

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

In the Matter of

**CERTAIN BEVERAGE BREWING
CAPSULES, COMPONENTS THEREOF,
AND PRODUCTS CONTAINING THE
SAME**

Investigation No. 337-TA-929

**NOTICE OF COMMISSION DETERMINATION TO REVIEW IN PART A
FINAL INITIAL DETERMINATION FINDING NO VIOLATION OF
SECTION 337; SCHEDULE FOR BRIEFING ON THE ISSUES UNDER
REVIEW AND ON REMEDY, THE PUBLIC INTEREST, AND BONDING**

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”) issued by the presiding administrative law judge (“ALJ”), finding no violation of section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. § 1337.

FOR FURTHER INFORMATION CONTACT: Robert Needham, Office of the General Counsel, U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C. 20436, telephone (202) 708-5468. 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 (<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 September 9, 2014, based on a complaint filed by Adrian Rivera of Whittier, California, and Adrian Rivera Maynez Enterprises, Inc., of Santa Fe Springs, California (together, “ARM”). 79 *Fed. Reg.* 53445-46. The complaint 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 beverage brewing capsules, components thereof, and products

containing the same that infringe claims 5-8 and 18-20 of U.S. Patent No. 8,720,320 (“the ’320 patent”). *Id.* at 53445. The Commission’s notice of investigation named as respondents Solofill LLC of Houston, Texas (“Solofill”); DongGuan Hai Rui Precision Mould Co., Ltd. of Dong Guan City, China (“DongGuan”); Eko Brands, LLC (“Eko Brands”), of Woodinville, Washington; Evermuch Technology Co., Ltd., of Hong Kong, China and Ever Much Company Ltd. of Shenzhen, China (together, “Evermuch”); Melitta USA, Inc. (“Melitta”), of North Clearwater, Florida; LBP Mfg., Inc. of Cicero, Illinois and LBP Packaging (Shenzhen) Co. Ltd. of Shenzhen, China (together, “LBP”); Spark Innovators Corp. (“Spark”), of Fairfield, New Jersey; B. Marlboros International Ltd. (HK) (“B. Marlboros”) of Hong Kong, China; and Amazon.com, Inc. (“Amazon”) of Seattle, Washington. The Office of Unfair Import Investigations was also named as a party to the investigation. *Id.*

The Commission terminated the investigation with respect to Melitta, Spark, LBP, and B. Marlboros based on the entry of consent orders and terminated the investigation with respect to Amazon based on a settlement agreement. Notice (Dec. 18, 2014); Notice (Jan. 13, 2015); Notice (Mar. 27, 2015); Notice (Apr. 10, 2015). The Commission also found Eko Brands and Evermuch in default for failing to respond to the complaint and notice of investigation. Notice (May 18, 2015). Accordingly, Solofill and DongGuan (together, “Respondents”) were the only respondents actively participating in the investigation at the time of the issuance of the final ID.

On September 4, 2015, the ALJ issued his final ID finding no violation of section 337. The ID found that ARM had established every element for finding a violation of section 337 except for infringement. The ID found that Respondents were not liable for direct infringement because direct infringement required the combination of Respondents’ products with a third-party single serve beverage brewer, and that Respondents were not liable for induced or contributory infringement because they did not have pre-suit knowledge of the ’320 patent. The ID did find that Respondents’ products directly infringed when combined with a third-party single serve coffee brewer, that the asserted claims have not been shown invalid by clear and convincing evidence, and that ARM satisfied both the technical and economic prongs of the domestic industry requirement. The ALJ also issued his recommendation on remedy and bonding along with his ID.

On September 21, 2015, Complainants petitioned for review of the ID’s findings that Respondents were not liable for induced and contributory infringement because of a lack of pre-suit knowledge, and Respondents petitioned for review of several of the ID’s findings. On September 29, 2015, the parties opposed each other’s petitions, and the Commission Investigative Attorney opposed both petitions.

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 the final ID in part. Specifically the Commission has determined to review the following: (1) the ID’s findings on the construction, infringement, and technical prong of the domestic industry requirement for the limitation “a needle-like structure, disposed

below the base”; (2) the ID’s findings on induced and contributory infringement; (3) the ID’s findings that the asserted claims are not invalid for a lack of written description, as anticipated by Beaulieu and the APA, or as obvious; and (4) the ID’s findings on the economic prong of the domestic industry requirement. The Commission has determined not to review the remaining findings in the ID.

In connection with its review, the Commission is interested in briefing only on the following issue:

The Commission recently determined that the “knowledge of the patent” element for contributory infringement can be satisfied through service of a section 337 complaint. *See* Commission Opinion in *Certain Television Sets, Television Receives, Television Tuners, and Components Thereof*, Inv. No. 337-TA-910, at 41-43 (public version dated Oct. 30, 2015). Please explain how that determination impacts the issues of contributory and induced infringement in this investigation.

The parties have been invited to brief only the discrete issue described above, with reference to the applicable law and evidentiary record. The parties are not to brief other issues on review, which are adequately presented in the parties’ existing filings.

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 a cease and desist order that could result in the respondent 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. 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 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 a cease and desist order 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 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 issue identified in this notice. 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. Such submissions should address the recommended determination by the ALJ on remedy and bonding. The complainants and the Commission Investigative Attorney are also requested to submit proposed remedial orders for the Commission's consideration. The complainants are additionally requested to state the date that the '320 patent expires, the HTSUS numbers under which the accused products are imported, and to supply a list of known importers of the products at issue. The entirety of the parties' written submissions must not exceed 50 pages, and must be filed no later than close of business on November 20, 2015. Reply submissions must not exceed 25 pages, and must be filed no later than the close of business on December 1, 2015. 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 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-929") 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 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', written in a cursive style.

Lisa R. Barton
Secretary to the Commission

Issued: November 9, 2015