

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C. 20436

In the Matter of

**CERTAIN INKJET INK CARTRIDGES
WITH PRINTHEADS AND COMPONENTS
THEREOF**

Investigation No. 337-TA-723

**NOTICE OF COMMISSION DETERMINATION TO REVIEW IN PART A FINAL
INITIAL DETERMINATION FINDING A VIOLATION OF SECTION 337; SCHEDULE
FOR FILING WRITTEN SUBMISSIONS ON THE ISSUE 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 the final initial determination (“ID”) issued by the presiding administrative law judge (“ALJ”) on June 10, 2011, finding a violation of section 337 of the Tariff Act of 1930, 19 U.S.C. § 1337, in this investigation.

FOR FURTHER INFORMATION CONTACT: Panyin A. Hughes, Esq., Office of the General Counsel, U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C. 20436, telephone (202) 205-3042. 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 25, 2010, based on a complaint filed by Hewlett-Packard Company of Palo Alto, California and Hewlett-Packard Development Company, L.P., of Houston, Texas (collectively “HP”). *75 Fed. Reg.* 36442 (June 25, 2010). The complaint alleged violations of section 337 of the Tariff Act of 1930 (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 inkjet ink cartridges with printheads and components thereof by reason of infringement of various claims of United States Patent Nos. 6,234,598 (“the ’598 patent”); 6,309,053 (“the ’053 patent”); 6,398,347 (“the ’347 patent”); 6,481,817 (“the ’817 patent”); 6,402,279 (“the ’279 patent”); and 6,412,917 (“the ’917 patent”).

The '917 patent was subsequently terminated from the investigation. The complaint named the following entities as respondents: MicroJet Technology Co., Ltd. of Hsinchu City, Taiwan ("MicroJet"); Asia Pacific Microsystems, Inc. of Hsinchu City, Taiwan ("APM"); Mipo Technology Limited of Kowloon, Hong Kong ("Mipo Tech."); Mipo Science & Technology Co., Ltd. of Guangzhou, China ("Mipo"); Mextec d/b/a Mipo America Ltd. of Miami, Florida ("Mextec"); SinoTime Technologies, Inc. d/b/a All Colors of Miami, Florida ("SinoTime"); and PTC Holdings Limited of Kowloon, Hong Kong ("PTC").

Respondents Mipo, Mipo Tech., SinoTime, and Mextec were subsequently terminated from the investigation. Respondent MicroJet defaulted. Respondent PTC did not participate in the hearing and failed to file post-hearing briefs. Pursuant to 19 C.F.R. §§ 210.17(d) and (e), the ALJ drew an adverse inference against PTC that "PTC imported accused products into the United States, that those products were manufactured by MicroJet, and that those products contain ICs [integrated circuits] made by APM." ID at 29.

On June 10, 2011, the ALJ issued his final ID, finding a violation of section 337 by the respondents. Specifically, the ALJ found that the Commission has subject matter jurisdiction: *in rem jurisdiction* over the accused products and *in personam* jurisdiction over the respondents. The ALJ also found that there has been an importation into the United States, sale for importation, or sale within the United States after importation of the accused inkjet ink cartridges with printheads and components thereof. Regarding infringement, the ALJ found that MicroJet and PTC directly infringe claims 1-6 and 8-10 of the '598 patent, claims 1-6 and 8-17 of the '053 patent, claims 1, 3-5, and 8-12 of the '347 patent, claims 1-14 of the '817 patent, and claims 9-15 of the '279 patent. The ALJ also found that MicroJet induces infringement of those claims. The ALJ further found that APM does not directly infringe claims 1-5 of the '598 and does not induce infringement of the asserted patents. The ALJ, however, found APM liable for contributory infringement. With respect to invalidity, the ALJ found that the asserted patents were not invalid. Finally, the ALJ concluded that an industry exists within the United States that practices the '598, '053, '347, '817, and '279 patents as required by 19 U.S.C. § 1337(a)(2).

On June 24, 2011, HP filed a contingent petition for review of the ID. On June 27, 2011, APM and the Commission investigative attorney ("IA") filed petitions for review of the ID. On July 5, 2011, the parties filed responses to the various petitions and contingent petition for review.

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 finding that HP failed to establish by a preponderance of the evidence that Respondent APM induced infringement of the asserted patents. The Commission has determined not to review any other issues in the ID.

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

1. Does the record evidence demonstrate that APM's conduct meets the "specific intent" requirement for inducement in light of the ALJ's finding that "APM certainly had knowledge of the asserted patents and the infringement at issue once it was served with HP's Complaint. And APM continued to sell its components to MicroJet even after receiving HP's Complaint"? ID at 91; RX-69C. See *DSU Med. Corp. v. JMS Co.*, 471 F.3d 1293, 1305 (Fed. Cir. 2006).

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. 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).

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 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 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. 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. Complainants and the IA are also requested to submit proposed remedial orders for the Commission's consideration. Complainants are also requested to state the date that the patents expire 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, August 25, 2011. Reply submissions must be filed no later than the close of business on Thursday, September 1, 2011.

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 and 210.50 of the Commission's Rules of Practice and Procedure (19 C.F.R. §§ 210.42-46 and 210.50).

By order of the Commission.

/s/

William R. Bishop
Acting Secretary to the Commission

Issued: August 11, 2011