power source or potential. Please cite record evidence to support your position.

(12) Discuss whether there is clear and convincing evidence that the metal layer 53 of the Ker application is not coupled to the bond pad.

(13) Discuss whether and how Realtek’s research and development investment in the United States is investment in the asserted patent’s exploitation pursuant to 19 U.S.C. § 1337(a)(3)(C). *See Certain Computers and Computer Peripheral Devices, and Components Thereof, and Products Containing Same*, Inv. No. 337-TA-841, Comm’n Op. 27 (Jan. 9, 2014) (“The Commission has established that the ‘its’ in ‘substantial investment in its exploitation’ of subparagraph (a)(3)(C) refers to ‘the patent, copyright, trademark, mask work, or design.’”); *InterDigital Commc’ns, LLC v. ITC*, 707 F.3d 1295, 1297 (Fed. Cir. 2013) (“The parties agree that the word ‘its’ in the last clause of paragraph 337(a)(3) refers to the intellectual property at issue.”).

(14) Discuss whether and how Realtek’s domestic-industry research and development in the United States involves or relates to articles protected by the asserted patent pursuant to 19 U.S.C. § 1337(a)(3)(C). See *Microsoft Corp. v. ITC*, 731 F.3d 1354, 1362 (Fed. Cir. 2013) (explaining that a complainant must “provide evidence that its substantial domestic investment—*e.g.*, in research and development—relates to an actual article that practices the patent”).

(15) If Realtek has demonstrated investment in the United States in exploitation of the asserted patent pursuant to 19 U.S.C. § 1337(a)(3)(C), identify each investment specifically and explain why the investments, as a whole, are substantial.

(16) Discuss whether Realtek presented and preserved theories of domestic industry based upon 19 U.S.C. § 1337(a)(3)(A) or (a)(3)(B), and if so, whether Realtek demonstrated the existence of a domestic industry on those bases.

(17) Please comment on whether a six month delay in enforcing a limited exclusion order against Seagate is or is not appropriate.

In connection with the final disposition of this investigation, the Commission may (1) issue an order that could result in the exclusion of the subject articles from entry into the United States, and/or (2) issue one or more cease and desist orders that could result in the respondent(s) being required to cease and desist from engaging in unfair acts in the importation and sale of such articles. Accordingly, the Commission is interested in receiving written submissions that address the form of remedy, if any, that should be ordered. 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.

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 *Certain Devices for Connecting Computers via Telephone Lines*, Inv. No. 337-TA-360, USITC Pub. No. 2843 (December 1994) (Commission Opinion).

If 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 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 and prescribed by the Secretary of the Treasury. 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 identified in this notice. Parties to the investigation, interested government agencies, and any other interested persons are encouraged to file written submissions on the issues of remedy, the public interest, and bonding, as well as respond to the questions posed herein relating to remedy and the public interest. Such submissions should address the recommended determination by the ALJ on remedy and bonding. Complainant is also requested to submit proposed remedial orders for the Commission's consideration.

Complainant is also requested to state the date that the '928 patent expires and the HTSUS numbers under which the accused products are imported. The written submissions and proposed remedial orders must be filed no later than close of business on Thursday, June 5, 2014. Reply submissions must be filed no later than the close of business on Monday, June 16 2014. No further submissions on these issues will be permitted unless otherwise ordered by the Commission. The page limit for the parties' initial submissions on the questions posed by the Commission is 75 pages. The parties reply submissions, if any, are limited to 35 pages.

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 section 210.4(f) of the Commission's Rules of Practice and Procedure (19 C.F.R. 210.4(f)). Submissions should refer to the investigation number ("Inv. No. 337-TA-859") in a prominent place on the cover page and/or the first page. (*See Handbook for Electronic Filing Procedures, http://www.usitc.gov/secretary/fed_reg_notices/rules/handbook_on_electronic_filing.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. A redacted non-confidential version of the document must also be filed simultaneously with the any confidential filing. 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 large, stylized flourish at the end.

Lisa R. Barton
Secretary to the Commission

Issued: May 22, 2014