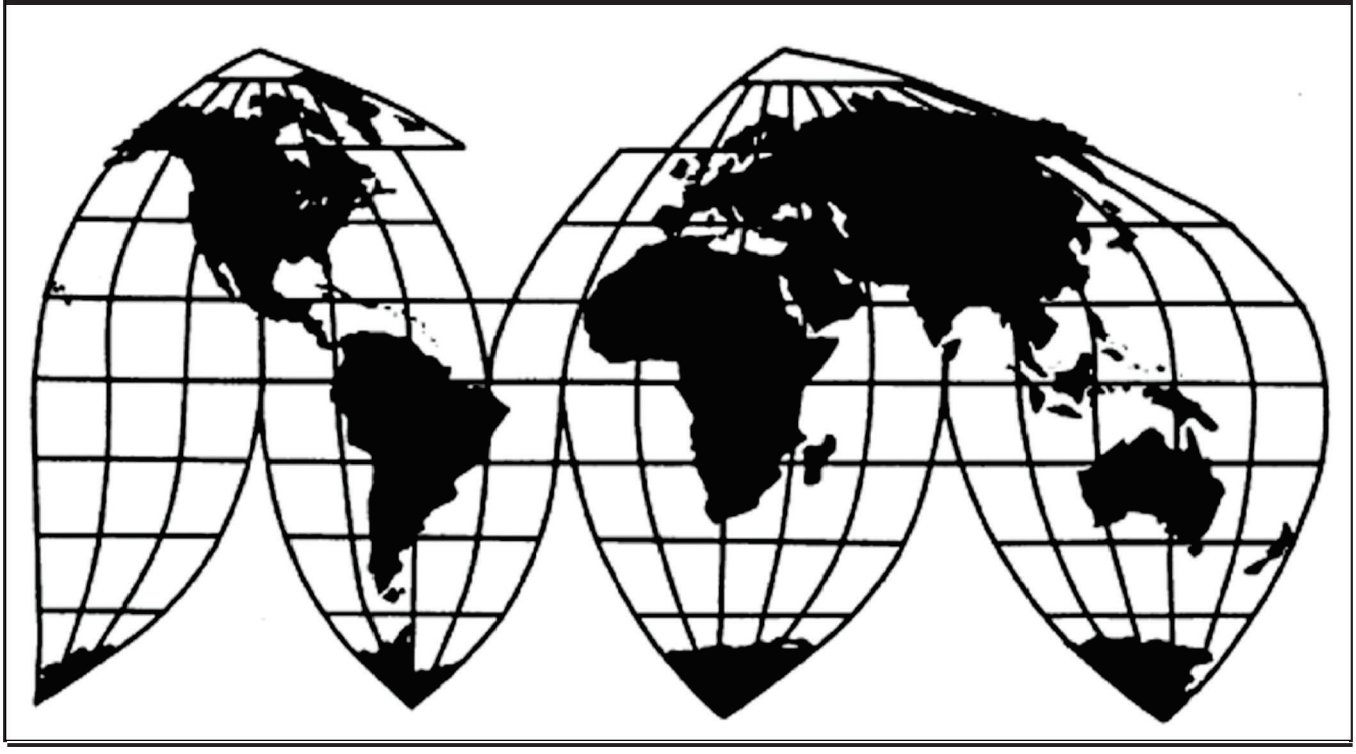
In the Matter of

CERTAIN GAS SPRING NAILER PRODUCTS AND COMPONENTS THEREOF

337-TA-1082

Publication 5075 **June 2020**

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

COMMISSIONERS

David S. Johanson, Chairman
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www.usitc.gov

In the Matter of

CERTAIN GAS SPRING NAILER PRODUCTS AND COMPONENTS THEREOF

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UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

In the Matter of **CERTAIN GAS SPRING NAILER PRODUCTS AND COMPONENTS THEREOF**	**Investigation No. 337-TA-1082**

NOTICE OF COMMISSION DETERMINATION FINDING A VIOLATION OF SECTION 337; ISSUANCE OF LIMITED EXCLUSION ORDER AND CEASE AND DESIST ORDER; TERMINATION OF THE INVESTIGATION

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission ("the Commission") has determined to find a violation of section 337. Specifically, the Commission has determined to affirm in part, reverse in part, and modify in part both an initial determination ("ID") and a remand initial determination ("RID") of the presiding administrative law judge ("ALJ"). The Commission has issued a limited exclusion order ("LEO") directed against infringing gas spring nailer products and components thereof of respondent Hitachi Koki U.S.A., Ltd. ("Hitachi") of Braselton, Georgia and a cease and desist order ("CDO") directed against Hitachi. The investigation is terminated.

FOR FURTHER INFORMATION CONTACT: Clint Gerdine, Esq., Office of the General Counsel, U.S. International Trade Commission, 500 E Street, SW., 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, SW., Washington, D.C. 20436, telephone (202) 205-2000. General information concerning the Commission may also be obtained by accessing its Internet server at *https://www.usitc.gov*. The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) at *https://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 November 20, 2017, based on a complaint filed on behalf of Kyocera Senco Brands Inc. ("Kyocera") of Cincinnati, Ohio. 82 *Fed. Reg.* 55118-19 (Nov. 20, 2017). The complaint, as amended and supplemented, alleges violations of section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. 1337 ("section 337"), based upon the importation into the United States, the

sale for importation, and the sale within the United States after importation of certain gas spring nailer products and components thereof by reason of infringement of certain claims of U.S. Patent Nos. 8,011,547 ("the '547 patent"); 8,267,296 ("the '296 patent"); 8,27,297 ("the '297 patent"); 8,387,718 ("the '718 patent"); 8,286,722 ("the '722 patent"); and 8,602,282 ("the '282 patent"). The complaint further alleges the existence of a domestic industry. The Commission's notice of investigation named Hitachi as a respondent. The Office of Unfair Import Investigations is not participating in the investigation. The '547 patent has been terminated from the investigation and the notice of investigation was amended to add claim 30 of the '297 patent to the investigation. Order No. 13 (June 4, 2018), *unreviewed by* Comm'n Notice (June 22, 2018); Order No. 15 (June 19, 2018), *unreviewed by* Comm'n Notice (July 9, 2018), 83 *Fed. Reg.* 32685-66 (July 15, 2018). Prior to the evidentiary hearing, the parties stipulated that the '718 patent is the only remaining patent at issue because no violation could be shown as to the '296, '297, '722, and '282 patents based on an evidentiary ruling limiting the Kyocera's expert's testimony. *See* ID at 1-2. At the hearing, Kyocera asserted claims 1, 10, and 16 (the "asserted claims") of the '718 patent. *Id.* at 2, 21.

On June 7, 2019, the ALJ issued a final ID finding no violation of section 337 as to the '718 patent based on non-infringement and the failure of Kyocera to establish the existence of a domestic industry ("DI") that practices the '718 patent. Specifically, the ID finds that Kyocera failed to show that the accused products or the domestic industry products practice the asserted claims. The ID also finds that Kyocera satisfied the economic prong of the DI requirement under section 337(a)(3)(B). The ID also includes a recommended determination on remedy and bonding ("RD") during the period of Presidential review. The RD recommends an LEO directed to gas spring nailer products and components thereof that infringe the asserted claims of the '718 patent, and recommends a CDO directed against Hitachi. The RD does not recommend imposing a bond.

On August 14, 2019, the Commission determined to review the ID in part and remand in part. *See* Comm'n Notice (Aug. 14, 2019). Specifically, the Commission determined to review the ID's finding that Kyocera did not establish: (1) either direct or induced infringement of the asserted claims of the '718 patent, and (2) practice of the asserted claims by the DI products to satisfy the DI requirement. The Commission also determined to review the ID's finding that Kyocera has satisfied the economic prong of the DI requirement. *Id.* The Commission remanded the issues of whether Kyocera has established, by a preponderance of the evidence, that: (1) the remaining limitations (irrespective of the "system controller" limitation, *i.e.*, "a circuit configured to control operation based on received input signals") of the asserted claims of the '718 patent are met by the accused products; (2) the remaining limitations of the asserted claims are practiced by the DI products ("the DI products"); and (3) Hitachi induced infringement of the asserted claims. *Id.*

On October 28, 2019, the ALJ issued an RID finding no violation of section 337 as to the '718 patent based on non-infringement and the failure of Kyocera to establish the existence of a domestic industry that practices the '718 patent. Specifically, the RID finds that: (1) neither the accused products nor the DI products satisfy the "displacement volume" limitation (*i.e.*, " (A) a hollow cylinder comprising a cylindrical wall with a movable piston therewith, said hollow cylinder containing a displacement volume created by a stroke of said piston") and the "initiating a driving cycle" limitation (*i.e.*, "initiating a driving cycle by pressing said exit end against a workpiece and actuating said trigger, thereby causing said fastener driving mechanism to force the driver member to move toward said exit end and drive a fastener into said workpiece") of the asserted claims; and (2) Kyocera failed to establish that Hitachi possesses the requisite specific intent to induce infringement of the claims.

On November 12, 2019, Kyocera petitioned, and Hitachi contingently petitioned, for review of the RID. On November 20, 2019, Kyocera and Hitachi each filed a response in opposition to the other party's petition for review.

On December 12, 2019, the Commission determined to review the RID in part. Specifically, the Commission determined to review the RID's finding that Kyocera did not establish: (1) direct infringement of the asserted claims with respect to the "displacement volume" and "initiating a driving cycle" limitations; (2) practice of the asserted claims by the DI products with respect to these limitations; and (3) induced infringement of the asserted claims. 84 *Fed. Reg.* 69391-92 (Dec. 18, 2019). The Commission determined not to review the remainder of the RID. *Id.* The Commission also requested the parties to respond to certain questions concerning the issues under review with respect to the ID and RID, and requested written submissions on the issues of remedy, the public interest, and bonding from the parties and interested non-parties. *Id.*

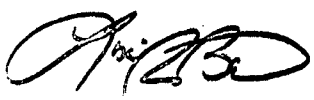
On January 3 and 10, 2020, Kyocera and Hitachi each filed a brief and a reply brief, respectively, on all issues for which the Commission requested written submissions. Having reviewed the record in this investigation, including the final ID, the RID, and the parties' written submissions, the Commission has determined to find a violation of section 337. Specifically, the Commission has determined that: (1) the accused and DI products meet the "system controller," "displacement volume," and "initiating a driving cycle" limitations of the asserted claims 1, 10, and 16 of the '718 patent, and therefore the accused products infringe these claims; (2) the DI products practice these claims and therefore Kyocera has satisfied the technical prong of the DI requirement; (3) Hitachi has induced infringement of the asserted claims; and (4) Kyocera has satisfied the economic prong of the DI requirement under section 337(a)(3)(C). The Commission reverses the ID's and RID's findings to the contrary and takes no position on the ID's finding that Kyocera has satisfied the economic prong of the DI requirement under section 337(a)(3)(B). Accordingly, the Commission finds a violation based on Hitachi's induced infringement of the asserted claims. The Commission has issued an opinion explaining the basis for the Commission's determination.

Having found a violation of section 337 as to the '718 patent, the Commission has determined that the appropriate form of relief is an LEO prohibiting the entry of unlicensed gas spring nailer products and components thereof that infringe one or more of claims 1, 10, and 16 of the '718 patent, and that are manufactured abroad by or on behalf of, or imported by or on behalf of Hitachi, or any of its affiliated companies, parents, subsidiaries, or other related business entities, or their successors or assigns. Appropriate relief also includes a CDO prohibiting Hitachi from conducting any of the following activities in the United States: importing, selling, marketing, advertising, distributing, offering for sale, transferring (except for exportation), and soliciting U.S. agents or distributors for gas spring nailer products and components thereof that infringe one or more of claims 1, 10, and 16 of the '718 patent.

The Commission has further determined that the public interest factors enumerated in sections 337(d)(1) and 337(f)(1) (19 U.S.C. 1337(d)(1) and 1337(f)(1)) do not warrant denying relief. Finally, the Commission has determined that no bond is required during the period of Presidential review (19 U.S.C. 1337(j)). The Commission's order was delivered to the President and to the United States Trade Representative on the day of its issuance.

The Commission has terminated this investigation. 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 CFR part 210.

By order of the Commission.



Lisa R. Barton
Secretary to the Commission

Issued: March 5, 2020

CERTAIN GAS SPRING NAILER PRODUCTS AND COMPONENTS THEREOF **Inv. No. 337-TA-1082**

PUBLIC CERTIFICATE OF SERVICE

I, Lisa R. Barton, hereby certify that the attached **NOTICE** has been served upon the following parties as indicated, on **March 5, 2020**.

Lisa R. Barton, Secretary
U.S. International Trade Commission
500 E Street, SW, Room 112
Washington, DC 20436

On Behalf of Complainants Kyocera Senco Brands, Inc.:

Robert S. Riggs, Esq.
VEDDER PRICE PC
222 North LaSalle Street, Suite 2600
Chicago, IL 60601-1003

☐ Via Hand Delivery
☒ Via Express Delivery
☐ Via First Class Mail
☐ Other:_____

On Behalf of Respondents Hitachi Koki U.S. A., Limited:

Paul Devinsky, Esq.
McDERMOTT WILL & EMERY LLP
500 North Capitol Street, NW
Washington, DC 20001

☐ Via Hand Delivery
☒ Via Express Delivery
☐ Via First Class Mail
☐ Other:_____

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

In the Matter of	
CERTAIN GAS SPRING NAILER PRODUCTS AND COMPONENTS THEREOF	**Investigation No. 337-TA-1082**

LIMITED EXCLUSION ORDER

The United States International Trade Commission ("Commission") has determined that there is a violation of Section 337 of the Tariff Act of 1930, as amended (19 U.S.C. § 1337), in the unlawful importation, sale for importation, and sale after importation by respondent Hitachi Koki U.S.A., Ltd., now known as Koki Holdings America Ltd., ("Respondent") of certain gas spring nailer products and components thereof that infringe one or more of claims 1, 10, and 16 of U.S. Patent No. 8,387,718.

Having reviewed the record of this investigation, including the written submissions of the parties, the Commission has made its determination on the issues of remedy, the public interest, and bonding. The Commission has determined that the appropriate form of relief is a limited exclusion order prohibiting the unlicensed entry of certain gas spring nailer products and components thereof that are manufactured abroad by or on behalf of, or imported by or on behalf of, Respondent or any of its affiliated companies, parents, subsidiaries, licensees, or other related business entities, or their successors or assigns.

The Commission has also determined that the public interest factors enumerated in 19 U.S.C. § 1337(d)(1) do not preclude the issuance of the limited exclusion order, and that there is no bond during the period of Presidential review.

Accordingly, the Commission hereby **ORDERS** that:

1. Gas spring nailer products and components thereof that infringe one or more of

claims 1, 10, and 16 of U.S. Patent No. 8,387,718 ("the '718 Patent") and that are manufactured abroad by or on behalf of, or imported by or on behalf of, Respondent or any of its affiliated companies, parents, subsidiaries, licensees, or other related business entities, or their successors or assigns ("covered articles"), are excluded from entry for consumption into the United States, entry for consumption from a foreign trade zone, or withdrawal from a warehouse for consumption, for the remaining term of the '718 patent, except under license of the patent owner or as provided by law.

2. Notwithstanding paragraph 1 of this Order, covered articles are entitled to entry into the United States for consumption, entry for consumption from a foreign-trade zone, or withdrawal from a warehouse for consumption without bond, pursuant to subsection (j) of Section 337 of the Tariff Act of 1930, as amended (19 U.S.C. § 1337(j)) and the Presidential Memorandum for the United States Trade Representative of July 21, 2005 (70 Fed. Reg. 43,251), from the day after this Order is received by the United States Trade Representative until such time as the United States Trade Representative notifies the Commission that this Order is approved or disapproved but, in any event, not later than sixty (60) days after the date of receipt of this Order.

3. At the discretion of CBP and pursuant to the procedures it establishes, persons seeking to import gas spring nailer products and components thereof that are potentially subject to this Order may be required to certify that they are familiar with the terms of this Order, that they have made appropriate inquiry, and thereupon state that, to the best of their knowledge and belief, the products being imported are not excluded from entry under paragraphs 1-2 of this Order. At its discretion, CBP may require persons who have provided the certification described in this paragraph to furnish such records or analyses as are necessary to substantiate the certification.

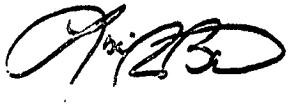
4. In accordance with 19 U.S.C. § 1337(l), the provisions of this Order shall not apply to gas spring nailer products and components thereof that are imported by and for the use of the United States, or imported for, and to be used for, the United States with the authorization or consent of the Government.

5. The Commission may modify this Order in accordance with the procedures described in Section 210.76 of the Commission's Rules of Practice and Procedure (19 C.F.R. § 210.76).

6. The Secretary shall serve copies of this Order upon each party of record in this investigation and upon CBP.

7. Notice of this Order shall be published in the Federal Register.

By order of the Commission.



Lisa R. Barton
Secretary to the Commission

Issued: March 5, 2020

CERTAIN GAS SPRING NAILER PRODUCTS AND COMPONENTS THEREOF **Inv. No. 337-TA-1082**

PUBLIC CERTIFICATE OF SERVICE

I, Lisa R. Barton, hereby certify that the attached **Order, Commission** has been served upon the following parties as indicated, on **March 5, 2020**.

Lisa R. Barton, Secretary
U.S. International Trade Commission
500 E Street, SW, Room 112
Washington, DC 20436

On Behalf of Complainants Kyocera Senco Brands, Inc.:

Robert S. Riggs, Esq.
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UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

In the Matter of	
CERTAIN GAS SPRING NAILER PRODUCTS AND COMPONENTS THEREOF	**Investigation No. 337-TA-1082**

CEASE AND DESIST ORDER

IT IS HEREBY ORDERED THAT Respondent Hitachi Koki U.S.A., Ltd., now known as Koki Holdings America Ltd. ("Respondent"), cease and desist from conducting any of the following activities in the United States: importing, selling, offering for sale, marketing, advertising, distributing, transferring (except for exportation), and soliciting U.S. agents or distributors for, and aiding and abetting other entities in the importation, sale for importation, sale after importation, transfer (except for exportation), or distribution of gas spring nailer products and components thereof that infringe one or more of claims 1, 10, and 16 of U.S. Patent No. 8,387,718, in violation of Section 337 of the Tariff Act of 1930, as amended (19 U.S.C. § 1337).

I.
Definitions

As used in this Order:

(A) "Commission" shall mean the United States International Trade Commission.

(B) "Complainant" shall mean Kyocera Senco Brands, Inc.

(C) "Respondent" shall mean Hitachi Koki U.S.A., Ltd., now known as Koki Holdings America Ltd., whose address is represented to be 1111 Broadway Avenue, Braselton, Georgia 38517.

(D) "Person" shall mean an individual, or any non-governmental partnership, firm, association, corporation, or other legal or business entity other than Respondent or its majority owned or controlled subsidiaries, successors, or assigns.

(E) "United States" shall mean the fifty States, the District of Columbia, and Puerto Rico.

(F) The terms "import" and "importation" refer to importation for entry for consumption under the Customs laws of the United States.

(G) The term "covered products" shall mean gas spring nailer products and components thereof covered by one or more of claims 1, 10, and 16 of the '718 patent. Covered products shall not include articles for which a provision of law or license avoids liability for infringement.

II.
Applicability

The provisions of this Cease and Desist Order shall apply to Respondent and to any of its principals, stockholders, officers, directors, employees, agents, distributors, controlled (whether by stock ownership or otherwise) and majority-owned business entities, successors, and assigns, and to each of them insofar as they are engaging in conduct prohibited by Section III, *infra*, for, with, or otherwise on behalf of, Respondent.

III.
Conduct Prohibited

The following conduct of Respondent in the United States is prohibited by this Order. For the remaining term of U.S. Patent No. 8,387,718, Respondent shall not:

(A) import or sell for importation into the United States covered products;

(B) market, distribute, sell, offer to sell, or otherwise transfer (except for exportation), in the United States imported covered products;

(C) advertise imported covered products;

(D) solicit U.S. agents or distributors for imported covered products; or

(E) aid or abet other entities in the importation, sale for importation, sale after importation, transfer, or distribution of covered products.

IV.
Conduct Permitted

Notwithstanding any other provision of this Order, specific conduct otherwise prohibited by the terms of this Order shall be permitted if:

(A) in a written instrument, the owner of the '718 patent licenses or authorizes such specific conduct; or

(B) such specific conduct is related to the importation or sale of covered products by or for the United States.

V.
Reporting

For purposes of this requirement, the reporting periods shall commence on January 1 of each year and shall end on the subsequent December 31. The first report required under this section shall cover the period from the date of issuance of this order through December 31, 2020. This reporting requirement shall continue in force until such time as Respondent has truthfully reported, in two consecutive timely filed reports, that it has no inventory (whether held in warehouses or at customer sites) of covered products in the United States.

Within thirty (30) days of the last day of the reporting period, Respondent shall report to the Commission: (a) the quantity in units and the value in dollars of covered products that it has imported and/or sold in the United States after importation during the reporting period, and (b) the quantity in units and value in dollars of reported covered products that remain in inventory in the United States at the end of the reporting period.

When filing written submissions, Respondent must file the original document

electronically on or before the deadlines stated above and submit eight (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-1082") in a prominent place on the cover pages and/or the first page. (*See* Handbook for Electronic Filing Procedures, https://www.usitc.gov/documents/handbook_on_filing_procedures.pdf). Persons with questions regarding filing should contact the Office of the Secretary (202-205-2000). If Respondent desires to submit a document to the Commission in confidence, it must file the original and a public version of the original with the Office of the Secretary and must serve a copy of the confidential version on Complainant's counsel.[1]

Any failure to make the required report or the filing of any false or inaccurate report shall constitute a violation of this Order, and the submission of a false or inaccurate report may be referred to the U.S. Department of Justice as a possible criminal violation of 18 U.S.C. § 1001.

VI.
Recordkeeping and Inspection

(A) For the purpose of securing compliance with this Order, Respondent shall retain any and all records relating to the sale, offer for sale, marketing, or distribution in the United States of covered products, made and received in the usual and ordinary course of business, whether in detail or in summary form, for a period of three (3) years from the close of the fiscal year to which they pertain.

(B) For the purposes of determining or securing compliance with this Order and for no other purpose, subject to any privilege recognized by the federal courts of the United States, and upon reasonable written notice by the Commission or its staff, duly

[1] Complainant must file a letter with the Secretary identifying the attorney to receive reports associated with this Order. The designated attorney must be on the protective order entered in the investigation.

authorized representatives of the Commission shall be permitted access and the right to inspect and copy, in Respondent's principals offices during office hours, and in the presence of counsel or other representatives if Respondent so chooses, all books, ledgers, accounts, correspondence, memoranda, and other records and documents, in detail and in summary form, that must be retained under subparagraph VI(A) of this Order.

VII.
Service of Cease and Desist Order

Respondent is ordered and direct to:

(A) Serve, within fifteen days after the effective date of this Order, a copy of this Order upon each of its respective officers, directors, managing agents, agents, and employees who have any responsibility for the importation, marketing, distribution, sale, lease, or rent of imported covered products in the United States;

(B) serve, within fifteen days after the succession of any persons referred to in subparagraph VII(A) of this Order, a copy of the Order upon each successor; and

(C) maintain such records as will show the name, title, and address of each person upon whom the Order has been served, as described in subparagraphs VII(A) and VII(B) of this Order, together with the date on which service was made.

The obligations set forth in subparagraphs VII(B) and VII(C) shall remain in effect until the '718 patent expires.

VIII.
Confidentiality

Any request for confidential treatment of information obtained by the Commission pursuant to Section V or VI of this Order should be made in accordance with Section 201.6 of the Commission's Rules of Practice and Procedure (19 C.F.R. § 201.6). For all reports for which confidential treatment is sought, Respondent must provide a public version of such report with

confidential information redacted.

IX.
Enforcement

Violation of this Order may result in any of the actions specified in Section 210.75 of the Commission's Rules of Practice and Procedure (19 C.F.R. § 210.75), including an action for civil penalties under Section 337(f) of the Tariff Act of 1930 (19 U.S.C. § 1337(f)), as well as any other action that the Commission deems appropriate. In determining whether Respondent is in violation of this order, the Commission may infer facts adverse to Respondent if it fails to provide adequate or timely information.

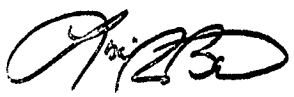
X.
Modification

The Commission may amend this order on its own motion or in accordance with the procedure described in Section 210.76 of the Commission's Rules of Practice and Procedure (19 C.F.R. § 210.76).

XI.
Bonding

The conduct prohibited by Section III of this Order may be continued during the sixty-day period in which this Order is under review by the United States Trade Representative, as delegated by the President (70 Fed. Reg. 43,251 (Jul. 21, 2005)), with no bond required. This bond provision does not apply to conduct that is otherwise permitted by section IV of this Order. Covered products imported on or after the date of issuance of this Order are entitled to entry without bond as set forth in the exclusion order issued by the Commission, and are not subject to this bond provision.

By order of the Commission.



Lisa R. Barton
Secretary to the Commission

Issued: March 5, 2020

CERTAIN GAS SPRING NAILER PRODUCTS AND COMPONENTS THEREOF **Inv. No. 337-TA-1082**

PUBLIC CERTIFICATE OF SERVICE

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500 E Street, SW, Room 112
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McDERMOTT WILL & EMERY LLP
500 North Capitol Street, NW
Washington, DC 20001

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PUBLIC VERSION

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

In the Matter of **CERTAIN GAS SPRING NAILER PRODUCTS AND COMPONENTS THEREOF**	**Investigation No. 337-TA-1082**

COMMISSION OPINION

On June 7 and October 28, 2019, the presiding administrative law judge ("ALJ") issued a final initial determination ("ID") and a remand ID ("RID"), respectively, both of which find no violation of section 337 of the Tariff Act of 1930, as amended 19 U.S.C. § 1337 ("section 337"). The ID and RID find that the sole respondent's accused products do not directly infringe claims 1, 10, and 16 ("the asserted claims") of U.S. Patent No. 8,387,718 ("the '718 patent"); that the respondent does not induce infringement of the asserted claims; and that the complainant's domestic industry ("DI") products do not practice the asserted claims. The Commission determined to review both the ID and RID in part. On review, the Commission finds a violation of section 337 because the accused products directly infringe the asserted claims, the respondent induces infringement of the asserted claims, the complainant's DI products practice the asserted claims, and the complainant has satisfied the economic prong of the domestic industry requirement. The Commission has determined to issue a limited exclusion order ("LEO") directed to infringing gas spring nailer products and components thereof, and a cease and desist order ("CDO") directed to the respondent. This Opinion sets forth the Commission's reasoning in support of its violation and remedy determinations.

I. BACKGROUND

A. Procedural History

The Commission instituted this investigation on November 20, 2017, based on a complaint filed on behalf of Kyocera Senco Brands Inc.[1] ("Kyocera") of Cincinnati, Ohio. 82 *Fed. Reg.* 55118-19 (Nov. 20, 2017). The complaint, as amended and supplemented, alleges violations of section 337, based upon the importation into the United States, the sale for importation, and the sale within the United States after importation of certain gas spring nailer products and components thereof by reason of infringement of certain claims of the '718 patent and U.S. Patent Nos. 8,011,547 ("the '547 patent"); 8,267,296 ("the '296 patent"); 8,27,297 ("the '297 patent"); 8,286,722 ("the '722 patent"); and 8,602,282 ("the '282 patent").[2] The patents share largely identical specifications. The complaint further alleges the existence of a domestic industry. The Commission's notice of investigation names as a respondent Hitachi Koki U.S.A., Ltd.[3] ("Hitachi") of Braselton, Georgia. The Office of Unfair Import Investigations is not participating in the investigation.

On May 3, 2018, the ALJ issued a *Markman* Order construing the relevant terms of the asserted patents. *See* Order No. 9 (May 3, 2018) (the "*Markman* Order"). Prior to the evidentiary hearing, the parties stipulated that the '718 patent is the only patent at issue since no

[1] During the investigation, Kyocera Senco Brands Inc. changed its name to Kyocera Senco Industrial Tools, Inc. *See* ID at 3 n.3 (citing Kyocera's Initial Post-Hearing Br. at 4 n.3).

[2] The Commission terminated the '547 patent from the investigation in June 2018. *See* Order No. 13 (June 4, 2018), unreviewed by Comm'n Notice (June 22, 2018).

[3] During the investigation, Hitachi Koki U.S.A., Ltd. changed its name to Koki Holdings America Ltd. *See* Hitachi's Initial Post-Hearing Br. at 3.

violation could be shown as to the '296, '297, '722, and '282 patents.[4]

On June 7, 2019, the ALJ issued the final ID finding no violation of section 337 as to the '718 patent. The ID finds that the accused products do not directly infringe or induce infringement of claims 1, 10, and 16 of this patent, and that Kyocera has not satisfied the technical prong of the DI requirement with respect to this patent. Specifically, the ID finds that neither the accused products nor the DI products meet the "system controller" limitation of the asserted claims. The ID also finds that Kyocera has satisfied the economic prong of the domestic industry requirement. The ID also includes a recommended determination ("RD") on remedy and bonding. The RD recommends that, to the extent that the Commission finds a violation of section 337, the Commission issue an LEO directed to gas spring nailer products and components thereof that infringe the asserted claims of the '718 patent and a CDO directed against Hitachi. The RD recommends the imposition of no bond during the period of Presidential review.

On June 24, 2019, Kyocera petitioned and Hitachi contingently petitioned for review of the final ID.[5] On July 2, 2019, Kyocera and Hitachi each filed a response in opposition to the other party's petition for review.[6]

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[4] In Order No. 28, the ALJ found that Kyocera's technical expert, Dr. Pratt, did not qualify as a person of ordinary skill in the art ("POSA"). Order No. 28 at 3. The ALJ then precluded Dr. Pratt from offering testimony concerning infringement under the doctrine of equivalents. *Id.* at 6. In response to Order No. 28, the parties stated that "as to the asserted claims of [the '296, '297, '722, and '282 patents], the parties agree that the hearing should not move forward with respect to the claims in these patents." *See* Joint Stipulation Regarding Order No. 28 (Oct. 26, 2018).

[5] *See* Complainant's Petition for Review of the Initial Determination of No Violation ("Kyocera's Pet."); Respondent's Contingent Petition for Commission Review ("Hitachi's Pet.").

[6] *See* Respondents' Response to Complainant's Petition for Commission Review ("Hitachi's

On August 14, 2019, the Commission determined to review the ID's findings concerning the "system controller" limitation and remanded in part for the ALJ to make further findings. *See* Comm'n Notice (Aug. 14, 2019). Specifically, the Commission determined to review the ID's finding that Kyocera did not establish: (1) either direct or induced infringement of the asserted claims of the '718 patent and (2) that the DI products practice the asserted claims. The Commission also determined to review the ID's finding that Kyocera has satisfied the economic prong of the DI requirement. The Commission remanded the issues of whether Kyocera has established, by a preponderance of the evidence, that: (1) the remaining limitations (irrespective of the "system controller" limitation) of the asserted claims of the '718 patent are met by the accused products; (2) the remaining limitations of the asserted claims are practiced by the DI products; and (3) Hitachi induced infringement of the asserted claims. *Id.*

On October 28, 2019, the ALJ issued the RID finding no violation of section 337 as to the '718 patent based on non-infringement and the failure of Kyocera to establish the existence of a domestic industry that practices the '718 patent. Specifically, the RID finds that: (1) neither the accused products nor the DI products satisfy the "displacement volume" and "initiating a driving cycle" limitations of the asserted claims, and (2) Kyocera failed to establish that Hitachi possesses the requisite specific intent to induce infringement.

On November 12, 2019, Kyocera petitioned, and Hitachi contingently petitioned, for review of the RID.[7] On November 20, 2019, Kyocera and Hitachi each filed a response in

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Resp."); Complainant's Response to Respondent's Contingent Petition for Commission Review.

[7] *See* Complainant's Petition for Review of the Remand Initial Determination of Section 337 ("Kyocera's Pet. (RID)"); Respondent's Contingent Petition for Commission Review of Remand Initial Determination.

opposition to the other party's petition for review.[8]

On December 12, 2019, the Commission determined to review the RID in part and requested written submissions from the parties on certain issues. 84 *Fed. Reg.* 69391-92 (Dec. 18, 2019). Specifically, the Commission determined to review the RID's finding that Kyocera did not establish: (1) direct infringement of the asserted claims with respect to the "displacement volume" and "initiating a driving cycle" limitations; (2) practice of the asserted claims by its DI products with respect to these limitations; and (3) induced infringement of the asserted claims. *Id.* The Commission also requested written submissions on the issues of remedy, the public interest, and bonding. *Id.* The Commission determined not to review the remainder of the RID. *Id.* On January 3 and 10, 2020, Kyocera and Hitachi each filed a brief and a reply brief, respectively, on all issues for which the Commission requested written submissions.[9]

Having reviewed the record in this investigation, including the ID, the RID, and the parties' briefing, on review the Commission has determined, as described *infra*, to: (1) reverse the final ID's and RID's findings that neither the accused products nor the DI products meet the "system controller," "displacement volume," and "initiating a driving cycle" limitations of the asserted claims of the '718 patent, and accordingly, find that the accused products infringe

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[8] *See* Respondents' Response to Complainant's Petition for Commission Review of the Remand Initial Determination of Section 337 ("Hitachi's Resp. (RID)"); Complainant's Response to Respondent's Contingent Petition for Commission Review.

[9] *See* Complainant's Response to Commission Request for Additional Briefing (Jan. 3, 2020) ("Kyocera's Sub."); Complainant's Brief to the Commission on Remedy, Bond, and the Public Interest (Jan. 3, 2020) ("Kyocera's Sub. on Remedy"); Respondent's Response to Notice of Commission Determination to Review in Part a Remand Initial Determination (Jan. 3, 2020) ("Hitachi's Sub."); Complainant's Response to Respondent's Brief to the Commission (Jan. 10, 2020) ("Kyocera's Reply"); Respondent's Reply to Complainant's Response to Notice of Commission Determination to Review in Part a Remand Initial Determination (Jan. 10, 2020).

claims 1, 10, and 16 of the '718 patent; (2) reverse the RID's finding that Hitachi does not induce infringement of the asserted claims; and (3) affirm, with modification as discussed *infra*, the ID's finding that Kyocera has satisfied the economic prong of the domestic industry requirement. Also, for the reasons set forth below, the Commission determines that the appropriate relief is an LEO directed to Hitachi's infringing products and a CDO directed to Hitachi.

B. Overview of the Technology and the '718 Patent

The technology in this investigation relates to cordless (*i.e.*, portable) gas spring nailers. Kyocera's Initial Post-Hearing Br. at 4. Gas spring nailers are used to drive fasteners (*e.g.*, staples, nails, etc.) into workpieces such as wood, at a much higher rate than can be done with a simple hammer by providing an enclosed pressurized gas source that can be reused for multiple fastener driving actuations. *Id.* (citing CX-110C (Pratt) at QQ. 12, 23).

The '718 patent (JX-4), entitled "Method for Controlling a Fastener Driving Tool Using a Gas Spring," was issued by the U.S. Patent and Trademark Office on March 5, 2013. Kyocera asserts independent claims 1, 10, and 16 against Hitachi in this investigation. Kyocera's Initial Post-Hearing Br. at 5, 14; *see also* ID at 21.

The '718 patent is directed to portable linear fastener driving tools (or nailers) that can drive staples, nails, or other linearly driven fasteners into a workpiece. JX-4 at 1:17-19. Specifically, the disclosed invention is directed to driving tools that use a "gas spring" concept, which utilize pressurized air to quickly and powerfully force a piston through a driving stroke movement, while a driver also drives a fastener into a workpiece. *Id.* at 1:19-23; *see also* Kyocera's Initial Post-Hearing Br. at 5; JX-4 at Abstract. Prior art gas spring nailers suffer from various issues, including too many moving parts, requiring regular replenishment of pressurized gas during normal operation of the device, and requiring combustion of gas. *Id.* at 1:57-62; *see*

also Kyocera's Initial Post-Hearing Br. at 5.

Asserted claim 1 of the '718 patent, representative of all asserted claims, reads:

1. A method for controlling a fastener driving tool, said method comprising:

(a) providing a fastener driving tool that includes: (i) a housing; (ii) *a system controller*; (iii) *a safety contact element*; (iv) a user-actuated trigger; (v) a fastener; (vi) a prime mover that moves a lifter member which moves a driver member away from *an exit end of the mechanism*; and (vii) a fastener driving mechanism that moves said driving member toward *said exit end of the mechanism*, said fastener driving mechanism including:

(A) a hollow cylinder comprising a cylindrical wall with a movable piston therewithin, said hollow cylinder *containing a displacement volume created by a stroke of said piston*, and

(B) a main storage chamber that is in fluidic communication with said displacement volume of the cylinder, wherein said main storage chamber and said displacement volume are initially charged with a pressurized gas;

(b) selecting, by a user, an operating mode of said driving cycle to be one of: a "bottom firing mode," and a "restrictive firing mode;" wherein

(i) if said restrictive firing mode is selected, said tool will operate if said safety contact element has been actuated before said trigger actuator has been operated; and

(ii) if said bottom firing mode is selected, said tool will operate if both:

(A) said trigger actuator has been operated, and
(B) said safety contact element has been actuated, in either sequence;

(c) *initiating a driving cycle by pressing said exit end against a workpiece* and actuating said trigger, thereby causing said fastener driving mechanism to force the driver member to move toward said exit end and drive a fastener into said workpiece; and

(d) actuating said prime mover, thereby moving said lifter member and causing said driver member to move away from said exit end toward a ready position.

JX-4 at 37:52-38:25 (emphasis added to portions relevant to petitioned issues).

Fig. 1 (shown below) of the '718 patent illustrates a fastener driving tool **10** which is the first embodiment of the invention. *Id.* at 7:27-32.

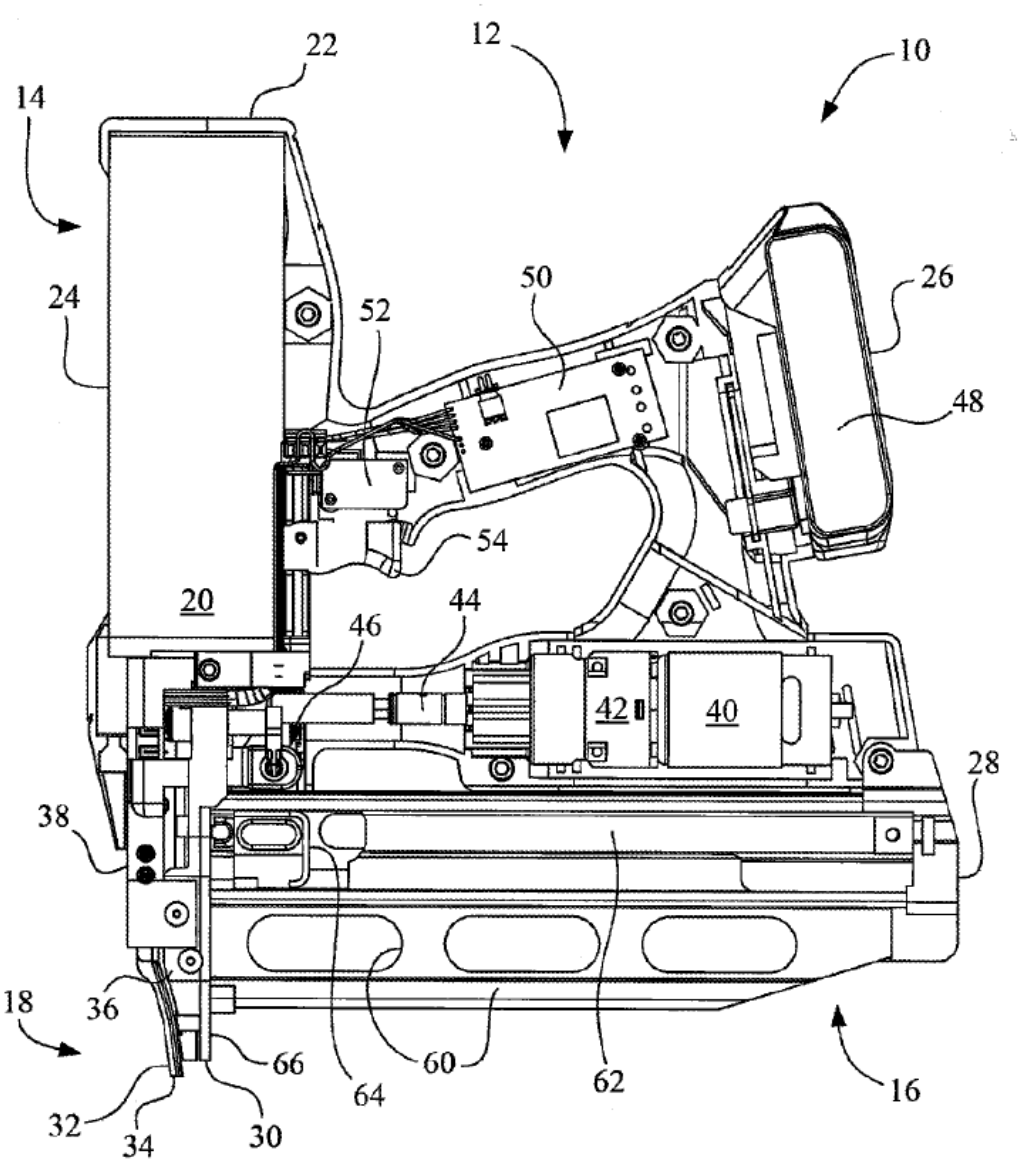


Fig. 1

JX-4 at FIG. 1.

The first embodiment fastener driving tool **10** is mainly designed to linearly drive fasteners such as nails and staples. *Id.* at 7:29-30. The tool **10** includes a handle portion **12**, a fastener driving portion **14**, a fastener magazine portion **16**, and a fastener exit portion **18**. *Id.* at 7:30-32. The driving tool **10** also includes a motor **40** which acts as a

prime mover for the tool, and which has an output that drives a gearbox **42**. The handle portion **12** includes a printed circuit board **50** that contains a controller. *Id.* at 8:1-3, 10-12. A trigger switch **52** is activated by a trigger actuator **54**. As shown in FIG. 1 (above), the handle portion **12** is designed for gripping by a human hand, and the trigger actuator **54** is designed for linear actuation by a person's finger while gripping the handle portion **12**. Trigger switch **52** provides an input to the *control system* **50**. *Id.* at 8:12-20 (emphasis added). There are also other input devices for the controller, however those input devices are not seen in FIG. 1. *Id.*

Further, as shown above in FIG. 1, "[t]he area of the first embodiment [of the fastener driving] tool **10** in which a fastener is released is indicated approximately by the reference numeral **30**, which is the 'bottom' of the fastener exit portion of tool **10**." *Id.* at 7:44-47. Before the tool is actuated, a safety contact element **32** extends beyond the bottom **30** of the fastener exit, and this extension of the safety contact element is depicted at **34**, which is the bottom or "front" portion of the safety contact element. *Id.* at 7:47-51.

As shown in Fig. 2 below, the fastener driver portion **14** includes a working cylinder **71** that has a cylinder wall **70**, and within the wall **70** is a piston **80** interconnected to a driver **90**. *Id.* at 8:29-33, 44-49.

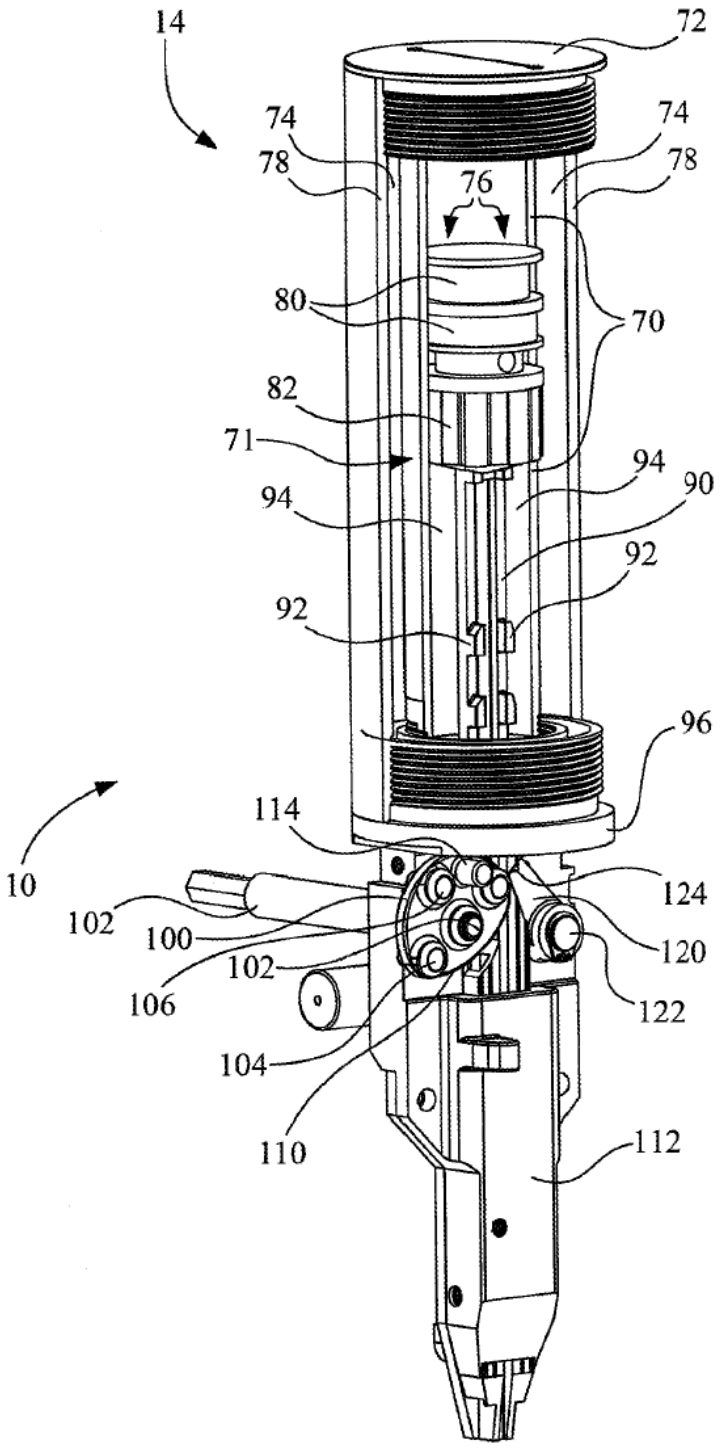


Fig. 2

JX-4 at FIG. 2.

Surrounding the cylinder wall is a main storage chamber **74**. *Id.* at 8:37-41. In operation, the piston **80** moves up and down in the chamber **74** to deliver a driving stroke, via the driver **90**, to drive a fastener into a workpiece, *i.e.*, a solid object. *Id.* at 8:44-49, 9:57-10:3. Each driving, *i.e.*, downward, stroke of the piston **80** creates a displacement volume **76** in the chamber **74**, where this displacement volume is at maximum when the piston **80** is in its bottom-most travel position, *i.e.*, "the driven position," as shown in Fig. 3 below.

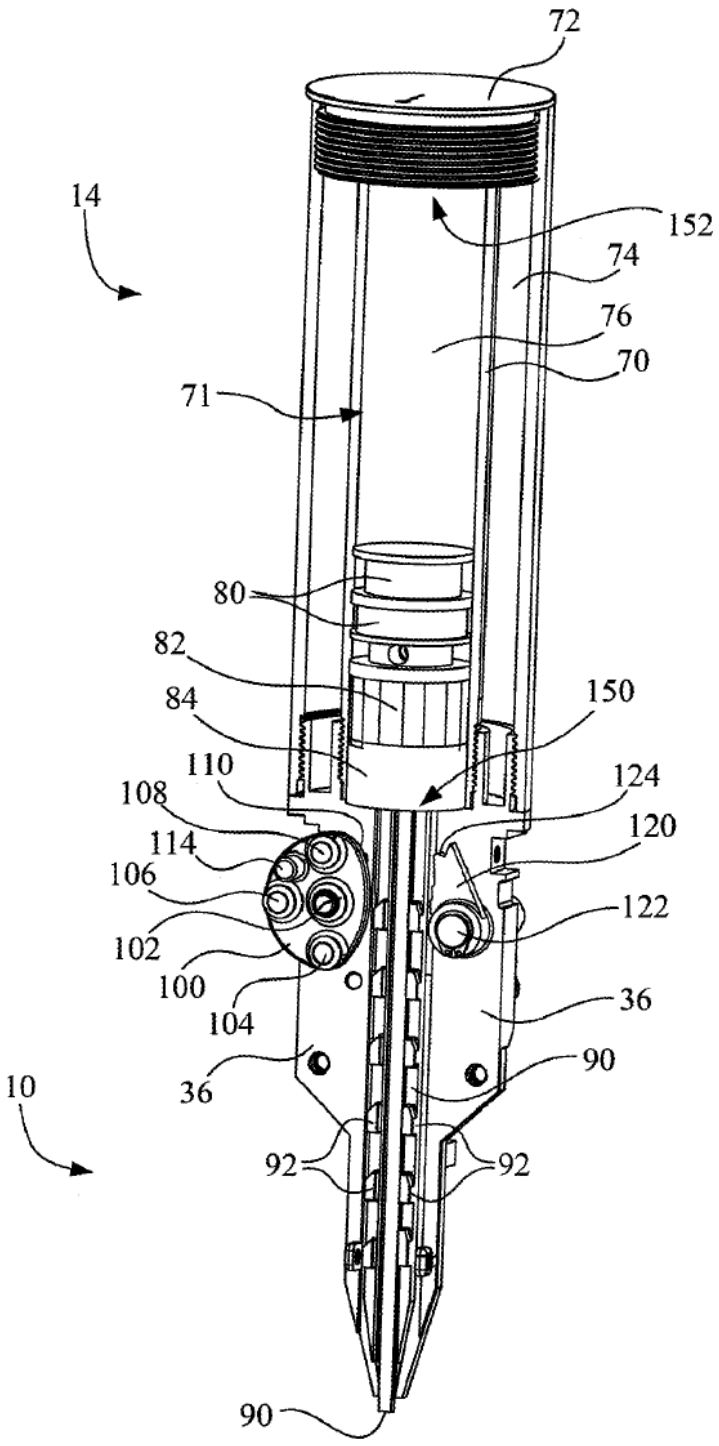


Fig. 3

JX-4 at FIG. 3.

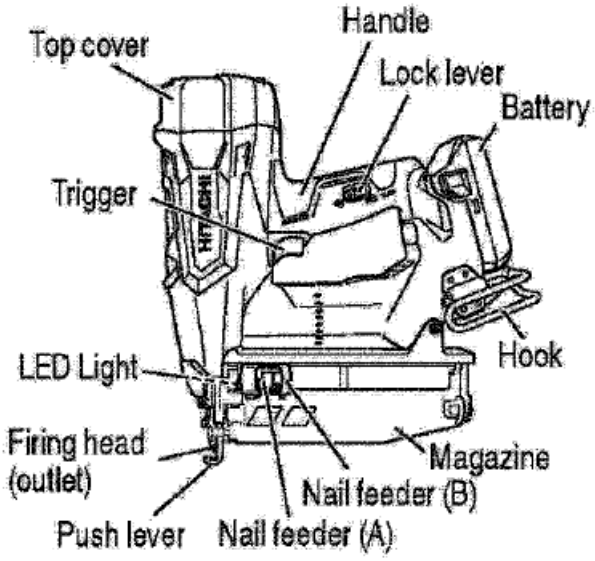
The ’718 specification discloses various types of firing (or driving) modes for using the tool **10** to drive fasteners into a workpiece. *Id.* at 14:43-61. For one driving mode, *i.e.*, a “trigger fire” mode, the user of the tool first presses the tool nose **34** against a work surface, and then depresses the trigger actuator **54** (shown in Fig. 1 above), which causes the drive stroke to occur. *Id.* Alternatively, for another driving mode, *i.e.*, a “bottom fire” mode, the trigger **54** is actuated first, and then user of the tool presses the tool nose **34** against a work surface, and it is the work surface contact that initiates the drive stroke. *Id.*

C. Accused Products

Kyocera accuses Hitachi’s five gas spring nailers that it imports and sells within the United States: the NT1850DE, NT1865DM, NT1865DMA, NR1890DC, and NR1890DR nailers (collectively, the “accused products” – *see* FIGs. A and B below for the representative accused product). Kyocera’s Initial Post-Hearing Br. at 6; *see also* ID at 10.

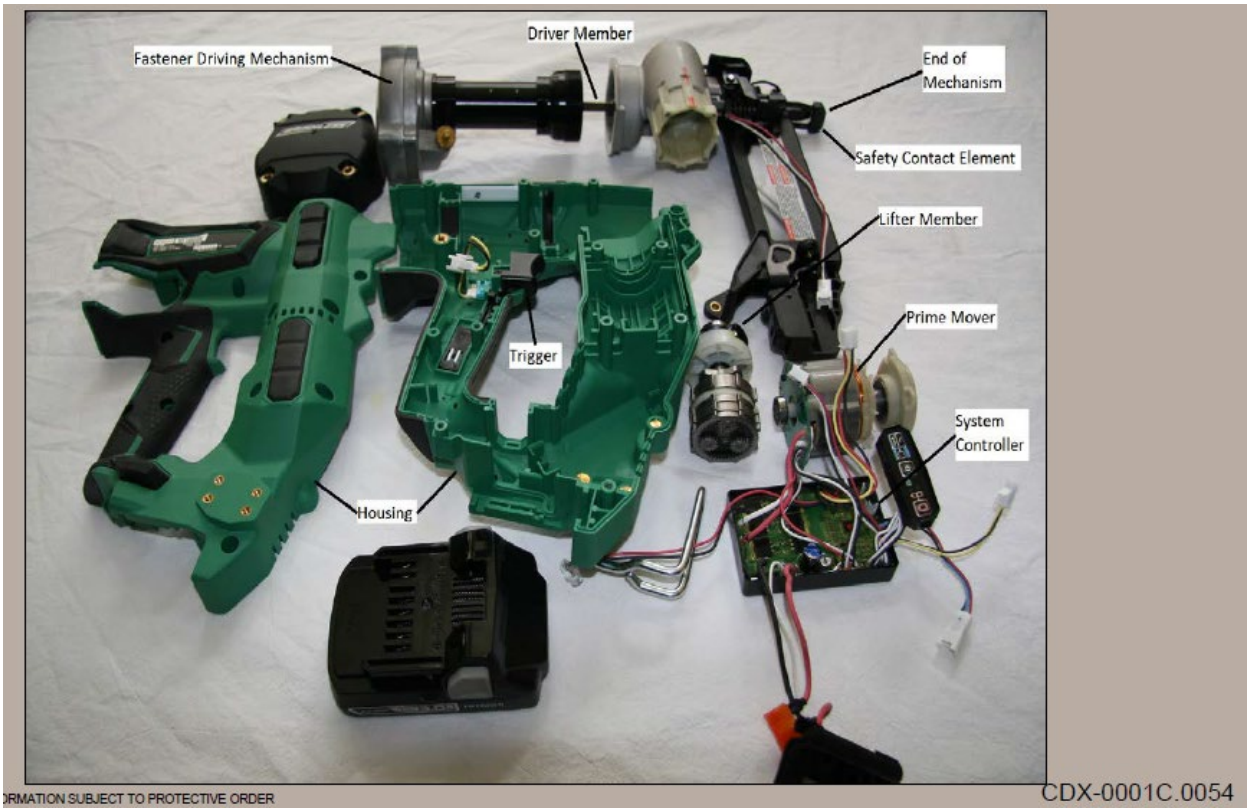
FIG. A

<NT1865DM>



JX-19C.0013.

FIG. B



CDX-1C.0054; *see also* JX-19C; JX-21C; JX-22C; JX-23C; JPX-6; JPX-7.

The Instruction and Safety Manual for the accused products discloses two modes of operation for the Hitachi nailer, Full Sequential Actuation Mechanism and Contact Actuation Mechanism, which can be user-selected via a switch. *See* JX-19C.0004, 0013, 0025-26. The Full Sequential Mechanism requires a specific sequence to be followed, *e.g.*, pressing of push lever against wood followed by pulling the trigger, to activate the nailer for driving fasteners. *Id.* The Contact Actuation Mechanism requires specific contact of the push lever with the wood (or workpiece) to activate the nailer for driving fasteners. *Id.* The Instruction and Safety Manual specifically discloses:

> (1) **Full Sequential Actuation Mechanism** – first, press the push lever against the wood; next, pull the trigger to drive the fastener. Follow the same sequence to continue driving fasteners;

(2) **Contact Actuation Mechanism** – first, press the push lever against the wood; next pull the trigger to driver the fastener. Or, first pull the trigger; next, press the push lever against the wood to drive the fastener. If the trigger is held back, a fastener will be driven each time the push lever is pressed against the wood.

See JX-19C.0004. The exit end of the mechanism, *i.e.*, the end of the safety contact element, is pressed against the workpiece to allow a driving cycle to begin. *Id.*; *see also* CX-110C at Q. 203.

In connection with these two operating modes, the Service Manual for the accused products provides a Connecting Diagram (shown below in Fig. C) which illustrates the connections between multiple sensors and a main printed circuit board ("PCB") to carry out the two modes of operation. *See* JX-23C.0027.

FIG. C

[[

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JX-23.0027.

The Service Manual also contains a parts list that includes [[

]]. *See* JX-23C.0029-31 (Item Nos. 58, 63, and 75). The Service Manual further includes a photograph of the [[ ]] (and an accompanying connecting diagram) as shown below in FIGs. D and E. *See* JX-23C.0021; CX-13; CDX-1C.0043.

FIG. D

[[

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JX-23.0021.

FIG. E

[[

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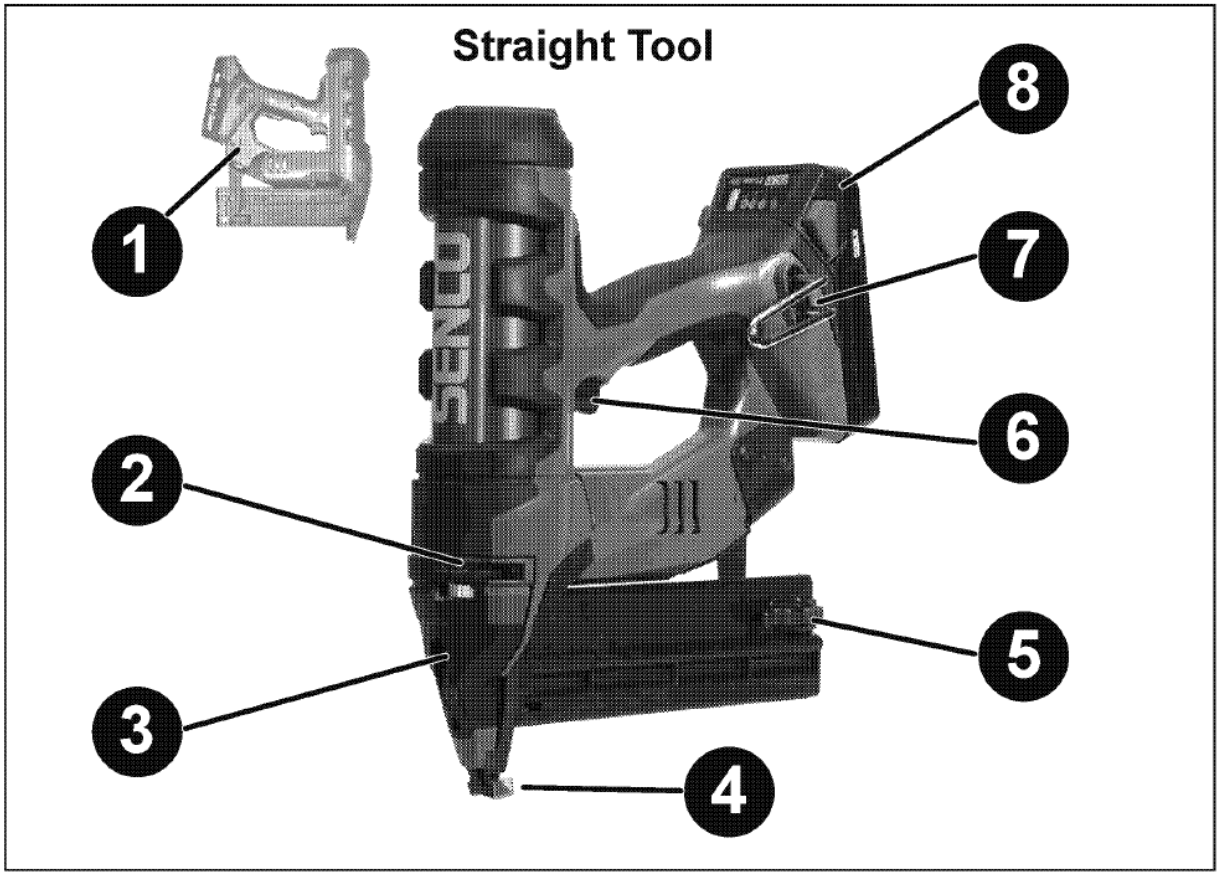
CDX-1C.0043; *see also* JX-19C; JX-21C; JX-22C; JX-23C; JPX-6; JPX-7.

D. Domestic Industry Products

Kyocera presents four of its cordless gas spring nailers as its DI products: the FUSION F-18, F-16S, F-16A, and F-15 finish nailers (collectively, the "Finishing Nailers" – *see* FIGs. F, G, and H below for a representative DI product of these models from its Operating Instructions Manual). Kyocera's Initial Post-Hearing Br. at 6 (citing CX-110C at Q. 241; CX-112C (Klein) at Q. 19); *see also* ID at 15.

FIG. F (DI Product Fusion Cordless Finish Nailer)



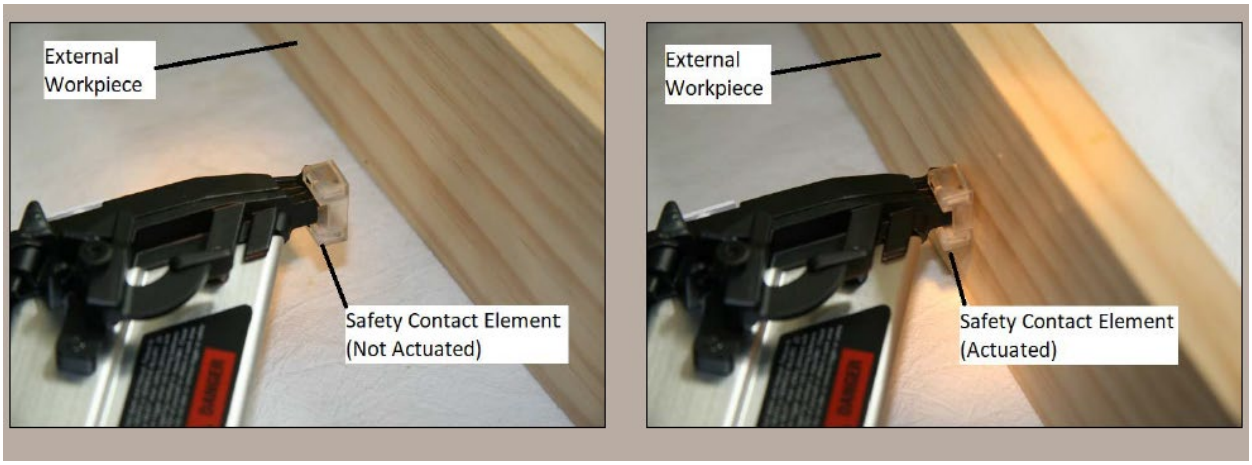
❶ On/Off and Selective Actuation Button ❷ Depth of drive control ❸ Workpiece Illumination/ Status Indicator ❹ Workpiece contact (safety) element ❺ Magazine Latch ❻ Trigger/On Switch ❼ Belt Hook ❽ Battery Pack	❶ Selector ❷ Control de profundidad de penetración ❸ Iluminador de la pieza de trabajo / Indicador de estado ❹ Elemento de contacto (seguro) de la pieza de trabajo ❺ Pestillo del la Revisto ❻ Gatillo / Interruptor de encendido ❼ Gancho para cinturón ❽ Conjunto de baterías	❶ Selecteur / Bouton d'activation sélective ❷ Contrôle de profondeur d'enfoncement ❸ Illuminateur Piece / Indicateur k'etat ❹ Élément de contact (dispositif de sécurité) ❺ Le Loquet du Changeur ❻ Gâchette / Détente ❼ Boucle de ceinture ❽ Bloc de batterie

CX-14C.0015.

FIG. G (Image of DI Product Fusion Nailer Showing Multiple Claimed Elements)

CDX-2C.0047; *see also* CX-14C; CX-15C; CX-23C; CX-28C.

FIG. H (Image of DI Product Fusion Nailer Showing Claimed Safety Contact Element)



CDX-2C.0044; *see also* CX-14C; CX-15C; CX-23C; CX-28C.

Similar to the accused products, the Operating Instructions Manual for the DI products discloses two modes of operation, Sequential Actuation and Contact Actuation, which are selected via a switch (now shown). *See* CX-14C.00016-17. The Sequential Actuation mode requires a specific sequence to be followed, *e.g.*, pressing the push lever against wood followed by pulling the trigger, to activate the nailer for driving fasteners. *Id.* The Contact Actuation mode requires specific contact of the push lever with the wood (or workpiece) to activate the nailer for driving fasteners. *Id.* The Operating Instructions Manual specifically discloses:

> In the "contact-actuation" mode, nails can be driven in two ways:
>
> (1) The first way:
> (a) Press the **TTT** side of the selector switch. This will be indicated by the flashing green LED on the selector switch.
> (b) Press the workpiece contact (safety) element against the work surface.
> (c) Pull the trigger and the fastener is driven.
>
> (2) The second way:
> (a) Press **TTT** side of the selector switch for 0.5 seconds. This will be indicated by the flashing green LED on the selector switch.
> (b) Pull trigger.
> (c) Depress workpiece contact element against work surface and drive a fastener.

In the "sequential-activation" mode, nails can only be driven one way:

(1) Press the **T** side of the selector switch. This will be indicated by the solid green LED on the selector switch.
(2) Position workpiece contact (safety) element against work surface and depress the safety.
(3) Pull trigger to turn on the motor and drive a fastener.

Id. The exit end of the mechanism, *i.e.*, the end of the safety contact element, is pressed against the workpiece to allow a driving cycle to begin. *Id.*; *see also* CX-110C at Q. 391.

In connection with these two operating modes, Kyocera provides a Tool Function Flow Chart (shown below as FIGs. I, J) that discloses the operation of the two modes as followed by the logic of the Kyocera nailer. *See* CX-21C.

FIG. I (Part I of Tool Function Flow Chart for DI Product Fusion Nailer)

[[

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CX-21C; *see also* CX-14C.

FIG. J (Part II of Tool Function Flow Chart for DI Product Fusion Nailer)

[[

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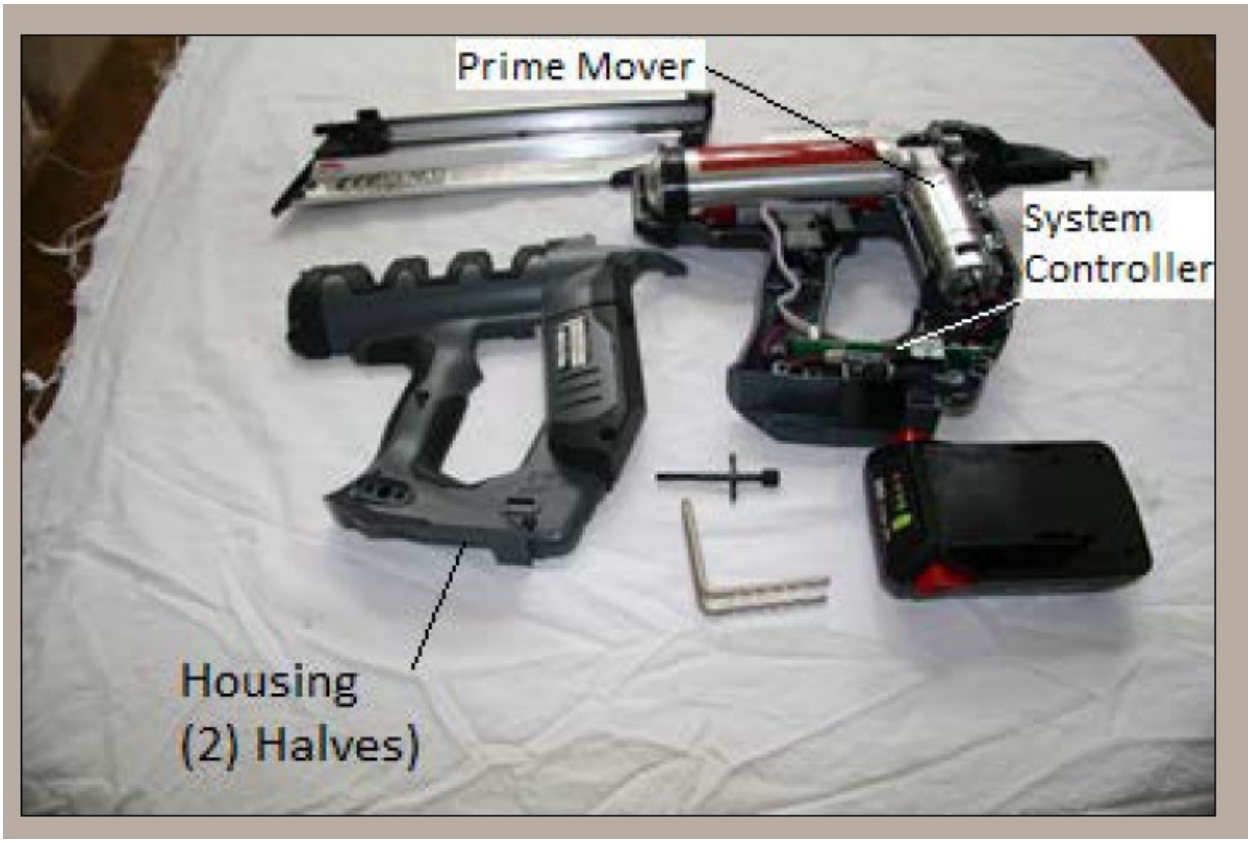
CX-21C; *see also* CX-14C.

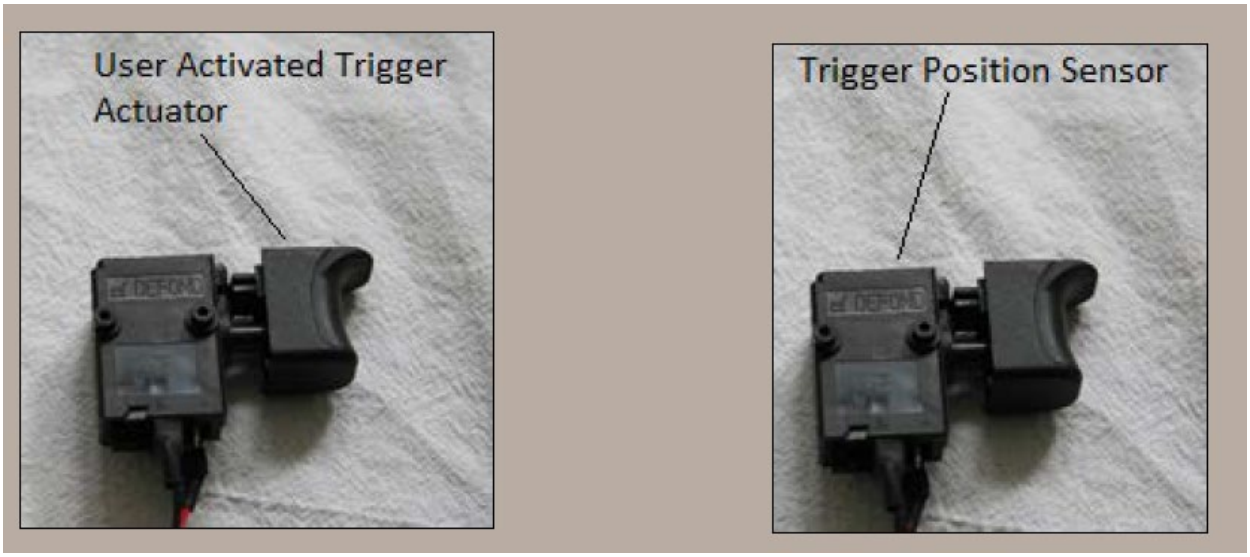
Photographs of the PCB interconnected to multiple sensors for performing the two modes of operation is shown below in FIGs. J and K. *See* CDX-2C.0038, 0045.

FIG. J (Image of DI Product Fusion Nailer Showing Claimed System Controller)



CDX-2C.0038; *see also* CX-14C; CX-15C; CX-23C; CX-28C.

FIG. K (Image of DI Product Fusion Nailer Showing Claimed Trigger Element)



CDX-2C.0045; *see also* CX-14C; CX-15C; CX-23C; CX-28C.

In connection with the economic prong of the domestic industry requirement, Kyocera has also alleged that its forthcoming [[

]], also practice the asserted claims. *See* CX-110C (Pratt) at QQ. 18, 232, 253-60. According to Dr. Pratt, Kyocera's technical expert, the "[[

]]." *Id.* at Q. 254.[10]

[10] A finishing nailer is typically used "in a finishing process for areas around doors, windows, and edgings and to secure the bottom of drawers, cases, and cabinets." *See* RX-266C (Vallee) at Q. 46 (discussing typical uses of the accused finishing nailers). A framing nailer, which dispenses relatively larger fasteners, is typically used for heavy-duty projects, such as "floor and wall framing, housing and building construction, truss build-up, window build-up, wall sheathing, subflooring, and roof decking." *Id.* (discussing typical uses of the accused framing nailers); CX-112C (Klein) at Q.36 (". . . The main difference between the finishing and framing nailers is one of scale. Essentially, framing nailers, since they drive larger sized fasteners, need to be bigger and stronger to handle the increased forces and these features need to be designed and tested. However, the actual concept of how the framing nailers work in comparison to the finishing nailers remains essentially the same.").

II. DISCUSSION AND FINDINGS

For the reasons set forth below, the Commission has determined to modify in part and reverse in part certain portions of the ID's and RID's analysis. Specifically, the Commission modifies the ID's and RID's analyses concerning whether the accused products and the DI products practice the "system controller," "displacement volume," and "initiating a driving cycle" limitations and, under this modified analysis, reverses the ID's and RID's findings of non-infringement and non-satisfaction of the technical prong of the domestic industry requirement. The Commission also supplements the ID's analysis of the economic prong of the domestic industry requirement and, under this supplemented analysis, finds that Kyocera has satisfied this requirement. The Commission adopts and affirms the portions of the ID and RID that are not inconsistent with this opinion.

A. Applicable Legal Standards

1. Claim Construction

Claim construction "begin[s] with and remain[s] centered on the language of the claims themselves." *Storage Tech. Corp. v. Cisco Sys., Inc.*, 329 F.3d 823, 830 (Fed. Cir. 2003); *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312 (Fed. Cir. 2005) (*en banc*). The language used in a claim bears a "heavy presumption" that it has the ordinary and customary meaning that would be attributed to the words used by persons skilled in the relevant art. *CCS Fitness, Inc. v. Brunswick Corp.*, 288 F.3d 1359, 1366 (Fed. Cir. 2002); *Phillips*, 415 F.3d at 1312-13. Moreover, the language is read in the context of the entire patent, including the specification. *Phillips*, 415 F.3d at 1313-14; *see also Vitronics Corp. v. Conceptronic, Inc.*, 90 F.3d 1576, 1582 (Fed. Cir. 1996) ("[T]he specification is always highly relevant to the claim construction analysis. Usually, it is dispositive; it is the single best guide to the meaning of a disputed term.").

To help inform the court of the ordinary meaning of the words, a court may consult the intrinsic evidence, including the claims themselves, the specification, and the prosecution history, as well as extrinsic evidence, such as dictionaries and treatises and inventor and expert testimony. *Phillips*, 415 F.3d at 1314.

2. Infringement

a. Direct Infringement

After properly construing the claims, a factual inquiry is conducted to compare the claims with the accused device or process to determine infringement. *See MBO Labs., Inc v. Becton Dickinson & Co.*, 474 F.3d 1323, 1329 (Fed. Cir. 2007). The patentee bears the burden of demonstrating infringement by a preponderance of the evidence. *Cross Med. Prods., Inc. v. Medtronic Sofamor Danek, Inc.*, 424 F.3d 1293, 1310 (Fed. Cir. 2005). The "preponderance of the evidence" standard "simply requires proving that infringement was more likely than not to have occurred." *Warner-Lambert Co. v. Teva Pharmaceuticals USA, Inc.*, 418 F.3d 1326, 1341 n.15 (Fed. Cir. 2005); *see also LNP Eng'g Plastics, Inc. v. Miller Waste Mills, Inc.*, 275 F.3d 1347, 1357 (Fed. Cir. 2001) (upholding grant of judgment as a matter of law where "the record before the jury contained no evidence to rebut the substantial evidence of infringement" presented by the plaintiff). To prove literal infringement, the patentee must show that an accused product contains every limitation in the asserted claims. *WMS Gaming Inc. v. Int'l Game Tech.*, 184 F.3d 1339, 1350 (Fed. Cir. 1999).

b. Induced Infringement

Section 271(b) of the Patent Act provides: "Whoever actively induces infringement of a patent shall be liable as an infringer." 35 U.S.C. § 271(b). To establish liability, the patent holder must prove that "once the defendants knew of the patent, they 'actively and knowingly

aid[ed] and abet[ted] another's direct infringement.'" *DSU Med. Corp. v. JMS Co., Ltd.*, 471 F.3d 1293, 1305 (Fed. Cir. 2006) (en banc). A finding of induced infringement requires "evidence of culpable conduct, directed to encouraging another's infringement, not merely that the inducer had knowledge of the direct infringer's activities." *Id.* at 1306. The burden is on the complainant to prove that the respondent had the specific intent and took action to induce infringement, and intent may be proven by circumstantial evidence. *Id.* at 1305-06; *Lucent Tech., Inc. v. Gateway, Inc.*, 580 F.3d 1301, 1322 (Fed. Cir. 2009).

3. Technical Prong of the Domestic Industry Requirement

The technical prong of the domestic industry requirement is satisfied when the complainant in a patent-based section 337 investigation establishes that it is practicing or exploiting the patent at issue. *See* 19 U.S.C. 1337(a)(2), (3); *Certain Microsphere Adhesives, Process for Making Same and Products Containing Same, Including Self-Stick Repositionable Notes*, Inv. No. 337-TA-366, Comm'n Op. at 8, 1996 WL 1056095 (U.S.I.T.C. Jan. 16, 1996) ("*Microsphere Adhesives*"). "The test for satisfying the 'technical prong' of the industry requirement is essentially [the] same as that for infringement, *i.e.*, a comparison of domestic products to the asserted claims." *Alloc, Inc. v. ITC*, 342 F.3d 1361, 1375 (Fed. Cir. 2003); *see also Certain Polymide Films, Products Containing Same, and Related Methods*, Inv. No. 337-TA-772, 2012 WL 13171648, Comm'n Op. at *10 (Nov. 21, 2012) (citing *Alloc*, 342 F.3d at 1375). It is sufficient to show that the domestic products practice any claim of that patent, not necessarily an asserted claim of that patent. *Microsphere Adhesives*, Comm'n Op. at 7-16.

4. Economic Prong of the Domestic Industry Requirement

Section 337(a)(3) sets forth the following economic criteria for determining the existence of a domestic industry in this investigation:

> (3) For purposes of paragraph (2), an industry in the United States shall be considered to exist if there is in the United States, with respect to the articles protected by the patent, copyright, trademark, mask work, or design concerned –
>
> (A) significant investment in plant and equipment;
> (B) significant employment of labor or capital; or
> (C) substantial investment in its exploitation, including engineering, research and development, or licensing.

19 U.S.C. § 1337(a).

Satisfaction of any one of these sub-paragraphs is sufficient to meet the economic prong of the domestic industry requirement. *Certain Integrated Circuit Chipsets and Prods. Containing Same*, Inv. No. 337-TA-428, Order No. 10, Initial Determination at 3 (unreviewed) (May 4, 2000) (citing *Certain Variable Speed Wind Turbines and Components Thereof*, Inv. No. 337-TA-376, Comm'n Opinion at 15, USITC Pub. 3003 (Nov. 1996)). Also, Commission precedent recognizes that "'the magnitude of the investment cannot be assessed without consideration of the nature and importance of the complainant's activities to the patented products in the context of the marketplace or industry in question.'" *Certain Carburetors and Products Containing Such Carburetors*, Inv. No. 337-TA-1123, Comm'n Op. at 18 (Oct. 28, 2019) (quoting *Certain Printing & Imaging Devices & Components Thereof*, Inv. No. 337-TA-690, Comm'n Op. at 31 (Feb. 17, 2011)) ("*Carburetors*").

B. Infringement Regarding "System Controller"

1. The Final ID

The *Markman* Order adopted the parties' proposed construction for the "system controller" term to mean "a circuit configured to control operation based on received input

signals." ID at 22 (citing *Markman* Order at 17).[11] Based on this construction, the ID finds that the accused products do not meet the "system controller" limitation of the asserted claims. *Id.* at 26-29. Kyocera relied primarily on the testimony of its expert, Dr. Pratt, to prove that this limitation is met. *Id.* at 26 (citing Kyocera's Initial Post-Hearing Br. at 17-18; Kyocera's Post-Hearing Reply Br. at 5-6). The ID, however, finds that Dr. Pratt's testimony relies on an infringement analysis related to other asserted patents and does not sufficiently explain how the sensors of the accused products provide inputs to the system controller. *Id.* at 26-27 (citing CX-110C at QQ. 115-118, 152, 160, 191). The ID further notes that Dr. Pratt cites two demonstrative exhibits (*i.e.*, CDX-1C.0042-0043) as proof that the "system controller" limitation is present in the accused products, but finds that these demonstratives "show a spaghetti mess of wires" and therefore do not support the presence of this limitation. *Id.* at 27. Moreover, the ID finds that Dr. Pratt does not identify any sensors on these demonstratives. *Id.*

The ID further notes that Dr. Pratt cited a Connecting Diagram from the Service Manual of a representative member of the accused products (*i.e.*, JX-23.0027). *Id.* at 28. The ID finds, however, that there is a significant distinction between a "connecting diagram" and a "circuit diagram" that could be relied on to show that the accused products satisfy the relevant construction of the "system controller" limitation, *i.e.*, "a circuit configured to control operation based on received input signals." *Id.* Specifically, the ID finds the following testimony from

[11] The ALJ previously determined that one of ordinary skill in the art with respect to the asserted '718 patent would have at least: (i) a Master's Degree in mechanical engineering with *at least two years experience* in power nailer design; (ii) a Bachelor's Degree in mechanical engineering with at least five years experience in powered nailer design; or (iii) ten or more years of experience in powered nailer design. ID at 5 (citing Order No. 9 at 5-6 (May 3, 2018)) (emphasis added to provisions relevant to the ALJ's finding that Kyocera's technical expert, Dr. Pratt, is not one of ordinary skill in the art).

Hitachi's expert, Dr. Vallee, significant in explaining the distinction:

> This distinction is important because a connecting diagram illustrates how to connect various components together. It does **not** show the details of the circuitry, all of the components of the circuit, or the operation or identification of information transmitted and received by any of the various components . . . At most, the connecting diagram shows that there are sensors connected to a [printed circuit board], but this does not mean that the sensors are connected to a controller or provide any information to a controller."

Id. (citing RX-266C at QQ. 190, 204) (emphasis supplied by Hitachi).

The ID also finds that Dr. Pratt does not identify a "programmed computer," as required by the construction of the "predetermined conditions" terms of claim 11 of the '296 patent. *Id.* Before the ALJ, Kyocera also relied on Dr. Pratt's testimony regarding these terms, *i.e.*, by equating them to the "system controller" limitation, to demonstrate infringement of the '718 patent.[12] Further, the ID finds that even if Dr. Pratt had identified a "programmed computer,"

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[12] The *Markman* Order adopted the parties' agreed-upon construction for "first predetermined conditions" to mean "two or more conditions determined by a programmed computer," and "second predetermined conditions" to mean "two or more conditions determined by a programmed computer and that are different than the first predetermined conditions." *Markman* Order at 17.

Claim 11 of the '296 patent reads:

> 11. A fastener driving tool, comprising:
>
> (a) a guide body that has a receiving end, an exit end, and a passageway therebetween, said guide body being configured to receive a fastener that is to be driven from said exit end;
>
> (b) a driver actuation device having a movable member that creates a displacement volume;
>
> (c) an elongated driver member that that is in mechanical communication with said movable member of the driver actuation device at a first end of said driver member:

(i) said driver member having a second, opposite end that is sized and shaped to push a fastener from said exit end of the guide body, wherein said passageway of the guide body allows said driver member to pass therethrough toward said exit end during a driving stroke of an operating cycle and toward said receiving end during a return stroke of said operating cycle, said driver member, when at a driven position, protruding toward said exit end of the guide body, and said driver member, when at a ready position, being withdrawn into said guide body, and

(ii) said driver member having at least one longitudinal edge with at least one plurality of spaced-apart protrusions;

(d) a lifter member that exhibits a contact surface that, at predetermined locations along said contact surface, makes contact with said at least one plurality of spaced-apart protrusions of said driver member such that, if said lifter member is moved in a first direction, it causes said driver member to be moved from said driven position toward said ready position;

(e) a main storage chamber that, during said operating cycle, is always in fluidic communication with said displacement volume of the driver actuation device, wherein said main storage chamber and said displacement volume are both charged with pressurized gas;

(f) a housing that substantially contain said driver actuation device, said elongated driver member, said lifter member, and said main storage chamber; and

(g) a fastener magazine for holding a plurality of fasteners, and for serially supplying said plurality of fasteners through an opening of the guide body to a position that is coincident with a path of said driver member during said driving stroke;

wherein:

(h) said lifter member, *under first predetermined conditions*, forces said driver member to undergo said return stroke and move toward said ready position, and then holds said driver member at said ready position by use of a holding contact between said lifter member and said driver member;

(i) said lifter member, *under second predetermined conditions*, moves in said first direction until it releases said driver member from said holding contact; and said driver actuation device, under said second predetermined conditions, forces said driver member to undergo said driving stroke and move toward said driven position; and

this mere identification of a programmed computer (or a system controller in the case of the '718 patent) would not tell a POSA anything about the operation of the computer, without a source code analysis. *Id.* (citing RX-266C at Q. 201). Accordingly, the ID finds that, to determine whether the system controller identified in the accused products is actually "configured to control operation based on received input signals," a POSA would need to understand the logical operations carried out by the accused controller, which necessarily requires an analysis of the source code, which Dr. Pratt did not perform. *Id.* (citing RX-266C at Q. 206).

Based on the foregoing, the ID finds that Kyocera did not show by a preponderance of the evidence that the accused products meet the "system controller" limitation. *Id.* at 29. Accordingly, the ID finds that the accused products do not directly infringe claims 1, 10, or 16 of the '718 patent.[13] *Id.*

2. The Parties' Arguments

Kyocera submits that the parties' agreed upon construction of "system controller" (adopted by the *Markman* Order and the ID) does *not* require a source code analysis as the *Markman* Order construes this limitation to mean simply "a circuit configured to control operation based on received input signals." Kyocera's Pet. at 21 (emphasis in original). Rather, Kyocera submits, as construed, the claims of the '718 patent require only a "system controller" without any additional functional or structural limitations associated with this term. *Id.* (citing ID at 22; *Storage Tech. Corp. v. Cisco Sys.*, Inc., 329 F.3d 823, 834 (Fed. Cir. 2003)

(j) said pressurized gas is not exhausted to atmosphere after a driving stroke, but instead it is re-used for a plurality of said operating cycles.

JX-1 (the '296 patent) at 42:23-43:15 (emphasis added to portions relevant to petitioned issues).

[13] Because the ID finds no direct infringement, it finds that Hitachi has not indirectly infringed the asserted claims of the '718 patent. *Id.*

(vacating grant of summary judgment because the district court misapplied its own claim construction)).

Kyocera submits that, contrary to the ID's determination, its expert, Dr. Pratt, provided sufficient explanation as to how the sensors of the accused products provide inputs to the system controller to meet this limitation. *Id.* at 26. Specifically, Kyocera submits that Dr. Pratt explained how the various sensors of the accused products worked with the system controller to control operation of these products with respect to the first of the "predetermined conditions" limitations of claim 11 of the'296 patent with reference to FIG. C (shown *supra*). *Id.* (citing CDX-1C.0029 (reproducing and annotating JX-23C.0029)). Kyocera submits that, with respect to this diagram and the sensors identified on it, Dr. Pratt explained the operation of the "system controller" of the accused products and thus: (1) identified multiple sensors connected to the system controller and (2) provided an explanation as how these sensors provided inputs to the system controller – the very evidence that the ID believed was missing. *Id.* at 28 (citing ID at 27).

Kyocera further submits that, contrary to the ID's determination, Dr. Pratt testified that he arrived at his conclusions (referring to the "predetermined conditions" limitations) by testing and inspecting the accused products and reviewing documentation, including the Instruction and Safety Manual (JX-19C) for the accused products. *Id.* at 28 (citing CX-110C at Q. 112). Kyocera also submits that Dr. Pratt provided similar testimony on how the "system controller" of the accused products is "configured to control operation based on received input signals" with respect to the second of the "predetermined conditions" claim limitation of the '296 patent by referencing the same annotated circuit chart shown above in FIG. C (shown *supra*). *Id.* at 29-30 (citing CDX-1C.0029; CX-110C at QQ. 115-18).

Based on the foregoing, Kyocera submits that it has shown by a preponderance of the evidence that the accused products meet the "system controller" limitation. *Id.* at 30. In addition, Kyocera submits that, when contrasted to the minimal non-infringement testimony provided by Hitachi's expert, Dr. Vallee, Kyocera has established by a preponderance of the evidence that infringement of the asserted claims of the '718 patent has more likely than not occurred. *Id.* at 26 (citing RX-266C at QQ. 300-01; *Warner-Lambert*, 418 F.3d at 1341 n.15; *LNP Eng'g Plastics*, 275 F.3d at 1357).

Hitachi submits that the ID correctly finds that: (1) source code analysis is necessary to determine whether the accused products meet the "system controller" limitation of the '718 patent and (2) the ID did not ignore the testimony of Kyocera's expert (Dr. Pratt) in finding that this limitation is not met. Hitachi's Resp. at 2-15. Hitachi submits that because Dr. Pratt, in his infringement testimony, analogized the "system controller" limitation of the '718 patent to the "predetermined conditions" limitations of the '296 patent, which the parties agree are construed to require conditions determined by a "programmed computer," Kyocera admits that the claims require the "system controller" to run on software, which the ID correctly determines necessitates an analysis of the source code. *Id.* at 5-8 (citing CX-110C at Q. 110, 160, 191). Accordingly, Hitachi submits that its own expert, Dr. Vallee, persuasively testified that, given that Kyocera requires a "programmed computer" to satisfy the "system controller" limitation, source code analysis is necessary to determine whether this limitation is met by the accused products. *Id.* at 7 (citing RX-266C at 186, 206). Hitachi submits that because Dr. Vallee explained that Dr. Pratt had not conducted such a necessary analysis of the source code for the accused products to confirm how various operations take place within the Hitachi nailer, the ID correctly finds non-infringement under Kyocera's theory of infringement, since a POSA would

not understand the logical operations carried by the "system controller" without such required source code analysis. *Id.*

Hitachi further submits that, regardless of whether a source code analysis is required, the evidence relied on by Kyocera, *e.g.*, the Connecting Diagram and Dr. Pratt's testimony, does not demonstrate that the accused products meet the "system controller" limitation by a preponderance of the evidence. *Id.* Hitachi submits that the ID correctly determines that Dr. Pratt's infringement testimony is conclusory as it: (1) relies on a connecting diagram, rather than a circuit diagram that details the circuitry and operation or identification of information transmitted and received by interconnected components; and (2) does not provide any detailed analysis of the sensors allegedly interconnected to a "system controller." *Id.* at 11.

3. Analysis

The Commission finds that the ID errs by requiring an analysis of source code to determine whether the accused products satisfy the "system controller" limitation of the '718 patent. The evidence presented by Kyocera shows that the accused products meet the "system controller" limitation recited in the asserted claims, as construed. *See* ID at 22 (citing *Markman* Order at 17) (adopting the parties' proposed construction). In particular, we rely on the following evidence:

- Hitachi Instruction and Safety Manual, JX-19C
- Hitachi Service Manual and Parts List, JX-17C, JX-23C
- Physical Hitachi Accused Product and Photographs, JPX-6, JPX-7, CX-13
- Kyocera's Expert Testimony of Dr. Pratt as a supplement, CX-110C at QQ. 110-19, 152, 160, 191 (citing to CDX-1).

The Commission finds that the "system controller" limitation refers to a structural,

standard electrical component that is "a circuit configured to control operation based on received input signals," and the asserted claims of the '718 patent do not require any additional structure or functionality with respect to the "system controller." We find that the above-recited record evidence, supplemented by the testimony of Dr. Pratt, including circumstantial evidence, in the form of Dr. Pratt's trial-and-error testing of the accused products and his review of Hitachi's documents, provide sufficient evidence to determine that the accused products meet the "system controller" limitation.

Primarily, Dr. Pratt provides evidence of infringement of these claims in reference to the "predetermined conditions" limitations of claim 11 of the '296 patent, which is analogous in scope to the "system controller" limitation of the asserted claims of the '718 patent.[14] *See* CX-110C at Q. 191. Dr. Pratt provided several examples of how the system controller of the '718 patent is "configured to control operation based on received input signals," as the controller determines whether certain predetermined conditions are met, in response to sensor inputs, in operating the accused tool. *See, e.g.*, JX-23C.0027 (FIG. C above); CX-110C at Q. 110 ("[[

]]")). With respect to the Connecting Diagram shown in the Hitachi Service Manual (JX-23C.0027) and the sensors

[14] It is undisputed that the asserted patents in the investigation are part of the same family and have largely identical specifications. *See Markman* Order at 18 n.4; *see also NTP, Inc. v. Research in Motion, Ltd.*, 418 F.3d 1282, 1293 (Fed. Cir. 2005) ("Because [the asserted] patents all derive from the same parent application and share many common terms, we must interpret the claims consistently across all asserted patents."); *Nystrom v. TREX Co., Inc.*, 424 F.3d 1136, 1143 (Fed. Cir. 2005) ("Different terms or phrases in separate claims may be construed to cover the same subject matter where the written description and prosecution history indicate that such a reading of the terms or phrases is proper."). Accordingly, the *Markman* Order consistently applies the same meaning to common claim terms found across several of the asserted patents. *Id.* at 16-18, 21 (holding that the term "ready position" has the same meaning across all asserted patents).

identified on it, Dr. Pratt: (1) identified multiple sensors connected to the system controller and (2) provided an explanation as to how these sensors provided inputs to the system controller – the very evidence that the ID believed was missing. *See* ID at 27. Specifically, with respect to this diagram and the sensors identified on it, Dr. Pratt explained the operation of the "system controller" of the accused products as follows:

> [[
>
>]].

Id. at 27-28 (citing CX-110C at Q. 110) (emphasis added). Contrary to the ID's determination, Dr. Pratt testified that he arrived at his conclusions (referring to the "predetermined conditions" limitations) by testing and inspecting the accused products and reviewing documentation, including the Instruction and Safety Manual (JX-19C) for the accused products, as follows:

> Yes, the Instruction and Safety Manual for the Accused Products, JX-0019C, confirmed the results of my analysis. [[
>
>]]. For example, JX-0019C describes the sequential mode at page 4, explaining that the safety contact element must first be depressed and then the trigger pulled in that order, otherwise *the controller* will not initiate the lifting movement. [[

]].

CX-110C at Q. 112 (emphasis added).

Dr. Pratt provided further testimony on how the "system controller" of the accused products is "configured to control operation based on received input signals" by referencing the same annotated circuit chart shown *supra* in Fig. C. CX-110C at QQ. 115-19 (citing CDX-1C.0029). Dr. Pratt stated:

[[

]]

* * *

Yes, I did. I essentially utilized the same testing. *I tried different scenarios and different conditions to determine which conditions must be met before the controller energizes the motor to begin the driving stroke*. Also, as previously mentioned, the Instruction and Safety Manual for the Accused Products, JX-0019C, confirmed the results of my testing.

* * *

[[

]].

CX-110C at QQ. 115-18 (emphasis added); *see also* CX-110C at Q. 119. Based on the Hitachi documents, as explained in Dr. Pratt's testimony, the Commission finds that Kyocera has shown it is more likely than not that the accused products satisfy the "system controller" limitation.

The ID errs by requiring an analysis of source code in order to determine whether the accused products satisfy the "system controller" limitation of the asserted claims of the '718 patent. Consistent with the parties' agreed upon construction, the accused system controller merely has to be "configured to control operation based on received input signals," which has been shown without an analysis of source code. *See, e.g.*, *Warner-Lambert*, 418 F.3d at 1341 n.15 (The "preponderance of the evidence" standard "simply requires proving that infringement was more likely than not to have occurred."); *LNP Eng'g Plastics*, 275 F.3d at 1357; *see also Garmin v. ITC*, 697 Fed.Appx. 1007, 1014-16 (Fed. Cir. 2017) (finding that the prior art disclosed a key element where, among other things, logic and the absence "of any alternative explanation" supported the conclusion).

As shown above in the figures of the manuals for the accused products as well as the parts list and the physical exhibits and consistent with the Federal Circuit case law, the main PCB (or controller) of the accused products receives input signals from the multiple sensors that

are interconnected. *See* JX-19C; JX-23C. That evidence supplemented by Dr. Pratt's testimony and the modes of operation described in the Instruction and Safety Manual demonstrates that the PCB uses these received input signals from the connected sensors to control the multiple modes of operation (*i.e.*, Sequential and Contact Actuation) of the accused products. *See* JX-19C; CX-13; CDX-1C.0029-30. Dr. Pratt, with reference to the manuals, drawings, and physical structure of the accused nailers, provides sufficient supplemental detail of the operation, as a POSA would understand, of the [[ ]] interconnected sensors (*i.e.*, [[ ]]) to the PCB. *See* CDX-1C.0029-30; CX-13. Dr. Pratt, via this documentary record evidence, also sufficiently described how the accused nailers detect the sequence of the push lever and trigger actuation or contact of the push lever to the workpiece, together with detection of whether the driver member is in the "hold" or "ready" positions, in order to operate in either the Sequential or Contact Actuation mode of operation. *See* CX-110C at QQ. 112-19; CX-13; CDX-1C.0029-30; JX-19C. Accordingly, the Commission finds that Dr. Pratt has shown by a preponderance of the evidence how these sensors provide inputs to the system controller of the accused products.

Based on the foregoing, the Commission determines that the accused products meet the "system controller" limitation and reverses the ID's finding to the contrary.

C. Infringement Regarding "Displacement Volume"

1. The RID

The RID finds, according to the record evidence, that the accused products include a hollow cylinder, with a cylindrical wall and a piston that moves within the cylinder. RID at 13-14 (citing CX-110C at QQ. 123, 199; CDX-1C.0032; Tr. (Pratt) at 136:19-137:4, 138:6-15; Tr. (Vallee) at 180:21-24). The RID finds that, although a visual inspection is sufficient to

determine satisfaction of the "hollow cylinder" portion of this limitation, it is insufficient proof that the stroke of the accused piston creates a displacement volume. *Id.* at 14. The RID finds that Kyocera does not provide any explanation or discussion in its post-hearing briefing regarding the displacement volume. *Id.* (citing Kyocera's Initial Post-Hearing Br. at 21; Kyocera's Reply Post-Hearing Br. at 8-9). The RID also finds that Kyocera's expert for the '718 patent, Dr. Pratt, did not testify regarding the displacement volume. *Id.* (citing CX-110C at Q. 199). Dr. Pratt testified as follows:

> Q. What is your opinion regarding whether the Accused Products include a "hollow cylinder comprising a cylindrical wall with a movable piston therewithin, said hollow cylinder containing a displacement volume created by a stroke of said piston," as in claim 1 of the '718 Patent?
>
> A. The Accused Products meet this limitation, as I explained previously with respect to the similar "hollow cylinder" limitation found in claim 1 of the '297 Patent and as shown, from example, on page 32 of CDX-0001C.

CX-110C at Q. 199. The RID further finds that Dr. Pratt's testimony regarding the '297 patent is similarly devoid of any mention of the displacement volume. RID at 14 (citing CX-110C at Q. 123). Dr. Pratt testified as follows:

> Q. What is your opinion regarding whether the Accused Products meet the claim limitation "a hollow cylinder comprising a cylindrical wall and having a movable piston therewithin, said hollow cylinder having a first end and a second, opposite end, said hollow cylinder containing a displacement volume created by a stroke of said piston," as in claim 1 of the '297 Patent?
>
> A. The Accused Products meet this limitation. Referring to page 32 of CDX-0001C, I created labeled images of the NT1850DE Nailer showing how the Accused Products include each limitation of this claim element.

CX-110C at Q. 123.

The RID notes that, although Kyocera's expert discusses a displacement volume in Q. 65,

the discussion is in the context of only the '296 patent and is for an entirely different limitation. *Id.* at 14-15 (citing CX-110C at Q. 65 (testifying regarding "a driver actuation device," *not* a "hollow cylinder")) (emphasis in RID). The RID further notes that Kyocera cites to some additional exhibits (*e.g.*, CX-13 and RX-218C), but finds that there is no testimony from its expert or any other witness regarding these documents and how they prove that the "displacement volume" limitation is met. *Id.* at 15. Based on the foregoing, the RID finds that Kyocera has not presented sufficient evidence to show that the stroke of the accused piston creates a displacement volume, and therefore has failed to prove by a preponderance of the evidence that the accused products satisfy this limitation. *Id.*

2. The Parties' Arguments

Kyocera submits that several of the undisputed limitations require the same "displacement volume" that complainant submits the RID mistakenly believes is absent in the accused products, *e.g.*, "a main storage chamber that is in fluidic communication with *said displacement volume of the cylinder*" and "wherein said main storage chamber and *said displacement volume* are initially charged with a pressurized gas." Kyocera's Pet. (RID) at 12 (emphasis added by Kyocera). Kyocera submits that the RID recognizes these concessions in determining that these claim limitations are met by the accused products – *i.e.*, the accused products include a displacement volume charged with a pressurized gas. *Id.* (citing RID at 15 ("Respondent does not dispute that the limitation is met"; "Thus, the undersigned finds that the Accused Products meet this limitation.")). Thus, Kyocera submits, given that both Hitachi and the RID agree that the "displacement volume charged with a pressurized gas" limitation is met, the RID errs in finding that complainant fails to prove the presence of the "displacement volume" in the accused products. *Id.*

Hitachi submits that Kyocera's expert testimony is brief and conclusory, and that neither Kyocera nor its expert ever explains why the alleged "displacement volume" in the alleged "drive actuation device" of the '296 patent is relevant to (let alone the same as) the alleged "displacement volume" in the alleged hollow cylinder of the '718 patent. Hitachi's Resp. (RID) at 4-5, 7 (citing Kyocera's Initial Post-Hearing Br. at 21). Hitachi thus submits that Kyocera's reliance on the proposition that the same claim terms in related patents carry the same meaning is misplaced. *Id.* at 7 (citing *Innova/Pure Water, Inc. v. Safari Water Filtration System, Inc.*, 381 F.3d 1111, 1120 (Fed. Cir. 2004) ("[W]hen an applicant uses different terms in a claim it is permissible to infer that he intended his choice of different terms to reflect a differentiation in meaning of those terms.")).

3. Analysis

The Commission finds that the "displacement volume" limitation in the claim phrase "said hollow cylinder containing a displacement volume created by a stroke of said piston" reads on the accused products. At the outset, the Commission notes that the RID found that two limitations that contain the words "displacement volume"—*i.e.*, the "a main storage chamber that is in fluidic communication with said displacement volume of the cylinder" and "wherein said main storage chamber and said displacement volume are initially charged with a pressurized gas" limitations—read on the accused products. *See* RID at 15. The evidence that supports finding that these limitations are met also supports finding that the accused products include a "displacement volume."

The "preponderance of the evidence" standard "simply requires proving that infringement was more likely than not to have occurred." *Warner-Lambert*, 418 F.3d at 1341 n.15. The record evidence includes the testimony of Kyocera's expert, Dr. Pratt, explaining the claimed

displacement volume in the accused products as follows:

- "The displacement volume is the product of the piston's stroke and the cross-section area of the hollow cylinder's bore. For example, a stroke of 2 3/4 inches and a bore diameter of 1 3/16 inches results in a displacement volume of approximately 3.1 cubic inches." CX-110C (Dr. Pratt) at Q. 65.

- "The piston moves up and down within the cylinder, which respectively increases and decreases the pressure of the gas housed within the main storage chamber and cylinder." *Id.* at Q. 26.

Dr. Pratt's testimony is consistent with the '718 specification, which expressly discloses that a "displacement volume" is "created by the stroke of the piston **80**." *See* JX-4 at 9:63-65. Kyocera has presented evidence of upward and downward strokes of the piston in the accused products, which the patent explains "creates" the displacement volume, *i.e.*, the empty space through which the piston moves. Hitachi's expert, Dr. Vallee, agreed that such piston movement creates a displacement volume. RX-1 at Q. 50 ("a drive piston which serves as a movable wall to adjust the volume of the chamber"); *see also* Tr. at 180:23-24 (Dr. Vallee) ("the accused products have a piston that moves within inside the cylinder, that is correct.").

The Commission finds it to be inconsistent that the RID finds that the immediately preceding limitation, "a hollow cylinder comprising a cylindrical wall with a movable piston therewith," is met by the accused products, but not "a displacement volume created by a stroke of said piston" when the record evidence was sufficient to prove that a "movable piston" within a "hollow cylinder" necessarily creates a "displacement volume" upon such movement within such a cylinder. *See* RID at 13-14 (citing CX-110C at QQ. 123, 199; CDX-1C.0032; Tr. (Pratt) at 136:19-137:4, 138:6-15; Tr. (Vallee) at 180:21-24)).

Based on the foregoing, the Commission determines that the accused products meet the "displacement volume" limitation and reverses the RID's finding to the contrary.

D. Infringement Regarding "Initiating a Driving Cycle"

1. The RID

The *Markman* Order did not find that construction of the "initiating a driving cycle" limitation was in dispute by the parties. *See Markman* Order at 18-48. Accordingly, the ALJ construed the term in accordance with its plain and ordinary meaning. *Id.* at 1-2; *see also Phillips*, 415 F.3d at 1312-13. However, the RID finds that the accused products do not meet this limitation recited in asserted claims 1, 10, and 16 of the '718 patent, as properly construed.[15] RID at 20-22.

The asserted claims recite "a prime mover that moves a lifter member which moves a driver member away from *an exit end of the mechanism*" and "initiating a driving cycle by pressing *said exit end* against a workpiece." JX-4 at claim 1. The RID finds that Hitachi's Instruction and Safety Manual for its accused products explains that to drive the fastener, a user must "press the push level against the wood" and "pull the trigger." *Id.* at 21 (citing JX-19C.0004). The RID finds, however, that the intrinsic evidence indicates that the "exit end" of the fastener driving mechanism and the end of the "safety contact element" are separate components. *Id.*

The RID also finds that, in a conclusory manner, Kyocera's expert, Dr. Pratt, equates the push lever in the accused products with both the exit end of the fastener driving mechanism and the end of the safety contact element. *Id.* (citing CX-110C at Q. 203; JX-19C.0004). The RID, however, finds that neither Kyocera nor its expert provide any evidentiary support for this position. *Id.*

[15] The RID notes that Dr. Vallee's (Hitachi's expert) testimony regarding this limitation was stricken by Order No. 18 (Oct. 23, 2018), but still finds Hitachi's non-infringement argument relevant because it does not rely on this stricken testimony. ID at 20 n.9.

The RID notes that the term "mechanism" was previously construed to mean "fastener driving mechanism." RID at 21 (citing *Markman* Order at 17). The RID also notes that the term "exit end" appears multiple times in claim 1 of the '718 patent: "an exit end of the mechanism," "said exit end of the mechanism," and "said exit end." *Id.* (citing JX-4 at claim 1). The RID therefore finds that the antecedent basis for "said exit end" of the current claim limitation is "an exit end of the mechanism," *i.e.*, an exit end of the "fastener driving mechanism." *Id.*

The RID further finds that the '718 specification distinguishes the exit end of the fastener from the end of the safety contact element. *Id.* at 22 (citing *Vitronics*, 90 F.3d at 1582; *Becton, Dickinson & Co. v. Tyco Healthcare Grp.*, 616 F.3d 1249, 1254-55 (Fed. Cir. 2010) ("Where a claim lists elements separately, the clear implication of the claim language" is that those elements are "distinct component[s] of the patented invention.") (citation omitted)). Specifically, the RID finds that the specification discloses the following:

- Safety contact element **32** extends beyond the bottom **30** of the fastener exit, and this extension of the safety contact element is depicted at **34**, which is the bottom or 'front' portion of the safety contact element (*Id.* (citing JX-4 at 7:47-51)).
- The exit end of the tool **10** [is] essentially at the bottom portion **30** of the tool's exit area. (*Id.* (citing JX-4 at 7:64-67)).

The RID thus finds that the specification discloses "fastener driving mechanism" and "safety contact element" as two distinct elements and, without some explanation from Kyocera or its expert as to why those elements are the same, it declines to so find. *Id.* Based on the foregoing, the RID therefore finds that Kyocera has failed to meet its burden to prove that the accused products satisfy the "initiating a driving cycle" limitation. *Id.*

2. The Parties' Arguments

Kyocera submits that the RID's interpretation and application of the "initiating a driving

cycle" limitation excludes the embodiments depicted in Figures 1 and 16 of the '718 patent. Kyocera's Sub. at 5.

Kyocera submits that Figure 1 of the '718 patent (shown *supra* at p. 10) shows a safety contact element **32**. *Id.* Kyocera also submits that the '718 specification discloses with respect to the Figure 1 embodiment that, when it is time to drive a fastener, a user takes two actions to initiate a driving cycle: (1) "pressing the nose **34** of the safety contact element **32** against a solid surface"; and (2) "depressing the trigger actuator **54**." *Id.* (citing JX-4 at 11:60-12:2). Kyocera further submits that the specification discloses that "[w]hen both of these actions are occurring simultaneously, current is delivered to the motor **40**," thereby initiating a driving cycle. *Id.* (citing JX-4 at 12:-8-18). Kyocera thus submits that the Figure 1 embodiment clearly discloses pressing the end of the safety contact element **32** against a workpiece and actuating the trigger to initiate a driving cycle, which is commensurate in scope with the asserted claims of the '718 patent. *Id.* (citing JX-4 at claim 1 ("initiating a driving cycle by pressing said exit end against a workpiece and actuating said trigger")).

Also, Kyocera submits that, similarly, Figure 16 of the '718 patent (shown below) shows a safety contact element **418**. *Id.* at 6.

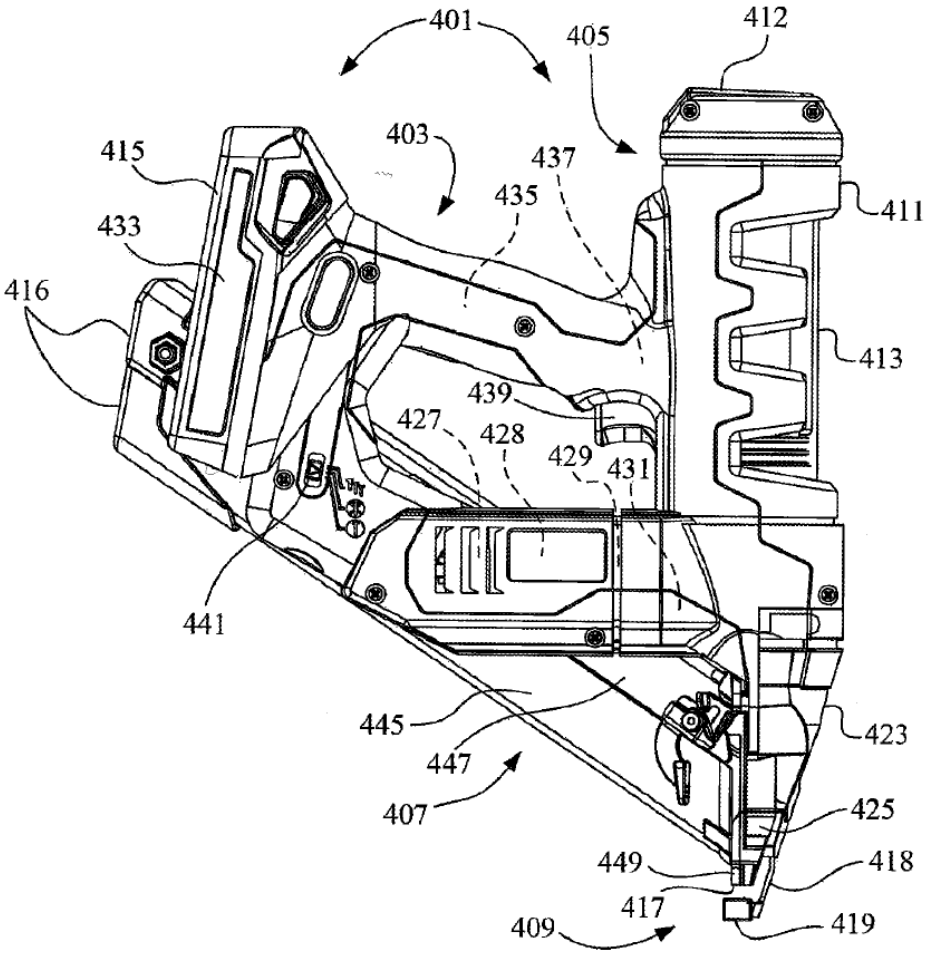

Fig. 16

Kyocera submits that the '718 specification discloses, with respect to the Figure 16 embodiment, that when it is time to drive a fastener, a user takes two actions to initiate a driving cycle: (1) "pressing the nose **419** of the safety contact element **418** against a solid surface"; and (2) "depressing the trigger actuator **439**." *Id.* (citing JX-4 at 26:10-20). Kyocera further submits

that the specification discloses that "[w]hen both of these actions are occurring simultaneously, current is delivered to the motor **427**," thereby initiating a driving cycle. *Id.* (citing JX-4 at 26:28-39). Kyocera thus submits that the Figure 16 embodiment clearly discloses pressing the end of the safety contact element **418** against a workpiece and actuating the trigger to initiate a driving cycle which is commensurate in scope with the asserted claims of the '718 patent. *Id.* at 6-7 (citing JX-4 at claim 1 ("initiating a driving cycle by pressing said exit end against a workpiece and actuating said trigger")).

Based on the foregoing, Kyocera submits that the RID's interpretation of the "initiating a driving cycle" limitation would exclude these two embodiments. *Id.* at 7. Specifically, Kyocera asserts that the RID erroneously concludes that the "initiating a driving cycle" limitation requires that the "exit end of the fastener driving mechanism and the end of the safety contact [be] separate components." *Id.* (citing RID at 21). Kyocera asserts that, under this interpretation, an "exit end" of the "fastener driving mechanism" separate and distinct from the "safety contact element" must be pressed against a workpiece to initiate a driving cycle. *Id.* at 7-8. Kyocera contends, however, that the only embodiments disclosed in the '718 specification clearly require pressing the exit end of the safety contact element against a workpiece. *Id.* at 8. Kyocera thus argues that there is no disclosure nor contemplation in the specification of any other potential way to initiate a driving cycle and therefore the RID's interpretation lacks any support from the intrinsic record. *Id.* (citing *Accent Packaging, Inc. v. Leggett & Platt, Inc.*, 707 F.3d 1318, 1326 (Fed. Cir. 2013) ("[A] claim interpretation that excludes a preferred embodiment from the scope of the claims is rarely, if ever, correct.")).

Kyocera also submits that Hitachi misinterprets the '718 specification, as the two portions of the specification (*i.e.*, JX-4 at 11:67-12:2, 17:9-14) respondent argues are two

separate embodiments for "initiating a driving cycle" actually *describe the same embodiment*, the *first embodiment* depicted in Figure 1. Kyocera's Reply at 5 (emphasis added by Kyocera). Specifically, Kyocera submits that the following portions of the specification (which encompass or relate to those cited by Hitachi) disprove Hitachi's argument because they all refer to the "first embodiment" of Figure 1: "When it is time to drive a fastener, the next action in the illustrated *first embodiment* is to cause the motor **40** to become energized once again (*id.*; citing JX-4 at 11:60-12:2) (emphasis added by Kyocera)"; "The illustrated *first embodiment* of the present invention . . . (*id.*; citing the same at 13:5-6) (emphasis added by Kyocera)"; "FIG. 13 . . . is a first portion of a flow chart showing some of the important logical steps performed by the controller of the *first embodiment* fastener driving tool of *FIG. 1* (*id.*; citing the same at 5:45-48) (emphasis added by Kyocera)"; "*FIG. 1* is a side view in a particular cross-section of a *first embodiment* of a fastener driving tool (*id.*; citing the same at 4:65-66) (emphasis added by Kyocera)." Kyocera thus submits that the RID's interpretation excludes the embodiments depicted in Figures 1 and 16 for the "initiating a driving cycle" limitation, which requires, for all embodiments, pressing the safety contact element against the workpiece.

Accordingly, Kyocera submits that the "initiating a driving cycle" limitation only has one reasonable interpretation – the end of the safety contact element is the exit end of the fastener driving mechanism. Kyocera's Sub. at 8 (citing CX-110C (Pratt) at Q. 203 (Dr. Pratt testified that "the exit end of the fastener driving mechanism is the end of the safety contact element, which when pressed against a workpiece, allows a driving stroke to begin.")).

Hitachi submits that the RID's interpretation of "initiating a driving cycle" limitation does not exclude embodiments disclosed in Figure 1 and Figure 16. Hitachi's Sub. at 3. Specifically, Hitachi submits that the '718 specification discloses two separate embodiments for

"initiating a driving cycle" in accordance with the claimed invention. *Id.* at 4-9. Hitachi submits that, in one embodiment, the safety contact element is pressed against a workpiece "to the extent" that the exit end of the tool, *i.e.*, the bottom **30**, **417** of the fastener exit portion of the tool **10**, **401**, is "now" also pressed into the workpiece (*i.e.*, the safety contact element and the bottom are co-planar) to actuate the sensor (*i.e.*, limit switch **132**, **432**) to initiate the driving cycle consistent with the Figure 1 and 16 embodiments. *Id.* (citing JX-4 at 17:8-14, 33:42-47). Hitachi notes that, in describing the "initiating a driving cycle" feature, the specification discloses (similar for both Figure 1 and 16 embodiments):

> This step determines whether or not the safety contact element **32** has been pressed against a solid object to an extent that actuates the sensor (*e.g.*, limit switch **132**), which means that the tool is now pressed against a surface where the user intends to place a fastener.

Id. (citing JX-4 at 17:9-14); *see also* JX-4 at 33:42-47. Hitachi submits that, in accordance with these portions of the specification, the safety contact element includes an interior hole into which the exit end (*i.e.*, the bottom of the fastener exit portion) can enter, or is sufficiently depressable, so that the bottom of the exit end can press against the workpiece when it is co-planar with the bottom of the safety contact element. *Id.* at 6 (citing Figs. 1, 16, 18). Hitachi submits that this interaction of the two separate elements – the safety contact element and the bottom of the fastener exit portion – satisfy the RID's construction and application of the "initiating a driving cycle" limitation. *Id.* at 5.

Hitachi further submits that, alternatively, the '718 specification supports another, unclaimed embodiment for Figures 1 and 16 where the nose of the safety contact element is depressed, without depressing the exit end (*i.e.*, the bottom of the fastener exit portion), to initiate the driving cycle. *Id.* at 8-9 (citing JX-4 at 11:67-12:2 (explaining that the driving cycle can be initiated by pressing the nose **34** of the safety contact element **32** against the workpiece)).

Hitachi submits that the specification's description of pressing the safety contact element against a workpiece shows that the patentee knew how to articulate that alternative embodiment and yet expressly chose to claim the embodiment where the "initiating a driving cycle" limitation requires "pressing said *exit end* of the fastener driving mechanism against a workpiece." *Id.* at 9 (emphasis added by Hitachi) (citing *TIP Systems, LLC v. Phillips & Brooks/Gladwin, Inc.*, 529 F.3d 1364, 1373 (Fed. Cir. 2008) ("[T]he mere fact that there is an alternative embodiment disclosed in the [asserted] patent that is not encompassed by [*sic*] district court's claim construction does not outweigh the language of the claim, especially when the court's construction is supported by the intrinsic evidence)).

3. Analysis

Hitachi's main argument is unsupported by the record evidence because the ALJ struck the supporting testimony of Hitachi's expert due to waiver. The ALJ's Ground Rules expressly provide that "[a] party may not introduce evidence at the hearing that is outside of the scope of its response to contention interrogatories." Order No. 2 at Ground Rule 4.4.3. Accordingly, when Hitachi's expert rebuttal testimony went beyond mere rebuttal to introduce a new non-infringement theory regarding this limitation, *i.e.*, that the "fastener driving mechanism" and "the safety contact element" cannot be part of the same element, the ALJ properly struck this testimony because it went further than Hitachi's original non-infringement contentions. *See* Order No. 18 at 10. The Commission thus rejects this argument because no record evidence supports it.

The Commission finds that in keeping with the intrinsic evidence, the asserted claims must be read such that the "safety contact element" is part of the "fastener driving mechanism." Specifically, for example, the '718 patent discloses the following with respect to "initiating a

driving cycle":

> When it is time to drive the fastener, the next action in the illustrated first embodiment is to cause the motor **40** to become energized once again. This occurs by two independent actions by the user: in some modes of the invention, these two independent actions can occur in either order . . . These two actions are pressing the nose **34** of the safety contact element **32** against a solid surface, and depressing the trigger actuator **54**.
>
> * * *
>
> With respect to various types of firing (or driving) modes, a "trigger fire" mode is where the user first presses the tool nose against a working surface, and then depresses the trigger actuator **54**. It is the trigger being depressed that causes the drive stroke to occur in this situation. With respect to a "bottom fire" mode, the trigger is actuated first, and then the user presses the nose against a work surface, and it is the work surface contact that causes the drive stroke to occur.

JX-4 at 11:60-12:2; 14:43-50. The '718 patent thus teaches that pressing the nose of the fastener driving tool, *i.e.*, the nose of the safety contact element, against the workpiece to initiate a driving cycle and not pressing the bottom portion of the fastener release exit against the workpiece. Accordingly, the "exit end" recited in the asserted claims must be read to refer to the general "fastener exit" portion **18** (shown above in FIG. 1), which encompasses both the safety contact element **32**, its nose **34**, and the release end **30** of the fastener driving mechanism. Pressing this "exit end," which encompasses the nose of the safety contact element, against a workpiece initiates a driving cycle according to the disclosed embodiments of the present invention.

The Commission disagrees with Hitachi's interpretation that the '718 patent somehow discloses two separate embodiments for "initiating a driving cycle," as the patent only discloses pressing the nose of the safety contact element against a workpiece to perform this claim limitation. The portions of the specification cited by Hitachi actually support this determination

because they all reference only the safety contact element, not the exit end of the fastener driving mechanism, as triggering the driving cycle, *i.e.*, upon its nose being depressed into a work surface and its upper arm moving to actuate the limit switch. *See* JX-4 at 12:4-9, 13:37-41. In fact, the phrases "nose of the safety contact element," "nose of the tool," "nose of the fastener driving tool," "tool nose," or "extension of the safety contact element" are mentioned dozens of times in the '718 specification, all with respect to actuating the tool; this further supports the equivalence between the safety contact element and the tool, *i.e.*, that the safety element is part of the tool's fastener driving mechanism. *See, e.g.*, JX-4 at 7:47-51; 11:7-12:11; 13:16-22, 37-41; 14:47-50; 20:10-14; 26:13-27.

As shown and described in the Instruction and Safety Manual for the accused products, the end portion of the driving tool, indicated as the push lever, is depressed against the workpiece to initiate a driving cycle for the tool. *See* JX-19C.004, .0025-26. The push lever thus functions as a "safety contact element," consistent with the agreed-upon construction for that limitation, because the tool does not operate unless this lever is depressed. *Id.* at .0025. This description is further consistent with the testimony of Dr. Pratt, who explained that "the exit end of the fastener driving mechanism is the end of the safety contact element, which when pressed against a workpiece, allows a driving stroke to begin." *See* CX-110C at Q. 203.

Accordingly, the Commission finds that the accused products satisfy the "initiating a driving cycle" limitation and reverses the RID's finding to the contrary. Based upon the preceding discussion, the Commission finds that Hitatchi's accused products infringe the asserted claims of the '718 patent.

E. Induced Infringement

1. The RID

Before the ALJ, Kyocera submitted that Hitachi has had actual knowledge of the '718 patent since at least shortly after January 25, 2017, when Kyocera filed a district court complaint accusing Hitachi of infringing the '718 patent. RID at 24 (citing Kyocera's Initial Post-Hearing Br. at 14-15 (citing *Senco Brands, Inc. v. Hitachi Koki U.S.A., Ltd.*, No. 17-cv-00061-TSB)). Kyocera also asserted that Hitachi "encourages end users to use the Accused Products in a manner that directly infringes claims, 1, 10, and 16 of the '718 Patent" and that Hitachi "has had the specific intent to encourage this infringement by, among other things, distributing, marketing materials, instructions, and similar materials with instructions on using the Accused Products in an infringing manner." *Id.* (citing Kyocera's Initial Post-Hearing Br. at 14-15 (citing CPX-2C; JPX-10C)).

The RID notes that "[i]nducement can be found where there is '[e]vidence of active steps taken to encourage direct infringement,' which can in turn be found in 'advertising an infringing use or instructing how to engage in an infringing use.'" *Id.* at 25 (citing *Takeda Pharms. U.S.A., Inc. v. West-Ward Pharm. Corp.*, 785 F.3d 625, 630-31 (Fed. Cir. 2015)). The RID further notes, however, that "such instructions need to evidence 'intent to encourage infringement.'" *Id.* (citing *Takeda*, 785 F.3d at 631). The RID finds that "[t]he question is not, however, whether a user following the instructions may end up using the device in an infringing way. Rather, it is whether [defendant's] instructions teach an infringing use of the device such that we are willing to infer from those instructions an affirmative intent to infringe the patent." *Id.* at 25-26 (citing *Vita-Mix Corp. v. Basic Holding*, 581 F.3d 1317, 1329 n.2)).

Turning to the record evidence, the RID finds that Hitachi's Instruction and Safety

Manual explains that to drive the fastener, a user must "press the push lever against the wood" and "pull the trigger." *Id.* at 26 (citing JX-19C.0004). The RID, however, referring to its non-infringement finding regarding the "initiating a driving cycle" limitation (*see supra* at II.D.1), notes its finding that Kyocera and its expert did not provide sufficient evidentiary support to conclude that the accused push lever of the accused products is the same as "said exit end" in asserted claim 1. *Id.* Accordingly, the RID finds that Kyocera fails to show that Hitachi's instructions teach an infringing use of the accused tool and therefore failed to show that Hitachi induced infringement of claims 1, 10, and 16 of the '718 patent.

2. The Parties' Arguments

Kyocera submits that the RID errs in relying on its previous erroneous determination that the accused products do not satisfy the "initiating a driving cycle" limitation. Kyocera's Pet. (RID) at 29-30. Kyocera further submits that the RID makes several important findings of fact that establish the requisite specific intent for induced infringement, which is found in Hitachi's Instruction and Safety Manuals for its accused products that are included with every purchase. *Id.* at 30 (citing JX-19C-20C; CX-106C (Lefler) at 96-105). Kyocera submits that, for example, the RID finds that "Respondent's Instruction and Safety Manuals clearly show that Respondent designed the Accused Products to be used with fasteners and specifically instructs end users to use the Accused Products with fasteners" and "Respondent has not provided any evidence that the Accused Products are used with anything other than fasteners." *Id.* at 31 (citing RID at 7-8). Kyocera submits that the RID makes similar findings with respect to the "selecting, by a user, an operating mode" and "actuating said prime mover" limitations. *Id.* (citing RID at 18 ("Respondent's Instruction and Safety Manuals specifically instruct users to" select one of two operating modes), 22 ("The evidence shows that end users are instructed to perform" the

"actuating said prime mover" step)). Kyocera submits that these findings further support a holding that Hitachi had the requisite intent to encourage infringement. *Id.*

In addition, Kyocera submits that Hitachi's specific intent to encourage infringement is established by, among other things, its distribution of marketing materials and instructions on using its accused products in an infringing manner. *Id.* (citing CPX-2C (Hitachi advertisement on YouTube demonstrating direct infringement and directing end users to use the accused products to drive fasteners and use bump fire and sequential fire modes of operation); JPX-1C (same)). Kyocera further submits that specific intent is established by Hitachi's inclusion of its Instruction and Safety Manual with every purchase of the accused product – where the manuals describe and instruct users to operate the accused products in an infringing manner. *Id.* (citing JX-19C (manual sold with accused models NT1865DMA, NT1865DM, and NT1850DE); JX-20C (sold with accused models NR1890DC and NR1890DR); CX-106C at 96-105)).

Hitachi submits that, as to the "intent" prong of induced infringement, Kyocera did not show that Hitachi knew that its actions would lead to infringement or that it actively and knowingly aided and abetted another's direct infringement. Hitachi's Resp. (RID) at 18-19 (citing *DSU*, 471 F.3d at 1305).

3. Analysis

The RID erroneously finds that Hitachi does not possess the requisite specific intent to establish induced infringement. First, as discussed *supra* (*see* II.D.3), we find the RID's determination that the "initiating a driving cycle" limitation is not met by the accused products to be in error because the '718 specification supports the "safety contact element" being part of the "fastener mechanism." Second, it is clear from the record evidence that: (1) Hitachi has had actual knowledge of the '718 patent since at least January 25, 2017, with the filing of Kyocera's

complaint in District Court; and (2) Hitachi's Instruction and Safety Manual (included with every purchase of the accused product) instructs users on how to use the accused spring nailers in an infringing manner as they all include the "Full Sequential" and "Contact" Actuation Mechanisms that require pushing the end part of the device, *i.e.*, the safety contact element, against the workpiece to initiate a driving cycle, which infringes the asserted claims of the '718 patent. *See* JX-19C. Accordingly, we can infer from those instructions, along with Hitachi's knowledge of the '718 patent, "an affirmative intent to infringe the patent." *See Takeda Pharms.*, 785 F.3d at 630-31; *see also Vita-Mix Corp. v. Basic Holding*, 581 F.3d 1317, 1329 n.2. The Commission therefore determines that Hitachi has induced infringement of the asserted claims of the '718 patent and reverses the RID's finding to the contrary.

F. Technical Prong of the Domestic Industry Requirement Regarding the "System Controller" Limitation

1. The Final ID

The ID finds that Kyocera has not satisfied the technical prong of the domestic requirement because the "system controller" limitation is not met for reasons similar to those discussed above with respect to infringement. ID at 30-34. When questioned about whether the DI products practice the "system controller" limitation, Kyocera's expert, Dr. Pratt, testified that the "Domestic Industry Products meet this limitation, as I explained previously with respect to the similar 'system controller' limitation found in claim 1 of the '722 Patent and as shown, for example, on page 38 of CDX-0002C." *Id.* at 32 (citing CX-110C at QQ. 191, 379). Dr. Pratt's testimony relating to the '722 patent states:

> Q. What is your opinion regarding whether the Domestic Industry Products meet the claim limitation "a housing that contains a prime mover, and a system controller," as in claim 1 of the '722 Patent?
>
> A. The Domestic Industry Products meet this limitation. Referring to

> page 38 of CDX-0002C, I created labeled images of the FUSION F-15 Nailer showing how the Domestic Industry Products include every element of this claim limitation. I understand that "system controller" means "a circuit configured to control operation based on received input signals." I believe it makes sense to discuss the "system controller" limitation in more detail with respect to another limitation of this claim, but the Domestic Industry Products do meet this limitation. I also discussed how the controller in the Domestic Industry Products work [sic] with respect to the "predetermined conditions" limitations in claim 11 of the '296 Patent.

CX-110C at Q. 341; *see also* CX-110C at Q. 152.

The ID notes that, similar to his infringement testimony, the other limitation Dr. Pratt refers to in this testimony above is "said lifter member movable, under command of *said system controller*, by said prime mover." ID at 32 (citing CX-110C at Q. 349) (emphasis added). The ID finds, however, that, when discussing this other limitation from claim 1 of the '722 patent, Dr. Pratt makes only a cursory reference to the system controller. *Id.* Specifically, the ID notes that Dr. Pratt states: "The controller determines when, and for how long, current is fed from the energy source to the prime mover after receiving inputs from sensors on the tool." *Id.* at 27 (citing CX-110C at Q. 160). The ID finds, however, that beyond this conclusory sentence, Dr. Pratt does not provide any evidence that this "current-sourcing" feature actually exists in the DI products since Dr. Pratt did not provide any explanation as to how these sensors provide inputs to the system controller or show that any of these sensors are actually connected to a controller. *Id.* The ID further finds that Dr. Pratt again cites to a demonstrative (*i.e.*, CDX-2C.0038) as proof that the "system controller" limitation is present in the DI products, but does not identify any sensors in this demonstrative. *Id.* at 32-33. The ID also finds that Dr. Pratt does not provide any evidence showing that the circuitry on the printed circuit board from the representative DI product is "configured to control operation based on received input signals." *Id.* at 33; *see also* ID at 15-20 (finding the F-15 to be representative).

The ID further finds that, even if Dr. Pratt identified a system controller (*i.e.*, a microprocessor) or a programmed computer on the printed circuit board of the DI products, merely identifying this physical element "tells you nothing about the operation of the [system controller]." *Id.* at 34 (quoting RX-266C at Q. 377). Specifically, the ID finds the following testimony from Hitachi's expert, Dr. Vallee, significant in explaining the distinction:

> Even if Dr. Pratt (or someone else) were able to identify a programmed computer (*e.g.*, microprocessor or microcomputer) on the printed circuit board of any of the Alleged Domestic Industry Products, it would not establish that a programmed computer, as opposed to other components (*e.g.*, switches, transistors, etc.) elsewhere in the tool, determine the conditions, if any, under which the lifter moves the driver from the alleged "driven position" to the alleged "ready position."

Id. (citing RX-266C at Q. 377). The ID finds that even if Dr. Pratt had identified a "system controller" (or a "programmed computer" as recited in the asserted claims of the '296 patent) in the DI products, this mere identification of a controller would not tell a POSA anything about the operation of the controller. *Id.* (citing RX-266C at Q. 201). Accordingly, the ID finds that to determine whether the system controller identified in the DI products is actually configured to control operation based on received input signals, a POSA would need to understand the logical operations carried out by the controller, which necessarily requires an analysis of the source code (that Dr. Pratt did not perform). *Id.* (citing RX-266C at Q. 384).

Based on the foregoing, the ID finds that Kyocera did not meet its burden of showing by a preponderance of the evidence that the "system controller" limitation is practiced by the DI products. *Id.* Accordingly, the ID finds that the domestic industry products do not practice claims 1, 10, or 16 of the '718 patent and therefore the technical prong of the domestic industry requirement is not satisfied.

2. The Parties' Arguments

Because of the similarities between the accused products and the DI products, Kyocera asserts similar arguments regarding how the ID errs in determining that complainant's domestic industry products do not practice the "system controller" limitation of claims 1, 10, or 16 of the '718 patent. *See* Kyocera's Pet. at 39-53. Specifically, Kyocera: (1) reiterates that the ID erred in requiring that an analysis of source code was necessary to determine whether the "system controller" limitation was practiced by its DI products; and (2) asserts that the ID erred as it overlooked and failed to consider the significant evidence provided by its expert, Dr. Pratt, concerning how this limitation is practiced. *Id.* at 40. Kyocera's discussion regarding point (1) can be found *supra* at Section II.B.2 in its discussion regarding infringement.

Regarding point (2), Kyocera submits that the ID erred in finding that "Dr. Pratt has not demonstrated that the 'system controller' is actually configured to control operation based on received input signals." *Id.* at 46. Kyocera submits that this erroneous conclusion overlooks the significant evidence provided in the form of Dr. Pratt's testimony that established that the DI products practice this limitation. *Id.* at 47. Kyocera submits that, contrary to the ID's determination, its expert, Dr. Pratt, provided sufficient explanation as to how the sensors of the DI products provide inputs to the system controller to practice this limitation. *Id.* Specifically, Kyocera submits that Dr. Pratt explained how the various sensors of the DI products worked with the system controller to control operation of these products with respect to the first of the "predetermined conditions" limitations of claim 11 of the '296 patent, with reference to Figure F shown *supra* at pages 20-21. *Id.* at 47-48 (citing CDX-2C.0026 (reproducing and annotating CX-21C)). Kyocera submits that, with respect to this software flow chart and the sensors' operation identified therein for performing the "predetermined conditions," Dr. Pratt explained

the operation of the "system controller" of the DI products. *Id.* at 48-51 (citing CX-110C at QQ. 301, 303, 306-10).

Because of the similarities between the accused products and the DI products, Hitachi reiterates its argument, *supra* at Section II.B.2, that because Dr. Pratt analogized the "system controller" limitation of the '718 patent to the "predetermined conditions" limitations of the '296 patent with his infringement testimony, Kyocera admits that the claims require the "system controller" to run on software, which the ID correctly determines necessitates an analysis of the source code. Hitachi's Resp. at 21-26 (citing CX-110C at Q. 301, 349, 379; RX-266C at 186, 384). Hitachi also submits that the ID correctly determines that Dr. Pratt's technical prong testimony is conclusory as it: (1) relies on a software flow chart rather than a circuit diagram that details the circuitry and operation or identification of information transmitted and received by any interconnected components; and (2) does not provide any detailed analysis of the sensors allegedly interconnected to a "system controller." *Id.* at 29-31.

3. Analysis

Based on reasoning similar to that discussed *supra* at Section II.B.3, the Commission finds that the ID errs by requiring an analysis of source code in order to determine whether the DI products practice the "system controller" limitation of the '718 patent. Rather, the record evidence, including the DI products' Operating Instructions Manual and Dr. Pratt's expert testimony, establish that the DI products practice the "system controller" limitation recited in claims 1, 10, and 16 of the '718 patent. *See, e.g.*, *Warner-Lambert*, 418 F.3d at 1341 n.15; *LNP Eng'g Plastics*, 275 F.3d at 1357; *Garmin*, 697 Fed.Appx. at 1014-16.

As shown *supra* in the Operating Instructions Manual for the DI products and the photographs of the physical components and consistent with the Federal Circuit case law, the

main PCB (or controller) of the DI products receives input signals from the multiple sensors that are interconnected. *See* JX-14C; CDX-2C.0038, 0043-47. That evidence, supplemented by Dr. Pratt's testimony and the modes of operation described in the Operating Instructions Manual, demonstrates that the PCB uses these received input signals from the interconnected sensors to control the multiple modes of operation (*i.e.*, Sequential and Contact Actuation) of the DI nailers. *See* JX-14C.0016-17; CDX-2C.0038, 0043-47; CX-110C at QQ. 301, 303, 306-10. Dr. Pratt, with reference to the manual, software flow chart, and physical structure of the DI nailers, provides sufficient detail of the operation, as a POSA would understand, of the three interconnected sensors (*i.e.*, trigger switch, push lever switch, and lifter member position sensor) to the PCB. *See* CDX-2C.0026-27; CX-110C at QQ. 301, 303, 306-10. Dr. Pratt, via this documentary record evidence, sufficiently described how the DI nailers detect the sequence of the push lever and trigger actuation, or contact of the push lever to the workpiece, together with detection of whether the driver member is in the "hold" or "ready" positions in order to operate in either the Sequential or Contact Actuation mode of operation. *See* CX-110C at QQ. 301, 303, 306-10; CDX-2C.0026-27; JX-14C. Accordingly, the Commission finds that the documentary evidence as explained by Dr. Pratt's testimony suffices to show how the sensors provide inputs to the system controller of the DI products, and thus that the DI products satisfy the "system controller" limitation.

Based on the foregoing, the Commission determines that the DI products meet the "system controller" limitation and reverses the ID's finding to the contrary.

G. Technical Prong of the Domestic Industry Requirement Regarding the "Displacement Volume" Limitation

1. The RID

The RID finds that Kyocera has not satisfied the technical prong of the domestic industry

requirement because the "displacement volume" limitation is not met, for reasons similar to those discussed above with respect to infringement. RID at 33-34. The RID finds that the record evidence shows that the DI products include a hollow cylinder, with a cylindrical wall and a piston that moves within the cylinder. *Id.* at 33 (citing CX-110C at QQ. 314, 387; CDX-2C.0029). The RID finds that, although a visual inspection is sufficient to determine satisfaction of the "hollow cylinder" portion of this limitation, it is insufficient proof that the stroke of the DI piston creates a displacement volume. *Id.* at 33. The RID finds that Kyocera does not provide any explanation, discussion, or corroborating testimony in its post-hearing briefing regarding the displacement volume. *Id.* (citing Kyocera's Initial Post-Hearing Br. at 31; Kyocera's Reply Post-Hearing Br. at 15-16). The RID also finds that Kyocera's expert for the '718 patent, Dr. Pratt, did not testify regarding the displacement volume. *Id.* at 33-34 (citing CX-110C at Q. 387). Dr. Pratt testified as follows:

> Q. What is your opinion regarding whether the Domestic Industry Products include a "hollow cylinder comprising a cylindrical wall with a movable piston therewithin, said hollow cylinder containing a displacement volume created by a stroke of said piston," as in claim 1 of the '718 Patent?
>
> A. The Domestic Industry Products meet this limitation, as I explained previously with respect to the similar "hollow cylinder" limitation found in claim 1 of the '297 Patent and as shown, from example, on page 32 of CDX-0001C.

CX-110C at Q. 387. The RID further finds that a review of the expert's testimony regarding the '297 patent is similarly devoid of any mention of the displacement volume. RID at 34 (citing CX-110C at Q. 314). Dr. Pratt testified as follows:

> Q. What is your opinion regarding whether the Domestic Industry Products meet the claim limitation "a hollow cylinder comprising a cylindrical wall and having a movable piston therewithin, said hollow cylinder having a first end and a second, opposite end, said hollow cylinder containing a displacement volume created by a

stroke of said piston," as in claim 1 of the '297 Patent?

A. The Domestic Industry Products meet this limitation. Referring to page 29 of CDX-0002C, I created labeled images of the FUSION F-15 Nailer showing how the Domestic Industry Products include each limitation of this claim element.

CX-110C at Q. 314.

The RID also notes that, although Kyocera does cite to a couple of additional exhibits, there is no record testimony regarding how these exhibits demonstrate that a displacement volume is created by a stroke of the DI piston. RID at 34. Based on the foregoing, the RID finds that Kyocera has not presented sufficient evidence to show that the stroke of the DI piston creates a displacement volume, and therefore has failed to prove by a preponderance of the evidence that the DI products satisfy this limitation. *Id.*

2. The Parties' Arguments

Because of the similarities between the accused products and the DI products, Kyocera asserts similar arguments regarding how the RID errs in determining that complainant's domestic industry products do not practice the "displacement volume" limitation of claims 1, 10, or 16 of the '718 patent. *See* Kyocera's Pet. (RID) at 32-36. Specifically, Kyocera reiterates that: (1) the RID and Hitachi concede that the DI products include the claimed "displacement volume"; and (2) the RID improperly disregards the evidence that establishes the presence of the "displacement volume" limitation in the DI products. *Id.* at 32. Kyocera's discussion regarding point (1) can be found *supra* at Section II.C.2 in its discussion regarding infringement.

Regarding point (2), Kyocera submits that its expert, Dr. Pratt, testified that the below labeled images from his demonstrative (CDX-2C.0017) show the results of his visual inspection of the DI products, including his identification of the recited "displacement volume." *Id.* at 35 (citing CX-110C at Q. 388).

[[

]]

Kyocera submits that the RID errs in finding that this analysis of its DI products by its expert was "insufficient proof that the stroke of the piston creates a displacement volume." *Id.* (citing RID at 33). Kyocera submits that the RID already holds that its expert's visual inspection established "that the DI Products include a hollow cylinder, with a cylindrical wall and a piston that moves within the cylinder." *Id.* (citing RID at 33). Kyocera thus submits that it logically follows that if a visual inspection is sufficient to establish the presence of a hollow cylinder and a piston that moves within the cylinder, then a visual inspection would also be sufficient to establish the presence of *the empty space within the hollow cylinder* through which the piston

moves. *Id.* at 36 (emphasis added by Kyocera).

Because of the similarities between the accused products and the DI products, Hitachi submits substantially the same arguments it presents with respect to infringement (*see supra* at II.C.2). Hitachi's Resp. (RID) at 20-27. Hitachi reiterates its argument that: (1) it never conceded that the "displacement volume" limitation was met because the other limitations Kyocera refers to are entirely different; and (2) Kyocera presented conclusory analysis regarding this limitation and cannot rely on expert testimony directed to the '296 patent because it is directed to a different limitation, *i.e.*, "a driver actuation device." *Id.* (citing Kyocera's Initial Post-Hearing Br. at 31; CX-110C at QQ. 387-88, 314, 264).

3. Analysis

The Commission finds that the displacement volume limitation reads on the DI products based on the same reasoning articulated above (*see* II.C.3). Additionally, the record evidence includes the testimony of Kyocera's expert that:

- "The displacement volume is the product of the piston's stroke and the cross-section area of the hollow cylinder's bore." CX-110C (Dr. Pratt) at Q. 264.

- "The piston moves up and down within the cylinder, which respectively increases and decreases the pressure of the gas housed within the main storage chamber and cylinder." *Id.* at Q. 26.

And the '718 specification expressly discloses that a "displacement volume" is "created by the stroke of the piston **80**." *See* JX-4 at 9:63-65. Therefore, we find that Kyocera has presented evidence of upward and downward strokes of the piston in the DI products, as well as the displacement volume, and the patent explains that such piston movement "creates" the displacement volume, *i.e.*, the empty space through which the piston moves. *See Warner-Lambert*, 418 F.3d at 1341 n.15 (The "preponderance of the evidence" standard "simply requires

proving that infringement was more likely than not to have occurred.").

The Commission therefore determines that the DI products satisfy the "displacement volume" limitation and reverses the RID's finding to the contrary.

H. Technical Prong of the Domestic Industry Requirement Regarding the "Initiating a Driving Cycle" Limitation

1. The RID

The RID finds that Kyocera has not satisfied the technical prong of the domestic requirement because the "initiating a driving cycle" limitation is not met for reasons similar to those discussed above with respect to infringement. RID at 36-38.

The RID finds that the antecedent basis for "said exit end" of the current claim limitation is "an exit end of the mechanism," *i.e.*, the exit end of the fastener driving mechanism. *Id.* at 37. The RID finds that Kyocera's expert, Dr. Pratt, testifies that, according to Kyocera's Operating Instructions, "when the exit end of the fastener driving mechanism is pressed against a workpiece and the trigger is actuated, a driving stroke will begin." *Id.* (citing CX-110C at Q. 391). The RID finds, however, that these Operating Instructions direct the user to "[p]ress the workpiece contact (safety) element against the work surface." *Id.* (citing CX-14C.0017). The RID thus finds that Kyocera's expert is equating the workpiece contact (safety) element in the DI products with the exit end of the fastener driving mechanism. *Id.*

The RID finds, however, that neither Kyocera nor its expert provides sufficient evidentiary support for this position, particularly when viewed in the context of the intrinsic record. *Id.* Specifically, the RID finds that neither party cited to detailed pictures or schematics of the DI products showing that the workpiece contact (safety) element is the same as an exit end of the fastener driving mechanism. *Id.* at 37-38 (citing CX-110C at Q. 391; CX-14C.0017). The RID further finds that although one of Dr. Pratt's demonstrative exhibits labels

a part of the DI products as the exit end of the mechanism, the demonstrative does not provide a detailed view of that portion of the DI products and seems to point to the same portion of the tool that is labeled as the safety contact element. *Id.* at 38 (citing CDX-2C.0044, .0047). Based on the foregoing, the RID concludes that Kyocera has failed to meet its burden to prove that its DI products practice the "initiating a driving cycle" limitation. *Id.* at 38.

2. The Parties' Arguments

Because of the similarities between the accused products and the DI products, Kyocera asserts similar arguments regarding how the RID errs in determining that complainant's domestic industry products do not practice the "initiating a driving cycle" limitation of claims 1, 10, or 16 of the '718 patent. *See* Kyocera's Pet. (RID) at 37-49. Specifically, Kyocera reiterates that the RID: (1) errs in considering and basing its lack of the technical prong of the domestic industry requirement with respect to this limitation on Hitachi's waived non-infringement argument; and (2) improperly disregards the evidence that established the presence of the "initiating a driving cycle" limitation in the DI products because the "safety contact element" may be part of the "fastener driving mechanism." *Id.* at 37-42.

Kyocera's discussion regarding point (1) can be found *supra* at Section II.D.2 in its discussion regarding infringement. Kyocera further submits that Hitachi first raised this argument in its pre-hearing brief, well after fact and expert discovery had closed and all direct evidence, including witness statement, had been finalized. *Id.* at 37 n.17. Regarding point (2), Kyocera submits that its expert, Dr. Pratt, explained that the DI products' Operating Instructions describe "that when the exit end of the fastener driving mechanism is pressed against a workpiece and the trigger is actuated, a driving stroke will begin." *Id.* at 43 (citing CX-110C at Q. 391). Kyocera also notes that its expert's testimony points to his demonstrative, which

consistently labels the "exit end of the mechanism" as the end of the "safety contact element," as shown *supra* in FIGs. G and H (CDX-2C.0047, .0044). *Id.* (citing CX-110C at QQ. 377, 380).

Kyocera submits that, given that "a single element, feature, or mechanism can ordinarily satisfy multiple claim limitations," its expert's testimony that the exit end of the fastener driving mechanism is the end of the safety contact element is legally proper, and thus there is no basis for the RID to dismiss this evidence as insufficient. *Id.* at 44 (citing *Google*, 743 Fed. Appx. at 985; *NTP*, 418 F.3d at 1310). Kyocera also reiterates its arguments from the infringement section (*see supra* at II.D.2) regarding how the '718 specification supports the "safety contact element" being part of the "fastener mechanism" and how *Becton* is distinguishable from the facts here. *Id.* at 45-49 (citing *Becton*, 616 F.3d at 1254-55). Kyocera therefore submits that the Commission should find that its DI products meet the "initiating a driving cycle" limitation.

Hitachi submits that the RID correctly finds that the "initiating a driving cycle" limitation is not met by the DI products with substantially the same arguments it presents with respect to infringement (*see supra* at II.D.2). Hitachi's Resp. (RID) at 28-37. Hitachi reiterates its argument that: (1) it cannot waive its argument that Kyocera failed to satisfy its burden of proof since that burden remains with complainant throughout the infringement on DI analysis; and (2) neither the claims nor the '718 specification supports interpreting the "safety contact element" as part of the "fastener driving mechanism." *Id.* (citing *Welker Bearing*, 550 F.3d at 1095; JX-4 at 7:64-67; 3:47-51). Hitachi thus submits that the Commission should affirm the RID's finding that the DI products do not "initiat[e] a driving cycle." *Id.* at 37.

3. Analysis

As discussed *supra* at II.D.3, Hitachi's argument that the DI products do not practice the "initiating a driving cycle" limitation is unsupported by the record evidence because the ALJ

struck the supporting testimony of Hitachi's expert due to waiver. *See*, *e.g.*, Order No. 2 at Ground Rule 4.4.3; Order No. 18 at 10. The Commission thus rejects this argument because no record evidence supports it.

Consistent with the infringement discussion *supra* at II.D.3, the Commission finds that, as shown and described in the Operating Instructions for the DI products, the end portion of the driving tool, indicated as the workpiece (safety) contact, is depressed against the workpiece to "initiate a driving cycle" for the tool which is also consistent with the agreed-upon construction for the safety contact element. *See* CX-14C at 14-17. This description is consistent with Kyocera's expert's testimony, which explained "that when the exit end of the fastener driving mechanism is pressed against a workpiece and the trigger is actuated, a driving stroke will begin." *See* CX-110C at Q. 391. The Commission therefore determines that the DI products satisfy this limitation and reverses the RID's finding to the contrary.

I. Economic Prong of the Domestic Industry Requirement

1. The Final ID

Before the ALJ, Kyocera submitted that it has made and continues to make significant investments in labor or capital in support of its DI products to satisfy the economic prong of the domestic industry requirement under both section 337(a)(3)(B) and section 337(a)(3)(C). ID at 51. Specifically, Kyocera submitted that its investments total $[[ ]] for the period from [[ ]], consisting of $[[ ]] for its Finishing Nailers product and $[[ ]] product (which Kyocera views, collectively, as a single product line). *Id.* (citing Kyocera's Initial Post-Hearing Br. at 46, 52-53). Kyocera submitted that its labor or capital expenditures can be divided into four areas: (1) Broadwell facility (located in Cincinnati, Ohio) investments; (2) engineering and research & development

("R&D"); (3) technical marketing; and (4) warranty and repair. *Id.* (citing the same at 52). Kyocera also submitted that it manufactures [[ ]] percent of its fasteners at its Broadwell facility, including the fasteners used with the DI products. *Id.* (citing the same at 53). Kyocera further emphasized the importance of using its branded fasteners in its DI products, and submitted that from [[ ]], complainant accrued $[[ ]] in revenue from its fastener products that were intended for use in its DI products. *Id.* (citing the same).

The ID, contrary to Kyocera's argument, finds that a reasonable time period for analyzing Kyocera's domestic industry is from 2015 to March 31, 2018, because this time period, consistent with the testimony of Hitachi's witness, Dr. Vander Veen, reflects labor and capital expenses incurred closer to the date of the filing of the complaint, October 12, 2017. *Id.* at 52 (citing RX-256C at QQ. 41-43; RDX-0003C.1). The ID also finds that expenses related to Kyocera's manufactured "fasteners" are properly included in complainant's DI calculation because: (1) the asserted claims of the '718 patent clearly recite this term; and (2) Kyocera's operating manual for its FS-15 Finishing Nailers, consistent with the testimony of Dr. Prowse, states that only genuine SENCO fasteners should be used with complainant's DI products since a failure to do so may void the warranty. *Id.* at 52-53 (citing JX-4 at claims 1, 10, and 16; CX-111C (Prowse WS) at QQ. 89-90; CX-112C (Klein WS) at QQ. 48-50).[16] The ID did not include technical marketing expenses in its calculations. *Id.* at 53.

Based on the foregoing, the ID finds that Kyocera's labor or capital expenditures for the 2015-2018 time period is $[[ ]]. *Id.* at 54 (citing CX-111C at QQ. 41, 46, 50-60, 73, 87-90, 94; CX-112C at QQ. 93-103). The ID also finds that this amount is significant because, among other things, all of Kyocera's warranty and repair activities occur in the United States and

[16] Dr. Prowse is Kyocera's economic expert.

97 percent of the costs associated with the Broadwell facility are related to the manufacture of complainant's fasteners. *Id.* (citing CX-112C at 45-49; *Certain Stringed Musical Instruments*, Inv. No. 337-TA-586, Comm'n Op. at 25-26 ("We emphasize that there is no minimum monetary expenditure that a complainant must demonstrate to qualify as a domestic industry under the 'substantial investment' requirement of this section. We agree with the parties that the requirement for showing the existence of a domestic industry will depend on the industry in question, and the complainant's relative size . . .")).

The ID thus finds that Kyocera has satisfied the economic prong of the domestic industry requirement under section 337(a)(3)(B). Because the ID finds that section 337(a)(3)(B) is satisfied, it does not decide whether Kyocera has satisfied the economic prong under section 337(a)(3)(C).

2. The Parties' Arguments

In its notice setting forth review of the RID in part, the Commission requested additional briefing with respect to the economic prong. *See* 84 FR at 69392. Kyocera submits that the ID properly addresses the contextual analysis required by Commission precedent in determining that Kyocera's investments are significant. Kyocera's Sub. at 1. Kyocera submits that, as explained by the Federal Circuit, "the word 'significant' denote[s] 'an assessment of the relative importance of the domestic activities'" of a complainant. *Id.* (citing *Lelo Inc. v. ITC*, 786 F.3d 879, 883-84 (Fed. Cir. 2015) (citation omitted)). Kyocera submits that, here, the ID finds that its labor and capital expenditures under section 337(a)(3)(B) are substantial "because, among other things, all of Complainant's warranty and repair activities occur in the United States. In addition, 97% of the costs associated with the Broadwell facility are related to the manufacture of Complainant's fasteners." *Id.* (citing ID at 54). Kyocera thus submits that because 100

percent of its warranty and repair activities occur domestically and 97 percent of the costs for its Broadwell facility are related to the manufacture of complainant's fasteners, the ID performs a sufficient contextual analysis. *Id.* at 2. Kyocera also notes that the ID included expenses related to fasteners in part because "the asserted claims clearly include the term 'fasteners.'" *Id.* (citing ID at 52 (citing JX-4 at claims 1, 10, and 16)).

Kyocera further submits that additional record evidence on which the ID does not rely supports a finding that complainant's labor and capital expenditures under section 337(a)(3)(B) are contextually significant. *Id.* at 2. Kyocera submits that all of its engineering and R&D activities related to its Fusion line of nailers, its DI products, is performed in the United States. *Id.* (citing Kyocera's Initial Post-Hearing Br. at 52). Kyocera submits that its Vice-President of Engineering, Christopher Klein, testified that "the Fusion Finishing Nailers were entirely developed in the United States at our design center within the Broadwell facility in Cincinnati, Ohio" and "[a]ll of Senco's research and development activities related to the [[ ]] occurs in the United States at our Broadwell facility." *Id.* at 2-3 (citing CX-112C (Klein) at QQ. 21, 30). Kyocera also submits that, from 2006 to March 2018, [[ ]] percent per year of complainant's engineering and R&D labor was directed towards its DI products. *Id.* (citing CX-111C (Prowse) at Q. 88). Kyocera thus submits that, in the context of its Fusion line, complainant's DI investments for labor and capital are quantitatively significant. *Id.* at 3 (citing CX-111C (Prowse) at Q. 88; *Carburetors*, Comm'n Op. at 19 ("The Commission has also assessed the relative domestic contribution to the protected article by comparing complainant's product-related domestic activities to its product-related foreign activities.")).

Kyocera also submits that Hitachi did not present any arguments concerning contextual analysis in its petition for review. *Id.* at 4. Kyocera submits that Hitachi's only mention of

"significance" was in its final, conclusory sentence of its argument: "[t]his figure is not significant by any measure." *Id.* (citing Hitachi's Pet. at 44). Kyocera thus submits that Hitachi's petition for review contains no "petition pages, evidence, [or] authorities cited on the issue" and therefore any argument on this issue has been waived by Hitachi. *Id.*

Hitachi submits, however, that the ID does not address the contextual analysis as required by Commission precedent to determine if Kyocera's investments are significant. Hitachi's Sub. at 2 (citing *Carburetors*, Comm'n Op. at 17-19). Hitachi submits that the ID's only "contextual analysis" (*see* ID at 54) falls well short of the requirement as set forth in *Carburetors*, and that the record evidence does not support a finding that Kyocera satisfies this requirement. *Id.*

Hitachi also submits that it presented arguments concerning the contextual analysis in its petition for review. *Id.* (citing Hitachi's Pet. at 43). Hitachi points to its argument that Kyocera "*cannot establish . . . that its expenditures in the United States are significant in view of those outside the United States*." *Id.* (citing the same) (emphasis added by Hitachi). Hitachi therefore submits that this portion of its petition for review does refer to a proper contextual analysis, inasmuch as it relates to a comparison of Kyocera's U.S. investments with its foreign investments in its alleged DI products. *Id.* at 3.

3. Analysis

The Commission finds that Kyocera has made substantial investments in the exploitation of the '718 patent that are contextually significant as required by our precedent, and therefore has satisfied the economic prong of the domestic industry requirement under section 337(a)(3)(C).[17]

[17] Commissioner Schmidtlein notes that all of the investments the Commission now credits and finds substantial under section 337(a)(3)(C) also provide a basis for finding that Kyocera has satisfied section 337(a)(3)(B). The Commission's decision in this investigation does not change the Commission's precedent, which recognizes R&D-related labor expenses under section

See Carburetors, Comm'n Op. at 18.

The requisite nexus between Kyocera's exploitation activities and the '718 patent is met here because the activities here go toward developing DI products that embody and practice the asserted claims. *See generally* CX-110C at QQ. 375-92; CX-112C at QQ. 21, 27-41; CX-111C at QQ. 36, 39-40, 51, 69; Tr. (Prowse) at 161:6-14, 162:2-11; *Certain Digital Video Receivers and Hardware and Software Components Thereof*, Inv. No. 337-TA-1001, Initial Determination at 582-84 (May 26, 2017) (relevant portions unreviewed) (finding that the requisite nexus between complainant's R&D and the asserted patents was met because the DI products "practice certain of the asserted patents"); *Certain Integrated Circuit Chips and Products Containing the Same*, Inv. No. 337-TA-859, Comm'n Op. at 38-40 (Aug. 22, 2014) (explaining "to the extent that there was any question, under subparagraph (C), the complainant must establish that there is a nexus between the claimed investment and the asserted patent, regardless of whether the domestic-industry showing is based on licensing, engineering, or research and development" and noting that a "nexus may readily be inferred based on evidence that the claimed investment is in the domestic industry article, which itself is the physical embodiment of the asserted patent.").

Kyocera maintains its global headquarters in Cincinnati, Ohio, which includes the 500,000-square-foot Broadwell facility where complainant conducts its R&D, engineering, and quality management related to the DI products. *See* CX-111C (Prowse) at Q. 38; CX-112C

337(a)(3)(B). *See Certain Solid State Storage Drives, Stacked Electronics Components, and Products Containing Same*, Inv. No. 337-TA-1097, Comm'n Op. at 8 (June 20, 2018) ("even though subsection (C) expressly identifies 'engineering' and 'research and development' as exemplary investments in the 'exploitation' of the patent, that language does not unambiguously narrow subsections (A) and (B) to exclude those same types of investments."). And, further, the Commission's decision does not indicate a difference in meaning between the terms "substantial" and "significant."

(Klein) at QQ. 10, 12. Kyocera developed the Fusion Finishing Nailer entirely at the Broadwell facility. *See* CX-112C at QQ. 14-21; CX-111C at QQ. 34-40. While Kyocera developed and first released the Fusion Finishing Nailer more than five years ago, the current [[

]] is an ordinary commercial expansion of the DI products and incorporates the technology claimed in the '718 patent. *See* CX-112C at QQ. 21, 27-41; CX-111C at QQ. 36, 39-40, 51, 69; Tr. (Prowse) at 161:6-14, 162:2-11; *Certain Non-Volatile Memory Devices & Prods. Containing the Same*, Inv. No. 337-TA-1046, Comm'n Op. at 41-42 (Oct. 26, 2018) ("The term 'article' on its own is sufficiently capacious to embrace pre-commercial or non-commercial items.") (citing *Certain Computers and Computer Peripheral Devices, and Components Thereof, and Products Containing Same*, Inv. No. 337-TA-841, Comm'n Op. at 37, 39 (Jan. 9, 2014)); *Certain Television Sets, Television Receivers, Television Tuners, and Components Thereof*, Inv. No. 337-TA-910, Comm'n Op. at 68 (Oct. 30, 2015) ("Past expenditures may be considered to support a domestic industry claim so long as those investments pertain to the complainant's industry with respect to the articles protected by the asserted IP rights and the complainant is continuing to make qualifying investments at the time the complaint is filed.").

The Commission finds that Kyocera's R&D for all of its products occurs in the United States, and that the R&D for all of its Fusion Nailers occurs at the Broadwell facility. *See* CX-111C at QQ. 65; CX-112C at QQ. 12-13, 21, 30, 52. The Commission also finds that the '718 patent relates to fundamental technology embedded in the DI products. *See* CX-111C at QQ. 68-69; CX-112C at QQ. 23, 74; CX-110C (Pratt) at Q. 27; *see also Certain Male Prophylactic Devices*, Inv. No. 337-TA-546, Comm'n Op. at 42-43 (June 29, 2007) (finding that the addition of an additive "added in the United States is directed to the practice of certain patent claims" and

noting that whether the activity is directed to the practice of a claim is "an additional factor relevant to [the] domestic industry analysis") (citing *Certain Plastic Encapsulated Integrated Circuits*, Inv. No. 337-TA-315, Initial Determination at 90, USITC Pub. 2574 (Nov. 1992) for the proposition that the "nature and significance inquiry [considers] whether domestic activities relate to something covered by the patent"). The Commission further finds that Kyocera's engineering and R&D efforts all went towards developing, testing, and maintaining the functionality of the DI products, which practice the '718 patent during routine operations. *See* CX-111C at Q. 69; CX-112C at QQ. 21-30.

Kyocera's expert, Dr. Prowse, and its witness, Mr. Klein, testified and provided allocations regarding complainant's domestic engineering and R&D expenditures for the DI products. *See* CX-111C at QQ. 71, 73-74, 77-82; CX-112C at QQ. 60, 67, 69-70, 75-76, 81; JX-42C; JX-43C; JX-52C; CDX-8C. Accordingly, the Commission finds that Kyocera's U.S. R&D and engineering expenditures directed to the DI products that exploit the invention of the '718 patent, for the period 2014 to October 12, 2017[18] (the filing date of the amended complaint), total $[[ ]] (approximately $[[ ]] for the Finishing Nailer, and

[18] The Commission finds that this time frame is reasonable because those past expenditures relate to Kyocera's investments in R&D and engineering of the DI products and because complainant continued to make such investments until the complaint was filed. *See, e.g.*, *Certain Kinesiotherapy Devices and Components Thereof*, Inv. No. 337-TA-823, Comm'n Op. at 30 (July 12, 2013) (finding expenses related to a predecessor product "relevant to domestic industry" even though they were incurred more than two years prior to the day the complaint was filed); *Certain Electronic Digital Media Devices and Components Thereof*, Inv. No. 337-TA-796, Comm'n Op. at 100-02 (Sep. 6, 2013) (crediting expenses incurred over a six-year period (from 2006 through the first quarter of 2012)); *Certain Variable Speed Wind Turbines & Components Thereof*, Inv. No. 337-TA-376, Comm'n Op. at 24-26 (Sep. 23, 1996) (finding that the continued investments associated with operating and maintaining 19 wind plants supported finding that complainant was exploiting the asserted patent, despite a recent bankruptcy filing).

approximately $1,176,020 for the Framing Nailer)[19], when technical marketing expenditures are not included.[20] *See* CDX-8C.0005; CDX-7C.0004; CX-111C at Q. 61; CX-112C at QQ. 21, 30; ID at 53.

The Commission finds that Kyocera's investments in the exploitation of the '718 patent are quantitatively substantial in the context of the marketplace and Kyocera's industry. In particular, as mentioned *supra*, all, *i.e.*, 100 percent, of Kyocera's R&D and engineering expenditures relating to complainant's Fusion Nailers occurs in the United States. *See* CX-111C at Q. 95; CX-112C at QQ. 21, 30. Thus, unlike the situation in some investigations, there is no issue regarding whether, in light of the alleged industry's foreign activities related to the asserted economic prong provision, the domestic activities rise to the level of significance. This evidence establishes the "nature and importance of the complainant's activities to the patented products in the context of the marketplace or industry in question," in accordance with Commission precedent. *See Carburetors*, Comm'n Op. at 18.

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[19] *See* CDX-8C.0005 (the sum of the "Total Fusion Engineering and R&D" line is $1,967,626); CDX-7C.0004 [[

]]. *See* CDX-7C.0004.

[20] We note that Kyocera's "technical marketing" expenses are incorporated into the same line item, [[ ]], as its marketing expenses. For example, Mr. Klein, Kyocera's Vice President of Engineering, explained that the "[[ ]]" costs refer to "the cost center dedicated to Fusion related marketing expenditures, including technical marketing expenditures." CX-112C (Klein) at Q. 61. *See Certain Kinesiotherapy Devices and Components Thereof*, Inv. No. 337-TA-823, Comm'n Op. at 29 n.8 (July 12, 2013) (noting that "sales and marketing and are not the sort of expenditures" that the Commission has credited under the economic prong). The Commission need not, and does not, reach the issue here of if and when it would be appropriate to include "technical marketing" expenses in an economic prong analysis.

Based on the foregoing, the Commission finds that Kyocera has satisfied the economic prong of the domestic industry requirement under section 337(a)(3)(C), and takes no position on the ID's finding that Kyocera has satisfied this requirement under section 337(a)(3)(B). We adopt the ID's findings that are not inconsistent with this determination.

III. CONCLUSION ON VIOLATION

Based on the exposition above, the Commission determines that a violation of section 337 has occurred with respect to the sale within the United States after importation of Hitachi's gas nailer products that induce infringement of claims 1, 10, and 16 of the '718 patent. *See Suprema, Inc. v. ITC*, 796 F.3d 1338 (Fed. Cir. 2015) (en banc).

IV. REMEDY, THE PUBLIC INTEREST, AND BONDING

A. Remedy

In a section 337 proceeding, the Commission has "broad discretion in selecting the form, scope, and extent of the remedy." *Viscofan, S.A. v. ITC*, 787 F.2d 544, 548 (Fed. Cir. 1986). Under section 337(d)(1), the statute authorizes the Commission to issue an LEO directed to a respondent's infringing products. 19 U.S.C. § 1337(d)(1). An LEO instructs the U.S. Customs and Border Protection to exclude from entry all articles that are covered by the patent at issue that originate from a named respondent in the investigation. *Fuji Photo Film Co. Ltd. v. ITC*, 474 F.3d 1281, 1286 (Fed. Cir. 2007). The RD recommends issuance of an LEO and CDO if the Commission finds a violation of section 337. RD at 56-58.

Kyocera requests issuance of an LEO. *See* Kyocera's Sub. on Remedy at 1-2. Based on the record in this investigation, the Commission has determined to issue an LEO prohibiting the unlicensed importation of gas spring nailer products and components thereof that infringe one or more of claims 1, 10, and 16 of the '718 patent.

Before the ALJ, Hitachi requested, should an LEO issue, that it "(i) exempt products imported into the United States prior to the effective date of the order; (ii) exclude components; (iii) allow Respondent to import components for service and repair of Accused Products already in the United States; and (iv) include a certification provision." RD at 56 (citing Hitachi's Initial Post-Hearing Br. at 25; Hitachi's Post-Hearing Reply Br. at 58-59). With respect to an exemption for the service and repair of products imported before the effective date of an exclusion order, the Commission has granted such exemptions when unopposed, in view of the public interest, or upon some showing of a need for service and repair. *See, e.g.*, *Certain Electronic Digital Media Devices and Components Thereof*, Inv. No. 337-TA-796, Comm'n Op. at 121-22 (Sept. 6, 2013) (granting exemption for two years where complainant did not object to exemption limited to two years); *Certain Automated Teller Machines, ATM Modules, Components Thereof and Products Containing the Same*, Inv. No. 337-TA-972, Comm'n Op. at 26-27 (June 12, 2017) (exempting importation of replacement parts for service and repair of ATMs imported before date of remedial orders "in view of the interests of U.S. consumers" where numerous customers submitted letters citing harm without exemption); *Certain Magnetic Data Storage Tapes and Cartridge Containing the Same*, Inv. No. 337-TA-1012, Comm'n Op. at 126-27 (Apr. 2, 2018) (exempting replacement cartridges "which [respondents] certif[y] are necessary for replacement under its warranty agreements" and where respondents' public interest submissions described their warranty obligations). However, unlike these cases, Hitachi here has made no showing or argument as to why such an exemption is necessary, and there is no record evidence, much less argument, of harm to U.S. consumers or adverse effect on other

public interest factors that would warrant an exemption.[21] The Commission therefore does not include any such exemption regarding replacement parts for previously-imported products in the issued LEO.

Section 337 also provides that in addition to, or in lieu of, the issuance of an exclusion order, the Commission may issue a CDO as a remedy for violation of section 337. *See* 19 U.S.C. § 1337(f)(1). The Commission generally issues a CDO directed to a domestic respondent when there is a "commercially significant" amount of infringing, imported product in the United States that could be sold or significant business operations in the United States so as to undercut the remedy provided by an exclusion order. *See Certain Condensers, Parts Thereof and Products Containing Same, Including Air Conditioners for Automobiles*, Inv. No. 337-TA-334, Comm'n Op. at 26-28 (Aug. 27, 1997); *Certain Crystalline Cefadroxil Monohydrate*, Inv. No. 337-TA-293, USITC Pub. 2391, Comm'n Op. at 37-42 (June 1991); *see also Certain Table Saws Incorporating Active Injury Mitigation Technology and Components Thereof*, Inv. No. 337-TA-965, Comm'n Op. at 6-7, n.2 (Feb. 1, 2017).[22] Complainants bear the burden of proving that a respondent has commercially significant inventory or business operations in the United States. *Certain Integrated Repeaters, Switches, Transceivers & Products Containing Same*, Inv. No. 337-TA-435, Comm'n Op., 2002 WL 31359028 (Aug. 16, 2002).

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[21] Hitachi makes no arguments before the Commission regarding the public interest. *See* Hitachi's Sub. at 10-12.

[22] When the presence of infringing domestic inventory or domestic operations is asserted as the basis for a CDO under section 337(f)(1), Commissioner Schmidtlein does not adopt the view that the inventory or domestic operations needs to be "commercially significant" in order to issue the CDO. *See, e.g.*, *Certain Magnetic Tape Cartridges and Components Thereof*, Inv. No. 337-TA-1058, Comm'n Op. at 65, n.24 (Mar. 25, 2019); *Table Saws*, Comm'n Op. at at 6-7, n.2 (Feb. 1, 2017). In Commissioner Schmidtlein's view, the presence of some infringing domestic inventory or domestic operations, regardless of its commercial significance, provides a basis to issue a CDO. *Id.*

Kyocera requests issuance of a CDO against Hitachi. *See* Kyocera's Sub. on Remedy at 2-3. Hitachi makes no arguments before the Commission regarding a CDO. *See* Hitachi's Sub. at 10-12. The Commission finds that issuance of a CDO is warranted here because the record supports the presence of a "commercially significant" inventory maintained by Hitachi. RD at 57-58 (citing CX-109C.0021, .0023; Kyocera's Initial Post-Hearing Br. at 59).

B. Public Interest

Before issuing a remedy for a violation of section 337, the Commission must consider the effect of the remedy on certain public interest considerations: (1) the public health and welfare, (2) competitive conditions in the U.S. economy, (3) the U.S. production of articles that are like or directly competitive with those which are the subject of the investigation, and (4) U.S. consumers. 19 U.S.C. §§ 1337(d)(1), (f)(1).

Kyocera submits that the public interest factors do not weigh against the proposed remedy in this investigation. Kyocera's Sub. on Remedy at 3-5. Kyocera submits that excluding infringing gas spring nailer products and components thereof raises no public interest concerns because: (1) the infringing products do not fulfill any essential public health or welfare objective; (2) complainant and others already provide a sufficient supply of competitive articles in the United States; and (3) the remedial orders would affect only one of the many suppliers of powered nailer products and components in the domestic market. *Id.* at 3. Specifically, Kyocera submits that powered nailers using technologies other than gas spring, *e.g.*, combustion, pneumatic, and flywheel powered nailers, are all practical alternatives to the gas spring nailers protected by the '718 patent. *Id.* at 4. Kyocera submits that these alternative powered nailers are freely available from a variety of sources including Hitachi. *Id.* (citing respondent's website selling these alternative powered nailer products).

After considering the public interest factors, the Commission finds that issuing an LEO or CDO will not adversely affect the public interest. Specifically, based on the record before the Commission, there is no indication that excluding the infringing products will negatively affect the public health and welfare, competitive conditions in the U.S. economy, the production of articles in the United States that are like or directly competitive with the subject articles, or U.S. consumers of these products. Accordingly, the Commission has determined to issue an LEO and a CDO.

C. Bond

Upon the entry of a remedial order, a respondent may continue to import and sell its products during the sixty (60) day period of Presidential review subject to posting a bond. 19 U.S.C. § 1337(j)(3). The amount of the bond is determined by the Commission and must be sufficient to protect a complainant from any injury. *Id.*; 19 C.F.R. § 210.50(a)(3).

The Commission finds that no bond is required during the period of Presidential review because Kyocera has failed to provide a sufficient explanation or evidence to support its bond request. RD at 59-60.

V. CONCLUSION

The Commission has determined that there has been a violation of section 337. The Commission has determined to issue: (1) an LEO prohibiting the unlicensed entry of gas spring nailer products and components thereof that infringe one or more of claims 1, 10, and 16 of the '718 patent; and (2) a CDO directed to Hitachi. The Commission has further determined that the public interest factors do not weigh against issuing these remedial orders. Finally, the Commission has determined to impose no bond during the period of Presidential review.

By order of the Commission.

Lisa R. Barton
Secretary to the Commission

Issued: April 28, 2020

CERTAIN GAS SPRING NAILER PRODUCTS AND COMPONENTS THEREOF **Inv. No. 337-TA-1082**

PUBLIC CERTIFICATE OF SERVICE

I, Lisa R. Barton, hereby certify that the attached **Opinion, Commission** has been served via EDIS upon the following parties as indicated, on **April 28, 2020.**

Lisa R. Barton, Secretary
U.S. International Trade Commission
500 E Street, SW, Room 112
Washington, DC 20436

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☒ Other: Email Notification of Availability for Download

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

In the Matter of **CERTAIN GAS SPRING NAILER PRODUCTS AND COMPONENTS THEREOF**	**Investigation No. 337-TA-1082**

NOTICE OF COMMISSION DETERMINATION TO REVIEW IN PART A REMAND INITIAL DETERMINATION FINDING NO VIOLATION OF SECTION 337; REQUEST FOR WRITTEN SUBMISSIONS ON 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 ("the Commission") has determined to review in part a remand initial determination ("RID") of the presiding administrative law judge ("ALJ") finding no violation of section 337. The Commission is also requesting written submissions on 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, SW., 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, SW., Washington, D.C. 20436, telephone (202) 205-2000. General information concerning the Commission may also be obtained by accessing its Internet server at *https://www.usitc.gov*. The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) at *https://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 November 20, 2017, based on a complaint filed on behalf of Kyocera Senco Brands Inc. ("Kyocera") of Cincinnati, Ohio. 82 *Fed. Reg.* 55118-19 (Nov. 20, 2017). The complaint, as amended and supplemented, alleges violations of section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. 1337, based upon the importation into the United States, the sale for importation, and the sale within the United States after importation of certain gas spring nailer products and components thereof by reason of infringement of certain claims of U.S. Patent Nos.

8,011,547 ("the '547 patent"); 8,267,296 ("the '296 patent"); 8,27,297 ("the '297 patent"); 8,387,718 ("the '718 patent"); 8,286,722 ("the '722 patent"); and 8,602,282 ("the '282 patent"). The complaint further alleges the existence of a domestic industry. The Commission's notice of investigation named as a respondent Hitachi Koki U.S.A., Ltd. ("Hitachi") of Braselton, Georgia. The Office of Unfair Import Investigations is not participating in the investigation. The '547 patent has been terminated from the investigation and the notice of investigation was amended to add claim 30 of the '297 patent to the investigation. Order No. 13 (June 4, 2018), *unreviewed by* Comm'n Notice (June 22, 2018); Order No. 15 (June 19, 2018), *unreviewed by* Comm'n Notice (July 9, 2018), 83 *Fed. Reg.* 32685-66 (July 15, 2018). Prior to the evidentiary hearing, the parties stipulated that the '718 patent is the only remaining patent at issue since no violation could be shown as to the '296, '297, '722, and '282 patents based on an evidentiary ruling limiting the scope of testimony of Kyocera's expert. *See* ID at 1-2.

On June 7, 2019, the ALJ issued a final ID finding no violation of section 337 as to the '718 patent based on non-infringement and the failure of Kyocera to establish the existence of a domestic industry that practices the '718 patent. Specifically, the ID finds that neither Hitachi's accused products nor Kyocera's domestic products satisfy the "system controller" limitation of the asserted claims.

On August 14, 2019, the Commission determined to review the ID and remand in part. *See* Comm'n Notice (Aug. 14, 2019). Specifically, the Commission determined to review the ID's finding that Kyocera did not establish: (1) either direct or induced infringement of the asserted claims of the '718 patent; and (2) practice of the asserted claims by Kyocera's DI products to satisfy the domestic industry requirement. The Commission also determined to review the ID's finding that Kyocera demonstrated sufficient activities and investments relating to the articles protected by the '718 patent to satisfy the domestic industry requirement. *Id.* Also, the Commission remanded the issues of whether Kyocera has established, by a preponderance of the evidence, that: (1) the remaining limitations (irrespective of the "system controller" limitation) of the asserted claims of the '718 patent are met by Hitachi's accused products; (2) the remaining limitations of the asserted claims are practiced by Kyocera's domestic industry products; and (3) Hitachi induced infringement of the asserted claims. *Id.*

On October 28, 2019, the ALJ issued the subject RID finding no violation of section 337 as to the '718 patent based on non-infringement and the failure of Kyocera to establish the existence of a domestic industry that practices the '718 patent. Specifically, the RID finds that: (1) neither Hitachi's accused products nor Kyocera's domestic industry ("DI") products satisfy the "displacement volume" limitation (*i.e.*, " (A) a hollow cylinder comprising a cylindrical wall with a movable piston therewith, said hollow cylinder containing a displacement volume created by a stroke of said piston") and the "initiating a driving cycle" limitation (i.e., "initiating a driving cycle by pressing said exit end against a workpiece and actuating said trigger, thereby causing said fastener driving mechanism to force the driver member to move toward said exit end and drive a fastener into said workpiece") of the asserted claims and (2) Kyocera fails to establish that Hitachi possesses the requisite specific intent to induce infringement of the claims.

On November 12, 2019, Kyocera petitioned, and Hitachi contingently petitioned, for review of the RID. On November 20, 2019, Kyocera and Hitachi each filed a response in opposition to the other party's petition for review.

Having reviewed the record of the investigation, including the parties' briefing, the Commission has determined to review the subject RID in part. Specifically, the Commission has determined to review the RID's finding that Kyocera did not establish: (1) direct infringement of the asserted claims with respect to the "displacement volume" and "initiating a driving cycle" limitations; (2) practice of the asserted claims by its DI products with respect to these limitations; and (3) induced infringement of the asserted claims. The Commission has determined not to review the remainder of the RID.

The Commission also requests that the parties brief the following questions on review:

1. With respect to the economic prong of the domestic industry requirement, did the ID address the contextual analysis required by our precedent to determine if Kyocera's investments are significant? *See, e.g.*, *Certain Carburetors and Products Containing Such Carburetors*, Inv. No. 337-TA-1123, Comm'n Op. at 17-19 (Oct. 28, 2019). If not, does the record evidence support a finding that Kyocera satisfies this requirement?

2. Did Hitachi present any argument(s) concerning contextual analysis in its petition for review? If so, please identify the argument(s) and the relevant petition pages, evidence, and authorities cited on the issue.

3. Does the RID's interpretation and application of the "initiating a driving cycle" limitation exclude the embodiments depicted in Figures 1 and 16 of the '718 patent?

Responses or replies to the briefing questions should not exceed 30 pages.

In connection with the final disposition of this investigation, the Commission may (1) issue an order that results 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 respective 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).

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, bonding, 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 asserted patent expires, the HTSUS numbers under which the accused products are imported, and to supply the names of known importers of the products at issue in this investigation. The responses to the questions on review, written submissions, and proposed remedial orders must be filed no later than close of business on January 3, 2020. Reply submissions must be filed no later than the close of business on January 10, 2020. No further submissions on these issues will be permitted unless otherwise ordered by the Commission.

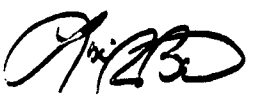
Persons filing written submissions must file the original document electronically on or before the deadlines stated above and submit eight true paper copies to the Office of the Secretary pursuant to Section 210.4(f) of the Commission's Rules of Practice and Procedure (19 CFR 210.4(f)). Submissions should refer to the investigation number ("Inv. No. 337-TA-1082") in a prominent place on the cover page and/or the first page. (*See* Handbook on Filing Procedures, *https://www.usitc.gov/documents/handbook_on_filing_procedures.pdf*). Persons with questions regarding filing should contact the Secretary at (202) 205-2000.

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 CFR 210.6. Documents for which confidential treatment by the Commission is sought will be treated accordingly. A redacted non-confidential version of the document must also be filed simultaneously with any confidential filing. All information, including confidential business information and documents for which confidential treatment is properly sought, submitted to the Commission for purposes of this Investigation may be disclosed to and used: (i) by the Commission, its employees and Offices, and contract personnel (a) for developing or maintaining the records of this or a related proceeding, or (b) in internal investigations, audits, reviews, and evaluations relating to the programs, personnel, and operations of the Commission including under 5 U.S.C. Appendix 3; or (ii) by U.S. government employees and contract personnel[1], solely for cybersecurity purposes. 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 CFR part 210.

By order of the Commission.



Lisa R. Barton
Secretary to the Commission

Issued: December 12, 2019

[1] All contract personnel will sign appropriate nondisclosure agreements.

CERTAIN GAS SPRING NAILER PRODUCTS AND COMPONENTS THEREOF **Inv. No. 337-TA-1082**

PUBLIC CERTIFICATE OF SERVICE

I, Lisa R. Barton, hereby certify that the attached **NOTICE** has been served upon the following parties as indicated, on **December 12, 2019**.

Lisa R. Barton, Secretary
U.S. International Trade Commission
500 E Street, SW, Room 112
Washington, DC 20436

On Behalf of Complainants Kyocera Senco Brands, Inc.:

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☒ Via First Class Mail
☐ Other:_____

PUBLIC VERSION

UNITED STATES INTERNATIONAL TRADE COMMISSION

Washington, D.C.

In the Matter of **CERTAIN GAS SPRING NAILER PRODUCTS AND COMPONENTS THEREOF**	**Inv. No. 337-TA-1082** **(Remand)**

REMAND INITIAL DETERMINATION ON VIOLATION OF SECTION 337

Chief Administrative Law Judge Charles E. Bullock

(October 28, 2019)

Pursuant to the Notice of Investigation, this is the Remand Initial Determination in the Matter of Certain Gas Spring Nailer Products and Components Thereof, Investigation No. 337-TA-1082.

TABLE OF CONTENTS

I. INTRODUCTION

A. Procedural History

On June 7, 2019, the undersigned issued a final initial determination ("ID") finding no violation of section 337 on the basis of noninfringement and the failure of Complainant to establish the existence of a domestic industry that practices the asserted patent.

On August 14, 2019, the Commission determined to review the ID and remand the ID in part. (Notice of Comm'n Determination to Review In Part and Remand in Part a Final ID Finding No Violation of Section 337; *see also* Comm'n Order: Remand of ID in Part (Aug. 15, 2019) ("Remand Order").) Specifically, the Commission determined "to review the ID's finding that Kyocera did not establish: (1) either direct or induced infringement of the asserted claims; and (2) practice of the asserted claims by Kyocera's domestic industry products to satisfy the domestic industry requirement." (Remand Order at 3.) The Commission also determined "to review the ID's finding that Kyocera demonstrated sufficient activities and investments relating to the articles protected by the '718 patent to satisfy the domestic industry requirement." (*Id.*) In view of the Commission's determination to review these issues, the Commission stated that certain "factual and legal findings are necessary" and remanded the Investigation on the issues of whether Kyocera has established, by a preponderance of the evidence, that: "(1) the remaining limitations (irrespective of the 'system controller' limitation) of the asserted claims are met by Hitachi's accused products;[1] (2) the remaining limitations of the asserted claims are practiced by Kyocera's domestic industry products; and (3) Hitachi induced infringement of the asserted claims. (*Id.*)[2]

The Commission determined not to review the remainder of the ID. (*Id.*)

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[1] In the ID, the undersigned noted that there were several undisputed limitations. (ID at 25 n.9) The Commission has nevertheless directed the undersigned to make findings regarding all limitations, not just those in dispute.

[2] The Commission specifically ordered the undersigned to "issue his RID expeditiously based on the existing record." (Remand Order at 3.) Accordingly, the undersigned did not request additional briefing from the parties.

B. Products at Issue

1. The Accused Products

Complainant has accused five gas spring nailers of infringing the '718 patent: the NT1850DE, NT1865DM, NT1865DMA, NR1890DC, and NR1890DR nailers (collectively, the "Accused Products"). (ID at 3.)

2. The Domestic Industry Products

Complainant has asserted that its FUSION F-18, F-16S, F-16A, and F-15 finish nailers (collectively, the "Finishing Nailers"), as well as [redacted] (collectively, the "DI Products"), practice at least one claim of the asserted patent. (*Id.*)

II. RELEVANT LAW

A. Infringement

In a section 337 investigation, the complainant bears the burden of proving infringement of the asserted patent claims by a preponderance of the evidence. *Spansion, Inc. v. Int'l Trade Comm'n*, 629 F.3d 1331, 1349 (Fed. Cir. 2010). This standard "requires proving that infringement was more likely than not to have occurred." *Warner-Lambert Co. v. Teva Pharm. USA, Inc.*, 418 F.3d 1326, 1341 n.15 (Fed. Cir. 2005).

1. Literal Infringement

Literal infringement is a question of fact. *Finisar Corp. v. DirecTV Grp., Inc.*, 523 F.3d 1323, 1332 (Fed. Cir. 2008). Literal infringement requires the patentee to prove that the accused device contains each limitation of the asserted claim(s). If any claim limitation is absent, there is no literal infringement of that claim as a matter of law. *Bayer AG v. Elan Pharm. Research Corp.*, 212 F.3d 1241, 1247 (Fed. Cir. 2000).

2. Indirect Infringement

Indirect infringement may be either induced or contributory. Direct infringement must first be established in order for a claim of indirect infringement to prevail. *BMC Res. v. Paymentech,* 498 F.3d 1373, 1379 (Fed. Cir. 2007).

a) Induced Infringement

Section 271(b) of the Patent Act provides: "Whoever actively induces infringement of a patent shall be liable as an infringer." 35 U.S.C. §271(b) (2008). To establish liability, the patent holder must prove that "once the defendants knew of the patent, they 'actively and knowingly aid[ed] and abett[ed] another's direct infringement.'" *DSU Med. Corp. v. JMS Co., Ltd.* 471 F.3d 1293, 1305 (Fed. Cir. 2006) (en banc) (citations omitted). A finding of induced infringement requires "evidence of culpable conduct, directed to encouraging another's infringement, not merely that the inducer had knowledge of the direct infringer's activities." *Id.* at 1306. Although §271(b) requires knowledge that the induced acts constitute patent infringement, the Supreme Court has held that liability will also attach when the defendant is willfully blind. *Global-Tech Appliances, Inc. v. SEB S.A.*, 131 S. Ct. 2060, 2068-2069 (2011). The burden is on the complainant to prove that the respondent had the specific intent and took action to induce infringement. *DSU,* 471 F.3d at 1305-06. Intent may be proven by circumstantial evidence. *Lucent Tech., Inc. v. Gateway, Inc.*, 580 F.3d 1301, 1322 (Fed. Cir. 2009).

B. Domestic Industry

In a patent-based complaint, a violation of section 337 can be found "only if an industry in the United States, relating to the articles protected by the patent . . . concerned, exists or is in the process of being established." 19 U.S.C. § 1337(a)(2). Under Commission precedent, this "domestic industry requirement" of section 337 consists of an economic prong and a technical

prong. *Certain Stringed Musical Instruments and Components Thereof*, Inv. No. 337-TA-586, Comm'n Op. at 12-14, 2009 WL 5134139 (U.S.I.T.C. Dec. 2009). The complainant bears the burden of establishing that the domestic industry requirement is satisfied. *See Certain Set-Top Boxes and Components Thereof*, Inv. No. 337-TA-454, Final Initial Determination at 294, 2002 WL 31556392 (U.S.I.T.C. June 21, 2002) (unreviewed by Commission in relevant part).

1. Technical Prong

The technical prong of the domestic industry requirement is satisfied when the complainant in a patent-based section 337 investigation establishes that it is practicing or exploiting the patents at issue. *See* 19 U.S.C. § 1337(a)(2) and (3); *Certain Microsphere Adhesives, Process for Making Same and Prods. Containing Same, Including Self-Stick Repositionable Notes,* Inv. No. 337-TA-366, Comm'n Op. at 8, 1996 WL 1056095 (U.S.I.T.C. Jan. 16, 1996). "The test for satisfying the 'technical prong' of the industry requirement is essentially [the] same as that for infringement, i.e., a comparison of domestic products to the asserted claims." *Alloc, Inc. v. Int'l Trade Comm'n*, 342 F.3d 1361, 1375 (Fed. Cir. 2003). To prevail, the patentee must establish by a preponderance of the evidence that the domestic product practices one or more claims of the patent, either literally or under the doctrine of equivalents. *Bayer*, 212 F.3d at 1247. It is sufficient to show that the products practice any claim of that patent, not necessarily an asserted claim of that patent. *Certain Microsphere Adhesives*, Comm'n Op. at 7-16.

III. U.S. PATENT NO. 8,387,718

Complainant is asserting claims 1, 10, and 16 against Respondents. (ID at 21.) Complainant is relying on those same claims for the technical prong of the domestic industry requirement. (CIB at 26.)

A. Direct Infringement

1. Claim 1

a) "A method for controlling a fastener driving tool, said method comprising:"

Neither party contends that the preamble is limiting.[3] (*See* CPHB at 283; RIB at 17-25.) Thus, it is not necessary to address whether the Accused Products disclose this limitation.

b) "providing a fastener driving tool that includes:"

i. "(i) a housing;"

Complainant argues that the Accused Products meet this limitation. (CIB at 17.) Respondent does not dispute that the limitation is met. (*See generally* RIB at 17-25 ("Respondent is not disputing the presence of any elements of the Asserted Claims not specifically addressed below.").)

The evidence shows that the Accused Products include two housing shells. (CDX-0001C.0023; CX-0110C at Q/As 90, 190.) Thus, the undersigned finds that the Accused Products meet this limitation.

ii. "(ii) a system controller;"

The undersigned previously determined that the Accused Products do not practice this limitation. (*See* ID at 25-29.)

[3] It is well established law that the preamble generally does not limit the claims. *Georgetown Rail Equipment Co. v. Holland L.P.*, 867 F.3d 1229, 1236 (Fed. Cir. 2017)

iii. "(iii) a safety contact element;"

Complainant argues that the Accused Products meet this limitation. (CIB at 18.) Respondents do not dispute that the limitation is met. (*See generally* RIB at 17-25 ("Respondent is not disputing the presence of any elements of the Asserted Claims not specifically addressed below.").)

The evidence shows that the Accused Products include a device that when engaged allows operation of the fastener driving tool. (JX-0019C.0022 (explaining that the Accused Products will not operate unless the safety contact element is engaged); *see also* CX-0110C at Q/As 163, 192.) The undersigned therefore finds that the Accused Products meet this limitation.

iv. "(iv) a user-actuated trigger;"

Complainant argues that the Accused Products meet this limitation. (CIB at 18.) Respondent does not dispute that the limitation is met. (*See generally* RIB at 17-25 ("Respondent is not disputing the presence of any elements of the Asserted Claims not specifically addressed below.").)

The evidence shows that the Accused Products include a trigger. (CDX-0001C.0052, .0054; CX-0110C at Q/As 164, 193, 216.) The Instruction and Safety Manual for the Accused Products explains that a user must "pull the trigger" to begin a driving stroke. (JX-0019C.0022.) Thus, the undersigned finds that the Accused Products meet this limitation.

v. "v) a fastener;"

Complainant argues that Respondent's Instruction and Safety Manuals direct end users to use the Accused Products with fasteners. (CIB at 18 (citing JX-0019C.0014; CX-0110C at Q/A 198; CDX-0001C.0055; RX-0266C at Q/A 45).) Complainant contends that direct infringement necessarily exists here because Respondent's Instruction and Safety Manuals and marketing videos

instruct end users to use the Accused Products in a manner that necessarily performs this step. (CRB at 6 (citing CIB at 14-16, 18).)

Respondent asserts that Complainant must prove that a user actually performed the step of "providing . . . a fastener" to show infringement of claim 1. (RIB at 18 (citing *DSU Med. Corp. v. JMS Co.*, 471 F.3d 1293, 1306 (Fed. Cir. 2006); *ePlus, Inc. v. Lawson Software, Inc.*, 789 F.3d 1349, 1360 (Fed. Cir. 2015); *Joy Techs., Inc. v. Flakt, Inc.*, 6 F.3d 770, 775 (Fed. Cir. 1993)).) Thus, according to Respondent, "[b]y simply asserting that the Accused Products are designed to fire fasteners and that the Instruction and Safety Manual 'instruc[s] users to use the Accused Products with fasteners,' [Complainant] did not meet its burden to show that a person actually practiced this step in conjunction with the other steps of the claimed method." (*Id.*; *see also* RRB at 9.)

The undersigned finds Respondent's argument unpersuasive. According to the Federal Circuit, "[d]irect infringement can be proven by circumstantial evidence." *Toshiba Corp.*, 681 F.3d at 1364 (citing *Vita-Mix Corp. v. Basic Holding, Inc.*, 581 F.3d 1317, 1326 (Fed. Cir. 2009)). Moreover, "where an alleged infringer designs a product for use in an infringing way and instructs users to use the product in an infringing way, there is sufficient evidence for a jury to find direct infringement." *Id.* at 1365. Indeed, the Federal Circuit has found product instructions to be at least circumstantial evidence of infringement for any claim elements taught by the instructions. *See Tinnus Enterprises, LLC v. Telebrands Corp.*, 846 F.3d 1190, 1204-05 (Fed. Cir. 2017) ("We are aware of no case law prohibiting a court from relying on product instructions to find direct infringement.").

Here, the undersigned finds that Respondent's Instruction and Safety Manuals clearly show that Respondent designed the Accused Products to be used with fasteners and specifically instructs

end users to use the Accused Products with fasteners. For example, Respondent's Instruction and Safety Manuals state what action to take to "drive the fastener" and specify the applicable nail, applicable nail length, and nail loading capacity. (*See* JX-0019C.004, .0014-16; *see also* CX-0110C at Q/A 198; RX-0266C at Q/A 45.) In addition, Respondent has not provided any evidence that the Accused Products are used with anything other than fasteners. The undersigned therefore finds that Complainant has provided sufficient circumstantial evidence to prove direct infringement of this claim element by a preponderance of the evidence.

vi. "(vi) a prime mover that moves a lifter member which moves a driver member away from an exit end of the mechanism; and"

(a) "a lifter member"

Complainant argues that the Accused Products include this element. (CIB at 18-19; CRB at 7.) Complainant dismisses Dr. Vallee's attempts to distinguish between a pin wheel and a pin wheel assembly as "a logically inconsistent distinction," as well as "inconsistent with his prior testimony." (*Id.* at 19 (citing Vallee, Tr. at 172:16-22, 177:3-11; RX-0266C at Q/As 84-85, 94; RX-0222C; RX-0221C; CX-0110C at Q/A 71).) According to Complainant, Dr. Vallee admitted in his deposition that the pin wheel on the Accused Products includes all of the required elements of the claimed "lifter member." (CIB at 18-19 (citing Vallee, Tr. at 173:1-177:2).)

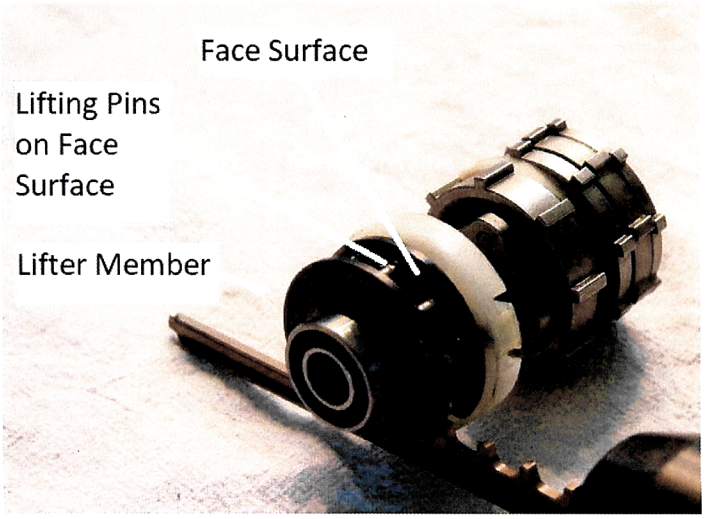
Respondent disputes that Complainant has shown that this element is met. First, Respondent argues that the only evidence provided by Complainant was a conclusory statement from Dr. Pratt and a reference to a demonstrative exhibit. (RIB at 18-19 (citing CX-0110C at Q/As 67, 194).) Respondent also argues that the Accused Products do not meet this element because the lifting pins are not "on" and do not "extend from" or "extend through" any "face surface." (*Id.* at 19-20.) Respondent explains that the "pin wheel assembly of the Accused Products has lifting pins

disposed between the U-shaped outer perimeter surface and as a consequence do not extend from any 'face surface' of the pin wheel assembly." (*Id.* at 21.) Respondent further explains that the pins only make contact at the outer perimeter of the roller pinion. (*Id.* (citing RX-0266C at Q/As 97-99; RDX-0002.033).) According to Respondent, while Complainant asserts that the pin wheel assembly is the claimed "lifter member," what Dr. Pratt points to is not a "face surface" because it is an "interior surface that is not outwardly facing or exposed." (*Id.* at 20 (citing RX-0266C at Q/A 94; Vallee, Tr. at 177:3-11, 189:4-10; RDX-0002.033).)

The term "a lifter member" was determined to mean a "rotatable component having lifting pins on its face surface component having multiple teeth that is designed to drive a fastener into a workpiece." (*See* Order No. 9 at 42.) The undersigned also clarified that "on its face surface" includes "extend from" and "extend through." (*See* Order No. 19 at 4 (Sept. 5, 2018).) Neither Complainant nor Respondent disputes that the pin wheel[4] in the Accused Products is a "rotatable component having lifting pins." (*See* RX-0266C at Q/As 85-99; CX-0110C at Q/As 67-71; Vallee, Tr. at 173:1-12.) Thus, the crux of the dispute is whether the "lifting pins" of the pin wheel in the Accused Products are "on its face surface."

The evidence shows that the "lifting pins" of the pin wheel are indeed "on its face surface." Dr. Pratt testified that "the lifter member of the Accused Products has four face surfaces, two inner and two outer face surfaces." (CX-0110C at Q/A 71.) Dr. Pratt explained that the pins extend from the inner face surface and "[t]here is no requirement that the face surface be an outer face surface." (*Id.*) The picture set forth below confirms that the lifting pins of the pin wheel in the Accused Products are "on [the pin wheel's] face surface."

[4] Respondent appears to refer to this component as both the "pin wheel" and "pin wheel assembly." (*See, e.g.*, RX-0266C at Q/As 85-99.)



(CDX-0001C.0010; *see also* CX-0110C at Q/As 67-71, 194; RDX-0002.030, .033, .036; RX-0214C.)

The undersigned is not persuaded by Dr. Vallee's assertion that the face surface Dr. Pratt identifies is not a "face surface" because "it is an interior surface that is not outward facing." (RX-0266C at Q/A 94.) Neither Dr. Vallee nor Respondent identify anything in the claim construction for this term or the '718 patent that would require the face surface to be outward facing. The undersigned is also not persuaded by Dr. Vallee's attempts to distinguish the Accused Products from the '718 patent. Dr. Vallee asserts that the Accused Products "have a pinion gear that rotates parallel to the plane of the driver teeth and make contact at their outer perimeter" while the '718 patent has lifting members that "rotate perpendicular to the plane of the driver teeth and make contact at their face surface." (*See* RX-0266C at Q/A 99.) Yet again, neither Dr. Vallee nor Respondent identifies any requirement in the claim construction for this term or the '718 patent that requires the lifting members to make contact at their face surface rather than at their outer perimeter.[5] The undersigned therefore finds that the Accused Products meet this limitation.

[5] The undersigned notes that the '296 patent, not the '718 patent, includes a limitation for a "lifter member which exhibits a contact surface." (*Compare* JX-0001, cl. 1, *with* JX-0004, cl. 1.)

(b) "a driver member"

Complainant argues that the Accused Products include this element. (CIB at 20.)

Respondent asserts that Complainant has failed to prove this element is met. (RIB at 21-22.) According to Respondent, "[t]he only evidence provided by Senco in support of the presence of this element is a conclusory statement from Dr. Pratt . . . and a reference, without explanation, to certain pages of a demonstrative exhibit with labeled images." (*Id.*) Respondent maintains: "[D]emonstrative exhibits are not substantive evidence and a reference to them without corresponding testimony explaining them is not sufficient to prove that this element is met." (*Id.* at 22.)

The term "a driver member" was determined to mean "component having multiple teeth that is designed to drive a fastener into a workpiece." (*See* Order No. 9 at 45.) The evidence shows that the Accused Products include a component having multiple teeth that is designed to drive a fastener into a workpiece. (CX-0110C at Q/As 66, 195; CDX-0001C.0008-.0009.) Dr. Vallee, Respondent's expert, agrees. On cross-examination, he testified that the driver in the Accused Products has multiple teeth and "contacts a fastener to drive it into a work piece." (Vallee, Tr. at 180-10-20; *see also* RX-0266C at Q/A 45 (confirming that the Accused Products include a "driver" and are professional-grade cordless powered nailers used to drive nails into wood and other types of material).) The undersigned therefore finds that the Accused Products meet this limitation.

(c) "a prime mover"

Complainant argues that the Accused Products include this limitation. (CIB at 20.)

Respondent does not dispute that the limitation is met. (*See generally* RIB at 17-25 ("Respondent is not disputing the presence of any elements of the Asserted Claims not specifically addressed below.").)

The evidence shows that the Accused Products meet this limitation. For example, CDX-0001C shows the connection between the claimed lifter member and the claimed prime mover via a gearbox. (*See id.* at .0049; *see also* CX-0110C at Q/As 160, 196; Pratt, Tr. at 138:16-25.)

vii. "(vii) a fastener driving mechanism that moves said driver member toward said exit end of the mechanism,"

Complainant argues that the Accused Products meet this limitation. (CIB at 20.) According to Complainant, "[a]s part of the driving stroke, the fastener driving mechanism forces the driver member to move toward said exit end and drive a fastener into said workpiece." (*Id.* (citing CX-0110C at Q/A 203).) Complainant also contends that marketing materials and the instruction manual sold with each Accused Product confirm that the Accused Products are "fastener driving tools, which necessarily requires that they include a fastener driving mechanism." (*Id.* at 21.)

Respondent asserts that the only evidence Complainant has provided to prove this limitation is met is a conclusory statement from Dr. Pratt and a reference, without explanation, to a page of a demonstrative exhibit. (RIB at 31.) Respondent argues that Dr. Pratt's "naked and conclusory" statement cannot carry Complainant's burden. (*Id.* at 31-32 (arguing that "claim of the claim 1 of the '296 patent does not include a 'fastener driving mechanism' limitation and thus there was no prior explanation for that limitation in Dr. Pratt's testimony about claim 1 of the '296 patent).) Respondent reiterates that "[d]emonstrative exhibits are not substantive evidence and a reference to them without corresponding testimony explaining them is not sufficient to prove that this element is met." (*Id.* at 31.)

The undersigned finds that Complainant has presented sufficient circumstantial evidence to prove direct infringement of this claim element by a preponderance of the evidence.[6]

[6] The undersigned notes that Complainant relies primarily on Dr. Pratt's testimony and his "visual inspection" as proof that this limitation is present in the Accused Products. (*See* CIB at 20; CRB at 8.) When questioned about this limitation, Dr. Pratt refers to his previous testimony "with respect to the similar 'fastener driving mechanism." (CX-

Respondent's Instruction and Safety Manuals explain that the Accused Products are fastener driving tools. (JX-0019C; JX-0020C.) They therefore require a fastener driving mechanism to operate. (JX-0019C.0004 (instructing the end user to "pull the trigger to drive the fastener."); *see also* RX-0266C at Q/A 45 (describing the Accused Products as "professional-grade cordless powered nailers used to drive nails into wood and other types of material.").) Moreover, Respondent does not appear to dispute that the Accused Products necessarily include a fastener driving mechanism, given that they are designed to fire fasteners.

viii. "said fastener driving mechanism including: (A) a hollow cylinder comprising a cylindrical wall with a movable piston therewithin, said hollow cylinder containing a displacement volume created by a stroke of said piston, and"

Complainant argues that the Accused Products meet this limitation. (CIB at 21.)

Respondent disputes that Complainant has shown this limitation is present. Respondent states: "The only evidence provided by Senco in support of the presence of this element is a conclusory statement from Dr. Pratt stating that '[t]he Accused Products meet this limitation' and a reference, without explanation, to a page of a demonstrative exhibit with labeled images." (RIB at 22-23.) Respondent asserts: "[D]emonstrative exhibits are not substantive evidence and a reference to them without corresponding testimony explaining them is not sufficient to prove that this element is met." (*Id.* at 23.)

The evidence shows that the Accused Products include a hollow cylinder, with a cylindrical wall and a piston that moves within the cylinder. (CX-0110C at Q/As 123, 199; CDX-0001C

0110C at Q/A 197.) However, claim 1 of the '296 patent does not include a "fastener driving mechanism" limitation. (*See* JX-0001, cl. 1.) Rather, claim 1 of the '296 patent refers to a "driver actuation device." (*Id.*) Thus, Respondent is correct there was no prior explanation for the "fastener driving mechanism" in Dr. Pratt's testimony about the '296 patent.

.0032; Pratt, Tr. at 136:19-137:4, 138:6-15; Vallee, Tr. at 180:21-24.) While a visual inspection may suffice for the "hollow cylinder" portion of this limitation[7], the undersigned finds a visual inspection to be insufficient proof that the stroke of the piston creates a displacement volume. Complainant does not provide any explanation or discussion in its post-hearing briefing regarding the displacement volume. (*See* CIB at 21; CRB at 8-9.) Dr. Pratt's testimony for the '718 patent is also silent regarding the displacement volume:

> Q. What is your opinion regarding whether the Accused Products include a "hollow cylinder comprising a cylindrical wall with a movable piston therewithin, said hollow cylinder containing a displacement volume created by a stroke of said piston," as in claim 1 of the '718 Patent?
>
> A. The Accused Products meet this limitation, as I explained previously with respect to the similar "hollow cylinder" limitation found in claim 1 of the '297 Patent and as shown, from example, on page 32 of CDX-0001C.

(CX-0110C at Q/A 199.) A review of his testimony for the '297 patent reveals that it is similarly devoid of any mention of the displacement volume.

> Q. What is your opinion regarding whether the Accused Products meet the claim limitation "a hollow cylinder comprising a cylindrical wall and having a movable piston therewithin, said hollow cylinder having a first end and a second, opposite end, said hollow cylinder containing a displacement volume created by a stroke of said piston," as in claim 1 of the '297 Patent?
>
> A. The Accused Products meet this limitation. Referring to page 32 of CDX-0001C, I created labeled images of the NT1850DE Nailer showing how the Accused Products include each limitation of this claim element.

(*Id.* at Q/A 123.) The undersigned notes that Dr. Pratt does discuss a displacement volume in Q/A 65. (*Id.* at Q/A 65.) However, not only is this in the context of the '296 patent, but it is for an

[7] During post-hearing briefing, Complainant argued that for simple claim limitations, such as those in the asserted patent, "a visual inspection alone is sufficient to show infringement, often even without expert testimony." (CIB at 16.) While the undersigned agreed with Complainant that a visual inspection will suffice for certain claim limitations in the '718 patent – such as "a housing" or "a user-actuated trigger," the undersigned found that the asserted claims are comprised of more than just "simple" limitations. (ID at 24 ("In the instant matter, the technology is complex. It is not easily understandable to laypersons; a fact confirmed by the level of ordinary skill set in the *Markman* Order.").) The undersigned therefore found that for those limitations in dispute, explanatory expert testimony – beyond that of a visual inspection – is necessary in this Investigation to demonstrate infringement of the asserted patent. (*Id.*)

entirely different limitation. (*Id.* (testifying regarding "a driver actuation device," not a "hollow cylinder").) The undersigned further notes that Complainant cites to some additional exhibits (*e.g.*, CX-0013 and RX-0218C), but there is no testimony from Dr. Pratt or any other witness regarding these documents and how they prove this limitation is met. The undersigned therefore finds that Complainant has not presented sufficient evidence to show that the stroke of the piston creates a displacement volume.

Accordingly, for the reasons set forth above, Complainant has failed to prove by a preponderance of the evidence that this limitation is present in the Accused Products.

ix. "(B) a main storage chamber that is in fluidic communication with said displacement volume of the cylinder, wherein said main storage chamber and said displacement volume are initially charged with a pressurized gas;"

Complainant argues that the Accused Products meet this limitation. (CIB at 21.) Respondent does not dispute that the limitation is met. (*See generally* RIB at 17-25 ("Respondent is not disputing the presence of any elements of the Asserted Claims not specifically addressed below.").)

The evidence shows that the Accused Products include a main storage chamber that is distinct from the volume of the working cylinder. (CX-0110C at Q/As 83, 200; CDX-0001C.0019-.0020.) The evidence also shows that the Accused Products are charged with a pressurized gas. (CX-0110C at Q/As 84-85, 200; CX-0011C.) Thus, the undersigned finds that the Accused Products meet this limitation.

x. "(b) selecting, by a user, an operating mode of said driving cycle to be one of: a "bottom firing mode," and a "restrictive firing mode;" wherein:"

Complainant argues that Respondent's Instruction and Safety Manuals direct end users to use the Accused Products to practice this limitation. (CIB at 22 (citing CX-0110C at Q/A 201; JX-0019C.0026; CDX-0001C.0056).) Complainant contends that Respondent ignores Federal Circuit precedent that "when 'an alleged infringer designs a product for use in an infringing way and instructs users to use the product in an infringing way,' there is necessarily direct infringement." (CRB at 9 (citing *Toshiba*, 681 F.3d at 1365).) Complainant argues that direct infringement necessarily exists here because Respondent's Instruction and Safety Manuals and marketing videos instruct end users to use the Accused Products in a manner that necessarily performs this step. (*Id.* (citing CIB at 14-16, 22).)

Complainant asserts that Respondent's argument that an end user could use an Accused Product without changing the operating mode should be struck because it was not raised in Respondent's pre-hearing brief. (*Id.* (citing Ground Rule 9.2; RPHB at 407).) In addition, Complainant contends that "Respondent's argument lacks merit because an end user necessarily selects an operating mode when the end user turns on the Accused Products." (*Id.* (citing Pratt, Tr. at 90:5-7).) According to Complainant, there is no requirement in the claim to change the mode; rather, the end user merely has to select one of the available operating modes. (*Id.* at 9-10.) Complainant further argues that the Instruction and Safety Manuals instruct the end user to change the operating mode of the Accused Products and thus, an end user necessarily performs this step. (*Id.* at 10 (citing JX-0019C.0025-26; CX-0110C at Q/A 201; CIB at 14-16, 22; *Toshiba*, 681 F.3d at 1365).)

Respondent argues that Complainant did not prove that an end user actually practiced this step in combination with the other steps of the claimed method. (RIB at 23.) Respondent claims that Dr. Pratt conceded "that the 'selecting' step may never be carried out by a user, admitting that the tool can be used for its intended purpose as soon as it is turned on and that a user could use the tool without ever pressing the Nailing Operating Switch to change the operating mode." (*Id.* at 23-24 (citing Pratt, Tr. at 89:15-90:1, 90:5-18).) Respondent also argues that the instructions do not require an end user to press the Nailing Operation Switch on the control panel of the tool to select an operating mode. (RRB at 6.) Instead, Respondent claims that pressing the Nailing Operation Switch is optional and the tool can be used for driving nails without ever pressing the switch to select the operating mode. (*Id.* (citing Pratt, Tr. at 90:5-18; RIB at 23-24; *Acco Brands, Inc. v. ABA Locks Mfr. Co.*, 501 F.3d 1307, 1313 (Fed. Cir. 2007)).) Respondent therefore asserts that Complainant's failure to show specific instances of direct infringement or that the Accused Products necessarily infringe is fatal because the Accused Products are capable of being used without using the claimed method. (RIB at 24 (citing *Acco Brands*, 501 F.3d at 1313; *E-Pass Techs.*, 473 F.3d at 1221); RRB at 11.)

As an initial matter, Respondent's argument that an end user could use the Accused Products without changing the operating mode was not raised in Respondent's pre-hearing brief. (*See* RPHB at 407.) Thus, pursuant to Ground Rule 9.2, the undersigned finds that Respondent has abandoned that argument. (*See* Ground Rule 9.2.) The only argument that remains for Respondent is: "[T]o show infringement of claim 1, Senco must prove that a user actually performed the step of 'selecting . . . an operating mode.'" (*See* RIB at 23.) However, as previously explained, direct infringement can be proven by circumstantial evidence.[8] *Toshiba Corp.*, 681 F.3d at 1364.

[8] Respondent argues that Complainant's reliance on *Toshiba Corp. v. Imation Corp.* is misplaced because unlike the facts in that case, "selecting a different operating mode in the Accused Products is not required to comply with any

The term "bottom firing mode" was determined to mean "mode in which the tool operates if the trigger actuator is first operated and then the safety contact element is actuated and also operates if the safety contact element is first actuated and then the trigger actuator is operated" and the term "restrictive firing mode" was determined to mean "a mode in which the tool operates if the safety contact element is first actuated and then the trigger actuator is operated." (Order No. 9 at 17.) Respondent's Instruction and Safety Manuals describe two operating modes: (i) "contact actuation mechanism," which is the "bottom firing mode" and (ii) "full sequential actuation mechanism," which is the "restrictive firing mode." (JX-0019C at .0004, .0025-26; *see also* CX-0110C at Q/A 202.)

The evidence shows that the Accused Products practice this limitation. Respondent's Instruction and Safety Manuals specifically instruct users to "[s]et the nailing operation switch" to either mode. (JX-0019C.0025-.0026; *see also* CX-0110C at Q/A 201.) In reference to using the tool in "restrictive firing mode," Respondent's Instruction and Safety Manuals state:

> Set the nailing operation switch to FULL SEQUENTIAL ACTUATION MECHANISM
> (Nailing operation indicator is light in blue.)
> (to set to FULL SEQUANTIAL ACTUATION MECHANISM).
> (Set the switching device to the nailing operation indicator light in blue mode completely as shown in the diagram. Otherwise, it will be set to CONTACT ACTUATION MECHANISM.)

(JX-0019C.0025.) In reference to using the tool in "bottom firing mode," Respondent's Instruction and Safety Manuals state:

> Set the nailing operation switch to CONTACT ACTUATION MECHANISM (Nailing operation indicator is blink in blue.)

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industry standard and Respondent does not recommend against using the accused tools in a non-infringing manner." (RRB at 6-7 (citing *Toshiba*, 681 F.3d at 1366).) The undersigned finds this argument unpersuasive. The holding in *Toshiba* does not require compliance with an industry standard or a recommendation against using the accused products in a non-infringing manner. *See Toshiba Corp.*, 681 F.3d at 1366. Rather, the Federal Circuit in *Toshiba* viewed those factors as sufficient evidence to find that it was more likely than not that someone directly infringed the asserted claims. *Id.* Similarly, the undersigned finds that the evidence presented here is sufficient circumstantial evidence of direct infringement.

> (to set to CONTACT ACTUATION MECHANISM).
> (Set the switching device to the nailing operation indicator blink in blue completely as shown in the diagram. Otherwise, it will not operate properly.)

(*Id.* at .0026) Thus, upon turning on the tool, it will be set to either "restrictive firing mode," "bottom firing mode," or will not operate properly. (*Id.* at .0025-.0026.) If a user turns on the tool and the tool operates properly, the tool will have been set to either "restrictive firing mode" or "bottom firing mode," and the user will have necessarily selected either "restrictive firing mode" or "bottom firing mode."

For these reasons, the undersigned finds that Complainant has provided sufficient circumstantial evidence to prove direct infringement of this limitation.

xi. "(i) if said restrictive firing mode is selected, said tool will operate if said safety contact element has been actuated before said trigger actuator has been operated; and (ii) if said bottom firing mode is selected, said tool will operate if both: (A) said trigger actuator has been operated, and (B) said safety contact element has been actuated, in either sequence;"

Complainant argues that Respondent's Instruction and Safety Manuals direct end users to use the Accused Products to practice this limitation. (CIB at 22 (citing CX-0110C at Q/A 202; CX-0013.0028; JX-0019C.0004, .0025; CDX-0001C.0057).) Respondent does not dispute that the limitation is met. (*See generally* RIB at 17-25 ("Respondent is not disputing the presence of any elements of the Asserted Claims not specifically addressed below.").)

The evidence shows that the Respondent's Instruction and Safety Manuals instruct end users to operate the Accused Products in one of two modes: "full sequential actuation mechanism" (*i.e.*, the claimed "restrictive firing mode") and "contact actuation mechanism" (*i.e.*, the claimed "bottom firing mode"). (*See* JX-0019C at .0004, .0025-.0026; *see also* CX-0110C at Q/A 202.) Thus, the undersigned finds that the Accused Products meet this limitation.

xii. (c) initiating a driving cycle by pressing said exit end against a workpiece and actuating said trigger, thereby causing said fastener driving mechanism to force the driver member to move toward said exit end and drive a fastener into said workpiece; and"

Complainant argues that Respondent's Instruction and Safety Manuals direct end users to use the Accused Products to practice this limitation. (CIB at 22 (citing CX-0110C at Q/A 203; CPX-0003C; JX-0019C.0004).) Complainant explains that "[a]s part of this driving stroke, the fastener driving mechanism forces the driver member to move toward said exit end and drive a fastener into said workpiece." (*Id.* (citing CX-0110C at Q/A 203).)

Complainant objects to Respondent's argument "that the drive cycle is initiated by 'pressing said exit end of the fastener driving mechanism against a workpiece'." According to Complainant, Respondent's argument is based on testimony from Dr. Vallee that was previously struck and Respondent's argument should likewise be struck.[9] (CRB at 10 (citing RIB at 24-25; Order No. 18 at 10).) Complainant also contends that Respondent's argument fails on its merits. First, Complainant argues that it is conclusory attorney argument unsupported by evidence. (*Id.*) Next, Complainant submits that Dr. Pratt is the only expert to opine on this matter and he explained: "[T]he exit end of the fastener driving mechanism is the end of the safety contact element." (*Id.* (citing CX-0110C at Q/A 203).) Lastly, Complainant asserts that the case law Respondent cites is irrelevant. (*Id.* (arguing that the case law deals with the construction of two claims elements that were "connected to" each other and as result, the Federal Circuit determined that they must be construed as separate and distinct components).)

[9] The undersigned does not find Complainant's argument persuasive. While Order No. 18 struck portions of Dr. Vallee's expert report, Respondent does not cite to that report or to Dr. Vallee's witness statement in its post-hearing briefing. (*See* Order No. 18 at 10; RIB at 24-25; RRB at 11-12.) Thus, rather than striking Respondent's argument, the undersigned will view it as being relevant to the weight of Respondent's argument.

Respondent claims the only "exit end" recited in claim 1 is the "exit end of the mechanism" and the "mechanism" is the "fastener driving mechanism." (RIB at 24 (citing Order No. 9 at 18).) Respondent contends that this limitation "thus requires that the drive cycle is initiated by 'pressing said exit end of the fastener driving mechanism against a workpiece.'" (*Id.*) Respondent further contends that contrary to Dr. Pratt's testimony, the "fastener driving mechanism" and "safety contact element" are separate elements. (*Id.* at 24-25.) Respondent therefore asserts that this step cannot be met by pressing the "safety contact element" against a workpiece, as Dr. Pratt alleges. (*Id.* at 25.) Rather, according to Respondent, Complainant must show that the exit end of the fastener driving mechanism is pressed against a workpiece to initiate a drive cycle. (RIB at 25; RRB at 11-12.) Respondent submits that because Complainant made no such showing, it failed to prove that the Accused Products infringe this limitation.

The term "mechanism" was determined to mean "fastener driving mechanism." (*See* Order No. 9 at 17.) The term "exit end" appears multiple times in claim 1 of the '718 patent: "an exit end of the mechanism," "said exit end of the mechanism," and "said exit end." (JX-0004, cl. 1.) Thus, the antecedent basis for "said exit end" of the current claim limitation is "an exit end of the mechanism," *i.e.*, an exit end of the fastener driving mechanism. (*Id.*)

Respondent's Instruction and Safety Manuals explain that to drive the fastener, a user must "press the push lever against the wood" and "pull the trigger." (*See* JX-0019C.0004.) In a conclusory manner, Dr. Pratt equates the push lever in the Accused Products with both the exit end of the fastener driving mechanism and the end of the safety contact element. (*See* CX-0110C at Q/A 203; JX-0019C.0004.) Neither Dr. Pratt nor Complainant, however, provides any evidentiary support for this position. The intrinsic evidence, however, indicates that the exit end of the fastener driving mechanism and the end of the safety contact are separate components. More

specifically, the specification of the '718 patent, which is "the single best guide to the meaning of a disputed term" distinguishes the exit end of the fastener from the end of the safety contact element. *See Vitronics Corp. v. Conceptronic, Inc.*, 90 F.3d 1576, 1582 (Fed. Cir. 1996). For example, the specification states that the "safety contact element 32 extends beyond the bottom 30 of the fastener exit, and this extension of the safety contact element is depicted at 34, which is the bottom or 'front' portion of the safety contact element." (JX-0004 at 7:47-51; *see also Becton, Dickinson & Co. v. Tyco Healthcare Grp.*, 616 Fl3d 1249, 1255 (Fed. Cir. 2010).) The specification also states that "the exit end of the tool 10" is "essentially at the bottom portion 30 of the tool's exit area." (*Id.* at 7:64-67.) In addition, claim 1 of the '718 patent lists "fastener driving mechanism" and "safety contact element" as two distinct elements and without some explanation from Complainant or Dr. Pratt as to why these elements are the same, the undersigned declines to so find. (*Id.* at cl. 1.) The undersigned therefore finds that Complainant has failed to meet its burden to prove direct infringement of this limitation.

xiii. "(d) actuating said prime mover, thereby moving said lifter member and causing said driver member to move away from said exit end toward a ready position."

Complainant argues that the Accused Products meet this limitation. (CIB at 23.) Respondent does not dispute that the limitation is met. (*See generally* RIB at 17-25 ("Respondent is not disputing the presence of any elements of the Asserted Claims not specifically addressed below.").)

The evidence shows that end users are instructed to perform this step of claim 1. (JX-0019C.0004, .0025; *see also* CX-0110C at Q/As 160, 204, 222.) For example, Respondent's Instruction and Safety Manuals state: "First, press the push lever against the wood: next, pull the trigger to drive the fastener." (JX-0019.0004, .0025.) This indicates preparation for a driving stroke

to being. (CX-0110C at Q/A 204.) Thus, the undersigned finds that the Accused Products practice this limitation.

c) Conclusion

Accordingly, for the reasons set forth above, the undersigned finds that the Accused Products do not infringe claim 1.

2. Claims 10 and 16

Independent claims 10 and 16 both contain the "(A) a hollow cylinder comprising a cylindrical wall with a movable piston therewithin, said hollow cylinder containing a displacement volume created by a stroke of said piston," and "(c) initiating a driving cycle by pressing said exit end against a workpiece and actuating said trigger, thereby causing said fastener driving mechanism to force the driver member to move toward said exit end and drive a fastener into said workpiece" limitations. However, as discussed above in Sections III.A.1.viii and A.1.xii, these limitations are not present in the Accused Products. Thus, even if the Commission determines that the claimed "system controller" limitation is met, the Accused Products still do not infringe claims 10 and 16 of the '718 patent.

B. Indirect Infringement

Because the undersigned has found hereinabove that Complainant has not proven direct infringement, Complainant cannot, as a matter of law, prove induced infringement. Accordingly, the undersigned finds that Complainant has failed to show that Respondent indirectly infringes the asserted claims of the '718 patent. *See BMC Res.*, 498 F.3d at 1379 (direct infringement must first be established in order for a claim of indirect infringement to prevail); *see also Novartis Pharm. Corp. v. Eon Labs Mfg. Inc.*, 363 F.3d 1306, 1308 (Fed. Cir. 2004) ("When indirect infringement

is at issue, it is well settled that there can be no inducement or contributory infringement absent an underlying direct infringement.").

Notwithstanding the above, the Commission specifically ordered the undersigned to determine "whether Kyocera has established, by a preponderance of the evidence, that: . . . Hitachi induced infringement of the asserted claims." (Remand Order at 3.) The undersigned has therefore included an analysis of induced infringement, should the Commission determine on review that Complainant has satisfied its burden and shown direct infringement of the asserted claims.

1. Induced Infringement

Complainant contends that Respondent has had actual knowledge of the '718 patent since at least shortly after Complainant filed a complaint on January 25, 2017 accusing Respondent of infringing the patent. (CIB at 14-15 (citing *Senco Brands, Inc. v. Hitachi Koki U.S.A., Ltd.*, No. 17-cv-00061-TSB).) Complainant asserts that Respondent "encourages end users to use the Accused Products in a manner that directly infringes claims 1, 10, and 16 of the '718 Patent." (*Id.* at 15.) According to Complainant, "Respondent has had the specific intent to encourage this infringement by, among other things, distributing marketing materials, instructions, and similar materials with instructions on using the Accused Products in an infringing manner." (*Id.* (citing CPX-0002C; JPX-0010C).) For example, Complainant contends that Respondent's Instruction and Safety Manuals, which are included with each purchase of the Accused Products, describe and instruct users to operate the Accused Products in an infringing manner. (*Id.* (citing JX-0019C; JX-0020C; CX-0106C at 96-105).) When an end user operates the Accused Products in accordance with those instructions, the end user performs the recited steps and directly infringes claims 1, 10, and 16 of the '718 patent. (*Id.* at 15.) Complainant also asserts that based on the way the instructions are written, Respondent clearly intends for the end user to operate the Accused

Products in a manner that directly infringes claims 1, 10, and 16 of the '718 patent. (*Id.* (citing *Toshiba Corp. v. Imation Corp.*, 681 F.3d 1358, 1365 (Fed. Cir. 2012)).) Complainant insists that "Respondent knew or should have known that the induced acts constituted, and continue to constitute, direct infringement." (*Id.* at 16.)

Respondent contends that Complainant did not establish liability for indirect infringement because neither Complainant nor its expert identified a single instance of direct infringement or showed that the Accused Products necessarily infringe. (RIB at 26 (citing *Wordtech Sys. V. Integrated Networks Solutions, Inc.*, 609 F.3d 1308, 1317 (Fed. Cir. 2010); *Acco Brands*, 501 F.3d at 1313).) In addition, Respondent argues that Complainant failed to prove induced infringement because it "did not show that the Respondent knew that its actions would lead to infringement of any of the asserted claims of the '718 patent." (*Id.* (citing *Global-Tech Appliances, Inc. v. SEB S.A.*, 563 U.S. 754, 765-66 (2011); *DSU*, 471 F.3d at 1306).)

The undersigned finds that Complainant has failed to prove that Respondent had the requisite intent to induce infringement. "Inducement can be found where there is '[e]vidence of active steps taken to encourage direct infringement,' which can in turn be found in 'advertising an infringing use or instructing how to engage in an infringing use.'" *Takeda Pharmaceuticals U.S.A., Inc. v. West-Ward Pharmaceutical Corp.*, 785 F.3d 625, 630-31 (Fed. Cir. 2015) (citing *Metro-Goldwyn-Mayer Studios Inc. v. Grokster, Ltd.*, 545 U.S. 913, 936 (2005)); *see also Vanda Pharmaceuticals Inc. v. West-Ward Pharmaceuticals Int'l Ltd.*, 887 F.3d 1117, 1129 (Fed. Cir. 2018). "But such instructions need to evidence 'intent to *encourage* infringement.'" *Takeda*, 785 F.3d 625 at 631 (citing *Vita-Mix Corp. v. Basic Holding Inc.*, 581 F.3d 1317, 1329 (Fed. Cir. 2009)). "The question is not, however, whether a user following the instructions may end up using the device in an infringing way. Rather, it is whether [defendant's] instructions teach an infringing

use of the device such that we are willing to infer from those instructions an affirmative intent to infringe the patent." *Vita-Mix*, 581 F.3d at 1329 n.2.

Respondent's Instruction and Safety Manuals explain that to drive the fastener, a user must "press the push lever against the wood" and "pull the trigger." (*See* JX-0019C.0004.) As discussed in further detail in Section III.A.1.xii above, neither Dr. Pratt nor Complainant provides evidentiary support to conclude that the push lever mentioned in Respondent's Instruction and Safety Manuals is the same as "said exit end" in claim 1.

Accordingly, the undersigned finds that Complainant failed to prove that Respondent's instructions teach an infringing use of the tool and have therefore failed to show that Respondent induced infringement of claim 1 of the '718 patent. Because claims 10 and 16 of the '718 patent include the same limitation, Complainant has also failed to prove that Respondent induced infringement of those claims.

C. Domestic Industry – Technical Prong

Complainant asserts that the DI Products practice claims 1, 10, and 16 of the '718 patent. (CIB at 26.)

1. Claim 1

a) "A method for controlling a fastener driving tool, said method comprising:"

As noted *supra*, neither party has alleged that the preamble is limiting. (*See* Section III.A.1.a, it is not necessary to address whether the DI Products disclose this limitation.

b) "providing a fastener driving tool that includes:"

i. "(i) a housing;"

Complainant argues that the DI Products meet this limitation. (CIB at 27.) Respondent does not dispute that the limitation is met. (*See generally* RIB at 27-33 ("Respondent is not disputing the presence of any elements of the Asserted Claims not specifically addressed below.").)

The evidence shows that the DI Products include two housing shells. (CDX-0002C.0020; CX-0110C at Q/As 281, 378; CX-0024.0026.) Thus, the undersigned finds that the DI Products practice this limitation.

ii. "(ii) a system controller;"

The undersigned previously determined that the DI Products do not practice this limitation. (*See* ID at 31-34.)

iii. "(iii) a safety contact element;"

Complainant argues that the DI Products meet this limitation. (CIB at 28.)

Respondent contends that "[t]he only evidence provided by [Complainant] in support of this element being met is a conclusory statement from Dr. Pratt stating that '[t]he Domestic Industry Products meet this limitation,' a reference to certain pages of a demonstrative exhibit with labeled images and an unidentified statement in the Operating Instructions for the Alleged Domestic Industry Products." (RIB at 30.) Respondent argues that demonstrative exhibits are not substantive evidence. (*Id.*) Thus, a reference to them without corresponding testimony is insufficient to prove that this element is met. (*Id.*)

The evidence shows that the DI Products include a device that when engaged allows operation of the fastener driving tool. (CX-0014C.0015-.0018.) As Dr. Pratt testified, the DI Products "will not operate unless the safety contact element is engaged in the actuated position."

(CX-0110C at Q/A 352; *id.* at Q/A 380.) The undersigned therefore finds that the DI Products practice this limitation.

iv. "(iv) a user-actuated trigger;"

Complainant argues that the DI Products meet this limitation. (CIB at 28.) Respondent does not dispute that the limitation is met. (*See generally* RIB at 27-33 ("Respondent is not disputing the presence of any elements of the Asserted Claims not specifically addressed below.").)

The evidence shows that the Accused Products include a trigger. (CDX-0002C.0045, .0054; CX-0110C at Q/As 353, 381.) The Operating Instructions for the DI Products state that a user must "pull the trigger" to begin a driving stroke. (CX-0014C.0017; *see also id.* at .0014 (identifying no. 6 as a "trigger/on switch").) Thus, the undersigned finds that the DI Products practice this limitation.

v. "(v) a fastener;"

Complainant argues that the DI Products meet this limitation. (CIB at 29.) Respondent does not dispute that the limitation is met. (*See generally* RIB at 27-33 ("Respondent is not disputing the presence of any elements of the Asserted Claims not specifically addressed below.").)

The evidence shows that the DI Products are designed to fire fasteners. (CX-0014C.0025; *see also* CX-0110C at Q/A 386.) Thus, the undersigned finds that the DI Products practice this limitation.

vi. "(vi) a prime mover that moves a lifter member which moves a driver member away from an exit end of the mechanism; and"

(a) "a lifter member"

Complainant argues that the DI Products meet this limitation. (CIB at 29.) Complainant contends that Dr. Pratt visually inspected the DI Products to confirm the presence of the claimed "lifter member." (*Id.* (citing CX-0110C at Q/As 238, 266).) Complainant also claims that Respondent's technical expert agrees that the DI Products practice this limitation. (*Id.* (citing Vallee, Tr. at 180:25-181:4, 181:13-182:13).)

Respondent asserts that Complainant has failed to prove that this element is practiced by any of the DI Products. (RIB at 30.) Respondent contends that "[t]he only evidence provided by [Complainant] in support of the presence of this element is a conclusory statement from Dr. Pratt stating that '[t]he Domestic Industry Products meet this limitation" and a reference to certain pages of a demonstrative exhibit with labeled images. (*Id.* (citing CX-0110C at Q/As 266, 382).) Respondent maintains that demonstrative exhibits are not substantive evidence and thus, a reference to them without corresponding testimony is insufficient to prove that these elements are met. (*Id.*)

The term "a lifter member" was determined to mean a "rotatable component having lifting pins on its face surface" and the term "lifter member which exhibits a contact surface" was determined to mean a "rotabable component having lifting pins on its face surface which exhibits a contact surface." (Order No. 9 at 42.) The evidence shows that the DI Products include rotatable component having lifting pins on its face surface. (CX-0015C.0016; CDX-0012C.0010; CX-0110C at Q/As 266, 382; Pratt, Tr. at 143:17-23, 144:14-22.) Despite Respondent's arguments to the contrary, its own expert, Dr. Vallee, conceded that the DI products do indeed include a "lifter

member." (Vallee, Tr. at 180:25-181:4, 181:13-182:13.) The undersigned therefore finds that the DI Products practice this limitation.

(b) "a driver member"

Complainant argues that the DI Products meet this limitation. (CIB at 29.) Complainant contends that Dr. Pratt visually inspected the DI products to confirm the presence of the claimed "driver member." (*Id.* (citing CX-0110C at Q/As 238, 265).) Complainant also claims that Respondent's technical expert agrees that the DI products practice this limitation. (*Id.* (citing Vallee, Tr. at 182:14-183:6).)

Respondent asserts that Complainant has failed to prove that this element is practiced by any of the DI Products. (RIB at 30-31.) Respondent contends that "[t]he only evidence provided by [Complainant] in support of the presence of this element is a conclusory statement from Dr. Pratt stating that '[t]he Domestic Industry Products meet this limitation" and a reference to certain pages of a demonstrative exhibit with labeled images. (*Id.* at 31 (citing CX-0110C at Q/As 265, 383).) Respondent maintains that demonstrative exhibits are not substantive evidence and thus, a reference to them without corresponding testimony is insufficient to prove that these elements are met. (*Id.*)

The term "a driver member" was determined to mean "component having multiple teeth that is designed to drive a fastener into a workpiece." (*See* Order No. 9 at 45.) The evidence shows that the DI Products include a component having multiple teeth that is designed to drive a fastener into a workpiece. (CX-0110C at Q/As 265, 383; CDX-0002C.0008-0009.) Dr. Vallee, Respondent's expert, agrees. On cross-examination, Dr. Vallee confirmed that the DI Products have a driver with multiple teeth that "is designed to contact a fastener to drive it into a work

piece." (Vallee, Tr. at 182:14-183:6.) The undersigned therefore finds that the DI Products meet this limitation.

(c) "a prime mover"

Complainant argues that the DI Products meet this limitation. (CIB at 29-30.) Complainant explains: "[T]he prime mover is connected to the system controller via wires and to the lifter member via a gearbox. As part of the operating cycle, the prime mover is actuated to move the lifter member and cause the driver member to move away from the exit end of the fastener driving mechanism toward a ready position." (*Id.* at 30 (internal citations omitted).) Complainant also contends that Dr. Pratt visually inspected the DI products to confirm the presence of the claimed "prime mover." (*Id.* (citing CX-0110C at Q/As 238, 349).)

Respondent asserts that Complainant has failed to prove that this element is practiced by any of the DI Products. (RIB at 31.) Respondent contends that "[t]he only evidence provided by [Complainant] in support of the presence of this element is a conclusory statement from Dr. Pratt stating that '[t]he Domestic Industry Products meet this limitation" and a reference to certain pages of a demonstrative exhibit with labeled images. (*Id.* (citing CX-0110C at Q/As 341, 384).) Respondent maintains that demonstrative exhibits are not substantive evidence and thus, a reference to them without corresponding testimony is insufficient to prove that these elements are met. (*Id.*)

The evidence shows that the DI Products practice this limitation. For example, CDX-0002C shows the connection between the claimed lifter member and the claimed prime mover via a gearbox. (*See id.* at .0038, .0043; *see also* CX-0110C at Q/As 341, 349, 384.) Dr. Pratt explained: "[T]he prime mover's rotor drives a gear assembly in the gearbox to reduce the rotational speed, and the gearbox's hexagonal output shaft is connected directly to the lifter member, which is

secured to the output shaft with a nut." (CX-0110C at Q/A 349.) Dr. Pratt further explained that as part of the operating cycle of the DI Products, "the prime mover is actuated to move the lifter member and cause the driver member to move away from the exit end of the fastener driving mechanism toward a ready position." (*Id.* at Q/A 392.)

vii. "(vii) a fastener driving mechanism that moves said driver member toward said exit end of the mechanism,"

Complainant argues that the DI Products include this limitation. (CIB at 30-31.)

Respondent contends that the only evidence provided by Complainant in support of this element is a conclusory statement from Dr. Pratt and a reference, without explanation, to a page of a demonstrative exhibit. (RIB at 31-32.) Respondent asserts that "[n]one of this proves that this limitation is met." (*Id.* at 31.)

The undersigned finds that Complainant has presented sufficient circumstantial evidence to prove that the DI Products include this limitation.[10] Complainant's Operating Instructions explain that the DI Products are fastener driving tools. (CX-0014.) They therefore require a fastener driving mechanism to operate. (*Id.* at CX-0014C.0017 (instructing the end user to "depress workpiece contact element against work surface and drive a fastener" and to "[p]ull trigger to turn the motor and drive a fastener.").) Moreover, Respondent does not appear to dispute that the DI Products necessarily include a fastener driving mechanism, given that they are designed to fire fasteners.

[10] The undersigned notes that Complainant, as it did for infringement purposes, relies primarily on Dr. Pratt's testimony and his "visual inspection" as proof that the DI Products practice this limitation. (*See* CIB at 30; CRB at 14-15.) When questioned about this limitation, Dr. Pratt refers to his previous testimony "with respect to the similar 'fastener driving mechanism." (CX-0110C at Q/A 385.) However, claim 1 of the '296 patent does not include a "fastener driving mechanism" limitation. (*See* JX-0001, cl. 1.) Rather, claim 1 of the '296 patent refers to a "driver actuation device." (*Id.*) Thus, Respondent is correct there was no prior explanation for the "fastener driving mechanism" in Dr. Pratt's testimony about the '296 patent.

viii. "said fastener driving mechanism including: (A) a hollow cylinder comprising a cylindrical wall with a movable piston therewithin, said hollow cylinder containing a displacement volume created by a stroke of said piston, and"

Complainant argues that the DI Products include this limitation. (CIB at 31.)

Respondent asserts that Complainant has failed to prove that this element is practiced by the DI Products. (RIB at 32.) Respondent contends that the only evidence Complainant has put forth in support of this element is a conclusory statement from Dr. Pratt and a reference to certain pages of a demonstrative exhibit. (*Id.*) Respondent maintains that demonstrative exhibits are not substantive evidence. (*Id.*) Thus, a reference to them without corresponding testimony is insufficient to prove that these elements are met. (*Id.*)

The evidence shows that the DI Products include a hollow cylinder, with a cylindrical wall and a piston that moves within the cylinder. (CX-0110C at Q/As 314, 387; CDX-0002C.0029.) As discussed above, a visual inspection may suffice for the "hollow cylinder" portion of this limitation; however, a visual inspection alone is insufficient to prove that the stroke of the piston creates a displacement volume.[11] Complainant does not provide any explanation, discussion, or corroborating testimony in its post-hearing briefing regarding the displacement volume. (*See* CIB at 31; CRB at 15-16.) For example, Dr. Pratt's testimony for the '718 patent is silent regarding the displacement volume:

> Q. What is your opinion regarding whether the Domestic Industry Products include a "hollow cylinder comprising a cylindrical wall with a movable piston therewithin, said hollow cylinder containing a displacement volume created by a stroke of said piston," as in claim 1 of the '718 Patent?
>
> A. The Domestic Industry Products meet this limitation, as I explained previously with respect to the similar "hollow cylinder" limitation found in

[11] The same holds true for Complainant's reliance on CDX-0002C.0029 as proof that the "displacement volume" portion of the limitation is met. Demonstrative exhibits have no intrinsic evidentiary value and are only as reliable as that evidence upon which they rely.

> claim 1 of the '297 Patent and as shown, from example, on page 32 of CDX-0002C.

(CX-0110C at Q/A 387.) A review of his testimony for the '297 patent reveals that it too omits any reference to the displacement volume.

> Q. What is your opinion regarding whether the Domestic Industry Products meet the claim limitation "a hollow cylinder comprising a cylindrical wall and having a movable piston therewithin, said hollow cylinder having a first end and a second, opposite end, said hollow cylinder containing a displacement volume created by a stroke of said piston," as in claim 1 of the '297 Patent?
>
> A. The Domestic Industry Products meet this limitation. Referring to page 29 of CDX-0002C, I created labeled images of the FUSION F-15 Nailer showing how the Domestic Industry Products include each limitation of this claim element.

(*Id.* at Q/A 314.) Although Complainant does cite to a couple of additional exhibits, there is no testimony in the record regarding how these exhibits show demonstrate that a displacement volume created by a stroke of said piston. The undersigned therefore finds that Complainant has not presented sufficient evidence to show that the stroke of the piston creates a displacement volume.

Accordingly, for the reasons set forth above, Complainant has failed to prove by a preponderance of the evidence that this limitation is present in the DI Products.

> **ix. "(B) a main storage chamber that is in fluidic communication with said displacement volume of the cylinder, wherein said main storage chamber and said displacement volume are initially charged with a pressurized gas;"**

Complainant argues that the DI Products include this limitation. (CIB at 31.) Respondent does not dispute that the limitation is met. (*See generally* RIB at 27-33 ("Respondent is not disputing the presence of any elements of the Asserted Claims not specifically addressed below.").)

The evidence show that the DI Products include a main storage chamber that is distinct from the volume of the working cylinder. (CX-0110C at Q/As 276, 388; CDX-0002C.0016.) The

evidence also shows that the DI Products are charged with a pressurized gas. (CX-0110C at Q/A 277; CDX-0002C.0017; CX-0015C.0006, .0016.) Thus, the undersigned finds that the DI Products meet this limitation.

x. "(b) selecting, by a user, an operating mode of said driving cycle to be one of: a "bottom firing mode," and a "restrictive firing mode;" wherein:"

Complainant argues that the DI Products include this limitation. (CIB at 31.) Respondent does not dispute that the limitation is met. (*See generally* RIB at 27-33 ("Respondent is not disputing the presence of any elements of the Asserted Claims not specifically addressed below.").)

The evidence shows that the Operating Instructions instruct end users to operate the DI Products in one of two modes: [1] "sequential-actuation"; and [2] "contact-actuation." (CX-0014C.0017.) As Dr. Pratt explained: "Sequential-actuation is the claimed 'restrictive firing mode,' while contact-actuation is the claimed 'bottom firing mode'." (CX-0110C at Q/A 390.) End users use the buttons on the DI Products to select either the "bottom firing mode" or the "restrictive firing mode." (CX-0014C.0016; *see also* CX-0110C at Q/A 389; CDX-002C.0049.) Thus, the undersigned finds that the DI Products practice this limitation.

xi. "(i) if said restrictive firing mode is selected, said tool will operate if said safety contact element has been actuated before said trigger actuator has been operated; and"

Complainant argues that the DI Products meet this limitation. (CIB at 32.) Respondent does not dispute that the limitation is met. (*See generally* RIB at 27-33 ("Respondent is not disputing the presence of any elements of the Asserted Claims not specifically addressed below.").)

The evidence shows that when the DI Products are in the sequential actuation or "restrictive firing" mode, the products will only operate if the safety contact element has been actuated before

the trigger has been actuated. (CX-0014C.0017; CX-0110C at Q/A 390.) Thus, the undersigned finds that the DI Products practice this limitation.

xii. **"(ii) if said bottom firing mode is selected, said tool will operate if both: (A) said trigger actuator has been operated, and (B) said safety contact element has been actuated, in either sequence;"**

Complainant argues that the DI Products meet this limitation. (CIB at 32.) Respondent does not dispute that the limitation is met. (*See generally* RIB at 27-33 ("Respondent is not disputing the presence of any elements of the Asserted Claims not specifically addressed below.").)

The evidence shows that when the DI Products are in contact actuation or "bottom firing" mode, the products "will operate if both the trigger actuator has been operated and the safety contact element has been actuated, in either sequence." (CX-0110C at Q/A 390; *see also* CX-0014C.0017.) Thus, the undersigned finds that the DI Products practice this limitation.

xiii. **"(c) initiating a driving cycle by pressing said exit end against a workpiece and actuating said trigger, thereby causing said fastener driving mechanism to force the driver member to move toward said exit end and drive a fastener into said workpiece; and"**

Complainant argues that its Operating Instructions instruct end users to use the DI Products to practice this limitation. (CIB at 32 (citing CX-0110C at Q/A 391; CPX-0004C; CX-0014C.0017).) Complainant attacks Respondent's argument on a number of grounds. First, Complainant contends that Respondent did not provide any evidence supporting its position, instead relying on attorney argument. (CRB at 16.) Second, Complainant asserts that Dr. Pratt was the only expert to opine on this matter and he explained that this claim limitation was met. (*Id.*) Finally, Complainant submits that the case law Respondent cites to is irrelevant. (*Id.* (citing CX-0110C at Q/A 391).)

Similar to its infringement position, Respondent argues that the only "exit end" in claim 1 of the '718 patent is the "exit end of the mechanism" and the "mechanism" refers to "the fastener driving mechanism." (RIB at 24 (citing Order No. 9 at 18).) Respondent therefore contends that this limitation "requires that the drive cycle is initiated by 'pressing said exit end of the fastener driving mechanism against a workpiece.'" (*Id.*) According to Respondent, claim 1 recites "a fastener driving mechanism" and "a safety contact element" as separate elements and thus, this limitation cannot be met by pressing the "safety contact element" against a workpiece, as Complainant alleges. (*Id.* at 24-25 (citing JX-0004, cl. 1); RRB at 16.) Respondent asserts that Complainant did not show that the exit end of the fastener driving mechanism is pressed against a workpiece to initiate the drive cycle and consequently, Complainant has failed to prove this limitation is met. (RIB at 25 (citing CX-0110C at Q/A 197; CDX-0001.0007).)

As previously explained in Section III.A.1.xii, the antecedent basis for "said exit end" of this claim limitation is "an exit end of the mechanism," *i.e.*, an exit end of the fastener driving mechanism. (*See* Order No. 9 at 17; JX-0004, cl. 1.) Dr. Pratt testifies that according to Complainant's Operating Instructions, "when the exit end of the fastener driving mechanism is pressed against a workpiece and the trigger is actuated, a driving stroke will begin." (CX-0110C at Q/A 391.) However, Complainant's Operating Instructions direct the user to "[p]ress the workpiece contact (safety) element against the work surface." (CX-0014C.0017.) Dr. Pratt therefore equates the workpiece contact (safety) element in the DI Products with the exit end of the fastener driving mechanism. (*See id.*) Yet, neither Dr. Pratt nor Complainant provides sufficient evidentiary support for this position, particularly when viewed in the context of the intrinsic evidence. (*See* Section III.A.1.xii.) For example, neither Dr. Pratt nor Complainant cite to detailed pictures or schematics of the DI Products showing that the workpiece contact (safety) element is

the same as an exit end of the fastener driving mechanism. (*See* CX-0110C at Q/A 391; CX-0014C.0017.) While one of Dr. Pratt's demonstrative exhibits labels a part of the DI Products as the exit end of the mechanism, the demonstrative does not provide a detailed view of that portion of the DI Products and seems to point to the same portion of the tool that is labeled as the safety contact element. (*See* CDX-0002C.0044, .0047.)

For these reasons, the undersigned finds that Complainant has failed to meet its burden to prove that the DI Products practice this limitation.

xiv. "(d) actuating said prime mover, thereby moving said lifter member and causing said driver member to move away from said exit end toward a ready position."

Complainant argues that the DI Products meet this limitation. (CIB at 28.) Respondent does not dispute that the limitation is met. (*See generally* RIB at 27-33 ("Respondent is not disputing the presence of any elements of the Asserted Claims not specifically addressed below.").)

The evidence shows that when the DI Products are in contact actuation or "bottom firing" mode, the products "will operate if both the trigger actuator has been operated and the safety contact element has been actuated, in either sequence." (CX-0110C at Q/A 390; *see also* CX-0014C.0017.) Thus, the undersigned finds that the DI Products practice this limitation.

c) Conclusion

Accordingly, for the reasons set forth above, the undersigned finds that the DI Products do not practice claim 1.

2. Claims 10 and 16

Claims 10 and 16 both contain the "(A) a hollow cylinder comprising a cylindrical wall with a movable piston therewithin, said hollow cylinder containing a displacement volume created by a stroke of said piston," and "(c) initiating a driving cycle by pressing said exit end against a workpiece and actuating said trigger, thereby causing said fastener driving mechanism to force the driver member to move toward said exit end and drive a fastener into said workpiece" limitations. However, as discussed above in Sections III.C.1.viii and C.1.xiii, these limitations are not present in the DI Products. The undersigned therefore finds that the DI Products do not practice claims 10 and 16 of the '718 patent.

IV. CONCLUSIONS OF LAW

1. Complainant has not established, by a preponderance of the evidence, that the Accused Products infringe the asserted claims of U.S. Patent No. 8,387,718.

2. Respondent has not induced infringement of the asserted claims of U.S. Patent No. 8,387,718.

3. Complainant has not established, by a preponderance of the evidence, that the Domestic Industry Products practice the asserted claims of U.S. Patent No. 8,387,718.

V. INITIAL DETERMINATION

The undersigned hereby CERTIFIES to the Commission this Remand Initial Determination.

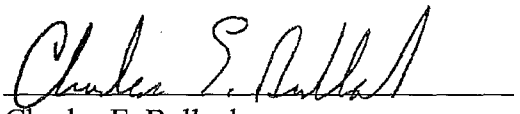
The Secretary shall serve the confidential version of this Remand Initial Determination upon counsel who are signatories to the Protective Order (Order No. 1) issued in this Investigation. A public version will be served at a later date upon all parties of record.

Pursuant to 19 C.F.R. § 210.42(h), this Remand Initial Determination shall become the determination of the Commission unless a party files a petition for review pursuant to 19 C.F.R.

§ 210.43(a) or the Commission, pursuant to 19 C.F.R. § 210.44, orders on its own motion a review of the Initial Determination or certain issues therein.

Within ten days of the date of this document, the parties shall submit to the Office of Administrative Law Judges a joint statement regarding whether or not they seek to have any portion of this document deleted from the public version. The parties' submission shall be made by hard copy and must include a copy of this Initial Determination with red brackets indicating any portion asserted to contain confidential business information to be deleted from the public version.[12] The parties' submission shall include an index identifying the pages of this document where proposed redactions are located. The parties' submission concerning the public version of this document need not be filed with the Commission Secretary.

SO ORDERED.



Charles E. Bullock
Chief Administrative Law Judge

[12] If the parties submit excessive redactions, they may be required to provide an additional written statement, supported by declarations from individuals with personal knowledge, justifying each proposed redaction and specifically explaining why the information sought to be redacted meets the definition for confidential business information set forth in Commission Rule 201.6(a). 19 C.F.R. § 201.6(a).

CERTAIN GAS SPRING NAILER PRODUCTS AND COMPONENTS THEREOF

Inv. No. 337-TA-1082
Remand

PUBLIC CERTIFICATE OF SERVICE

I, Lisa R. Barton, hereby certify that **PUBLIC VERSION REMAND INITIAL DETERMINATION ON VIOLATION OF SECTION 337** has been served upon the following parties as indicated, on **11/8/2019**.

Lisa R. Barton, Secretary
U.S. International Trade Commission
500 E Street SW, Room 112
Washington, DC 20436

On Behalf of Complainant Kyocera Senco Brands Inc.:

Robert S. Riggs, Esq.
VEDDER PRICE PC
222 North LaSalle Street, Suite 2600
Chicago, IL 60601-1003

☐ Via Hand Delivery
☑ Via Express Delivery
☐ Via First Class Mail
☐ Other:_____

Respondent Hitachi Koki U.S.A., Limited:

Paul Devinsky, Esq.
MCDERMOTT WILL & EMERY LLP
500 North Capitol Street, NW
Washington, DC 20001

☐ Via Hand Delivery
☑ Via Express Delivery
☐ Via First Class Mail
☐ Other:_____

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

In the Matter of **CERTAIN GAS SPRING NAILER PRODUCTS AND COMPONENTS THEREOF**	**Investigation No. 337-TA-1082**

NOTICE OF COMMISSION DETERMINATION TO REVIEW IN PART AND REMAND IN PART A FINAL INITIAL DETERMINATION FINDING NO VIOLATION OF SECTION 337

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission ("the Commission") has determined to review in part and remand in part a final initial determination ("ID") of the presiding administrative law judge ("ALJ") finding no violation of section 337.

FOR FURTHER INFORMATION CONTACT: Clint Gerdine, Esq., Office of the General Counsel, U.S. International Trade Commission, 500 E Street, SW., 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, SW., Washington, D.C. 20436, telephone (202) 205-2000. General information concerning the Commission may also be obtained by accessing its Internet server at *https://www.usitc.gov*. The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) at *https.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 November 20, 2017, based on a complaint filed on behalf of Kyocera Senco Brands Inc. ("Kyocera") of Cincinnati, Ohio. 82 *Fed. Reg.* 55118-19 (Nov. 20, 2017). The complaint, as amended and supplemented, alleges violations of section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. 1337, based upon the importation into the United States, the sale for importation, and the sale within the United States after importation of certain gas spring nailer products and components thereof by reason of infringement of certain claims of U.S. Patent Nos. 8,011,547 ("the '547 patent"); 8,267,296 ("the '296 patent"); 8,27,297 ("the '297 patent"); 8,387,718 ("the '718 patent"); 8,286,722 ("the '722 patent"); and 8,602,282 ("the '282 patent").

The complaint further alleges the existence of a domestic industry. The Commission's notice of investigation named as a respondent Hitachi Koki U.S.A., Ltd. ("Hitachi") of Braselton, Georgia. The Office of Unfair Import Investigations is not participating in the investigation. The '547 patent has been terminated from the investigation and the notice of investigation was amended to add claim 30 of the '297 patent to the investigation. Order No. 13 (June 4, 2018), *unreviewed by* Comm'n Notice (June 22, 2018); Order No. 15 (June 19, 2018), *unreviewed by* Comm'n Notice (July 9, 2018). Prior to the evidentiary hearing, the parties stipulated that the '718 patent is the only remaining patent at issue since no violation could be shown as to the '296, '297, '722, and '282 patents based on an evidentiary ruling limiting the scope of testimony of Kyocera's expert. *See* ID at 1-2.

On June 7, 2019, the ALJ issued his final ID finding no violation of section 337 as to the '718 patent. The ID finds that Hitachi's accused products do not infringe asserted claims 1, 10, and 16 (the "asserted claims") of the '718 patent, and that Kyocera has not satisfied the technical prong of the domestic industry requirement with respect to this patent. Specifically, the ID finds that the "system controller" limitation of these claims is not met by Hitachi's accused products or practiced by Kyocera's domestic industry products. The ID also finds that the asserted claims are not invalid under 35 U.S.C. 103, 112 for obviousness or indefiniteness, respectively, and that Kyocera has satisfied the economic prong of the domestic industry requirement with respect to the '718 patent. In the same document, the ALJ recommended that if the Commission finds a violation it should issue a limited exclusion order directed to Hitachi's infringing products and a cease and desist order directed to Hitachi.

On June 24, 2019, Kyocera petitioned, and Hitachi contingently petitioned, for review of the final ID. On July 2, 2019, Kyocera and Hitachi each filed a response in opposition to the other party's petition for review.

Having reviewed the record of the investigation, including the parties' briefing, the Commission has determined to review and remand the subject ID in part. Specifically, the Commission has determined to review the ID's finding that Kyocera did not establish: (1) either direct or induced infringement of the asserted claims; and (2) practice of the asserted claims by Kyocera's domestic industry products to satisfy the domestic industry requirement. The Commission has also determined to review the ID's finding that Kyocera demonstrated sufficient activities and investments relating to the articles protected by the '718 patent to satisfy the domestic industry requirement. The Commission has also determined to remand to the ALJ, as set forth in the Commission's Order accompanying this notice, the issues of whether Kyocera has established, by a preponderance of the evidence, that: (1) the remaining limitations (irrespective of the "system controller" limitation) of the asserted claims are met by Hitachi's accused products; (2) the remaining limitations of the asserted claims are practiced by Kyocera's domestic industry products; and (3) Hitachi induced infringement of the asserted claims. The Commission has determined not to review the remainder of the ID.

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 CFR part 210.

By order of the Commission.

Lisa R. Barton
Secretary to the Commission

Issued: August 14, 2019

CERTAIN GAS SPRING NAILER PRODUCTS AND COMPONENTS THEREOF **Inv. No. 337-TA-1082**

PUBLIC CERTIFICATE OF SERVICE

I, Lisa R. Barton, hereby certify that the attached **NOTICE** has been served upon the following parties as indicated, on **August 14, 2019**.

Lisa R. Barton, Secretary
U.S. International Trade Commission
500 E Street, SW, Room 112
Washington, DC 20436

On Behalf of Complainants Kyocera Senco Brands, Inc.:

Robert S. Riggs, Esq.
VEDDER PRICE PC
222 North LaSalle Street, Suite 2600
Chicago, IL 60601-1003

☐ Via Hand Delivery
☐ Via Express Delivery
☒ Via First Class Mail
☐ Other:_____

On Behalf of Respondents Hitachi Koki U.S. A., Limited:

Paul Devinsky, Esq.
McDERMOTT WILL & EMERY LLP
500 North Capitol Street, NW
Washington, DC 20001

☐ Via Hand Delivery
☐ Via Express Delivery
☒ Via First Class Mail
☐ Other:_____

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

In the Matter of **CERTAIN GAS SPRING NAILER PRODUCTS AND COMPONENTS THEREOF**	**Investigation No. 337-TA-1082**

ORDER: REMAND OF INITIAL DETERMINATION IN PART

The Commission instituted this investigation on November 20, 2017, based on a complaint filed on behalf of Kyocera Senco Brands Inc. ("Kyocera") of Cincinnati, Ohio. 82 *Fed. Reg.* 55118-19 (Nov. 20, 2017). The complaint, as amended and supplemented, alleges violations of section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. § 1337 ("section 337"), based upon the importation into the United States, the sale for importation, and the sale within the United States after importation of certain gas spring nailer products and components thereof by reason of infringement of certain claims of U.S. Patent Nos. 8,011,547 ("the '547 patent"); 8,267,296 ("the '296 patent"); 8,27,297 ("the '297 patent"); 8,387,718 ("the '718 patent"); 8,286,722 ("the '722 patent"); and 8,602,282 ("the '282 patent"). The complaint further alleges the existence of a domestic industry. The Commission's notice of investigation named as a respondent Hitachi Koki U.S.A., Ltd. ("Hitachi") of Braselton, Georgia. The Office of Unfair Import Investigations is not participating in the investigation. The '547 patent has been terminated from the investigation and claim 30 of the '297 patent was added to the investigation. *See* Order No. 13 (June 4, 2018), *unreviewed by* Comm'n Notice (June 22, 2018); Order No. 15 (June 19, 2018), *unreviewed by* Comm'n Notice (July 9, 2018).

Prior to the evidentiary hearing, the parties stipulated that the '718 patent is the only remaining patent at issue because Kyocera could not show infringement of the '296, '297, '722, and '282 patents as a result of Order No. 28. *See* Joint Stipulation Regarding Order No. 28 (Oct. 26, 2018). In Order No. 28, the presiding administrative law judge ("ALJ") found that Kyocera's technical expert did not qualify as a person of ordinary skill in the art. Order No. 28 at 2. The ALJ then determined that Kyocera's expert could not testify regarding infringement under the doctrine of equivalents. *Id.* at 6; *see also* ID at 1-2.

On June 7, 2019, the ALJ issued his final initial determination ("ID") finding no violation of section 337. The ID finds that Hitachi's accused products do not directly infringe or induce infringement of claims 1, 10, and 16 (the "asserted claims") of the '718 patent, and that Kyocera has not satisfied the technical prong of the domestic industry requirement with respect to the '718 patent. Specifically, the ID finds that Kyocera failed to show that Hitachi's accused products and Kyocera's domestic industry products satisfy the "system controller" limitation. The ID also finds that the asserted claims are not invalid under 35 U.S.C. 103, 112 for obviousness or indefiniteness, respectively, and that Kyocera has satisfied the economic prong of the domestic industry requirement with respect to the '718 patent. In the same document, the ALJ recommended that if the Commission finds a violation, it should issue a limited exclusion order directed to Hitachi's infringing products and a cease and desist order directed to Hitachi.

On June 24, 2019, Kyocera petitioned, and Hitachi contingently petitioned, for review of the final ID. On July 2, 2019, Kyocera and Hitachi each filed a response to the other party's petition for review.

Having reviewed the record of the investigation, including the parties' briefing, the Commission has determined to review the subject ID in part. Specifically, the Commission has

determined to review the ID's finding that Kyocera did not establish: (1) either direct or induced infringement of the asserted claims; and (2) practice of the asserted claims by Kyocera's domestic industry products to satisfy the domestic industry requirement. The Commission has also determined to review the ID's finding that Kyocera demonstrated sufficient activities and investments relating to the articles protected by the '718 patent to satisfy the domestic industry requirement. The Commission has determined not to review the remainder of the ID.

In view of the Commission's determination to review the issues mentioned above, factual and legal findings are necessary in order for the Commission to have a full record to determine whether Kyocera has demonstrated a violation of section 337. Accordingly, remand to the ALJ is necessary on the issues of whether Kyocera has established, by a preponderance of the evidence, that: (1) the remaining limitations (irrespective of the "system controller" limitation) of the asserted claims are met by Hitachi's accused products; (2) the remaining limitations of the asserted claims are practiced by Kyocera's domestic industry products; and (3) Hitachi induced infringement of the asserted claims.

Upon consideration of this matter, the Commission hereby ORDERS that:

1. The following issues are remanded to the ALJ for a remand initial determination ("RID"), *i.e.*, whether Kyocera has established, by a preponderance of the evidence that: (a) the remaining limitations of the asserted claims are met by Hitachi's accused products; (b) the remaining limitations of the asserted claims are practiced by Kyocera's domestic industry products; and (c) Hitachi has induced infringement of the asserted claims.

2. The RID shall become final 45 days after issuance absent Commission review.

3. The ALJ shall issue his RID expeditiously based on the existing record, and shall extend the target date for termination of the investigation to four months after the date of the RID.

4. Kyocera or Hitachi may petition for review of the ALJ's RID pursuant to

Commission Rule 210.43(a) (treating the RID as an ID issued under Commission Rule 210.42(a)(1)).

5. The Secretary to the Commission shall serve a copy of this Order upon each party to this investigation.

By order of the Commission.

Lisa R. Barton
Secretary to the Commission

Issued: August 14, 2019

CERTAIN GAS SPRING NAILER PRODUCTS AND COMPONENTS THEREOF **Inv. No. 337-TA-1082**

PUBLIC CERTIFICATE OF SERVICE

I, Lisa R. Barton, hereby certify that the attached **Order, Commission** has been served upon the following parties as indicated, on **August 15, 2019**.

Lisa R. Barton, Secretary
U.S. International Trade Commission
500 E Street, SW, Room 112
Washington, DC 20436

On Behalf of Complainants Kyocera Senco Brands, Inc.:

Robert S. Riggs, Esq.
VEDDER PRICE PC
222 North LaSalle Street, Suite 2600
Chicago, IL 60601-1003

☐ Via Hand Delivery
☑ Via Express Delivery
Via First Class Mail
☐ Other:_____

On Behalf of Respondents Hitachi Koki U.S. A., Limited:

Paul Devinsky, Esq.
McDERMOTT WILL & EMERY LLP
500 North Capitol Street, NW
Washington, DC 20001

☐ Via Hand Delivery
☑ Via Express Delivery
Via First Class Mail
☐ Other:_____

PUBLIC VERSION

UNITED STATES INTERNATIONAL TRADE COMMISSION

Washington, D.C.

In the Matter of **CERTAIN GAS SPRING NAILER PRODUCTS AND COMPONENTS THEREOF**	**Inv. No. 337-TA-1082**

INITIAL DETERMINATION ON VIOLATION OF SECTION 337 AND RECOMMENDED DETERMINATION ON REMEDY AND BOND

Chief Administrative Law Judge Charles E. Bullock

(June 7, 2019)

Appearances:

For Complainant Kyocera Senco Brands, Inc.

Robert S. Rigg, Esq.; David Bernard, Esq.; and John K. Burke, Esq. of Vedder Price from Chicago, IL

For Respondent Hitachi Koki U.S.A. Limited

Paul Devinsky, Esq.; Alexander Ott, Esq.; and Jay H. Reiziss, Esq. of McDermott Will & Emery LLP from Washington, DC

Amol Parikh, Esq. of McDermott Will & Emery LLP from Chicago, IL

Joseph H. Paquin, Jr., Esq. of Barnes & Thornburg LLP from Chicago, IL

TABLE OF CONTENTS

LIST OF ABBREVIATIONS

The following abbreviations may be used in this Initial Determination:

CDX	Complainant's demonstrative exhibit
CPX	Complainant's physical exhibit
CX	Complainant's exhibit
CIB	Complainant's initial post-hearing brief
CRB	Complainant's reply post-hearing brief
CPHB	Complainant's pre-hearing brief
Dep	Deposition
JX	Joint Exhibit
RDX	Respondent's demonstrative exhibit
RPX	Respondent's physical exhibit
RX	Respondent's exhibit
RIB	Respondent's initial post-hearing brief
RRB	Respondent's reply post-hearing brief
RPHB	Respondent's pre-hearing brief
RX	Respondent's exhibit
RIB	Respondent's initial post-hearing brief
RRB	Respondent's reply post-hearing brief
Tr.	Transcript
PHB	Pre-hearing brief

PUBLIC VERSION

UNITED STATES INTERNATIONAL TRADE COMMISSION

Washington, D.C.

In the Matter of **CERTAIN GAS SPRING NAILER PRODUCTS AND COMPONENTS THEREOF**	**Inv. No. 337-TA-1082**

[CORRECTED] INITIAL DETERMINATION ON VIOLATION OF SECTION 337 AND RECOMMENDED DETERMINATION ON REMEDY AND BOND

Chief Administrative Law Judge Charles E. Bullock

(June 7, 2019)

Pursuant to the Notice of Investigation, this is the Initial Determination in the Matter of Certain Gas Spring Nailer Products and Components Thereof, Investigation No. 337-TA-1082.

For the reasons stated herein, the undersigned has determined that no violation of section 337 of the Tariff Act of 1930, as amended, has been found in the importation into the United States, the sale for importation, or the sale within the United States after importation of certain gas spring nailer products and components thereof with respect to U.S. Patent No. 8,387,718.

I. INTRODUCTION

A. Procedural History

Complainant Kyocera Senco Brands Inc. ("Complainant") filed a complaint on September 26, 2017. An amended complaint was filed on October 17, 2017. The amended complaint, as supplemented, alleges violations of section 337 based on the importation and sale of certain gas spring nailer products and components thereof that purportedly infringe U.S. Patent Nos. 8,011,547 ("the '547 patent"), 8,267,296 ("the '296 patent"), 8,267,297 ("the '297 patent")[1], 8,387,718 ("the '718 patent"), 8,286,722 ("the '722 patent), and 8,602,282 ("the '282 patent"). 82 Fed. Reg. 55,118-119 (Nov. 20, 2017). The Investigation was instituted on November 20, 2017. *Id.* The Notice of Institution named Hitachi Koki U.S.A. Limited ("Respondent") as the respondent. *Id.* The Office of Unfair Import Investigations is not a party to the Investigation. *Id.*

On June 4, 2018, the '547 patent was terminated from the Investigation, based on the withdrawal of the allegations pertaining to that patent. (*See* Order No. 13; *see also* Notice of Comm'n Decision Not to Review an Initial Determination Granting a Joint Mot. for Partial Termination of the Investigation as to one of the Asserted Patents (June 22, 2018).)

On October 24, 2018, the undersigned granted-in-part Respondent's motion *in limine* no. 1 to exclude testimony and evidence regarding Senco's technical expert, Dr. John D. Pratt. (*See* Order No. 28, attached hereto as Exhibit 1.) Specifically, the undersigned found that Dr. Pratt did not qualify as a person of ordinary skill in the art under the standard set forth in the *Markman* order. The undersigned stated:

> While Dr. Pratt meets the educational requirement, he lacks the requisite experience. The undersigned found that a person of ordinary skill in the art is

[1] On June 19, 2018, claim 30 of the '297 patent was added to the Investigation. (*See* Order No. 15; *see also* Notice of Comm'n Decision Not to Review an Initial Determination Granting Complainant's Mot. to Amend the Notice of Investigation to Add Claim 30 of U.S. Patent No. 8,267,297 (July 9, 2018).)

> required to have some degree of experience in *power nailer design*. (Order No. 9 at 5-6.) Dr. Pratt has extensive experience in fastener driving tools, but does not purport to have any experience in power nailer design. (*See* Opp. at 2 (noting that experience in fastener driving tools "overlaps" with the requisite experience, but never asserting that Dr. Pratt does, in fact, have such experience); *see also* Mot. Ex. 1 at 48:19-21 (deposition testimony in which Dr. Pratt admits that he does not have any experience designing powered nailers).) As such, Dr. Pratt does not qualify as a person of ordinary skill in the art as that level has been defined.

Id. at 2. The undersigned further noted:

> Complainant had the opportunity to argue for a different finding, but chose not to do so. Permitting Complainant to re-litigate this issue would be unfair to Respondent and would also undermine the finality of such rulings in future investigations. The undersigned cannot accept a practice in which litigants are free to make additional arguments that they had the opportunity to make previously, but neglected to do so.

Id. at 2-3. Based on this finding, the undersigned determined that Dr. Pratt would not be allowed to testify regarding the doctrine of equivalents, stating: "Complainant will not be able to establish infringement as to these claims[2] and all of Dr. Pratt's testimony related to the doctrine of equivalents should be struck." *Id.* at 6. On that basis, the parties stipulated that the hearing would only address the '718 patent. (*See* Joint Statement Re: Order No. 28, Doc ID 659964, at 1 (Oct. 26, 2018) ("Complainant and Respondent agree that the hearing should move forward only with respect to claims 1, 10, and 16 of U.S. Patent 8,387,718.")

The evidentiary hearing was held November 13 – 16, 2018.

[2] This includes claims 1 and 16 of the '296 patent, claims 1, 30, and 32 of the '297 patent, claims 1 and 16 of the '722 patent, and claim 1 of the '282 patent.

B. The Private Parties

1. Complainant Kyocera Senco Brands Inc.[3]

Complainant is a company organized and existing under the laws of Delaware, with its principal place of business in Cincinnati, Ohio. (Am. Compl. at ¶ 5; *see also* CIB at 4.) Complainant develops, designs, engineers, and sells gas spring nailer products, pneumatic nailers, staplers, and fasteners for the commercial and residential markets. (*Id.*)

2. Respondent Hitachi Koki U.S.A., Ltd.

Respondent is a Delaware corporation, with its principal place of business in Braselton, Georgia. (Am. Compl. at ¶10; *see also* RIB at 3.)

C. Products at Issue

1. The Accused Products

Complainant accuses five gas spring nailers of infringing the '718 patent: the NT1850DE, NT1865DM, NT1865DMA, NR1890DC, and NR1890DR nailers (collectively, the "Accused Products"). (CIB at 6; RIB at 9.)

2. The Domestic Industry Products

Complainant asserts that its FUSION F-18, F-16S, F-16A, and F-15 finish nailers (collectively, the "Finishing Nailers"), as well as [redacted] (collectively, the "Domestic Industry products"), practice at least one claim of the asserted patent. (*Id.*)

[3] Complainant notes that it has since changed its name to "Kyocera Senco Industrial Tools, Inc." (CIB at 4 n.3.)

II. THE '296, '297, '722, AND '282 PATENTS

For the reasons discussed in Section I.A. *supra*, Complainant cannot establish infringement of claims 1 and 16 of the '296 patent, claims 1, 30, and 32 of the '297 patent, claims 1 and 16 of the '722 patent, and claim 1 of the '282 patent.

Accordingly, the undersigned finds that there is no violation as to U.S. Patent Nos. 8,267,296; 8,267,297; 8,286,722; and 8,602,282.

III. JURISDICTION AND IMPORTATION

A. Subject Matter Jurisdiction

Section 337 confers subject matter jurisdiction on the Commission to investigate, and if appropriate, to provide a remedy for, unfair acts and unfair methods of competition in the importation, the sale for importation, or the sale after importation of articles into the United States. *See* 19 U.S.C. §§ 1337(a)(1)(B) and (a)(2). Complainant filed a complaint alleging a violation of this subsection. Accordingly, the Commission has subject matter jurisdiction over this Investigation under section 337 of the Tariff Act of 1930. *Amgen, Inc. v. U.S. Int'l Trade Comm'n*, 902 F.2d 1532, 1536 (Fed. Cir. 1990).

B. Personal Jurisdiction

Respondent has appeared and participated in this Investigation. The Commission therefore has personal jurisdiction over Respondent. *See, e.g., Certain Optical Disk Controller Chips & Chipsets & Prods. Containing Same, Including DVD Players & PC Optical Storage Devices*, Inv. No. 337-TA-506, Initial Determination at 4-5 (May 16, 2005) (unreviewed in relevant part).

C. *In Rem* Jurisdiction

Respondent does not dispute that the Commission has *in rem* jurisdiction. (RIB at 11 (admitting that it has sold the Accused Products in the United States after importation).)

IV. ORDINARY SKILL IN THE ART

The undersigned has previously determined that one of ordinary skill in the art with respect to the asserted patent would have had at least (i) a Master's Degree in mechanical engineering with at least two years of experience in power nailer design; (ii) a Bachelor's Degree in mechanical engineering with at least five years of experience in powered nailer design; or (iii) ten or more years of experience in powered nailer design. (Order No. 9 at 5-6 (May 3, 2018).)

V. RELEVANT LAW

A. Infringement

In a section 337 investigation, the complainant bears the burden of proving infringement of the asserted patent claims by a preponderance of the evidence. *Spansion, Inc. v. Int'l Trade Comm'n*, 629 F.3d 1331, 1349 (Fed. Cir. 2010). This standard "requires proving that infringement was more likely than not to have occurred." *Warner-Lambert Co. v. Teva Pharm. USA, Inc.*, 418 F.3d 1326, 1341 n.15 (Fed. Cir. 2005).

1. Literal Infringement

Literal infringement is a question of fact. *Finisar Corp. v. DirecTV Grp., Inc.*, 523 F.3d 1323, 1332 (Fed. Cir. 2008). Literal infringement requires the patentee to prove that the accused device contains each limitation of the asserted claim(s). If any claim limitation is absent, there is no literal infringement of that claim as a matter of law. *Bayer AG v. Elan Pharm. Research Corp.*, 212 F.3d 1241, 1247 (Fed. Cir. 2000).

2. Indirect Infringement

Indirect infringement may be either induced or contributory. Direct infringement must first be established in order for a claim of indirect infringement to prevail. *BMC Res. v. Paymentech,* 498 F.3d 1373, 1379 (Fed. Cir. 2007).

a) Induced Infringement

Section 271(b) of the Patent Act provides: "Whoever actively induces infringement of a patent shall be liable as an infringer." 35 U.S.C. §271(b) (2008). To establish liability, the patent holder must prove that "once the defendants knew of the patent, they 'actively and knowingly aid[ed] and abett[ed] another's direct infringement.'" *DSU Med. Corp. v. JMS Co., Ltd.* 471 F.3d 1293, 1305 (Fed. Cir. 2006) (en banc) (citations omitted). A finding of induced infringement requires "evidence of culpable conduct, directed to encouraging another's infringement, not merely that the inducer had knowledge of the direct infringer's activities." *Id.* at 1306. Although §271(b) requires knowledge that the induced acts constitute patent infringement, the Supreme Court has held that liability will also attach when the defendant is willfully blind. *Global-Tech Appliances, Inc. v. SEB S.A.*, 131 S. Ct. 2060, 2068-2069 (2011). The burden is on the complainant to prove that the respondent had the specific intent and took action to induce infringement. *DSU*, 471 F.3d at 1305-06. Intent may be proven by circumstantial evidence. *Lucent Tech., Inc. v. Gateway, Inc.*, 580 F.3d 1301, 1322 (Fed. Cir. 2009).

B. Validity

A patent is presumed valid. 35 U.S.C. § 282; *Microsoft Corp. v. i4i Ltd. P'ship*, 131 S. Ct. 2238, 2242 (2011). A respondent who has raised patent invalidity as an affirmative defense has the burden of overcoming this presumption by clear and convincing evidence. *Microsoft,* 131 S. Ct. at 2242. As with an infringement analysis, an analysis of invalidity involves two steps: determining the scope of the claim and comparing the properly construed claim with the prior art to determine whether the claimed invention is anticipated and/or rendered obvious.

1. Obviousness (35 U.S.C. § 103)

Under 35 U.S.C. §103, a patent may be found invalid for obviousness if "the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains." 35 U.S.C. §103(a). Because obviousness is determined at the time of invention, rather than the date of application or litigation, "[t]he great challenge of the obviousness judgment is proceeding without any hint of hindsight." *Star Scientific, Inc. v. R.J. Reynolds Tobacco Co.*, 655 F.3d 1364, 1375 (Fed. Cir. 2011) ("*Star II*").

When a patent is challenged as obvious, the critical inquiry in determining the differences between the claimed invention and the prior art is whether there is an apparent reason to combine the known elements in the fashion claimed by the patent at issue. *KSR Int'l Co. v. Teleflex, Inc.*, 550 U.S. 398, 417-418 (2007). The Federal Circuit has since held that when a patent is challenged as obvious, based on a combination of several prior art references, "the burden falls on the patent challenger to show by clear and convincing evidence that a person of ordinary skill in the art would have had reason to attempt to make the composition or device, or carry out the claimed process, and would have had a reasonable expectation of success in doing so." *PharmaStem Therapeutics, Inc. v. ViaCell, Inc.*, 491 F.3d 1342, 1360 (Fed. Cir. 2007) (citations omitted).

Obviousness is a determination of law based on underlying determinations of fact. *Star II*, 655 F.3d at 1374. The factual determinations behind a finding of obviousness include: (1) the scope and content of the prior art, (2) the level and content of the prior art, (3) the differences between the claimed invention and the prior art, and (4) secondary considerations of non-obviousness. *KSR*, 550 U.S. at 399 (citing *Graham v. John Deere Co.*, 383 U.S. 1, 17 (1966)). These factual determinations are referred to collectively as the "*Graham* factors." Secondary

considerations of non-obviousness include commercial success, long felt but unresolved need, and the failure of others. *Id.* When present, secondary considerations "give light to the circumstances surrounding the origin of the subject matter sought to be patented," but they are not dispositive on the issue of obviousness. *Geo. M. Martin Co. v. Alliance Mach. Sys. Int'l.*, 618 F.3d 1294, 1304-06 (Fed. Cir. 2010). A court must consider all of the evidence from the *Graham* factors before reaching a decision on obviousness. For evidence of secondary considerations to be given substantial weight in the obviousness determination, its proponent must establish a nexus between the evidence and the merits of the claimed invention. *W. Union Co. v. MoneyGram Payment Sys. Inc.*, 626 F.3d 1361, 1372-73 (Fed. Cir. 2010) (citing *In re GPAC Inc.*, 57 F.3d 1573, 1580 (Fed. Cir. 1995)).

2. Indefiniteness (35 U.S.C. § 112)

A claim must also be definite. Pursuant to 35 U.S.C. § 112, second paragraph: "The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention." 35 U.S.C. § 112, ¶ 2. In *Nautilus, Inc. v. Biosig Instruments, Inc.*, 134 S. Ct. 2120 (2014), the Supreme Court held that § 112, ¶ 2 requires "that a patent's claims, viewed in light of the specification and prosecution history inform those skilled in the art about the scope of the invention with reasonable certainty." (*Id.* at 2129.) A claim is required to "provide objective boundaries for those of skill in the art," and a claim term is indefinite if it "might mean several different things and no informed and confident choice is among the contending definitions." *Interval Licensing LLC v. AOL, Inc.*, 766 F.3d 1364, 1371 (Fed. Cir. 2014). A patent claim that is indefinite is invalid. 35 U.S.C. § 282(b)(3)(A).

C. Domestic Industry

In a patent-based complaint, a violation of section 337 can be found "only if an industry in the United States, relating to the articles protected by the patent . . . concerned, exists or is in the process of being established." 19 U.S.C. § 1337(a)(2). Under Commission precedent, this "domestic industry requirement" of section 337 consists of an economic prong and a technical prong. *Certain Stringed Musical Instruments and Components Thereof*, Inv. No. 337-TA-586, Comm'n Op. at 12-14, 2009 WL 5134139 (U.S.I.T.C. Dec. 2009). The complainant bears the burden of establishing that the domestic industry requirement is satisfied. *See Certain Set-Top Boxes and Components Thereof*, Inv. No. 337-TA-454, Final Initial Determination at 294, 2002 WL 31556392 (U.S.I.T.C. June 21, 2002) (unreviewed by Commission in relevant part).

1. Economic Prong

Section 337(a)(3) sets forth the following economic criteria for determining the existence of a domestic industry in such investigations:

> (3) For purposes of paragraph (2), an industry in the United States shall be considered to exist if there is in the United States, with respect to the articles protected by the patent, copyright, trademark, mask work, or design concerned –
>
> (A) significant investment in plant and equipment;
> (B) significant employment of labor or capital; or
> (C) substantial investment in its exploitation, including engineering, research and development, or licensing.

Given that these criteria are listed in the disjunctive, satisfaction of any one of them will be sufficient to meet the economic prong of the domestic industry requirement. *Certain Integrated Circuit Chipsets and Prods. Containing Same*, Inv. No. 337-TA-428, Order No. 10, Initial Determination (unreviewed) (May 4, 2000).

2. Technical Prong

The technical prong of the domestic industry requirement is satisfied when the complainant in a patent-based section 337 investigation establishes that it is practicing or exploiting the patents at issue. *See* 19 U.S.C. § 1337(a)(2) and (3); *Certain Microsphere Adhesives, Process for Making Same and Prods. Containing Same, Including Self-Stick Repositionable Notes,* Inv. No. 337-TA-366, Comm'n Op. at 8, 1996 WL 1056095 (U.S.I.T.C. Jan. 16, 1996). "The test for satisfying the 'technical prong' of the industry requirement is essentially [the] same as that for infringement, i.e., a comparison of domestic products to the asserted claims." *Alloc, Inc. v. Int'l Trade Comm'n*, 342 F.3d 1361, 1375 (Fed. Cir. 2003). To prevail, the patentee must establish by a preponderance of the evidence that the domestic product practices one or more claims of the patent, either literally or under the doctrine of equivalents. *Bayer*, 212 F.3d at 1247. It is sufficient to show that the products practice any claim of that patent, not necessarily an asserted claim of that patent. *Certain Microsphere Adhesives*, Comm'n Op. at 7-16.

VI. REPRESENTATIVENESS OF THE NT1850DE ACCUSED PRODUCT AND THE F-15 DOMESTIC INDUSTRY PRODUCT

A. The Accused Products

Complainant asserts that the "NT1850DE Nailer is representative of the NT1865DM, NT1865DMA, NR1890DC, and NR1890DR Nailers for the purposes of infringement." (CIB at 11 (citing CX-0110C at Q/As 48-59; Pratt Tr. at 134:22-135:22, 136:19-139:9).) To support its assertion, Complainant relies on the testimony of its expert, Dr. Pratt, who inspected and tested the Accused Products.[4] (*Id.* (citing CX-0110C at Q/As 48-59; CDX-0001C at 3).) Complainant also relies on Respondent's parts lists, which it claims "shows that the Accused Products are nearly

[4] As discussed *supra*, Dr. Pratt does not qualify as person of ordinary skill in the art. (*See* Section I.A.) However, the undersigned finds that one does not need to be a person of ordinary skill in the art to opine on representativeness of the products.

identical in structure, save for minor differences to accommodate different-sized fasteners, which have no impact on infringement of the '718 Patent." (*Id.* at 11-12 (citing CX-0110C at Q/As 48-59; JX-0016C; JX-0017C; JX-0018C; CX-0008C; CX-0010C).) Complainant similarly relies on Respondent's marketing materials. (*Id.* at 11 (citing JX-0019C; JX-0020C; JX-0021C; JX-0022C; JX-0023C; CX-0012C).)

Respondent disagrees that Complainant has met its burden to show that the NT1850DE is representative of the other Accused Products. (RIB at 12.) Respondent points out that Dr. Pratt "acknowledged differences among the Accused Products" and claims that he failed to "take them into account in his infringement analysis." (*Id.*) Specifically, Respondent asserts that "the NR and NT products have different lifting gears, piston cylinders, and air chambers, and every Accused Product has a different piston and driver (the 'movable member / piston with driver assembly')." (*Id.* (citing CDX-0001 at 3).) Respondent faults Dr. Pratt for "not perform[ing] any analysis showing that the different components among the Accused Products have identical characteristics." (*Id.* at 13.) To corroborate its claim, Respondent refers to Dr. Pratt's cross-examination testimony in which he admitted that he "was not able to see certain relevant components, such as the piston" during his inspection of the accused products other than the NT1850DE. (*Id.* (citing Pratt Tr. at 76:15-77:4).)

Respondent does not dispute that "there is nothing improper about an expert testifying in detail about a particular device and then stating that the same analysis applies to other allegedly infringing devices that operate similarly, without discussing each type of device in detail." *See TiVo, Inc. v. Echostar Commc'ns Corp.*, 516 F.3d 1290, 1308 (Fed. Cir. 2008). Respondent argues, however, that the expert "cannot simply 'assume' that all of the [accused] products are like the one [the expert] tested and thereby shift to [the Respondent] the burden to show that is not the case."

(RIB at 12 (quoting *L&W, Inc. v. Shertech, Inc.*, 471 F.3d 1311, 1318 (Fed. Cir. 2006)).) Respondent points out that the Complainant "must point to evidence that supports the proposition that [the] accused products are identical for purposes of the [asserted] patent." (*Id.* (quoting *Certain Bulk Welding Wire Containers and Components Thereof*; Inv. No. 337-TA-686, ID, 2011 WL 7464368, at *155 (July 29, 2010)); *see id.* (citing *Certain Bulk Welding Wire Containers and Components Thereof*; Inv. No. 337-TA-686, ID, 2011 WL 7464368, at *155 (July 29, 2010) (Complainant must "show by a preponderance of the evidence that the representative products are indeed 'representative' of all of [the] accused products.").)

The evidence, including Dr. Pratt's testimony at the hearing, is sufficient to establish that the NT1850DE product is representative of the NT1865DM, NT1865DMA, NR1890DC, and NR1890DR products "at least for purposes of [the] infringement analysis." (*See* CX-0110C at Q/A at 50.) Dr. Pratt first reviewed the parts lists[,] . . . operating instructions, technical and service manuals, and other literature. (*Id.* at Q/A 52 (citing JX-0016C (parts list for NT1850DE); JX-0017C (parts list for NT1865DM); JX-0018C (parts list for NR1890DC); CX-0008C (parts list for NT1865DMA); CX-0010C (parts list for NR1890DR); *see* Tr. at 134:8-16.) From this information, he created a demonstrative "showing how common claim elements from the Asserted Patents are found in each of the Accused Products" to support his "conclusion that the Accused Products have substantially similar designs." (CX-0110C at Q/A 53 (referring to CDX-0001C at 3); *see* Pratt Tr. at 134:8-16 (same).) The table from this demonstrative, set forth below, shows that the NT1865DM, NT1865DMA, NR1890DC, and NR1890DR products share some of the same parts as the NT1850DE product, which is strong evidence that those parts are the same for purposes of infringement.

CLAIM ELEMENT	NT1850DE	NT1865DM	NT1865DMA	NR1890DC	NR1890DR
	Part No.	Part No.	Part No.	Part No.	Part No.
Lifter Member		371026		372321	
Main Storage Chamber		371035 371036		372337 372388	
Hollow Cylinder		371041		372335 372336	
Driver Member (Housing)	371049		371050	372387	
Driver Member (Front Plate)	371055	371056	371057	372309	371804
Movable Member / Piston with Driver Assembly	371043	371044	371045	372318	371810
Prime Mover Rotor		361054		361071	
Energy Source (Battery)			339782		
Gearbox Assembly		371025		372341	

Respondent argues that Dr. Pratt's table is evidence that "components in the Accused Products indisputably relevant to the Asserted Claims are different among the Accused Products" because not all parts are identical between the products. (RRB at 2.) Although Dr. Pratt agreed with Respondent that the products have some differences, he testified that "any differences between the Accused Products concern adaptations to install different sized fasteners and have no impact on my conclusions reached regarding infringement of the Asserted Patents." (CX-0110C at Q/A 51.) For example, the demonstrative above shows that the NR1890DC and NR1890DR products have a different part number than the NT1850DE product for the component identified as the "main storage chamber." (CDX-0001C at 3.) But Dr. Pratt testified that there are no "differences with respect to the claims of the '718 patent between the parts identified by part number in that row" because "[t]hey're pressurized chambers separate and distinct from the hollow cylinder" that have slightly different configurations because "the NR framing nailers require a larger volume[,] [b]ut other than that, it's just a matter of scale." (Pratt Tr. at 135:11-22.) Dr. Pratt provided similar testimony for the other components that he matched to claim limitations. (*Id.* at 134:22-135:22, 136:19-139:9.)

Dr. Pratt corroborated his testimony by referring to documents and his own physical inspection of the accused products. (CX-0110C at Q/As 54-59.) Respondent criticizes Dr. Pratt's physical inspection, but even if Respondent is correct that Dr. Pratt's physical inspection "reveal[ed] nothing about the interior body . . . because those key components are located deeper inside those products," Respondent failed to dispute the other evidence that Dr. Pratt relied upon. (*See* RIB at 13 (citing Tr. at 76:15-77:4) and RRB at 2-3.) For example, Dr. Pratt relied on Respondent's instruction and safety manuals, technical data manuals, and service manuals to confirm that the products only have "minimal differences" with no "effect on the analysis of the asserted claims of the Asserted Patents." (CX-0110C at Q/As 54-55 (citing JX-0019C (instruction and safety manual for NT1850DE, NT1865DM, and NT1865DMA); JX-0020C (instruction and safety manual for NR1890DC and NR1890DR); JX-0021C (technical sales document for NT1850DE, NT1865DM, and NT1865DMA); JX-0022C (technical sales document for NR1890DC and NR1890DR); JX-0023C (service manual for NT1850DE, NT1865DM, and NT1865DMA); CX-0012C (service manual for NR1890DC and NR1890DR); *see* CDX-0001C at 4.) Dr. Pratt also relied on Respondent's marketing literature that "describe[s] the design, structure, and operation of each Accused Product as being based on the same technology and drive system." (CX-0010C at Q/As 56-57 (citing CX-0005C (marketing literature for NT1850DE, NT1865DM, and NT1865DMA); CX-0006C (same); CX-0007C (presentation slides for NT1850DE, NT1865DM, and NT1865DMA); JX-0013C (marketing literature for NR1890DC and NR1890DR); JX-0014C (marketing literature for NT1850DE, NT1865DM, NT1865DMA, NR1890DC, and NR1890DR)).)

Respondent does not assert that the NT1850DE product is not actually representative of the NT1865DM, NT1865DMA, NR1890DC, and NR1890DR products, nor does it present any

such evidence. It only argues that Complainant has not met its burden of showing representativeness. Thus, for the reasons discussed above, the documentary evidence in combination with Dr. Pratt's testimony is sufficient to establish that the NT1850DE product is representative of the NT1865DM, NT1865DMA, NR1890DC, and NR1890DR products for the purposes of infringement.

B. The Domestic Industry Products

Complainant asserts that the "F-15 Nailer is representative of the other [Domestic Industry] Products, namely, Complainant's F-16A, F-16S, and F-18 Nailers, as well as [redacted] for purposes of [domestic industry]." (CIB at 12 (citing CX-0110C at Q/As 232-60; Pratt Tr. at 139:16-147:3).) For its assertion, Complainant relies on the testimony of its expert, Dr. Pratt, who inspected and tested the Domestic Industry products. (*Id.* (citing CX-0110C at Q/As 232-60; CDX-0002C).) Complainant also relies on its parts lists, engineering drawings, and advertising materials, which it claims show "some minor differences among the DI Products, [but the] differences concern adaptations to install different-sized fasteners and have no impact on practice of the '718 Patent." (*Id.* at 12-13 (citing CX-0015C; CX-0016C; CX-0017C; CX-0018C; CX-0019C; CX-0024; CPX-0005C; CPX-0007C; JPX-0001; JPX-0002; JPX-0003; JPX-0004).) Complainant further asserts that its F-15 finish nailer is representative of its [redacted] among other reasons. (*Id.* at 13-14 (citing CX-0112C at Q/As 26-41; CX-0025C; CX-0026C; CX-0027C; CX-0028C; RX-0259C at 260:1-2).)

Respondent disagrees that Complainant has met its burden to show that the F-15 is representative of the other finish nailer domestic industry products. (RIB at 13.) Respondent points out that Dr. Pratt "confirmed at the hearing that there is no evidence in the record about the specific

piston, hollow cylinder, lifter member, and main storage chamber used in the Alleged Domestic Industry Products or evidence that the piston, cylinder, lifter member, and main storage chamber in the FUSION F-15 are representative of any such components in the other Alleged Domestic Industry Products." (*Id.* at 13-14 (citing Pratt Tr. at 92:4-94:8).) Respondent also points out that, with respect to the parts list, "Dr. Pratt admitted that the driver assembly—which contains the piston, lifter member, and main storage chamber—is different in each of the Alleged Domestic Industry Products . . . and that he never fully saw these components during his inspection." (*Id.* at 14 (citing Pratt Tr. at 99:1-105:16).) Regarding the engineering drawings, Respondent complains that "[t]here is no testimony by any fact witness . . . that they accurately reflect the components used in the FUSION tools." (*Id.* at 15 (citing Pratt Tr. at 106:7-24, 108:7-110:16, 113:7-23, 116:21-118:13).) Finally, as to the operating instructions and advertising materials, Respondent points out that these documents do not provide part numbers for any of the components. (*Id.* at 15-16 (citing Pratt Tr. at 119:8-121:20).)

Respondent also disagrees that Complainant has met its burden to show that the F-15 is representative of [redacted] (*Id.* at 16.) Respondent reasons that [redacted] (*Id.* (citing RX-0259C at 243:17–244:17; Pratt Tr. at 131:12-132:24).)

As with the Accused Products, Dr. Pratt reviewed parts lists, operating instructions, technical and services manuals, engineering drawings, and advertising materials for the domestic industry products. (CX-0110C at Q/As 245-247 (citing CX-0015C (collection of engineering drawings); CX-0016C (parts reference guide for F-15); CX-0017C (parts reference guide for F-

16A); CX-0018C (parts reference guide for F-16S); CX-0019C (parts reference guide for F-118); CX-0024 (collection of photographs); CX-0025C [redacted]; CX-0026C [redacted]; CX-0027C [redacted]; CX-0028C [redacted]) From this information, he created a demonstrative "summarizing the correlation between the parts found in each of the Domestic Industry Products and several common claim limitations from the Asserted Patents" to support his "conclusion that the Domestic Industry Products have substantially similar designs." (*Id.* (referring to CDX-0002C at 2); *see* Pratt Tr. at 97:4-25.) The table in this demonstrative, set forth below, shows that the F-15, F-15A, F-16S, and F-18 products have the same part number for the components identified for all the limitations except for the "driver member front plate (1)" and "prime mover(2)" limitations.

CLAIM ELEMENT	FUSION F 15	FUSION F 16A	FUSION F 16S	FUSION F 18
	Part No.	Part No.	Part No.	Part No.
Lifter Member		WB0050		
Main Storage Chamber		BC0686		
Hollow Cylinder		BC0831		
Driver Member Housing		FC0693		
Driver Member Front Plate (1)	FC0694	FC0702		FC0729
Movable Member / Piston		EC0475		
Prime Mover (2)		VA0066		VA0079
Energy Source (Battery)		VB0163		
Gearbox Assembly		WC0181		

Respondent attacks the data in Dr. Pratt's demonstrative. Respondent specifically refers to Dr. Pratt's admissions on cross-examination that the parts lists he relies on (CX-0016C, CX-0017C, CX-0018C, and CX-0019C) do not identify the specific part number for the lifter member,

piston, storage chamber, or cylinder. (RIB at 14 (citing Pratt Tr. at 99:24-100:13, 101:2-18; 103:6-104:6, 104:18-105:16).)

On redirect examination, Dr. Pratt explained that the parts numbers listed in his demonstrative are shown in the engineering drawings (CX-0015). (Pratt Tr. at 143:4-147:3.) He testified that he compared the engineering drawings with the physical products during his manual inspection of the products to verify that the parts were the same as depicted "by, for example, taking measurements with the cover off." (*Id.*)

Respondent contends that Dr. Pratt's manual inspection of the products was not sufficient because, although he "fully disassembled the F-15" product, he only he took off "the housing and examin[ed] the components inside" for the F-16A, F-16S, and F-18 products. (Pratt Tr. at 93:7-17.) From this inspection of the F-16A, F-16S, and F-18 products, he could not see the piston inside the drive assembly, the piston stop inside the drive assembly, or the internal portion of the main storage chamber or cylinder inside the drive assembly because "it's buried up inside" and "it's all sealed and pressurized." (*Id.* at 93:18-94:8; *see id.* at 140:3-141:15 ("[T]o take these things apart on the Fusion, you have to drill a hole to relieve the pressurized gas inside the pressurized chamber. Otherwise, it could . . . injure you, which is one of the reasons I didn't drill holes in all of the exemplar parts.").) Respondent also points out that the parts lists (CX-0016C, CX-0017C, CX-0018C, and CX-0019C) show a different driver assembly for each product. (RIB at 14; RRB at 4.) Because the driver assembly "contains the piston, lifter member, and main storage chamber," Respondent contends that Dr. Pratt's table is not supported by evidence. (RIB at 14-15.)

Dr. Pratt disagreed that the different part numbers for the driver assemblies established that the separate piston, lifter member, and main storage chamber components were different between the products. Dr. Pratt explained that the driver assembly differences concern adaptations to drive

different-sized fasteners and have no impact on his technical domestic industry analysis. (CX-0110C at Q/A 245; Pratt Tr. at 140:3-141:15 (testifying that the "slight differences in, say, the guide hole or the guide bore in the . . . guide body [is] to accommodate a different size driver for the different size nails" and that he was "able to confirm that all of the Senco Fusion tools had this same configuration and similar parts.").) He further explained that the "common sense" conclusion in view of the "drawings and the similarity of everything else" in combination with his inspection was that the products were the same for the purposes of the asserted claims. (Pratt Tr. at 140:3-141:15.)

Although Complainant's evidence in some aspects is circumstantial instead of direct, it is more than sufficient to satisfy its burden to prove that the F-15 is identical in relevant respects to the F-16A, F-16S, and F-18 products. *See Metabolite Labs., Inc. v. Lab. Corp. of Am. Holdings*, 370 F.3d 1354, 1365 (Fed. Cir. 2004) ("It is hornbook law that direct evidence of a fact is not necessary. 'Circumstantial evidence is not only sufficient, but may also be more certain, satisfying and persuasive than direct evidence.'"); *Moleculon Research Corp. v. CBS, Inc.*, 793 F.2d 1261, 1272 (Fed. Cir. 1986) (citing *Michalic v. Cleveland Tankers, Inc.*, 364 U.S. 325, 330 (1960). The evidence and Dr. Pratt's testimony establishes that the products are very similar, and the main differences allow for different size nails which does not concern the asserted claims.

Finally, Respondent takes issue with Complainant's contention that the F-15 products is representative of [redacted]. Respondent focuses on the status of the [redacted] (RIB at 15 (quoting RX-0259C at 243:17–244:17).) Respondent does not otherwise dispute Complainant's evidence or contention. Respondent sets up a red herring by arguing that there is no evidence that the F-15 is representative of [redacted] (*See* RRB at 4-5.) But

Complainant only argues that the F-15 is representative of [redacted] (CIB at 13.) The preponderance of the evidence, set forth above, shows that it is. (*See* CX-0110C at Q/As 253-260; CX-0025C; CX-0026C; CX-0027C; CX-0028C.)

Accordingly, the undersigned finds that Complainant has shown that the F-15 product is representative of the F-16A, F-16S, and F-18 products, as well as [redacted] for purposes of the technical domestic industry analysis.

VII. U.S. PATENT NO. 8,387,718[5]

A. Overview

The '718 patent, entitled "Method for Controlling a Fastener Driving Tool Using a Gas Spring," issued on March 5, 2013 to Richard L. Leimbach, Shane Adams, Thomas W. Clark, Michael V. Petrocelli, and Teresa Petrocelli. The '718 patent is assigned to Senco Brands, Inc.[6] The '718 patent generally relates to "linear fastener driving tools, and, more particularly, [is] directed to portable tools that drive staples, nails, or other linearly driven fasteners." ('718 patent at 1:15-17.) The invention is "specifically disclosed as a gas spring linear fastener driving tool, in which a cylinder filled with compressed gas is used to quickly force a piston through a driving stroke movement, while also driving a fastener into a workpiece." (*Id.* at 18-21; *see also* Am. Compl. at ¶¶ 41-43.)

[5] The parties note that many of their arguments and evidence concerning infringement, domestic industry, and invalidity, are made with reference to arguments and evidence proffered with respect to the other patents that are no longer at issue. The parties therefore stipulate that such arguments and evidence shall only be relied upon for issues relating to the '718 patent. (*See* Doc ID 659964 at 1.)

[6] Complainant owns by assignment the entire right, title, and interest in the asserted patent. (*See* Am. Compl. Ex. 16.)

1. Asserted Claims

Complainant is asserting claims 1, 10, and 16 against Respondent. These claims read as follows:

1. A method for controlling a fastener driving tool, said method comprising: (a) providing a fastener driving tool that includes: (i) a housing; (ii) a system controller; (iii) a safety contact element; (iv) a user-actuated trigger; (v) a fastener; (vi) a prime mover that moves a lifter member which moves a driver member away from an exit end of the mechanism; and (vii) a fastener driving mechanism that moves said driver member toward said exit end of the mechanism, said fastener driving mechanism including: (A) a hollow cylinder comprising a cylindrical wall with a movable piston therewithin, said hollow cylinder containing a displacement volume created by a stroke of said piston, and (B) a main storage chamber that is in fluidic communication with said displacement volume of the cylinder, wherein said main storage chamber and said displacement volume are initially charged with a pressurized gas; (b) selecting, by a user, an operating mode of said driving cycle to be one of: a "bottom firing mode," and a "restrictive firing mode;" wherein: (i) if said restrictive firing mode is selected, said tool will operate if said safety contact element has been actuated before said trigger actuator has been operated; and (ii) if said bottom firing mode is selected, said tool will operate if both: (A) said trigger actuator has been operated, and (B) said safety contact element has been actuated, in either sequence; (c) initiating a driving cycle by pressing said exit end against a workpiece and actuating said trigger, thereby causing said fastener driving mechanism to force the driver member to move toward said exit end and drive a fastener into said workpiece; and (d) actuating said prime mover, thereby moving said lifter member and causing said driver member to move away from said exit end toward a ready position.

10. A method for controlling a fastener driving tool, said method comprising: (a) providing a fastener driving tool that includes: (i) a housing; (ii) a system controller; (iii) a safety contact element; (iv) a user-actuated trigger; (v) a fastener; (vi) a prime mover that moves a lifter member which moves a driver member away from an exit end of the mechanism; and (vii) a fastener driving mechanism that moves said driver member toward said exit end of the mechanism, said fastener driving mechanism including: (A) a hollow cylinder comprising a cylindrical wall with a movable piston therewithin, said hollow cylinder containing a displacement volume created by a stroke of said piston, and (B) a main storage chamber that is in fluidic communication with said displacement volume of the cylinder, wherein said main storage chamber and said displacement volume are charged with a pressurized gas during all portions of an operating cycle; (b) selecting, by a user, an operating mode of said driving cycle to be one of: a "bottom firing mode," and a "restrictive firing mode;" wherein: (i) if said restrictive firing mode is selected, said tool will operate if said safety contact element has been actuated before said trigger actuator has been operated; and (ii) if said bottom firing mode is selected, said tool will operate if both: (A) said trigger actuator has been operated, and (B) said safety contact element has been actuated, (c) initiating a driving cycle by pressing said exit end against a workpiece and actuating said trigger, thereby causing said fastener driving mechanism to force the driver

member to move toward said exit end and drive a fastener into said workpiece; and (d) actuating said prime mover, thereby moving said lifter member and causing said driver member to move away from said exit end toward a ready position.

16. A method for controlling a fastener driving tool, said method comprising: (a) providing a fastener driving tool that includes: (i) a housing; (ii) a system controller; (iii) a safety contact element; (iv) a user-actuated trigger; (v) a fastener; (vi) a prime mover that moves a lifter member which moves a driver member away from an exit end of the mechanism; and (vii) a fastener driving mechanism that moves said driver member toward said exit end of the mechanism, said fastener driving mechanism including: (A) a hollow cylinder comprising a cylindrical wall with a movable piston therewithin, said hollow cylinder containing a displacement volume created by a stroke of said piston, and (B) a main storage chamber that is in fluidic communication with said displacement volume of the cylinder, wherein said main storage chamber and said displacement volume are charged with a pressurized gas during all portions of an operating cycle; (b) selecting, by a user, an operating mode of said driving cycle to be one of: a "bottom firing mode," and a "restrictive firing mode;" wherein: (i) if said restrictive firing mode is selected, said tool will operate if said safety contact element has been actuated before said trigger actuator has been operated; and (ii) if said bottom firing mode is selected, said tool will operate if both: (A) said safety contact element has been actuated, and (B) said trigger actuator has been operated, (c) initiating a driving cycle by pressing said exit end against a workpiece and actuating said trigger, thereby causing said fastener driving mechanism to force the driver member to move toward said exit end and drive a fastener into said workpiece; and (d) actuating said prime mover, thereby moving said lifter member and causing said driver member to move away from said exit end toward a ready position.

2. Claim Construction

The undersigned construed the following terms from the asserted claims as follows:

TERM	CLAIM CONSTRUCTION
"charged with a pressurized gas"	containing gas at a pressure higher than atmospheric pressure
"safety contact element"	a device that when engaged allows operation of the fastener driving tool
"main storage chamber"	a chamber that is distinct from the volume of the cylinder and contains part of the working air volume during operation
"system controller"	a circuit configured to control operation based on received input signals
"bottom firing mode"	a mode in which the tool operates if the trigger actuator is first operated and then the safety contact element is actuated and also operates if the safety contact element is first actuated and then the trigger actuator is operated

TERM	CLAIM CONSTRUCTION
"restrictive firing mode"	a mode in which the tool operates if the safety contact element is first actuated and then the trigger actuator is operated
"initially charged with a pressurized gas"	containing gas at a pressure higher than atmospheric pressure before operation
"mechanism"	fastener driving mechanism
"ready position"	at or proximal to the uppermost travel position
"lifter member"	rotatable component having lifting pins on its face surface
"driver member"	component having multiple teeth that is designed to drive a fastener into a workpiece

(Order No. 9 at 17-21, 32-45 (May 3, 2018).)

B. Infringement

Complainant alleges that the Accused Products infringe claims 1, 10, and 16 of the '718 patent. (CIB at 9.) Complainant asserts that in determining that each element was met, "Dr. Pratt physically inspected the Accused Products, reviewed parts lists, manufacturing drawings, and other literature for the Accused Products, and tested the Accused Products." (*Id.* at 16.) Complainant further contends that for simple claim limitations, such as those in the asserted patent, "a visual inspection alone is sufficient to show infringement, often even without expert testimony." (*Id.* at n.7 (citing *K-TEC, Inc. v. Vita-Mix Corp.*, 696 F.3d 1364, 1371, 1374 (Fed. Cir. 2012) ("*K-TEC*"); *Canon Comput. Sys., Inc. v. Nu-Kote Int'l, Inc.*, 134 F.3d 1085, 1089 (Fed. Cir. 1998) ("*Canon*").)

Respondent insists that it does not infringe the asserted claims. (RIB at 17.) Respondent also objects to Complainant's reliance on *K-TEC* and *Canon*. First, Respondent argues that the technology in *K-TEC* was simple. (RRB at 7.) According to Respondent, this is evidenced by the relatively low level of ordinary skill in the art, namely an associate's degree in mechanical engineering with two to four years of experience in the design or manufacture of blender jars or equivalent containers. (*Id.* (citing *K-TEC, Inc. v. Vita-Mix Corp.*, 729 F.Supp.2d 1312, 1320 (D.

Utah 2010), *aff'd, K-TEC,* 696 F.3d 1364 (Fed. Cir. 2012).) Respondent asserts that unlike *K-TEC*, "this case involve [*sic*] far more complex technology as evidenced by the high level of ordinary skill in the art, which requires either an advanced engineering degree or a lesser degree buttressed with several years of power tool design experience." (*Id.* at 7-8 (citing Order No. 9).) Respondent further asserts that in complex technology cases such as this Investigation, "particularized testimony showing how each limitation of the Asserted Claims is present in the Accused Products is required." (*Id.* at 8 (citing *AquaTex Indus., Inc. v. Techniche Solutions*, 479 F.3d 1320, 1329 n.7 (Fed. Cir. 2007); *Centricut, LLV v. Esab Group, Inc.*, 390 F.3d 1361, 1369 (Fed. Cir. 2004) (expert testimony typically necessary in cases involving complex technology).) Second, Respondent contends that while the expert in *Canon* may have relied on a visual inspection, he still compared the accused product to the asserted claims, prepared a claim chart, and explained his findings, which is unlike Dr. Pratt's conclusory testimony.

While the undersigned agrees with Complainant that a visual inspection will suffice for certain claim limitations in the '718 patent – such as "a housing," "a fastener," or "a user-actuated trigger," the asserted claims are comprised of more than just "simple" limitations. In the instant matter, the technology is complex. It is not easily understandable to laypersons; a fact confirmed by the level of ordinary skill set in the *Markman* Order. (Section IV, *supra.*)[7] The undersigned therefore finds that explanatory expert testimony – beyond that of a visual inspection – is necessary in this Investigation to demonstrate infringement of the asserted patent.[8]

[7] Notably, Complainant's own expert, Dr. Pratt, does not qualify as a person of ordinary skill in the art because he lacks the requisite experience. (*See* Order No. 28.)

[8] The exception being those few claim limitations present in the '718 patent that even a layperson is capable of understanding – *e.g.*, ""a housing," "a fastener," or "a user-actuated trigger."

1. Direct Infringement

a) Claim 1[9]

For the reasons set forth *infra*, the undersigned finds that Complainant has not satisfied its burden to prove that the Accused Products, at a minimum, practice the "system controller" limitation.[10]

i) "system controller" – limitation (a)(ii)[11, 12]

Complainant contends that the Accused Products include this limitation. Complainant explains that "the controller determines when, and for how long, current is fed from the energy source to the prime mover after receiving inputs from sensors on the tool." (CIB at 17 (citing CX-0110C at Q/A 160).)

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[9] Respondent does not dispute that the following elements are present in the Accused Products: (a)(i) "a housing"; (a)(iii) "a safety contact element"; (a)(iv) "a user-actuated trigger"; (a)(vii)(B) "a main storage chamber that is in fluidic communication with said displacement volume of the cylinder, wherein said main storage chamber and said displacement volume are initially charged with a pressurized gas"; (b)(i) "if said restrictive firing mode is selected, said tool will operate if said safety contact element has been actuated before said trigger actuator has been operated; and"; (b)(ii) "if said bottom firing mode is selected, said tool will operate if both:; (b)(ii)(A) "said trigger actuator has been operated, and"; (b)(ii)(B) "said safety contact element has been actuated, in either sequence;" and (d) "actuating said prime mover, thereby moving said lifter member and causing said driver member to move away from said exit end toward a ready position." (RIB at 17 ("Respondent is not disputing the presence of any elements of the Asserted Claims not specifically addressed below.").)

[10] As the parties are aware, "[t]o prove infringement, the patentee must show that the accused device meets each claim limitation." *Deering Precision Instruments, L.L.C. v. Vector Distrib. Sys.*, 347 F.3d. 1314, 1324 (Fed. Cir. 2003) (emphasis added).

[11] Should the Commission find that the Accused Products do indeed practice this limitation, Respondent's expert has conceded that except for the "system controller" and "a lifter member" limitations, all of the other limitations from claim 1 of the '718 patent are present in the Accused Products. (*See* RX-0266C at Q/As 317-320; *see also* RDX-0002.008; Vallee Tr. at 180:7-24.)

[12] The undersigned notes that Complainant's infringement arguments in its post-hearing briefing are cursory and conclusory in nature. (*See, e.g.*, CIB at 17-18 ("The Accused Products practice [the system controller] limitation."), 20 (the extent of Complainant's argument for "selection, by a user, an operating mode of said driving cycle to be one of: a 'bottom firing mode,' and a 'restrictive firing mode' is one sentence, stating that Respondent's instruction manual direct end users to "use the Accused Products to practice this limitation.").) In more than one instance, Complainant cites to various exhibits or questions and answers in Dr. Pratt's testimony without any real explanation. While this is not a violation of the Ground Rules *per se*, this is – in essence – "incorporating by reference" an expert's testimony in an attempt to circumvent the page limits on post-hearing briefing, and is not the caliber of briefing expected from the parties.

Respondent asserts that Complainant has failed to show that this element is met. (RIB at 17.) Respondent states: "Dr. Pratt stated that this limitation is met for the reasons he discussed with respect to the 'system controller' limitation found in claim 1 of the '722 patent. . . . However, Dr. Pratt provided no analysis or evidence showing that the circuitry on the printed circuit board is 'configured to control operation based on received input signals.'" (*Id.*)

The term "system controller" was determined to mean "a circuit configured to control operation based on received input signals." (*See* Order No. 9 at 17.) Complainant relies primarily on Dr. Pratt's testimony as proof that this limitation is present in the Accused Products. (*See* CIB at 17-18; CRB at 5-6.) When questioned about the "system controller" limitation in the '718 patent, Dr. Pratt testified:

> The Accused Products meet this limitation, as I explained previously with respect to the similar "system controller" limitation found in claim 1 of the '722 Patent and as shown, for example, on pages 42 and 43 of CDX-0001C.

(CX-0110C at Q/A 191.) His testimony relating to the '722 patent is set forth below:

> Q. What is your opinion regarding whether the Accused Products meet the claim limitation "a housing that contains a prime mover, and a system controller," as in claim 1 of the '722 Patent?
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> A. The Accused Products meet this limitation. Referring to pages 42 and 43 of CDX-0001C, I created labeled images of the NT1850DE Nailer showing how the Accused Products include every element of this claim limitation. I understand that "system controller" means "a circuit configured to control operation based on received input signals." I believe it makes sense to discuss the "system controller" limitation in more detail with respect to another limitation of this claim, but the Accused Products do meet this limitation. I also discussed how the controller in the Accused Products work with respect to the "predetermined conditions" limitations in claim 11 of the '296 Patent.

(*Id.* at Q/A 152.) The other limitation Dr. Pratt refers to in his testimony above is "said lifter member being movable, under command of said system controller, by said prime mover." When discussing this limitation from claim 1 of the '722 patent, Dr. Pratt only makes a cursory reference

to the controller. He states: "The controller determines when, and for how long, current is fed from the energy source to the prime mover after receiving inputs from sensors on the tool." (*Id.* at Q/A 160.) But, beyond this one conclusory sentence, Dr. Pratt does not provide any evidence that this actually occurs. A review of his testimony above reveals that Dr. Pratt did not provide any explanation as to how these sensors provide inputs to the system controller nor did he explain how he arrived at his conclusion. Dr. Pratt cites to two demonstratives (*i.e.*, CDX.0001C.0042-0043) as proof that the "system controller" limitation is present. (*See id.* at Q/A 191.) But, as Respondent noted, these demonstratives "show a spaghetti mess of wires." (RRB at 8.) Notably, nowhere on either of these demonstratives did Dr. Pratt identify any sensors. (*See* CDX.0001C.0042-0043.)

While Complainant contends that Dr. Pratt provides examples of how the claimed system controller is "a circuit configured to control operation based on received input signals," Complainant does not substantively discuss what those examples are; rather, Complainant merely cites to certain questions and answers from Dr. Pratt's testimony and two pages from a demonstrative exhibit. (*See, e.g.*, CIB at 17 (citing CX-0110C at Q/As 191, 103-19; CDX-0001C.0029-30).) In particular, Complainant cites to Q/As 103-119 from Dr. Pratt's testimony. A review of the cited testimony, however, reveals that the majority of these Q/As have been struck, namely Q/As 103-108, 111, 113, and 114. (*See* CX-0110C at Q/As 103-119.)

The remaining testimony relates to "how the Accused Products meet the said lifter member, under first predetermined conditions, forces said driver member to undergo said return stroke and move toward said ready position, and then holds said driver member at said ready position by use of a holding contact between said lifter member and said driver member" and more specifically, the "predetermined conditions" limitations of the '296 patent. (*Id.* at 0110C at Q/A 109-110, 112, 115, and 119.) Yet, as Dr. Vallee testified, Dr. Pratt's analysis with respect to the "predetermined

conditions" limitations in the '296 patent suffers from numerous deficiencies.[13] (*See* RX-0266C at Q/A 185; *see also* Q/As 186-208.) For example, Dr. Pratt does not identify "a programmed computer," as required by the construction of "first predetermined conditions."[14] (*Id.* at Q/As 185, 188.) Dr. Pratt relies on what he calls a "circuit diagram" from the Service Manual for the NT1865DMA. (*See* JX-0023.0027.) But, the diagram relied upon by Dr. Pratt is – in fact – called a "Connecting Diagram." (*Id.*) As Dr. Vallee explains, there is a distinction between a "connecting diagram" and a "circuit diagram":

> This distinction is important because a connecting diagram illustrates how to connect various components together. It does **not** show the details of the circuitry, all of the components of the circuit, or the operation or identification of information transmitted and received by any of the various components.

(RX-00266C at Q/A 190 (emphasis added).) "At most, the connecting diagram shows that there are sensors connected a [printed circuit board], but this does not mean that the sensors are connected to a controller or provide any information to a controller." (*Id.* at 204.) Furthermore, even if Dr. Pratt had identified "a programmed computer," merely identifying a programed computer (or system controller in the case of the '718 patent) "tells you nothing about the operation of the programmed computer." (*Id.* at Q/A 201.) To determine whether the claimed system controller is configured to control operation based on received input signals, a personal of ordinary skill in the art would need to understand the logical operations carried out by the controller. (*Id.* at Q/A 206.) This would necessarily require an analysis of source code. (*Id.*) Yet, Dr. Pratt did not conduct any analysis of source code for the Accused Products.

[13] The "predetermined conditions" limitations are not present in any of the asserted claims of the '718 patent.
[14] "First predetermined conditions" has been construed to mean "two or more conditions determined by a programmed computer." (*See* Order No. 9 at 17.) "Second predetermined conditions" has been construed to mean "two or more conditions determined by a programmed computer and that are different than the first predetermined conditions." (*Id.*)

For the reasons set forth above, the undersigned finds that Dr. Pratt has not demonstrated that the "system controller" is actually configured to control operation based on received input signals as required by this claim element. Complainant therefore has not shown by a preponderance of the evidence that the Accused Products meet this limitation. Accordingly, the Accused Products do not infringe claim 1 of the '718 patent.

b) Claims 10 and 16

Independent claims 10 and 16 both contain the "system controller" limitation. However, as discussed above in Section VII.B.1.a, the claimed "system controller" is not present in the Accused Products. The undersigned therefore finds that the Accused Products do not infringe claims 10 and 16 of the '718 patent.

2. Indirect Infringement

Because the undersigned has found hereinabove that Complainant has not proven direct infringement, Complainant cannot prove induced infringement.[15] Accordingly, Complainant has failed to show that Respondent indirectly infringes the asserted claims of the '718 patent. *See BMC Res.*, 498 F.3d at 1379 (direct infringement must first be established in order for a claim of indirect infringement to prevail); *see also Novartis Pharm. Corp. v. Eon Labs Mfg. Inc.*, 363 F.3d 1306, 1308 (Fed. Cir. 2004) ("When indirect infringement is at issue, it is well settled that there can be no inducement or contributory infringement absent an underlying direct infringement.").

C. Domestic Industry – Technical Prong

Complainant asserts that the Domestic Industry products practice claim 1 of the '718 patent. (CIB at 27 (citing CX-0110C at Q/As 375–92).) According to Complainant, Dr. Pratt physically inspected the Domestic Industry products, reviewed parts lists, manufacturing

[15] While Complainant alleged contributory infringement in its pre-hearing brief, it makes no such allegation in its post-hearing brief. Thus, per Ground Rule 13.1, this argument has been waived.

drawings, and other literature for the Domestic Industry products, and tested the Domestic Industry products. (*Id.* (citing CX-110C at 245-252).) Complainant explains that Dr. Pratt then created a demonstrative of how the Domestic Industry products meet each limitation of the asserted claims of the '718 patent. (*Id.* (citing CDX-0002C).)

Although Respondent is not disputing the presence of certain elements of the asserted claims[16], Respondent maintains that Complainant failed to establish that the Domestic Industry products practice claims 1, 10, and 16 of the '718 patent.[17] (RIB at 27-29.)

1. Claim 1

For the reasons set forth *infra*, the undersigned finds that Complainant has not satisfied its burden to prove that the Domestic Industry products, at a minimum, practice the "system controller" limitation.[18]

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[16] Respondent does not dispute that the following elements are present in the Domestic Industry products: (a)(i) "a housing"; (a)(iii) "a safety contact element"; (a)(iv) "a user-actuated trigger"; (a)(vii)(B) "a main storage chamber that is in fluidic communication with said displacement volume of the cylinder, wherein said main storage chamber and said displacement volume are initially charged with a pressurized gas"; (b)(i) "if said restrictive firing mode is selected, said tool will operate if said safety contact element has been actuated before said trigger actuator has been operated; and"; (b)(ii) "if said bottom firing mode is selected, said tool will operate if both:; (b)(ii)(A) "said trigger actuator has been operated, and"; (b)(ii)(B) "said safety contact element has been actuated, in either sequence;" and (d) "actuating said prime mover, thereby moving said lifter member and causing said driver member to move away from said exit end toward a ready position." (RIB at 27 ("Respondent is not disputing the presence of any elements of the Asserted Claims not specifically addressed below.").)

[17] Respondent objects to Dr. Pratt's analysis, arguing that he relies on a "mish-mash of components from different Alleged Domestic Industry Products." (RIB at 27; RRB at 12-13.) The undersigned has already determined that the F-15 is representative of Complainant's Domestic Industry products – *i.e.*, they have substantially identical design and construction. (*See* Section VI, *supra*.) Thus, parts found in the F-15 are found in the other Domestic Industry Products and vice versa. The undersigned therefore finds that there is nothing inherently wrong with relying on different Domestic Industry products to demonstrate practice of the claims, so long as the products contain the same parts. The undersigned further notes that the only limitation that Respondent alleges may be affected by Dr. Pratt's "improper" Domestic Industry analysis is not even being disputed by Respondent – namely, the "pressurized gas" limitation. (*See generally* RIB at 29-33.)

[18] In the event the Commission finds that this element is present in the Domestic Industry products, the undersigned notes that Respondent's expert does not dispute that the remaining limitations from claim 1 of the '718 patent are met. (*See* RX-0266C at Q/A 432; *see also* RDX-0002.0019.)

a) "system controller" – limitation (a)(ii)

Complainant argues that the Domestic Industry products practice this limitation. (CIB at 28 (citing CX-0110C at Q/As 379, 341, 349; CDX-0002C.0038, .0043; CX-0024.0030, .0050; CX-0015C.0005).) Complainant states: "The controller determines when, and for how long, current is fed from the energy source to the prime mover after receiving inputs from sensors on the tool." (*Id.* (citing CX-0110C at Q/A 349); *see also* CRB at 12-13.) Complainant also claims that Dr. Pratt provides examples of how the system controller is "a circuit configured to control operation based on received input signals" with respect to various operations of the Domestic Industry products. (*Id.* (CX-0110C at Q/As 379, 293–310; CDX-0002C.0026–27).)

Respondent submits that Complainant failed to prove the Domestic Industry products include the claimed "system controller." (RIB at 27 (arguing that Dr. Pratt provided no analysis or evidence showing that the circuitry on the printed circuit board is "configured to control operation based on received input signals.").) Respondent asserts that Complainant "merely points to a conclusory statement from Dr. Pratt that some unidentified 'controller' in the Alleged DI Products 'determines when, and for how long, current is fed from the energy source to the prime mover after receiving inputs from sensors on the tool." (RRB at 13.) Respondent further asserts that Dr. Pratt provides no supporting evidence, "rendering his conclusory statement nothing more than pure speculation." (*Id.*)

As can be ascertained from the summaries above, Complainant's and Respondent's arguments with respect to this limitation mirror that of their infringement arguments. (*See* Section VII.B.1, *supra.*) Even Dr. Pratt's testimony on whether the Domestic Industry products practice the claimed "system controller" is nearly verbatim to his testimony relating to infringement of the

asserted patent. For example, when questioned about whether the Domestic Industry products practice the "system controller" limitation, Dr. Pratt testified:

> The Domestic Industry Products meet this limitation, as I explained previously with respect to the similar "system controller" limitation found in claim 1 of the '722 Patent and as shown, for example, on page 38 of CDX-0002C.

(CX-0110C at Q/A 379; *see also id.* at Q/A 191.) His testimony relating to the '722 patent is set forth below:

> Q. What is your opinion regarding whether the Domestic Industry Products meet the claim limitation "a housing that contains a prime mover, and a system controller," as in claim 1 of the '722 Patent?
>
> A. The Domestic Industry Products meet this limitation. Referring to page 38 of CDX-0002C, I created labeled images of the FUSION F-15 Nailer showing how the Domestic Industry Products include every element of this claim limitation. I understand that "system controller" means "a circuit configured to control operation based on received input signals." I believe it makes sense to discuss the "system controller" limitation in more detail with respect to another limitation of this claim, but the Domestic Industry Products do meet this limitation. I also discussed how the controller in the Domestic Industry Products work with respect to the "predetermined conditions" limitations in claim 11 of the '296 Patent.

(*Id.* at Q/A 341; *see also id.* at Q/A 152.) Like in his infringement testimony, the other limitation Dr. Pratt refers to in his testimony above is "said lifter member being movable, under command of said system controller, by said prime mover." (*Id.* at Q/A 349.) When discussing this limitation from claim 1 of the '722 patent, Dr. Pratt – yet again – makes a cursory reference to the controller. He states: "The controller determines when, and for how long, current is fed from the energy source to the prime mover after receiving inputs from sensors on the tool." (*Id.*) But, beyond this one conclusory sentence, Dr. Pratt does not provide any evidence that this actually occurs. A review of his testimony above reveals that Dr. Pratt did not provide any explanation as to how these sensors provide inputs to the system controller or show that any of these sensors are actually connected to a controller. Dr. Pratt again cites to a demonstrative (*i.e.*, page 38 of CDX-0002C) as

proof that the "system controller" limitation is present. (*See id.* at Q/A 379.) But, nowhere on this demonstrative did Dr. Pratt identify any sensors. (*See* CDX.0002C.0038; *see also id.* at .0043.) Nor did he provide any evidence showing that the circuitry on the printed circuit board from the F-15 Domestic Industry product is "configured to control operation based on received input signals."

While Complainant contends that Dr. Pratt provides examples of how the claimed system controller is "a circuit configured to control operation based on received input signals," Complainant does not substantively discuss what those examples are; rather, Complainant again merely cites to certain questions and answers from Dr. Pratt's testimony and two pages from a demonstrative exhibit. (*See, e.g.*, CIB at 28 (citing CX-0110C at Q/As 379, 293-310; CDX-0002C.0026-27).) In particular, Complainant cites to Q/As 293-310 from Dr. Pratt's testimony. Yet, the majority of these Q/As have been struck. Specifically, the entirety of Q/As 293-299, 302, 304, 305, and 307 have been struck and portions of the answers from Q/As 300, 303, and 310 were also struck. (*See* CX-0110C at Q/As 293-310.)

The remaining testimony relates to "how the Accused Products meet the said lifter member, under first predetermined conditions, forces said driver member to undergo said return stroke and move toward said ready position, and then holds said driver member at said ready position by use of a holding contact between said lifter member and said driver member" and more specifically, the "predetermined conditions" limitations of the '296 patent. (*Id.* at 0110C at Q/A 300-301, 303, 306, 308-310.) Yet, as Dr. Vallee testified, Dr. Pratt's analysis with respect to the "predetermined conditions" limitations in the '296 patent suffers from numerous deficiencies. (*See* RX-0266C at Q/A 376-377; *see also* Q/As 378-393, 395-398.) For example, Dr. Pratt does not identify "a programmed computer," as required by the construction of "first predetermined conditions." (*Id.*

at Q/As 377 ("As I noted with respect to my testimony to non-infringement, a person of skill in the art would understand that a programmed computer is a device that carries out sequences of logical operations according to a set of instructions, and that these instructions are programmed into the computer using source code. Nowhere in his Initial Report does Dr. Pratt identify a 'programmed computer' in any of the Alleged Domestic Industry Products.").) Furthermore, even if Dr. Pratt had identified "a programmed computer," merely identifying a programed computer (or system controller in the case of the '718 patent) "tells you nothing about the operation of the programmed computer." (*Id.* at Q/A 377.) As Dr. Vallee explains:

> Even if Dr. Pratt (or someone else) were able to identify a programmed computer (*e.g.*, microprocessor or microcomputer) on the printed circuit board of any of the Alleged Domestic Industry Products, it would not establish that a programmed computer, as opposed to other components (*e.g.*, switches, transistors, etc.) elsewhere in the tool, determine the conditions, if any, under which the lifter moves the driver from the alleged "driven position" to the alleged "ready position."

(*Id.*)

To determine whether the claimed system controller is configured to control operation based on received input signals, a person of ordinary skill in the art would need to understand the logical operations carried out by the controller. (*Id.* at Q/A 384) This would necessarily require an analysis of source code. (*Id.*) However, Dr. Pratt did not conduct any analysis of source code for the Domestic Industry products to confirm how various operations take place within the tool.

Thus, for the reasons set forth above, the undersigned the undersigned finds that Dr. Pratt has not demonstrated that the "system controller" is actually configured to control operation based on received input signals as required by this claim element. Accordingly, Complainant has failed to show by a preponderance of the evidence that the Domestic Industry products practice this limitation.

2. Claims 10 and 16

Claims 10 and 16 both contain the "system controller" limitation. However, as discussed above in Section VII.C.1, the claimed "system controller" is not present in the Domestic Industry products. The undersigned therefore finds that the Domestic Industry products do not practice claims 10 and 16 of the '718 patent.

D. Invalidity[19]

1. Obviousness

Respondent asserts that the '718 patent is obvious under 35 U.S.C. § 103 based on three prior art combinations: (a) U.S. Patent No. 3,150,488 ("Haley") in view of U.S. Patent No. 5,720,423 ("Kondo") and U.S. Patent App. Pub. No. 2005/50217875 ("Forster"), U.S. Patent No. 7,494,036 ("Shima"), or the Operating Instructions that accompanied Complainant's Cordless Finish 41 Nailer ("Senco 41 Nailer"); (b) Haley in view of U.S. Patent App. Pub. No. 2006/0180631 ("Pedicini") and U.S. Patent No. 860,536 ("Ellingham"), and Forster, Shima, or the Senco 41 Nailer; and (c) Pedicini in view of Ellingham, and Forster, Shima, or the Senco 41 Nailer. (RIB at 34; RRB at 17-22.)

a) Haley in view of Kondo and Forster, Shima, or the Senco 41 Nailer

i) "lifter member"

Respondent argues that Kondo discloses the claimed "lifter member" and teaches that it is a "rotatable component having lifting pins on its face surface." (RIB at 38.) According to Respondent, Kondo discloses drive gear 7 that is a rotatable component and crank pins 7a and 7b that are lifting pins. (*Id.* at 38-39 (citing JX-0028 at Figs. 4A-4E, 3:26-31, 3:39-4:32; RX-0001 at

[19] The '718 patent was filed on October 27, 2010. As such, invalidity issues are analyzed under the pre-Leahy-Smith America Invents Act law.

Q/A 101; RDX-0001.025).) Respondent contends that one of ordinary skill in the art would have been motivated to incorporate Kondo because it does not require a connection to an external power source. (*Id.* at 39 (citing JX-0028 at 1:52-54; RX-0001 at Q/A 102).) Respondent further contends that one of ordinary skill in the art would have been specifically motivated to incorporate the lifting structure of Kondo because it "would allow the lifting mechanism to take up less space, leading to a less bulky tool." (*Id.* (citing JX-0028 at 4:23-25; RX-0001 at Q/A 102); RRB at 18.) According to Respondent, this motivation would be strong for Haley because Haley's own lifting mechanism "takes up an inordinate proportion of the space on the nailer." (RIB at 39 (citing JX-0028 at Fig. 1; RX-0001 at Q/A 102; RDX-0001.027); RRB at 18.) Respondent asserts that one of ordinary skill in the art could have pursued each of the limited number of well-known lifting mechanisms, like that of Kondo's drive gear and crank pins, with a reasonable expectation of success. (RIB at 40 (citing RX-0001 at Q/A 115).)

Complainant contends that one of ordinary skill in the art would not have been motivated to combine Haley with Kondo because doing so would "completely change the mode of operation of Haley." (CIB at 37-38 (CX-0114 at Q/A 43-45, 50-52).) According to Complainant, Haley operates as a hydraulic spring, which uses pressurized incompressible fluid to cause the drive piston to push a fastener into a workpiece. (*Id.* at 38 (citing CX-0114 at Q/A 43, 50; JX-0027 at 5:32-70).) Complainant asserts that this mode of operation changes completely if modified, as Respondent suggests. (*Id.* at 38.) Complainant disputes Respondent's contention that one of ordinary skill in the art would have been motivated to combine Haley with Kondo because of Kondo's ability to not require an external power source. (*Id.* at 38-39.) Complainant contends that this supposed motivation has nothing to do with replacing Haley's lifting mechanism with Kondo's lifting mechanism and at most, it simply refers to a motivation to provide a more powerful energy

source, not to completely redesign the lifting mechanism. (*Id.* at 39 (citing CX-0114 at Q/A 45).) Moreover, Complainant claims there would be no specific motivation to incorporate Kondo's lifting mechanism because it also takes up a significant amount of space and requires multiple components, including a motor, lifting gear, gearbox, and other intermediate components.[20] (*Id.*)

Aside from whether the combination of Haley and Kondo describes the claimed "lifter member," the undersigned finds that Respondent has failed to provide clear and convincing evidence that one of ordinary skill in the art would have been motivated to combine Haley and Kondo to achieve the claimed invention. A "motivation to combine may be found explicitly or implicitly in market forces; design incentives; the 'interrelated teachings of multiple patents'; 'any need or problem known in the field of endeavor at the time of invention and addressed by the patent'; and the background knowledge, creativity, and common sense of the person of ordinary skill." *Plantronics, Inc. v. Aliph, Inc.*, 724 F.3d 1343, 1354 (Fed. Cir. 2013) (citing *Perfect Web Techs., Inc. v. InfoUSA, Inc.*, 587 F.3d 1324, 1328 (Fed. Cir. 2009) (quoting *KSR*, 127 S. Ct. at 1727)). Respondent first argues that one of ordinary skill in the art would be motivated to incorporate Kondo because it provides for a cordless nailer. (RIB at 39 (citing JX-0028 at 1:52-54; RX-0001 at Q/A 102).) The undersigned notes that this is a generic motivation. Nonetheless, Respondent does not provide clear and convincing evidence for why a generic motivation for a cordless nailer would prompt one of ordinary skill in the art to combine the particular prior art elements to replace Haley's lifting mechanism with Kondo's lifting mechanism. *See KSR*, 127 S. Ct. at 1731 ("[I]t can be important to identify a reason that would have prompted a person of ordinary skill in the art to combine the elements as the new invention does."); *see also Forest Labs., LLC v. Sigmapharm Labs., LLC*, 918 F.3d 928, 935 (Fed. Cir. 2019) (finding that the district

[20] Complainant submits that additional moving mechanical parts increases wear and tear incurred during use of the device. (CIB at 39 (citing CX-0114 at Q/A 45).)

court did not err in concluding that a generic need for more antipsychotic treatment options did not provide a motivation to combine the particular prior art elements).

The undersigned also finds Respondent's argument that one of ordinary skill would have been specifically motivated to incorporate the lifting structure of Kondo because it would lead to a less bulky tool unpersuasive. Respondent claims that Haley's lifting mechanism "takes up an inordinate proportion of the space on the nailer," but does not provide clear and convincing evidence of that or that Kondo's lifting mechanism would lead to a less bulky device. (*See* RX-0001 at Q/As 101-102.) Because patent drawings are not necessarily drawn to scale and do not define the precise proportions of the elements, Respondent fails to provide clear and convincing evidence that substituting Haley's lifting mechanism with Kondo's lifting mechanism would allow it to take up less space where Respondent only compares the patent figures of Kondo and Haley. (*See* RX-0001 at Q/As 101-102; *Hockerson-Halberstadt, Inc. v. Avia Grp. Intern., Inc.*, 222 F.3d 951, 956 (Fed. Cir. 2000).) Lastly, while it may be true that there are a limited number of well-known lifting mechanisms, Respondent fails to provide clear and convincing evidence of a design need or market pressure to solve a problem with the Haley lifting mechanism. *See KSR*, 127 S. Ct. at 1732 ("When there is a design need or market pressure to solve a problem and there are a finite number of identified, predictable solutions, a person of ordinary skill in the art has good reason to pursue the known options within his or her technical grasp."); *cf. Belden Inc. v. Berk-Tek LLC*, 805 F.3d 1064, 1073 (Fed. Cir. 2015) ("[O]bviousness concerns whether a skilled artisan not only *could have made* but *would have been motivated to make* the combinations or modifications of prior art to arrive at the claimed invention.") (emphasis in original). Without clearly identifying a design need or market pressure to cure a deficiency with Haley's lifting mechanism, Respondent

does not provide a reason why one of ordinary skill in the art would pursue the well-known lifting mechanisms.

Accordingly, the undersigned finds that Respondent has failed to establish, by clear and convincing evidence, that the asserted claims of the '718 patent are rendered obvious by this combination.

b) Haley in view of Pedicini and Ellingham, and Forster, Shima, or the Senco 41 Nailer

i) "lifter member"

According to Respondent, Pedicini discloses a pinion gear 31 that engages a rack 4 by making contact with spaced-apart protrusions on the driver member to move it from its driven positon to its ready position. (RIB at 41 (citing JX-0033 at ¶¶ [0077]-[0078], Fig. 3; RX-0001 at Q/A 107; RDX-0001.030).) Respondent asserts that one of ordinary skill in the art would have been motivated to incorporate the teachings of Pedicini because it provides a robust, simple, and inexpensive design, as well as because it reduces wear and increases efficiency. (*Id.* at 41-42; *see also* RRB at 18-19. According to Respondent, one of ordinary skill in the art would have "understood the need to modify Haley's drive piston 18 to mate with the mechanical lifter by providing teeth corresponding to those of Pedicini's rack 4 that are engaged by the rollers on the roller pinion. (RIB at 43 (citing RX-0001 at Q/A 112).) In addition, Respondent argues that it would have been obvious to one of ordinary skill in the art to use the well-known roller modification to pinion gears, as shown in Ellingham. (*Id.* at 41 (citing RX-0001 at Q/As 109-110; JX-0032 at 1:8-14, Figs. 1-2; RDX-0001.031).) Respondent explains that rollers better handle friction and have a lower risk of wearing down over time and thus, one of ordinary skill would have been motivated to use the roller pinion of Ellingham as the pinion. (*Id.* at 42 (citing RX-0001 at Q/A 109, 111; JX-0032 at 1:8-14).) Respondent argues that one of ordinary skill in the art would

have pursued these well-known lifting mechanisms, would have known that they would work in powered nailers, and that they would be an improvement over the hydraulic lifter of Haley. (*Id.* (citing RX-0001 at Q/A 115).)

Complainant contends that one of ordinary skill in the art would not have been motivated to combine Haley with Pedicini because it would completely change the mode of operation of Haley, would result in a reduction in speed of the driven member, and the resulting device would be subject to excessive wear. (CIB at 37-38; CX-0114 at Q/As 47, 50.) Complainant claims that Respondent's expert merely provides a conclusory reason for why one would be motivated to modify Haley and provides no evidence that the proposed combination would result in increased efficiency. (*Id.*)

Similar to the Haley and Kondo combination addressed above, the undersigned finds that Respondent has failed to provide clear and convincing evidence that one of ordinary skill in the art would have been motivated to combine Haley, Pedicini, and Ellingham to achieve the claimed invention. Respondent claims that one of ordinary skill in the art would have been motivated to combine these references because Pedicini "touts its ability to provide a robust, simple, and inexpensive design" and because "it reduces wear and increase efficiency." (RX-0001 at Q/A 108.) First, Respondent does not provide clear and convincing evidence why one of ordinary skill would be motivated to combine the particular prior art elements to replace Haley's lifting mechanism with Pedicini's lifting mechanism. (*See id.* (citing JX-0033 at [0024]-[0030]); *see also KSR*, 127 S. Ct. at 1731; *Forest Labs.*, 918 F.3d at 935.) Second, while Pedicini may disclose that it reduces wear and increases efficiency, Respondent has not provided clear and convincing evidence, beyond conclusory statements, that Pedicini provides those benefits as compared to the system of Haley – or, in other words, why one of ordinary skill in the art would have understood that

Pedicini's lifting mechanism is more efficient and resistant to wear than Haley's lifting mechanism. Third, even though Respondent claims that the needs in the art relate to durability against wear and tear and portability by way of smaller component sizes, Respondent does not provide clear and convincing evidence of a design need or market pressure to solve a problem with Haley's lifting mechanism. *See KSR*, 127 S. Ct. at 1732; *cf. Belden Inc.*, 805 F.3d at 1073. In fact, Respondent does not provide any explanation, let alone clear and convincing evidence, that there is a durability or portability issue with Haley or its lifting mechanism. Finally, while the addition of a roller pinion may be better at handling friction and reducing wear, that still does not provide motivation for why one of ordinary skill in the art would replace the Haley lifting mechanism. If anything, it only provides a reason why one of ordinary skill in the art would replace the pinion mechanism in Pedicini with a roller pinion, not why one of ordinary skill would replace Haley's lifting mechanism with Pedicini's lifting mechanism as modified by Ellingham.

The undersigned therefore finds that Respondent has failed to establish, by clear and convincing evidence, that the asserted claims of the '718 patent are rendered obvious by this combination.

c) Pedicini in view of Ellingham and Forster, Shima, or the Senco 41 Nailer

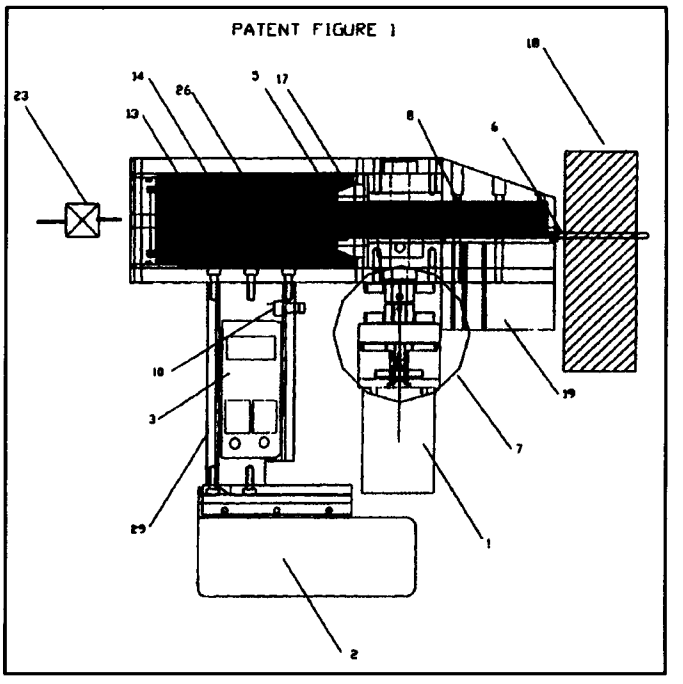
i) "main storage chamber"

Respondent asserts that Pedicini discloses a main storage chamber that is in fluidic communication with the displacement volume of the driver actuation device and that is directly adjacent to the displacement volume of the cylinder 14. (RIB at 45 (citing JX-0033 at Fig. 1; RX-0001 at Q/A 298; RDX-0001.062).) Respondent disagrees with Complainant's contention that Pedicini's main storage chamber is "just a portion of the hollow cylinder." (*Id.* at 45-46 (citing JX-0004 at cl. 1; JX-0033 at Fig. 2; Pratt Tr. at 261:12-21; 262:19-263:1, 263:11-13).) Respondent

claims that Complainant's expert conceded that the region Respondent identifies as the main storage chamber is not part of the displacement volume because it is beyond the retracted position of the piston. (*Id.* at 46 (citing Pratt Tr. at 262:23-263:1, 261:15-21); RRB at 19.) Respondent therefore argues that Pedicini has both a displacement volume and a distinct main storage chamber. (RRB at 19.)

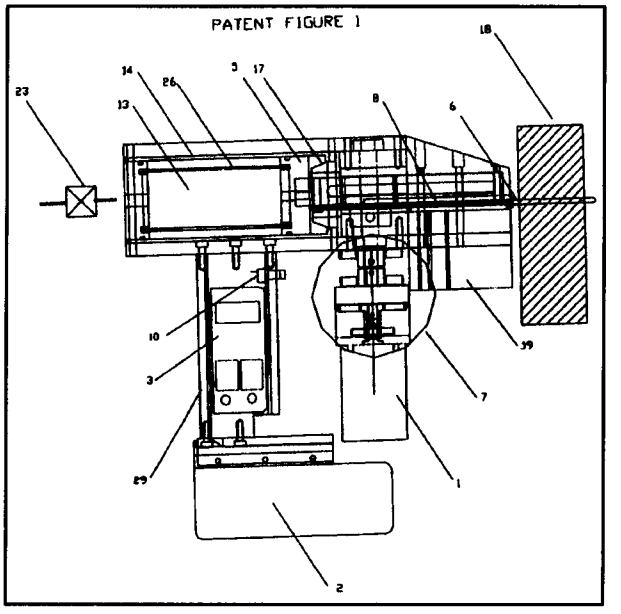
In response, Complainant argues that the main storage chamber in Pedicini (as identified by Respondent) is a region of the hollow cylinder that does not get occupied when the piston is at its uppermost travel position and this region is not distinct from the rest of the cylinder. (CIB at 40 (citing CX-0114 at Q/A 57).) Complainant notes that Pedicini does not even label that region separately. (*Id.* (citing CX-0114 at Q/A 57; Pratt Tr. at 265:23-266:22).) Complainant further argues that even Respondent's expert labels the area Respondent alleges is the main storage area as the air chamber 13, *i.e.*, the alleged hollow cylinder, which shows that it is not separate and distinct from the hollow cylinder. (*Id.* (citing RDX-0001.0068; CX-0114 at Q/A 57).) Complainant also submits that the main storage chamber must be distinct from the volume of the cylinder, not the displacement volume and thus, the area identified by Respondent cannot be the main storage chamber because it is part of the hollow cylinder. (CRB at 19.)

The parties agree that the term "main storage chamber" means "a chamber that is distinct from the volume of the cylinder and contains part of the working air volume during operation." (Order No. 9 at 17.) As depicted in Respondent's expert's annotation of Figure 1 of Pedicini (reproduced below), Respondent contends that the light blue portion is the claimed main storage chamber, which Respondent submits is adjacent to the displacement volume of cylinder 14 (*i.e.*, the yellow portion). (RX-0001 at Q/A 298; RDX-0001.225.)



(RDX-0001.225.)

As seen in Respondent's annotation of Figure 1 above, Pedicini discloses piston 5, which moves in cylinder 14 compressing the air in air chamber 13. (JX-0033 at Fig. 1, ¶ [0078].) The light blue region identified by Respondent is part of air chamber 13. (*Id.*; *see also* RDX-0001.225.) While Respondent attempts to make a distinction between the light blue portion and the yellow portion in annotated Figure 1, there is no support for such a distinction and Respondent has not cited any evidence, let alone clear and convincing evidence, that Pedicini teaches that the light blue portion and yellow portion are distinct. Indeed, as shown in *unannotated* Figure 1 of Pedicini (reproduced below), Pedicini discloses that both the light blue portion and the yellow portion identified by Respondent are part of one component – air chamber 13. (JX-0033 at Fig. 1, ¶ [0078].)



(JX-0033 at Fig. 1.)

In addition, Respondent maintains that Pedicini teaches "both a displacement volume and a distinct main storage chamber." (RRB at 19.) However, the agreed-upon claim construction for this term states that the "main storage chamber" is "distinct from the volume of the cylinder," not the displacement volume. (Order No. 9 at 17.) Respondent does not explain why it equates the displacement volume with the volume of the cylinder. Indeed, the asserted claims recite separate elements for "main storage chamber," "displacement volume of the cylinder," and "hollow cylinder." (JX-0004 at cl. 1, 10, 16.) Respondent therefore has failed to provide sufficient evidence to show that the light blue portion is "a chamber that is distinct from the volume of the cylinder."

Moreover, the '718 patent discloses main storage chamber 74 and displacement volume 76, which is the gas pressure chamber. (*See, e.g.*, JX-0004 at Fig. 2 (reproduced below), Fig. 3, 9:57-10:3).

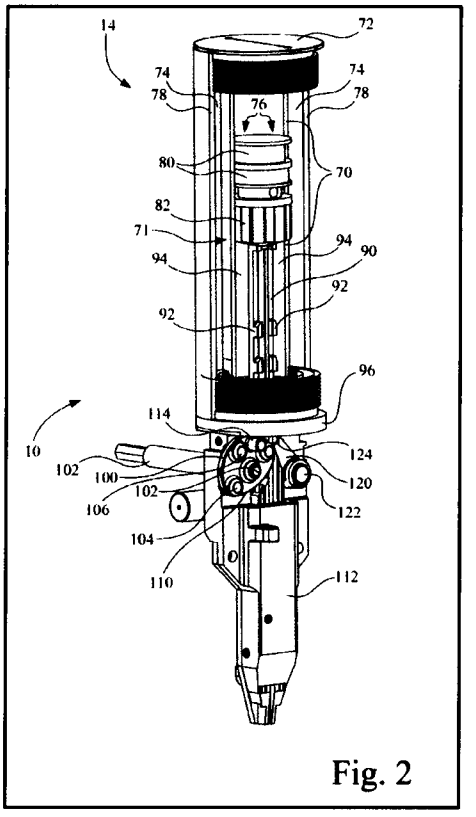


Fig. 2

With respect to gas pressure chamber 76, the '718 patent notes that "this chamber will vary in volume as the piston 80 moves up and down." (*Id.* at 9:65-67.) Thus, if anything, Respondent's light blue portion in Pedicini would be akin to the gas pressure chamber 76 of the '718 patent, which is the area beyond the top-most position. (*See* RIB at 46.) For example, in comparing Figure 5 of the '718 patent, where the driver and piston are near their top-most position, and Figure 2 of Pedicini, where the tool is in the retracted position, the light blue portion identified by Respondent is most similar to gas pressure chamber 76 of the '718 patent, not main storage chamber 74. (JX-0004 at Fig. 5 (reproduced below), 5:17-22; JX-0033 at Fig. 2 (reproduced below), ¶ [0034].)

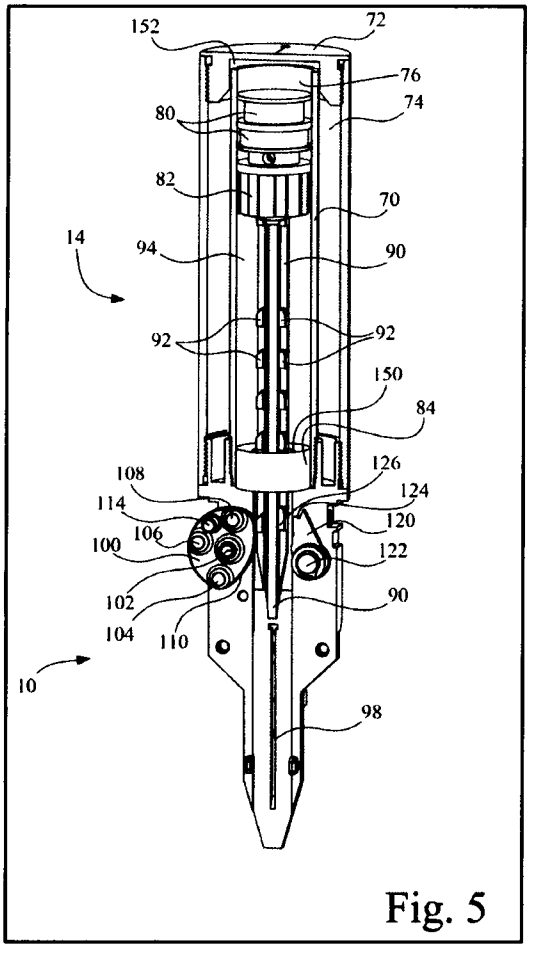
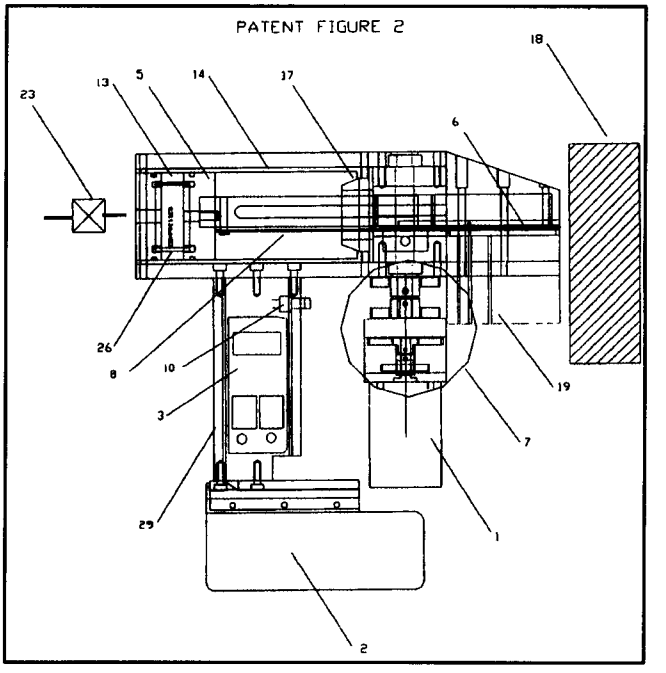


Fig. 5



Accordingly, the undersigned finds that Respondent has failed to establish, by clear and convincing evidence, that the asserted claims of the '718 patent are rendered obvious by this combination.

ii) Secondary Considerations

Respondent contends that there are no secondary considerations that overcome its assertions of obviousness. (RRB at 19-22.) Secondary considerations of nonobviousness may rebut a *prima facie* case of obviousness. Here, where Respondent has not made out a *prima facie* case of obviousness, there is no showing to rebut. Accordingly, the undersigned need not consider any secondary considerations of nonobviousness.

2. Indefiniteness

Respondent argues that the asserted claims of the '718 patent are invalid as indefinite under 35 U.S.C. § 112(b) due to the "ready position" limitation. (RIB at 46-48; RRB at 22-23.) According to Respondent, "a person of ordinary skill in the art would find no objective guidance in the '718 patent as to what it means to be proximal to the uppermost travel position" and thus, would not be able to translate the definition into a meaningfully precise claim scope. (RIB at 47-48 (citing RX-0001 at Q/A 219; *Halliburton Energy Servs., Inc. v. M-I LLC*, 514 F.3d 1244, 1251 (Fed. Cir. 2008)).) Respondent asserts that although the specification states that there might be a small upward movement of the driver and piston when the trigger is pulled, the specification does not quantify the amount of upward movement. (*Id.* at 47 (citing RX-0001 at Q/A 219).) Respondent further argues that Complainant's expert, Dr. Pratt, could not identify any objective standard for determining the "ready position" as he interpreted it to mean "near the top," "a small amount away from the top," or "almost at the top," each of which were neither objective nor supported by quantitative measures in the specification. (*Id.* at 47-48 (citing Pratt Tr. at 263:14-20, 264:4-265:4).) Respondent claims that Dr. Pratt opined that "proximal" means closer to the top than the bottom, but also conceded that the ready position is actually a lot closer and does not quantify how much closer it has to be. (*Id.* at 48 (citing Pratt Tr. at 265:5-18).) Respondent therefore contends that without objective criteria to determine what "proximal to the uppermost travel position" means, the claims are indefinite. (*Id.* (citing *Halliburton*, 514 F.3d at 1251; *Berkheimer v. HP Inc.*, 881 F.3d 1360, 1363 (Fed. Cir. 2018); *GE Lighting Solutions, LLC v. Lights of Am., Inc.*, 663 Fed. Appx. 938, 941 (Fed. Cir. 2016)).)

In its reply brief, Respondent claims that Complainant conceded the '718 patent does not provide guidance for the definition of the term. (RRB at 22.) According to Respondent,

Complainant acknowledged that Dr. Valle relied on information outside of the intrinsic record. (*Id.*) Respondent also asserts that Complainant (and its expert) disagreed with Dr. Vallee's determination, but failed to specify how much further away the ready position could be from the uppermost travel position. (*Id.*) Respondent therefore contends that this lack of objective criteria renders the claims indefinite. (*Id.*)

Complainant asserts that the '718 patent provides sufficient written description to enable one of ordinary skill in the art to practice the invention. (CIB at 43 (citing CX-0114 at Q/A 99).) For example, Complainant claims that the '718 patent describes "ready position" when it states that "the piston 80 is at its 'ready' position, which is when it is at (or proximal to) its uppermost travel position as illustrated in FIGS. 2–5." (*Id.* (citing JX-0001 at 17:43-45, 32:25-27; CX-0114 at Q/A 99).) Complainant contends that one of ordinary skill in the art would read this and understand that "ready position" is a position that is at the uppermost travel position or near it. (*Id.* (citing CX-0114 at Q/A 99).) Complainant also argues that Respondent's expert presented inconsistent positions by testifying that there is nothing in the written description that "provides a standard for measuring when the driver is proximal the uppermost travel position, and when it is not proximal" and also testifying that "a person of skill in the art would determine that if the stop position is more than 1/8th of an inch away from the uppermost travel position, the stop position is not proximal the uppermost travel position." (*Id.* at 43-44 (citing RX-0001 at Q/A 219; RX-0266C at Q/A 131).) According to Complainant, the use of the words "proximal to" in the construction of the term "ready position" does not render the term indefinite. (*Id.* at 44 (citing CX-0114 at Q/A 100).)

In its reply brief, Complainant reiterates that Respondent's expert provided inconsistent testimony regarding infringement and invalidity since he was able to apply a definition for "ready

position" for the purposes of his infringement analysis. (CRB at 19-20 (citing RX-0266C at Q/A 131).) Complainant therefore argues that Respondent has not established invalidity by clear and convincing evidence. (*Id.* at 20.)

Under the Supreme Court's *Nautilus* standard, "a patent is invalid for indefiniteness if its claims, read in light of the specification delineating the patent, and the prosecution history, fail to inform, with reasonable certainty, those skilled in the art about the scope of the invention." *Nautilus, Inc.*, 134 S. Ct. at 2124. This requirement "mandates clarity, while recognizing that absolute precision is unattainable." *Id.* at 2129. Indeed, "[a]s long as claim terms satisfy this test, relative terms and words of degree do not render patent claims invalid." *One-E-Way, Inc. v. Int'l Trade Comm'n*, 859 F.3d 1059, 1063 (Fed. Cir. 2017) (citing *Interval Licensing LLC v. AOL, Inc.*, 766 F.3d 1364, 1370 (Fed. Cir. 2014)); *see also BASF Corp. v. Johnson Matthey Inc.*, 875 F.3d 1360, 1365 (Fed. Cir. 2017) ("'Reasonable certainty' does not require 'absolute or mathematical precision.'") (quoting *Biosig Instruments, Inc. v. Nautilus, Inc.*, 783 F.3d 1374, 1381 (Fed. Cir. 2015)).

In each of the asserted claims of the '718 patent, the limitation that includes the term "ready position" recites "actuating said prime mover, thereby moving said lifter member and causing said driver member to move away from said exit end toward a ready position." (JX-0004 at cl. 1, 10, 16.) The undersigned construed the term "ready position" to mean "at or proximal to the uppermost travel position." (Order No. 9 at 21.) While Respondent's expert states that "nothing in the intrinsic evidence provides a standard for measuring when the driver is proximal the uppermost travel position, and when it is not proximal," that inquiry is misdirected. (*See* RX-0001 at Q/As 219, 345.) As the term "ready position" is read in the context of the asserted claims, the question is not whether a person of ordinary skill in the art can understand what it means for the driver member

to be proximal to the uppermost travel position, but rather, whether a person of ordinary skill in the art can understand what it means for the driver member to move away from the exit end toward a position at or proximal to the uppermost travel position. That distinction highlights a reason why absolute or mathematical precision is unnecessary in this instance since the asserted claims describe that the driver member is not at or proximal to the uppermost travel position, but rather is *moving toward* a position at or proximal to the uppermost travel position. Considered in the context of the '718 patent, one of ordinary skill in the art would understand this to mean that once the fastener driving tool has been used to drive a fastener, the driver member is lifted upward back *toward* its top-most position, *i.e.*, ready position, for a new driving stroke. (*See* JX-0004 at 10:43-53, 24:31-42, 11:7-10, 24:60-63.)

In addition, "the level of ordinary skill in the art plays an important role in an indefiniteness analysis." *Tinnus Enters., LLC v. Telebrands Corp.*, 846 F.3d 1190, 1206 (Fed. Cir. 2017). The undersigned previously determined that "one of ordinary skill in the art would have at least (i) a Master's Degree in mechanical engineering with at least two years of experience in power nailer design; (ii) a Bachelor's Degree in mechanical engineering with at least five years of experience in powered nailer design; or (iii) ten or more years of experience in powered nailer design." (*See* Section IV, *supra.*) It is difficult to believe that a person with that level of education and experience in engineering and/or powered nailer design would read the '718 patent and be unable to determine with reasonable certainty when the driver member is moving toward a position that is "at or proximal to the uppermost travel position" as recited in claims 1, 10, and 16.[21]

[21] The undersigned notes that with respect to infringement, Respondent does not dispute the presence of the element including the "ready position" term in the Accused Products and Respondent's expert was able to apply the undersigned's claim construction for that term. (*See* RIB at 17-25; RRB at 5-12; RX-0226C at Q/As 34, 317, 321, 325.) Additionally, in rebutting Complainant's infringement allegations, Respondent's expert testified that "a person of skill in the art would determine that if the stop position is more than 1/8th of an inch away from the uppermost travel position, the stop position is not proximal the uppermost travel position." (RX-0266C at Q/A 131.) Considering this testimony in the context of the '718 patent, it is hard to believe that one of ordinary skill in the art would not be

Accordingly, the undersigned finds that Respondent has failed to show, by clear and convincing evidence, that the asserted claims of the '718 patent are invalid as indefinite under 35 U.S.C. § 112(b).

VIII. DOMESTIC INDUSTRY – ECONOMIC PRONG[22]

Complainant asserts that it has satisfied the economic prong of the domestic industry requirement under 19 U.S.C. § 1337(a)(3)(B), and (C). (CIB at 53-59; CRB at 25 ("Complainant is not relying on significant expenditures on plant and equipment (subsection (A)) to establish a domestic industry.") Respondent disagrees. (RIB at 44-58.)

A. Significant Employment of Labor or Capital

Complainant argues that it has made and continues to make significant investments in labor or capital in support of its Domestic Industry products. The amount Complainant is proposing is a total of [redacted] for the period from 2009 to March 31, 2018, consisting of [redacted] for the Finishing Nailers and [redacted] (CIB at 46.) Complainant states that while Respondent attempts to separate these expenses into these two categories, Complainant views these products as a single product line. (*Id.* at 52-53.) Complainant contends that its labor or capital expenditures can be divided into four areas: (1) Broadwell facility investments; (2) engineering and research & development; (3) technical marketing; and (4) warranty and repair. (*Id.* at 52.)

Complainant also asserts that it manufactures [redacted] of its fasteners at its Broadwell facility in Cincinnati, Ohio, including the fasteners used with the Domestic Industry products. (*Id.* at 53.) Complainant emphasizes the importance of using its branded fasteners in the Domestic Industry

able to determine with reasonable certainty when the "driver member" is moving toward a position that is "at or proximal to the uppermost travel position."

[22] For purposes of this section, the analysis contained herein presumed that the Domestic Industry products practice the '718 patent.

products. (*Id.*) Complainant also points to the fact that from 2012-2016 it earned [redacted] in revenue from its fastener products that were intended for use in the Domestic Industry products. (*Id.*)

Respondent argues that Complainant improperly includes expenses going back to 2009 in order to capture a full nine years of data. (RIB at 49-50.) Respondent asserts that expenses related to fasteners should be excluded because the fasteners can be used with any tool, do not practice the patent, and thus constitute separate items of commerce that do not form part of Complainant's domestic industry. (RRB at 24.) Respondent also criticizes the bases Complainant used for allocating certain costs, arguing that they are not based on provable facts. (RIB at 53-55.)

As an initial matter, the undersigned does not find Complainant's proposal that domestic industry be analyzed from 2009 thru March 31, 2018 (*see* CX-0111C at Q/A 60) to be based on a reasonable time period. Respondent's witness, Dr. Vander Veen, testified that the period of approximately three years leading up to the filing of the Complaint (*i.e.*, calendar years 2015, 2016, and 2017) plus the period after the complaint was filed thru March 31, 2018 is the appropriate period to determine the amount of labor and capital. (RX-256C at Q/As 41-42.) Dr. Vander Veen's time period of 2015 thru March 31, 2018 is adopted because this time period reflects expenses incurred closer to the date of the filing of the complaint – October 12, 2017. (*Id.* at Q/As 41-43; RDX-0003C.1; *see also Certain Kinesiotherapy Devices and Components Thereof*, Inv. No. 337-TA-823 at 30 n.11 (July 12, 2013).)

With respect to the question of whether expenses related to "fasteners" should be included in Complainant's domestic industry calculation, the asserted claims clearly include the term "fasteners." (*See* JX-0004 at 37:51-56, 39:34-36, and 40:62-66.) Dr. Prowse also testified that Complainant's operating manual for its FS-15 Finishing Nailers states that only genuine SENCO

fasteners should be used with Complainant's Domestic Industry products, and that failure to do so may void Complainant's warranty. (CX-0111C at Q/As at 89-90; CX-01112C at Q/As 48-50.) The undersigned will therefore include these "fasteners" expenses in Complainant's labor or capital expenses. However, with respect to Complainant's request to include technical marketing expenditures, Commission precedent directs that these expenditures not be included. *See Certain Kisneotherapy Devices*, 337-TA-832, Comm'n Op. at 29 n.8. Complainant's labor or capital expenditures are therefore reduced by [redacted] (CDX-0007C.002.)

Respondent proposes a further reduction of [redacted] in Complainant's labor and capital expenditures for cordless tools and related items that Respondent alleges are not domestic industry expenses. The undersigned declines to reduce Complainant's labor and capital expenditures by the proposed amount. It is not clear whether Respondent's proposed amount is for the 9-year domestic industry period proposed by Complainant or the more limited period adopted hereinabove. (RX-256C at Q/A at 53.) Similarly, the undersigned declines to adopt Respondent's proposed reduction for [redacted] and patent expenses. (*Id.*) Respondent's proposal again does not reflect the time period is used.

In addition, the undersigned is not persuaded by Respondent's criticisms of the methods used by Complainant for assigning certain costs. A review of Mr. Klein's allocation methods shows that they are reasonable. Specifically, Mr. Klein's allocation method is based upon his knowledge as Vice President of Engineering at Senco, as well as his knowledge of equipment used at the Broadwell facility to manufacture fasteners. (CX-0112C at Q/As 93-103, 110.) The Commission has approved analyses that, which, while not always specifically quantifiable, are reasonable. *See Certain Stringed Musical Instruments,* Inv. No. 337-TA-586, Comm'n Op. at 25-26 (Dec. 1, 2009.)

For the reasons discussed above, the undersigned has determined that [redacted] is the proper amount for Complainant's labor or capital expenditures. (*See* CX-0111C at Q/As 41, 46, 50-60, 73, 87-90, 94; CX-0112 at Q/As 93-103.) The undersigned further finds that this amount is substantial because, among other things, all of Complainant's warranty and repair activities occur in the United States. In addition, [redacted] of the costs associated with the Broadwell facility are related to the manufacture of Complainant's fasteners. (CX-0112C at Q/As at 45-49; *see also Certain Stringed Musical Instruments,* Inv. No. 337-TA-586, Comm'n Op. at 25-26 ("We emphasize that there is no minimum monetary expenditure that a complainant must demonstrate to qualify as a domestic industry under the 'substantial investment' requirement of this section. We agree with the parties that the requirement for showing the existence of a domestic industry will depend on the industry in question, and the complainant's relative size. Moreover, we agree with the parties that there is no need to define or quantify the industry itself in absolute mathematical terms.").)

Accordingly, the undersigned finds that Complainant satisfies the economic prong of the domestic industry requirement under § 337(a)(3)(B).[23]

IX. CONCLUSIONS OF LAW

1. The Commission has personal jurisdiction over the parties, and subject-matter jurisdiction over the accused products.

2. The Accused Products do not infringe claims 1, 10, and 16 of U.S. Patent No. 8,387,718.

3. The technical prong of the domestic industry requirement for U.S. Patent No. 8,387,718 has not been satisfied.

4. The economic prong of the domestic industry requirement has been satisfied.

5. Claim 1, 10, and 16 of U.S. Patent No. 8,387,718 are not invalid under 35 U.S.C. § 112 for indefiniteness.

[23] The undersigned has already determined that Complainant has met the economic prong under section 337(a)(3)(B.) Accordingly, the undersigned need not decide whether Complainant meets the economic prong under section 337(a)(3)(C).

6. Claims 1, 10, and 16 of U.S. Patent No. 8,387,718 are not invalid under 35 U.S.C. § 103 for obviousness.

X. RECOMMENDED DETERMINATION ON REMEDY AND BOND

The Commission's Rules provide that subsequent to an initial determination on the question of violation of section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. § 1337, the administrative law judge shall issue a recommended determination concerning the appropriate remedy in the event that the Commission finds a violation of section 337, and the amount of bond to be posted by respondent during Presidential review of the Commission action under section 337(j). *See* 19 C.F.R. § 210.42(a)(1)(ii).

The Commission has broad discretion in selecting the form, scope and extent of the remedy in a section 337 proceeding. *Viscofan, S.A. v. Int'l Trade Comm'n,* 787 F.2d 544, 548 (Fed. Cir. 1986). Under Section 337(d)(1), if the Commission determines as a result of an investigation that there is a violation of section 337, the Commission is authorized to enter either a limited or a general exclusion order. 19 U.S.C. § 1337(d)(1). A limited exclusion order instructs the U.S. Customs and Border Protection to exclude from entry all articles that are covered by the patent at issue and that originate from a named respondent in the investigation. A general exclusion order instructs the CBP to exclude from entry all articles that are covered by the patent at issue, without regard to source. *Certain Purple Protective Gloves,* Inv. No. 337-TA-500, Comm'n. Op. at 5 (Dec. 22, 2004).

A. Limited Exclusion Order

Under section 337(d), the Commission may issue a limited exclusion order directed to a respondent's infringing products. 19 U.S.C. § 1337(d). A limited exclusion order instructs the U.S. Customs Service to exclude from entry all articles that are covered by the patent at issue that

originate from a named respondent in the investigation. *Fuji Photo Film Co. Ltd. v. Int'l Trade Comm'n*, 474 F.3d 1281, 1286 (2007).

Complainant requests that a limited exclusion order issue as to products that infringe the asserted claims of the '718 patent. (CIB at 59.) Complainant submits that "[i]f the Commission determines that Respondent has violated Section 337, the issuance of a permanent limited exclusion order is routine." (*Id.* (citing 19 U.S.C. § 1337(d)).)

Should a limited exclusion order issue, Respondent requests that it "(i) exempt products imported into the United States prior to the effective date of the order; (ii) exclude components, (iii) allow Respondent to import components for service and repair of Accused Products already in the United States, and (iv) include a certification provision." (RRB at 25; *see also* RIB at 58-59.)

To the extent the Commission determines that Respondent infringes claims 1, 10, and 16 of the '718 patent, the undersigned recommends the issuance of a limited exclusion order. Respondent requests that the limited exclusion order include certain exemptions and provisions. However, beyond attorney argument, Respondent did not cite to any evidence or provide information to support its request. The undersigned therefore declines to include the requested exemptions and provisions.

B. Cease and Desist Order

Under section 337(f)(1), the Commission may issue a cease and desist order in addition to, or instead of, an exclusion order. 19 U.S.C. § 1337(f)(1). The Commission generally issues a cease and desist order directed to a domestic respondent when there is a "commercially significant" amount of infringing, imported product in the United States that could be sold, thereby undercutting the remedy provided by an exclusion order. *See Certain Crystalline Cefadroxil*

Monohydrate, Inv. No. 337-TA-293 USITC Pub. 2391, Comm'n Op. on Remedy, the Public Interest and Bonding at 37-42 (June 1991); *Certain Condensers, Parts Thereof and Prods. Containing Same, Including Air Conditioners for Automobiles*, Inv. No. 337-TA-334 (Remand), Comm'n Op. at 26-28, 1997 WL 817767, at *11-12 (U.S.I.T.C. Sept. 10, 1997).

Complainant asserts a cease and desist order is an appropriate and necessary remedy here. (CIB at 59-60.) According to Complainant, Respondent's domestic inventory of the Accused Products is valued at $ 4,696,570,65. (*Id.* at 60 (citing CX-0109C.0021, .0023).) Complainant submits that this is "clearly a commercially significant value of inventory in the United States." (*Id.*)

Respondent asserts that Complainant bears the burden of proving that it has a "commercially significant" inventory in the United States. (RIB at 59-60 (citing *Certain Integrated Repeaters, Switches, Transceivers and Prods. Containing Same*, Inv. No. 337-TA-435, Comm'n Op. at 27 (Aug. 16, 2002)).) According to Respondent, "[Complainant] simply provides a threadbare allegation "that Respondent maintains a significant inventory" and therefore a cease and desist order is necessary. (*Id.* at 60 (citing RX-0260C at 91.)

The undersigned recommends that a cease and desist orders issue, if Respondent is found to infringe by the Commission. The evidence adduced at the hearing shows that Respondent does maintain "commercially significant" inventory of the accused products in the United States. Specifically, as of November 16, 2017, Respondent had the following inventory in the United States:

Model	Location	Quantity
NT1850DE	[redacted]	
NT1865DM		
NT1865DMA		
NR1890DR		
NR1890DC		

(CX-0109C.0021.) The suggested retail price of the Accused Products is as follows:

Model	Suggested Retail Price	Unit Cost	Wholesale Price(s)
NR1890DR	[redacted]		
NR1890DC			
NT1850DE			
NT1865DM			
NT1865DMA			

(*Id.* at .0023.) Based on the information above, the value of Respondent's domestic inventory is "commercially significant." (*See* CIB at 59 (chart reproduced below).)

Model	Total Domestic Inventory	Retail Price	Total Value of Domestic Inventory
NR1890DR	[redacted]		
NR1890DC			
NT1850DE			
NT1865DM			
NT1865DMA			

C. Bond During Presidential Review Period

Pursuant to section 337(j)(3), the Administrative Law Judge and the Commission must determine the amount of bond to be required of a respondent during the 60-day Presidential review period following the issuance of permanent relief, in the event that the Commission determines to issue a remedy. 19 U.S.C. § 1337(j)(3). The purpose of the bond is to protect the complainant from any injury. 19 C.F.R. § 210.42(a)(1)(ii), § 210.50(a)(3).

When reliable price information is available, the Commission has often set the bond by eliminating the differential between the domestic product and the imported, infringing product. *See Microsphere Adhesives, Processes for Making Same, and Prods. Containing Same, Including Self-Stick Repositionable Notes*, Inv. No. 337-TA-366, USITC Pub. 2949, Comm'n Op. at 24 (Dec. 8, 1995). In other cases, the Commission has turned to alternative approaches, especially when the level of a reasonable royalty rate could be ascertained. *See, e.g., Certain Integrated Circuit Telecomm. Chips and Prods. Containing Same, Including Dialing Apparatus*, Inv. No. 337-TA-337, Comm'n Op. at 41, 1993 WL 13033517, at *24 (U.S.I.T.C. June 22, 1993). A 100 percent bond has been required when no effective alternative existed. *See, e.g., Certain Flash Memory Circuits and Prods. Containing Same*, Inv. No. 337-TA-382, USITC Pub. No. 3046, Comm'n Op. at 26-27 (July 1997) (imposing a 100% bond when price comparison was not practical because the parties sold products at different levels of commerce, and the proposed royalty rate appeared to be *de minimus* and without adequate support in the record).

Complainant writes: "A bond is necessary here to protect Complainant from harm due to Respondent's continued infringement." (CIB at 60.)

Respondent submits that "[a] bond of zero is appropriate in this Investigation, as [Complainant] failed to meet its burden to show the need for a bond." (RIB at 60.) Respondent

explains that Complainant failed to provide any explanation as to why a bond is necessary in this Investigation, other than a boilerplate response that "a bond was necessary to protect Complainant from harm." (*Id.*; *see also* RRB at 25.)

The undersigned agrees with Respondent. Complainant's entire argument consists of one conclusory sentence. Complainant has proffered no evidence or justification for its request for a bond. Accordingly, the undersigned recommends that no bond be set.

XI. INITIAL DETERMINATION

Based on the foregoing, it is the Initial Determination of the undersigned that Respondent Hitachi Koki U.S.A. Limited does not infringe the asserted claims of U.S. Patent No. 8,387,718. The undersigned further determines that the asserted patent is not invalid and that the domestic industry requirement has not been satisfied.[24]

The undersigned hereby CERTIFIES to the Commission this Initial Determination, the Recommended Determination, and Exhibit 1. The parties' briefs, which include the final exhibits lists, are not certified as they are already in the Commission's possession in accordance with Commission rules. 19 C.F.R. § 210.38(a).

The Secretary shall serve the confidential version of this Initial Determination upon counsel who are signatories to the Protective Order (Order No. 1) issued in this Investigation. A public version will be served at a later date upon all parties of record.

Pursuant to 19 C.F.R. § 210.42(h), this Initial Determination shall become the determination of the Commission unless a party files a petition for review pursuant to 19 C.F.R.

[24] Any arguments from the parties' pre-hearing briefs incorporated by reference into the parties' post-hearing briefs are stricken, unless otherwise discussed herein, as an improper attempt to circumvent the page limits imposed for post-hearing briefing.

§ 210.43(a) or the Commission, pursuant to 19 C.F.R. § 210.44, orders on its own motion a review of the Initial Determination or certain issues therein.

Within ten days of the date of this document, the parties shall submit to the Office of Administrative Law Judges a joint statement regarding whether or not they seek to have any portion of this document deleted from the public version. The parties' submission shall be made by hard copy and must include a copy of this Initial Determination with red brackets indicating any portion asserted to contain confidential business information to be deleted from the public version.[25] The parties' submission shall include an index identifying the pages of this document where proposed redactions are located. The parties' submission concerning the public version of this document need not be filed with the Commission Secretary.

SO ORDERED.

Charles E. Bullock
Chief Administrative Law Judge

[25] If the parties submit excessive redactions, they may be required to provide an additional written statement, supported by declarations from individuals with personal knowledge, justifying each proposed redaction and specifically explaining why the information sought to be redacted meets the definition for confidential business information set forth in Commission Rule 201.6(a). 19 C.F.R. § 201.6(a).

EXHIBIT 1

PUBLIC VERSION

UNITED STATES INTERNATIONAL TRADE COMMISSION

Washington, D.C.

In the Matter of	
CERTAIN GAS SPRING NAILER PRODUCTS AND COMPONENTS THEREOF	**Inv. No. 337-TA-1082**

ORDER NO. 28: GRANTING-IN-PART RESPONDENT'S MOTION *IN LIMINE* NO. 1 TO EXCLUDE TESTIMONY AND EVIDENCE REGARDING COMPLAINANT'S TECHNICAL EXPERT DR. JOHN D. PRATT

(October 24, 2018)

On October 9, 2018, Respondent Hitachi Koki USA, Limited ("Respondent") moved (1082-015) to exclude the testimony of Complainant Kyocera Senco Brands Inc.'s ("Complainant") technical expert, Dr. John D. Pratt. On October 19, 2018, Complainant opposed the motion.

Respondent argues that "Dr. Pratt has ***no experience whatsoever*** in the field of powered nailers and is therefore not capable of analyzing the issues of infringement or invalidity from the perspective of a person of ordinary skill in the art." (Mem. at 1 (emphasis in original).)

Complainant argues that Dr. Pratt has "significant experience in handheld power tools and fastener driving systems" and that "Respondent attempts to unduly narrow the scope of the 'pertinent art.'" (Opp. at 1.) Complainant further argues that "Respondent mischaracterizes the standard for determining whether a witness may testify as a technical expert in patent cases." (*Id.*)

A. Whether Dr. Pratt Qualifies as a Person of Ordinary Skill in the Art

Complainant writes that "the level of ordinary skill in the art is disputed." (Opp. at 4.) This is incorrect. In the *Markman* Order, the undersigned found "that one of ordinary skill in the art would have at least (i) a Master's Degree in mechanical engineering with at least two years of experience in power nailer design; (ii) a Bachelor's Degree in mechanical engineering with at least

five years of experience in powered nailer design; or (iii) ten or more years of experience in powered nailer design." (Order No. 9 at 5-6 (May 3, 2018).)

Complainant dismisses this ruling by calling it "preliminary" and complaining that it "did not agree that this was the proper level of ordinary skill in the art." (Opp. at 4). This ruling is not preliminary. The undersigned will not revisit issues decided in the *Markman* Order, unless there are grounds for reconsideration of the order. Here, not only did Complainant fail to seek reconsideration of the order, but it was silent as to its disagreement about the level of skill in the art in the over five months since the *Markman* order issued.

Nor can Complainant assert that it was unaware that the undersigned would make findings related to a person of ordinary skill in the art during the *Markman* phase of the Investigation. In Investigations such as this one where a *Markman* hearing and order occur, the undersigned always addresses the level of ordinary skill of art in *Markman* orders. *See, e.g.*, *Certain Electrochemical Glucose Monitoring Systems & Components Thereof*, Inv. No. 337-TA-1075, Order No. 27 at 5-6 (May 17, 2017); *Certain Electrical Connectors, Components Thereof, & Prods. Containing the Same*, Inv. No. 337-TA-1043, Order No. 23 at 5-6 (Sept, 28, 2017); *Certain Integrated Circuits with Voltage Regulators & Prods. Containing Same*, Inv. No. 337-TA-1024, Order No. 36, at 5-6 (July 7, 2017); *Certain Mobile & Portable Elec. Devices Incorporating Haptics (Including Smartphones & Laptops) & Components Thereof*, Inv. No. 337-TA-1004, Order No. 27 at 5-6 (Feb. 2, 2017); *Certain Motorized Self-Balancing Vehicles*, Inv. No. 337-TA-1000, Order No. 25 at 5-6 (Nov. 1, 2016); *Certain Air Mattress Sys., Components Thereof, & Methods of Using the Same*, Inv. No. 337-TA-971, Order No. 19 at 4-5 (May 11, 2016); *Certain Automated Teller Machines & Point of Sale Devices & Assoc. Software Thereof*, Inv. No. 337-TA-957, Order No. 15 at 5-6 (Dec. 22, 2015); *Certain Hemostatic Prods. & Components Thereof*, Inv. No. 337-TA-913, Order No. 9 at 5-6 (Aug. 26, 2014); *Certain Antivenom Compositions & Prods. Containing*

Same, Inv. No. 337-TA-903, Order No. 23 at 5-6 (May 21, 2014); *Certain Vision-Based Drier Assistance Sys. Cameras & Components Thereof*, Inv. No. 337-TA-899, Order No. 13 at 5 (Oct. 9, 2014).[1] Despite this, Complainant chose not to address the level of skill in its *Markman* briefing. Additionally, in his declaration submitted as part of the *Markman* briefing, Dr. Pratt applied the level of ordinary skill in the art proposed by Respondent in reaching his opinions. (*See* Order No. 9 at 5 (citing CMIB Ex. B at ¶¶ 24-25).) Such an action implied that Complainant and its expert agreed with Respondent's proposed definition.

The undersigned finds that Dr. Pratt does not qualify as a person of ordinary skill in the art under the standard set forth in the *Markman* order. While Dr. Pratt meets the educational requirement, he lacks the requisite experience. The undersigned found that a person of ordinary skill in the art is required to have some degree of experience in *power nailer design.* (Order No. 9 at 5-6.) Dr. Pratt has extensive experience in fastener driving tools, but does not purport to have any experience in power nailer design. (*See* Opp. at 2 (noting that experience in fastener driving tools "overlaps" with the requisite experience, but never asserting that Dr. Pratt does, in fact, have such experience); *see also* Mot. Ex. 1 at 48:19-21 (deposition testimony in which Dr. Pratt admits that he does not have any experience designing powered nailers).) As such, Dr. Pratt does not qualify as a person of ordinary skill in the art as that level has been defined.

As noted above, the issue of the level of ordinary skill has already been ruled upon. Complainant had the opportunity to argue for a different finding, but chose not to do so. Permitting Complainant to re-litigate this issue would be unfair to Respondent and would also undermine the finality of such rulings in future investigations. The undersigned cannot accept a practice in which

[1] Additionally, Respondent included its argument with respect to the level of skill in the art in its initial *Markman* brief. (RMIB at 10.) As such, it should have been clear that this issue was ripe for adjudication in the *Markman* Order.

litigants are free to make additional arguments that they had the opportunity to make previously, but neglected to do so.

B. Whether Dr. Pratt's Testimony Should Be Excluded

Complainant argues that Dr. Pratt should still be permitted to testify, even if he does not qualify as a person of ordinary skill in the art. Federal Circuit law does not appear to be definitive on this point. Respondent cites *Sundance Inc. v. Demonte Fabricating, Ltd.*, 550 F.3d 1356 (Fed. Cir. 2008) in support of the proposition that an expert witness must meet the level of skill in the art in order for his testimony to be admissible. (*See* Opp. at 1.) *Sundance* held that "it is an abuse of discretion to permit a witness to testify as an expert on the issues of noninfringement or invalidity unless that witness is qualified as an expert in the pertinent art." *Id.* at 1363. The *Sundance* Court did not, however, explicitly require that an expert must meet the level of ordinary skill in the art. In theory, at least, a witness could qualify as an expert in the "pertinent art," without meeting the specific requirements of one of ordinary skill in the art.

Nor, however, do the cases cited by Complainant squarely address the issue. In *SEB S.A. v. Montgomery Ward & Co.*, 594 F.3d 1360 (Fed. Cir. 2010), the Federal Circuit found that the district court did not abuse its discretion when it permitted the testimony of an expert who had technical expertise, but lacked specific expertise in the technology of the patent. *Id.* at 1373 (explaining that the expert did not have skill in designing deep fryers). The *SEB* court determined that the district court was in the best place to judge whether the proposed expert witness had the "knowledge, skill, experience, training, [and] education" of a "specialized" nature that was likely to "assist the trier of fact to understand the evidence or to determine" infringement. *Id.* The court did not, however, discuss whether the district court had already determined the level of ordinary skill in the art. Thus, it is unclear if the Federal Circuit would reach the same conclusion if the

district court had specifically required that a person of ordinary skill in the art have experience in designing deep fryers.[2]

Because there is no case directly on point, the undersigned errs in favor of Complainant and finds that Dr. Pratt's testimony should be admitted, as conditioned below. In doing so, the undersigned notes that "courts enjoy 'wide latitude' to determine admissibility and 'the mode and order' of evidentiary presentations." *Id.*; *see also Sundance*, 550 F.3d at 1360 ("We note that admission of expert testimony is within the discretion of the trial court.").

This ruling does not completely resolve Respondent's concern, however. Although Dr. Pratt may provide testimony, the fact remains that he is not qualified as a person of ordinary skill in the art. As such, reliance on his testimony is likely to be problematic. The undersigned cannot, for example, rely on Dr. Pratt's testimony to support a finding of infringement based on the doctrine of equivalents. Doing so would constitute reversible error, as the Federal Circuit has been very clear that the testimony of a person of ordinary skill in the art is required for infringement under the doctrine of equivalents. In *AquaTex Indus., Inc. v. Techniche Sols.*, 479 F.3d 1320 (Fed. Cir. 2007), for example, the Federal Circuit wrote:

> Both the Supreme Court and this court have made clear that the evidence of equivalents must be from the perspective of someone skill in the art . . .[W]hile many different forms of evidence may be pertinent, when the patent holder relies on the doctrine of equivalents, as opposed to literal infringement, the difficulties and complexities of the doctrine require that evidence be presented to the jury or other fact-finder through the particularized testimony of a person of ordinary skill in the art, typically a qualified expert, who (on a limitation-by-limitation basis) describes the claim limitations and establishes that those skilled in the art would recognize the equivalents.

[2] Complainant also cites to several district court cases. (*See* Opp. at 4.) The undersigned is not required to follow the rulings of those cases.

Id. at 1329.[3] Complainant relies on the doctrine of equivalents for limitations relating to "driven position." (*See, e.g.*, CIB at 54 ("Dr. Pratt explains that while the Accused Products do not meet this claim limitation literally, this limitation is met by the Accused Products under the doctrine of equivalents insubstantial differences test.").) As such, Complainant will not be able to establish infringement as to these claims and all of Dr. Pratt's testimony related to the doctrine of equivalents should be struck.

For the above stated reasons, Respondent's motion *in limine* no. 1 (1082-015) is hereby granted-in-part. The undersigned strikes Dr. Pratt's testimony with respect to the doctrine of equivalents (for infringement and for the technical prong of the domestic industry requirement). The undersigned further orders the parties to submit a Joint Statement by noon on October 26, 2018 indicating what portions of the case they expect to go forward, using the table of contents in the pre-hearing briefs as a guide. (*i.e.*, whether infringement and/or invalidity of claim 1 of the U.S. Patent No. 8,267,296 should continue to be part of the Investigation). The parties should attempt to reach agreement, but, if they cannot, should each provide a brief argument on the issue.

[3] In *AquaTex*, the Federal Circuit also stated: "Even where literal infringement is involved, expert infringement testimony is generally required in cases involving complex technology." 479 F.3d at 1329 n.7; *see also Centricut, LLC v. Esab Grp., Inc.*, 390 F.3d 1361, 1369 (Fed. Cir. 2004) (explaining that expert testimony is not necessary when the technology is "easily understandable without the need for expert explanatory testimony," but is necessary if the technology involved is complex). That decision will be made in the Initial Determination.

Within seven days of the date of this document, the parties shall submit to the Office of the Administrative Law Judges a joint statement as to whether or not they seek to have any portion of this document deleted from the public version. If the parties do seek to have portions of this document deleted from the public version, they must submit to this office a copy of this document with red brackets indicating the portion or portions asserted to contain confidential business information. The submission may be made by email and/or hard copy by the aforementioned date and need not be filed with the Commission Secretary.

SO ORDERED.

Charles E. Bullock
Chief Administrative Law Judge

CERTAIN GAS SPRING NAILER PRODUCTS AND COMPONENTS THEREOF **Inv. No. 337-TA-1082**

PUBLIC CERTIFICATE OF SERVICE

I, Lisa R. Barton, hereby certify that **PUBLIC VERSION INITIAL DETERMINATION ON VIOLATION OF SECTION 337 AND RECOMMENDED DETERMINATION OF REMEDY AND BOND** has been served upon the following parties as indicated, on **7/1/2019**.

Lisa R. Barton, Secretary
U.S. International Trade Commission
500 E Street SW, Room 112
Washington, DC 20436

On Behalf of Complainant Kyocera Senco Brands Inc.:

Robert S. Riggs, Esq.
VEDDER PRICE PC
222 North LaSalle Street, Suite 2600
Chicago, IL 60601-1003

☐ Via Hand Delivery
☑ Via Express Delivery
☐ Via First Class Mail
☐ Other:_____

Respondent Hitachi Koki U.S.A., Limited:

Paul Devinsky
MCDERMOTT WILL & EMERY LLP
500 North Capitol Street, NW
Washington, DC 20001

☐ Via Hand Delivery
☑ Via Express Delivery
☐ Via First Class Mail
☐ Other:_____

UNITED STATES INTERNATIONAL TRADE COMMISSION

Washington, D.C.

In the Matter of CERTAIN GAS SPRING NAILER PRODUCTS AND COMPONENTS THEREOF	Inv. No. 337-TA-1082

ORDER 9: CONSTRUING THE TERMS OF THE ASSERTED CLAIMS OF THE PATENTS AT ISSUE

(May 3, 2018)

TABLE OF CONTENTS

I. INTRODUCTION

This Investigation was instituted by the Commission on November 20, 2017 to determine whether certain gas spring nailer products and components thereof infringe U.S. Patent Nos. 8,233,250 (the "'250 patent"); 8,267,296 (the "'296 patent"); 8,267,297 (the "'297 patent")[1]; 8,387,718 (the "'718 patent"); 8,286,722 (the "'722 patent"); and 8,602,282 (the "'282 patent"). *See* 82 Fed. Reg. 55,118-119 (Nov. 20, 2017). The respondent is Hitachi Koki U.S.A., Limited.

Pursuant to Ground Rule 6, a *Markman* hearing was held February 22, 2018 regarding the interpretation of certain terms of the patents at issue. Prior to the hearing, Complainant Kyocera Senco Brands Inc. ("Complainant") and Respondent met and conferred in an effort to reduce the number of disputed claim terms to a minimum. The parties also filed initial and reply claim construction briefs, wherein each party offered its construction for the claim terms in dispute, along with support for its proposed interpretation. After the hearing and pursuant to Order No. 5, the parties submitted an updated Joint Claim Construction Chart.[2]

II. IN GENERAL

The claim terms construed in this Order are done so for the purposes of this section 337 Investigation. Those terms not in dispute need not be construed. *See Vanderlande Indus.*

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[1] In its initial *Markman* brief, Complainant states that it is asserting claims 1, 30, and 32 of this patent. (CMIB at 1 n.1.) However, the Notice of Investigation, as well as the Amended Complaint, only list claims 1 and 32 as asserted claims. *See* 82 Fed. Reg. 55,118-119 (Nov. 20, 2017); Am. Compl. at ¶ 2. As the parties are well aware, the Notice of Investigation defines the scope of the investigation. *See* 19 C.F.R. § 210.10(b). To date, Complainant has not moved to amend its Complaint or the Notice of Investigation to bring claim 30 within the scope of this Investigation. Thus, any references to claim 30 will not be considered.

[2] For convenience, the briefs and chart submitted by the parties are referred to hereafter as:

CMIB	Complainant's Initial *Markman* Brief
CMRB	Complainant's Reply *Markman* Brief
RMIB	Respondent's Initial *Markman* Brief
RMRB	Respondent's Reply *Markman* Brief
JC	Updated Joint Proposed Claim Construction Chart

Nederland BV v. Int'l Trade Comm'n, 366 F.3d 1311, 1323 (Fed. Cir. 2004) (noting that the administrative law judge need only construe disputed claim terms).

III. RELEVANT LAW

"An infringement analysis entails two steps. The first step is determining the meaning and scope of the patent claims asserted to be infringed. The second step is comparing the properly construed claims to the device accused of infringing." *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 976 (Fed. Cir. 1995) (*en banc*) (internal citations omitted), *aff'd*, 517 U.S. 370 (1996). Claim construction is a "matter of law exclusively for the court." *Id.* at 970-71. "The construction of claims is simply a way of elaborating the normally terse claim language in order to understand and explain, but not to change, the scope of the claims." *Embrex, Inc. v. Serv. Eng'g Corp.*, 216 F.3d 1343, 1347 (Fed. Cir. 2000).

Claim construction focuses on the intrinsic evidence, which consists of the claims themselves, the specification, and the prosecution history. *See Phillips v. AWH Corp.*, 415 F.3d 1303, 1314 (Fed. Cir. 2005) (*en banc*); *see also Markman*, 52 F.3d at 979. As the Federal Circuit in *Phillips* explained, courts must analyze each of these components to determine the "ordinary and customary meaning of a claim term" as understood by a person of ordinary skill in the art at the time of the invention. 415 F.3d at 1313. "Such intrinsic evidence is the most significant source of the legally operative meaning of disputed claim language." *Bell Atl. Network Servs., Inc. v. Covad Commc'ns Grp., Inc.*, 262 F.3d 1258, 1267 (Fed. Cir. 2001).

"It is a 'bedrock principle' of patent law that 'the claims of a patent define the invention to which the patentee is entitled the right to exclude.'" *Phillips*, 415 F.3d at 1312 (quoting *Innova/Pure Water, Inc. v. Safari Water Filtration Sys., Inc.*, 381 F.3d 1111, 1115 (Fed. Cir. 2004)). "Quite apart from the written description and the prosecution history, the claims

themselves provide substantial guidance as to the meaning of particular claims terms." *Id.* at 1314; *see also Interactive Gift Express, Inc. v. Compuserve Inc.*, 256 F.3d 1323, 1331 (Fed. Cir. 2001) ("In construing claims, the analytical focus must begin and remain centered on the language of the claims themselves, for it is that language that the patentee chose to use to 'particularly point[ ] out and distinctly claim[ ] the subject matter which the patentee regards as his invention.'"). The context in which a term is used in an asserted claim can be "highly instructive." *Phillips*, 415 F.3d at 1314. Additionally, other claims in the same patent, asserted or unasserted, may also provide guidance as to the meaning of a claim term. *Id.*

The specification "is always highly relevant to the claim construction analysis. Usually, it is dispositive; it is the single best guide to the meaning of a disputed term." *Id.* at 1315 (quoting *Vitronics Corp. v. Conceptronic, Inc.*, 90 F.3d 1576, 1582 (Fed. Cir. 1996)). "[T]he specification may reveal a special definition given to a claim term by the patentee that differs from the meaning it would otherwise possess. In such cases, the inventor's lexicography governs." *Id.* at 1316. "In other cases, the specification may reveal an intentional disclaimer, or disavowal, of claim scope by the inventor." *Id.* As a general rule, however, the particular examples or embodiments discussed in the specification are not to be read into the claims as limitations. *Id.* at 1323. In the end, "[t]he construction that stays true to the claim language and most naturally aligns with the patent's description of the invention will be . . . the correct construction." *Id.* at 1316 (quoting *Renishaw PLC v. Marposs Societa' per Azioni*, 158 F.3d 1243, 1250 (Fed. Cir. 1998)).

In addition to the claims and the specification, the prosecution history should be examined, if in evidence. *Id.* at 1317; *see also Liebel-Flarsheim Co. v. Medrad, Inc.*, 358 F.3d 898, 913 (Fed. Cir. 2004). The prosecution history can "often inform the meaning of the claim

language by demonstrating how the inventor understood the invention and whether the inventor limited the invention in the course of prosecution, making the claim scope narrower than it would otherwise be." *Phillips*, 415 F.3d at 1317; *see also Chimie v. PPG Indus. Inc.*, 402 F.3d 1371, 1384 (Fed. Cir. 2005) ("The purpose of consulting the prosecution history in construing a claim is to 'exclude any interpretation that was disclaimed during prosecution.'").

When the intrinsic evidence does not establish the meaning of a claim, then extrinsic evidence (*i.e.*, all evidence external to the patent and the prosecution history, including dictionaries, inventor testimony, expert testimony, and learned treatises) may be considered. *Phillips*, 415 F.3d at 1317. Extrinsic evidence is generally viewed as less reliable than the patent itself and its prosecution history in determining how to define claim terms. *Id.* at 1317. "The court may receive extrinsic evidence to educate itself about the invention and the relevant technology, but the court may not use extrinsic evidence to arrive at a claim construction that is clearly at odds with the construction mandated by the intrinsic evidence." *Elkay Mfg. Co. v. Ebco Mfg. Co.*, 192 F.3d 973, 977 (Fed. Cir. 1999).

If, after a review of the intrinsic and extrinsic evidence, a claim term remains ambiguous, the claim should be construed so as to maintain its validity. *Phillips*, 415 F.3d at 1327. Claims, however, cannot be judicially rewritten in order to fulfill the axiom of preserving their validity. *See Rhine v. Casio, Inc.*, 183 F.3d 1342, 1345 (Fed. Cir. 1999). Thus, "if the only claim construction that is consistent with the claim's language and the written description renders the claim invalid, then the axiom does not apply and the claim is simply invalid." *Id.*

A claim must also be definite. Pursuant to 35 U.S.C. § 112, second paragraph: "The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention." 35 U.S.C. § 112, ¶ 2.

In *Nautilus, Inc. v. Biosig Instruments, Inc.*, 134 S. Ct. 2120 (2014), the Supreme Court held that § 112, ¶ 2 requires "that a patent's claims, viewed in light of the specification and prosecution history inform those skilled in the art about the scope of the invention with reasonable certainty." (*Id.* at 2129.) A claim is required to "provide objective boundaries for those of skill in the art," and a claim term is indefinite if it "might mean several different things and no informed and confident choice is among the contending definitions." *Interval Licensing LLC v. AOL, Inc.*, 766 F.3d 1364, 1371 (Fed. Cir. 2014). A patent claim that is indefinite is invalid. 35 U.S.C. § 282(b)(3)(A).

IV. LEVEL OF ORDINARY SKILL IN THE ART

Respondent submits that "[a] person of ordinary skill in the art relevant to the Asserted Patents would have either (i) a Master's Degree in mechanical engineering with at least two years of experience in power nailer design; (ii) a Bachelor's Degree in mechanical engineering with at least five years of experience in powered nailer design; or, (iii) ten or more years of experience in powered nailer design. This experience in powered nailer design would include mechanical design, tool design, manufacturing, mechanics of materials, stress analysis, ergonomics, and human factors." (RMIB at 10 (citing Ex. 7, Vallee Decl. at ¶ 22).)

While Complainant did not address the level of ordinary skill in the art in its briefs, its expert, Dr. John Pratt, did opine on the issue in his declaration. (*See* CMIB Ex. B at ¶¶ 24-25.) He noted that in reaching his conclusions, he applied the level of ordinary skill in the art proposed by Respondent. (*Id.* at ¶ 25.)

The undersigned therefore finds Respondent's proposal to best reflect the level of skill in the art at the time of the asserted patents. Accordingly, the undersigned finds that one of ordinary skill in the art would have at least (i) a Master's Degree in mechanical engineering with at least

two years of experience in power nailer design; (ii) a Bachelor's Degree in mechanical engineering with at least five years of experience in powered nailer design; or (iii) ten or more years of experience in powered nailer design.

V. THE ASSERTED PATENTS

A. The '547 Patent

The '547 patent, entitled "Fastener Driving Tool Using a Gas Spring," issued on September 6, 2011 to Richard L. Leimbach, Thomas A. McCardle, Danny L. Bolender, Steve Dickinson, Joseph R. Knueven, Robert L. Lance, Dan Stolz, Michael V. Petrocelli, and Teresa Petrocelli. The '547 patent is assigned on its face to Senco Brands, Inc.[3] The '547 patent generally relates to "linear fastener driving tools, and, more particularly, [is] directed to portable tools that drive staples, nails, or other linearly driven fasteners." ('547 patent at 1:15-17.) The invention is "specifically disclosed as a gas spring linear fastener driving tool, in which a cylinder filled with compressed gas is used to quickly force a piston through a driving stroke movement, while also driving a fastener into a workpiece." (*Id.* at 18-21; *see also* Am. Compl. at ¶¶ 20-22.)

The '547 patent has 39 claims. Only claim 30 has been asserted in this Investigation. The asserted claim reads as follows (with the first instance of the agreed-upon terms in *italics* and the first instance of the disputed terms highlighted in **bold**):

30. A driving mechanism for use in a fastener driving tool, said driving mechanism comprising: (a) a hollow cylinder comprising a cylindrical wall and having a movable piston therewithin, said hollow cylinder having a first end and a second, opposite end, said hollow cylinder containing a displacement volume created by a stroke of said piston; (b) a *guide body that is substantially adjacent to the second end of said cylinder*, said guide body having a receiving end, an exit end, and a passageway therebetween, said receiving end being proximal to said second end of the cylinder, said guide body being

[3] On August 7, 2017, Senco Brands, Inc. legally changed its name to Kyocera Senco Brands Inc. (Am. Compl. at ¶ 5.) All rights to the patents-in-suit previously held in the name of Senco Brands, Inc. are now vested in Complainant. (*Id.*)

configured to receive a fastener that is to be driven from said exit end; (c) a driver member that is in mechanical communication with said piston at a third end of said driver member, said driver member having a fourth, opposite end that is sized and shaped to push said fastener from said exit end of the guide body, wherein said passageway of the guide body allows said driver member to pass therethrough toward said exit end during a driving stroke and toward said receiving end during a return stroke, said driver member, when at a **driven position**, **protruding toward said exit end of the guide body** after said piston moves toward the second end of said cylinder, and said driver member, when at a **ready position**, being withdrawn into said guide body after said piston moves toward the first end of said cylinder; (d) **a *main storage chamber* that substantially surrounds at least a portion of said cylinder** and is in fluidic communication with said displacement volume of the cylinder, wherein said main storage chamber and said displacement volume are *initially charged with a pressurized gas*, which is to be re-used for multiple fastener driving actuations; and (e) a **lifter member** that, under *first predetermined conditions*, moves said driver member from its driven position toward its ready position, wherein when said driver member is at its ready position, said lifter member thereby *holds* said movable piston in a "stop" position that is located proximal to said first end of said hollow cylinder, while said movable piston is under a **maximum pneumatic force of said pressurized gas**; wherein said cylinder and piston act as a gas spring, under *second predetermined conditions*, to move said driver member from its ready position toward its driven position, using said pressurized gas of both said main storage chamber and said displacement volume acting on said piston, while said driver member's fourth end contacts said fastener and moves the fastener from said exit end of said guide body.

B. The '296 Patent

The '296 patent, entitled "Fastener Driving Tool Using a Gas Spring," issued on September 18, 2012 to Richard L. Leimbach, Thomas A. McCardle, Danny L. Bolender, Steve Dickinson, Joseph R. Knueven, Robert L. Lance, Dan Stolz, Michael V. Petrocelli, and Teresa Petrocelli. The '296 patent is assigned to Senco Brands, Inc. The '296 patent generally relates to "linear fastener driving tools, and, more particularly, [is] directed to portable tools that drive staples, nails, or other linearly driven fasteners." ('296 patent at 1:15-17.) The invention is "specifically disclosed as a gas spring linear fastener driving tool, in which a cylinder filled with compressed gas is used to quickly force a piston through a driving stroke movement, while also driving a fastener into a workpiece." (*Id.* at 18-21; *see also* Am. Compl. at ¶¶ 27-29.)

The '296 patent has 20 claims. Claims 1 and 11 are at issue in this Investigation. The asserted claims read as follows (with the first instance of the agreed-upon terms in *italics* and the first instance of the disputed terms highlighted in **bold**):

1. A fastener driving tool, comprising: (a) a *guide body* that has a receiving end, an exit end, and a passageway therebetween, said guide body being configured to receive a fastener that is to be driven from said exit end; (b) a driver actuation device having a movable member that creates a displacement volume; (c) an elongated driver member having a first end and a second end, said first end being in mechanical communication with said movable member of the driver actuation device, said second end being sized and shaped to push a fastener from said exit end of the guide body through at least a portion of said passageway of the guide body, and said driver member having at least one longitudinal edge with a plurality of spaced-apart protrusions; (d) **a lifter member which exhibits a contact surface** that, at predetermined locations along said contact surface, makes contact with said plurality of spaced-apart protrusions of said driver member such that, when said lifter member is moved in a first direction, it causes a return stroke of an operating cycle and moves said driver member from a **driven position** toward a **ready position**, and when said lifter member is moved to a holding position, it temporarily *holds* said driver member at said ready position by use of a holding contact between said lifter member and said driver member; and (e) a *main storage chamber* that is in fluidic communication with said displacement volume of the driver actuation device, wherein: (i) said main storage chamber and said displacement volume are *charged with a pressurized gas*, (ii) when actuated for a driving stroke of said operating cycle, said lifter member moves in said first direction from said holding position and releases said driver member from said holding contact, and said movable member of the driver actuation device is moved by said pressurized gas and moves said driver member from said ready position to said driven position, and (iii) said pressurized gas is not exhausted to atmosphere after said driving stroke, but instead is re-used for a plurality of said operating cycles; (f) an energy source used for causing movement of said lifter member; and (g) *a housing that substantially contains said driver actuation device, said elongated driver member, said lifter member, and said main storage chamber*, with no external energy source cable and no external hose.

11. A fastener driving tool, comprising: (a) a guide body that has a receiving end, an exit end, and a passageway therebetween, said guide body being configured to receive a fastener that is to be driven from said exit end; (b) a driver actuation device having a movable member that creates a displacement volume; (c) an elongated driver member that is in mechanical communication with said movable member of the driver actuation device at a first end of said driver member: (i) said driver member having a second, opposite end that is sized and shaped to push a fastener from said exit end of the guide body, wherein said passageway of the guide body allows said driver member to pass therethrough toward said exit end during a driving stroke of an operating cycle and toward said receiving end during a return stroke of said operating cycle, said driver member, when at a driven position, **protruding toward said exit end of the guide body**, and said driver member,

when at a ready position, being withdrawn into said guide body, and (ii) said driver member having at least one longitudinal edge with at least one plurality of spaced-apart protrusions; (d) a lifter member that exhibits a contact surface that, at predetermined locations along said contact surface, makes contact with said at least one plurality of spaced-apart protrusions of said driver member such that, if said lifter member is moved in a first direction, it causes said driver member to be moved from said driven position toward said ready position; (e) a main storage chamber that, during said operating cycle, is always in fluidic communication with said displacement volume of the driver actuation device, wherein said main storage chamber and said displacement volume are both charged with a pressurized gas; (f) a housing that substantially contains said driver actuation device, said elongated driver member, said lifter member, and said main storage chamber; and (g) a fastener magazine for holding a plurality of fasteners, and for serially supplying said plurality of fasteners through an opening of the guide body to a position that is coincident with a path of said driver member during said driving stroke; wherein: (h) said lifter member, under first predetermined conditions, forces said driver member to undergo said return stroke and move toward said ready position, and then holds said driver member at said ready position by use of a holding contact between said lifter member and said driver member; (i) said lifter member, under second predetermined conditions, moves in said first direction until it releases said driver member from said holding contact; and said driver actuation device, under said second predetermined conditions, forces said driver member to undergo said driving stroke and move toward said driven position; and (j) said pressurized gas is not exhausted to atmosphere after a driving stroke, but instead it is re-used for a plurality of said operating cycles.

C. The '297 Patent

The '297 patent, entitled "Fastener Driving Tool Using a Gas Spring," issued on September 18, 2012 to Richard L. Leimbach, Thomas A. McCardle, Danny L. Bolender, Steve Dickinson, Joseph R. Knueven, Robert L. Lance, Dan Stolz, Michael V. Petrocelli, and Teresa Petrocelli. The '297 patent is assigned to Senco Brands, Inc.

The '297 patent generally relates to "linear fastener driving tools, and, more particularly, [is] directed to portable tools that drive staples, nails, or other linearly driven fasteners." ('297 patent at 1:15-17.) The invention is "specifically disclosed as a gas spring linear fastener driving tool, in which a cylinder filled with compressed gas is used to quickly force a piston through a driving stroke movement, while also driving a fastener into a workpiece." (*Id.* at 18-21; *see also* Am. Compl. at ¶¶ 34-36.)

The '297 patent has 35 claims. Claims 1 and 32 are at issue in this Investigation. The asserted claims read as follows (with the first instance of the agreed-upon terms in *italics* and the first instance of the disputed terms highlighted in **bold**):

1. A driving mechanism for use in a fastener driving tool, said driving mechanism comprising: (a) a hollow cylinder comprising a cylindrical wall and having a movable piston therewithin, said hollow cylinder having a first end and a second, opposite end, said hollow cylinder containing a displacement volume created by a stroke of said piston; (b) a *guide body that is substantially adjacent to the second end of said cylinder*, said guide body having a receiving end, an exit end, and a passageway therebetween, said receiving end being proximal to said second end of the cylinder, said guide body being configured to receive a fastener that is to be driven from said exit end; (c) a driver member that is in mechanical communication with said piston at a third end of said driver member, said driver member having a fourth, opposite end that is sized and shaped to push said fastener from said exit end of the guide body, wherein said passageway of the guide body allows said driver member to pass therethrough toward said exit end during a driving stroke and toward said receiving end during a return stroke, said driver member, when at a **driven position**, **protruding toward said exit end of the guide body** after said piston moves toward the second end of said cylinder, and said driver member, when at a **ready position**, being withdrawn into said guide body after said piston moves toward the first end of said cylinder; (d) **a *main storage chamber* that substantially surrounds at least a portion of said cylinder** and always is in fluidic communication with said displacement volume of the cylinder, wherein said main storage chamber and said displacement volume are *charged with a pressurized gas* during all portions of an operating cycle, with no **gas replenishment system** on-board said tool; and (e) a **lifter member** that, under *first predetermined conditions*, moves said driver member from its **driven position** toward its ready position; wherein said cylinder and piston act as a gas spring, under *second predetermined conditions*, to move said driver member from its ready position toward its driven position, using said pressurized gas of both said main storage chamber and said displacement volume acting on said piston, while said driver member's fourth end contacts said fastener and moves the fastener from said exit end of said guide body.

32. A driving mechanism for use in a fastener driving tool, said driving mechanism comprising: (a) a guide body that has a receiving end, an exit end, and a passageway therebetween, said guide body being configured to receive a fastener that is to be driven from said exit end; (b) a movable driver actuation device; (c) an elongated driver member that is in mechanical communication with said movable driver actuation device at a first end of said driver member, said driver member having a second, opposite end that is sized and shaped to push a fastener from said exit end of the guide body, said driver member having a substantially linear direction of movement between a driven position and a ready position, said driver member having a longitudinal edge, said driver member having a plurality of spaced-apart protrusions along said longitudinal edge, wherein said plurality of protrusions are substantially elongated along their outer perimeter, having

two substantially straight parallel outer edges that are substantially parallel to said longitudinal edge of the driver member; and (d) a lifter member that exhibits a discontinuous contact surface that, at predetermined locations along said discontinuous contact surface, makes contact with said plurality of spaced-apart protrusions of said driver member such that, as said lifter member is moved in a first rotational direction, said lifter member causes said driver member to be moved from its driven position toward its ready position, said discontinuous contact surface comprising a plurality of spaced-apart extensions having a substantially circular outer perimeter.

D. The '722 Patent

The '722 patent, entitled "Method for Controlling a Fasterner Driving Tool Using a Gas Spring," issued on October 16, 2012 to Richard L. Leimbach, Shane Adams, Thomas W. Clark, Michael V. Petrocelli, and Teresa Petrocelli. The '722 patent is assigned to Senco Brands, Inc. The '722 patent generally relates to "linear fastener driving tools, and, more particularly, [is] directed to portable tools that drive staples, nails, or other linearly driven fasteners." ('722 patent at 1:15-17.) The invention is "specifically disclosed as a gas spring linear fastener driving tool, in which a cylinder filled with compressed gas is used to quickly force a piston through a driving stroke movement, while also driving a fastener into a workpiece." (*Id.* at 18-21; *see also* Am. Compl. at ¶¶ 48-50.)

The '722 patent has 20 claims. Claims 1 and 16 are at issue in this Investigation. The asserted claims read as follows (with the first instance of the agreed-upon terms in *italics* and the first instance of the disputed terms highlighted in **bold**):

1. A fastener driving tool, comprising: (a) a housing that contains a prime mover, and a *system controller*; (b) a fastener driving mechanism that includes: (i) a hollow cylinder having a movable piston therewithin, said hollow cylinder having a first end and a second, opposite end, said hollow cylinder containing a displacement volume created by a stroke of said piston, said displacement volume being *initially charged with a pressurized gas*; (ii) a *guide body that is substantially adjacent to the second end of said cylinder*, said guide body having a receiving end, an exit end, and a passageway therebetween, said receiving end being proximal to said second end of the cylinder, said guide body being configured to receive a fastener that is to be driven from said exit end; (iii) an elongated driver member that is in mechanical communication with said piston, said driver member having a driving surface that is sized and shaped to push a fastener

into an external workpiece, wherein said passageway of the guide body allows said driver member to pass therethrough toward said exit end during a driving stroke, and allows said driver member to pass therethrough away from said exit end during a lifting interval; (A) said driver member having a first longitudinal edge; (B) said driver member having a first plurality of spaced-apart protrusions along said first longitudinal edge; and (iv) a lifter member that exhibits an outer shape that defines a perimeter of said lifter member's surface: (A) said lifter member being movable, under command of said system controller, by said prime mover; (B) said lifter member having a discontinuous contact surface that, at predetermined locations along said discontinuous contact surface, makes contact with said first plurality of spaced-apart protrusions of said driver member such that, under *first predetermined conditions*, said lifter member is moved in a first direction and thereby causes said driver member to be moved from its **driven position** toward its **ready position**; and (C) said lifter member being positionable by said prime mover, under *second predetermined conditions*, such that said discontinuous contact surface of the lifter member does not mechanically interfere with said first plurality of spaced-apart protrusions along said first longitudinal edge of the driver member during said driving stroke, in which said driver member moves from its ready position toward its driven position; (c) a *safety contact element* that extends to said exit end of the guide body, and which is movable between an actuated position when said safety contact element is pressed against said external workpiece, and a non-actuated position when said safety contact element is not pressed against said external workpiece; (d) a trigger actuator that is user-actuated; (e) a *trigger position sensor*; and (f) a safety contact element position sensor; wherein said cylinder and piston act as a gas spring, under said second predetermined conditions, to move said driver member from its ready position toward its driven position, using said pressurized gas acting on said piston, while said driver member's driving surface contacts a fastener and moves the fastener toward said exit end of said guide body.

16. A fastener driving tool, comprising: (a) a housing that contains a prime mover, and a system controller; (b) a fastener driving mechanism that includes: (i) a hollow cylinder having a movable piston therewithin, said hollow cylinder having a first end and a second, opposite end, said hollow cylinder containing a displacement volume created by a stroke of said piston, said displacement volume being charged with a pressurized gas during all portions of an operating cycle; (ii) a guide body that is substantially adjacent to the second end of said cylinder, said guide body having a receiving end, an exit end, and a passageway therebetween, said receiving end being proximal to said second end of the cylinder, said guide body being configured to receive a fastener that is to be driven from said exit end; (iii) an elongated driver member that is in mechanical communication with said piston, said driver member having a driving surface that is sized and shaped to push a fastener into an external workpiece, wherein said passageway of the guide body allows said driver member to pass therethrough toward said exit end during a driving stroke, and allows said driver member to pass therethrough away from said exit end during a lifting interval; (A) said driver member having a first longitudinal edge; (B) said driver member having a first plurality of spaced-apart protrusions along said first longitudinal edge; and (iv) a lifter member that exhibits an outer shape that defines a perimeter of said lifter member's surface: (A) said lifter member being movable, under command of said system

controller, by said prime mover; (B) said lifter member having a discontinuous contact surface that, at predetermined locations along said discontinuous contact surface, makes contact with said first plurality of spaced-apart protrusions of said driver member such that, under first predetermined conditions, said lifter member is moved in a first direction and thereby causes said driver member to be moved from its driven position toward its ready position; and (C) said lifter member being positionable by said prime mover, under second predetermined conditions, such that said discontinuous contact surface of the lifter member does not mechanically interfere with said first plurality of spaced-apart protrusions along said first longitudinal edge of the driver member during said driving stroke, in which said driver member moves from its ready position toward its driven position; (c) a safety contact element that extends to said exit end of the guide body, and which is movable between an actuated position when said safety contact element is pressed against said external workpiece, and a non-actuated position when said safety contact element is not pressed against said external workpiece; (d) a trigger actuator that is user-actuated; (e) a trigger position sensor; and (f) a safety contact element position sensor; wherein said cylinder and piston act as a gas spring, under said second predetermined conditions, to move said driver member from its ready position toward its driven position, using said pressurized gas acting on said piston, while said driver member's driving surface contacts a fastener and moves the fastener toward said exit end of said guide body.

E. The '718 Patent

The '718 patent, entitled "Method for Controlling a Fastener Driving Tool Using a Gas Spring," issued on March 5, 2013 to Richard L. Leimbach, Shane Adams, Thomas W. Clark, Michael V. Petrocelli, and Teresa Petrocelli. The '718 patent is assigned to Senco Brands, Inc. The '718 patent generally relates to "linear fastener driving tools, and, more particularly, [is] directed to portable tools that drive staples, nails, or other linearly driven fasteners." ('718 patent at 1:15-17.) The invention is "specifically disclosed as a gas spring linear fastener driving tool, in which a cylinder filled with compressed gas is used to quickly force a piston through a driving stroke movement, while also driving a fastener into a workpiece." (*Id.* at 18-21; *see also* Am. Compl. at ¶¶ 41-43.)

The '718 patent has 21 claims. Claims 1, 10, and 16 are at issue in this Investigation. The asserted claims read as follows (with the first instance of the agreed-upon terms in *italics* and the first instance of the disputed terms highlighted in **bold**):

1. A method for controlling a fastener driving tool, said method comprising: (a) providing a fastener driving tool that includes: (i) a housing; (ii) a *system controller*; (iii) a *safety contact element*; (iv) a user-actuated trigger; (v) a fastener; (vi) a prime mover that moves a **lifter member** which moves a **driver member** away from an exit end of the *mechanism*; and (vii) a fastener driving mechanism that moves said driver member toward said exit end of the mechanism, said fastener driving mechanism including: (A) a hollow cylinder comprising a cylindrical wall with a movable piston therewithin, said hollow cylinder containing a displacement volume created by a stroke of said piston, and (B) a *main storage chamber* that is in fluidic communication with said displacement volume of the cylinder, wherein said main storage chamber and said displacement volume are *initially charged with a pressurized gas*; (b) selecting, by a user, an operating mode of said driving cycle to be one of: a "*bottom firing mode*," and a "*restrictive firing mode*;" wherein: (i) if said restrictive firing mode is selected, said tool will operate if said safety contact element has been actuated before said trigger actuator has been operated; and (ii) if said bottom firing mode is selected, said tool will operate if both: (A) said trigger actuator has been operated, and (B) said safety contact element has been actuated, in either sequence; (c) initiating a driving cycle by pressing said exit end against a workpiece and actuating said trigger, thereby causing said fastener driving mechanism to force the driver member to move toward said exit end and drive a fastener into said workpiece; and (d) actuating said prime mover, thereby moving said lifter member and causing said driver member to move away from said exit end toward a **ready position**.

10. A method for controlling a fastener driving tool, said method comprising: (a) providing a fastener driving tool that includes: (i) a housing; (ii) a system controller; (iii) a safety contact element; (iv) a user-actuated trigger; (v) a fastener; (vi) a prime mover that moves a lifter member which moves a driver member away from an exit end of the mechanism; and (vii) a fastener driving mechanism that moves said driver member toward said exit end of the mechanism, said fastener driving mechanism including: (A) a hollow cylinder comprising a cylindrical wall with a movable piston therewithin, said hollow cylinder containing a displacement volume created by a stroke of said piston, and (B) a main storage chamber that is in fluidic communication with said displacement volume of the cylinder, wherein said main storage chamber and said displacement volume are charged with a pressurized gas during all portions of an operating cycle; (b) selecting, by a user, an operating mode of said driving cycle to be one of: a "bottom firing mode," and a "restrictive firing mode;" wherein: (i) if said restrictive firing mode is selected, said tool will operate if said safety contact element has been actuated before said trigger actuator has been operated; and (ii) if said bottom firing mode is selected, said tool will operate if both: (A) said trigger actuator has been operated, and (B) said safety contact element has been actuated, (c) initiating a driving cycle by pressing said exit end against a workpiece and actuating said trigger, thereby causing said fastener driving mechanism to force the driver member to move toward said exit end and drive a fastener into said workpiece; and (d) actuating said prime mover, thereby moving said lifter member and causing said driver member to move away from said exit end toward a ready position.

16. A method for controlling a fastener driving tool, said method comprising: (a) providing a fastener driving tool that includes: (i) a housing; (ii) a system controller; (iii) a safety contact element; (iv) a user-actuated trigger; (v) a fastener; (vi) a prime mover that moves a lifter member which moves a driver member away from an exit end of the mechanism; and (vii) a fastener driving mechanism that moves said driver member toward said exit end of the mechanism, said fastener driving mechanism including: (A) a hollow cylinder comprising a cylindrical wall with a movable piston therewithin, said hollow cylinder containing a displacement volume created by a stroke of said piston, and (B) a main storage chamber that is in fluidic communication with said displacement volume of the cylinder, wherein said main storage chamber and said displacement volume are charged with a pressurized gas during all portions of an operating cycle; (b) selecting, by a user, an operating mode of said driving cycle to be one of: a "bottom firing mode," and a "restrictive firing mode;" wherein: (i) if said restrictive firing mode is selected, said tool will operate if said safety contact element has been actuated before said trigger actuator has been operated; and (ii) if said bottom firing mode is selected, said tool will operate if both: (A) said safety contact element has been actuated, and (B) said trigger actuator has been operated, (c) initiating a driving cycle by pressing said exit end against a workpiece and actuating said trigger, thereby causing said fastener driving mechanism to force the driver member to move toward said exit end and drive a fastener into said workpiece; and (d) actuating said prime mover, thereby moving said lifter member and causing said driver member to move away from said exit end toward a ready position.

F. The '282 Patent

The '282 patent, entitled "Fastener Driving Tool Using a Gas Spring," issued on December 10, 2013 to Richard L. Leimbach, Thomas A. McCardle, Danny L. Bolender, Steve Dickinson, Joseph R. Knueven, Robert L. Lance, Dan Stolz, and Michael V. Petrocelli. It is assigned to Senco Brands, Inc. The '282 patent generally relates to "linear fastener driving tools, and, more particularly, [is] directed to portable tools that drive staples, nails, or other linearly driven fasteners." ('282 patent at 1:15-17.) The invention is "specifically disclosed as a gas spring linear fastener driving tool, in which a cylinder filled with compressed gas is used to quickly force a piston through a driving stroke movement, while also driving a fastener into a workpiece." (*Id.* at 18-21; *see also* Am. Compl. at ¶¶ 55-57.)

The '282 patent has 5 claims. Only claim 1 is at issue in this Investigation. The asserted claim reads as follows (with the first instance of the agreed-upon terms in *italics* and the first instance of the disputed terms highlighted in **bold**):

1. A driving mechanism adapted for use in a fastener driving tool, said driving mechanism comprising: (a) a hollow cylinder having a movable piston therewithin, said hollow cylinder containing a displacement volume created by a stroke of said piston; (b) a *guide body* that is configured to receive a fastener that is to be driven; (c) a driver member that is in mechanical communication with said piston, said driver member being sized and shaped to push said fastener from said guide body; (d) a *main storage chamber* that is in fluidic communication at all times with said displacement volume of the cylinder, wherein (i) said main storage chamber and said displacement volume are *initially charged with a pressurized gas* and remain above atmospheric pressure during all portions of an operating cycle, with no **gas replenishment system** on-board said tool; and (e) a **lifter member** that, under *first predetermined conditions*, moves said driver member from a **driven position** toward a **ready position**; wherein: said cylinder and piston act as a gas spring, under *second predetermined conditions*, to move said driver member from its ready position toward its driven position, using said pressurized gas of both said main storage chamber and said displacement volume acting on said piston.

VI. CLAIM CONSTRUCTION

A. Construction of the Agreed-Upon Claim Terms

The parties have agreed to the following constructions:

CLAIM TERM	RELEVANT CLAIMS	PARTIES' AGREED CONSTRUCTION
"guide body"	8,011,547: claim 30 8,267,296: claims 1, 11 8,267,297: claims 1, 32 8,286,722: claims 1, 16 8,602,282: claim 1	one or more components that forms a passageway that guides the driving member through a driving stroke
"a guide body that is substantially adjacent to the second end of said cylinder"	8,011,547: claim 30 8,267,297: claim 1 8,286,722: claims 1, 16	a guide body that is next to or nearly next to the second end of said cylinder
"charged with a pressurized gas"	8,011,547: claim 30 8,267,296: claims 1, 11 8,267,297: claim 1 8,286,722: claims 1, 16 8,387,718: claims 1, 10, 16 8,602,282: claim 1	containing gas at a pressure higher than atmospheric pressure

CLAIM TERM	RELEVANT CLAIMS	PARTIES' AGREED CONSTRUCTION
"a housing that substantially contains said driver actuation device, said elongated driver member, said lifter member, and said main storage chamber"	8,267,296: claims 1, 11	one or more components that encloses nearly all of said driver actuation device, said elongated driver member, said lifter member, and said main storage chamber
"safety contact element"	8,286,722: claims 1, 16 8,387,718: claims 1, 10, 16	a device that when engaged allows operation of the fastener driving tool
"main storage chamber"	8,011,547: claim 30 8,267,296: claims 1, 11 8,267,297: claim 1 8,602,282: claim 1 8,387,718: claims 1, 10, 16	a chamber that is distinct from the volume of the cylinder and contains part of the working air volume during operation
"system controller"	8,286,722: claims 1, 16 8,387,718: claims 1, 10, 16	a circuit configured to control operation based on received input signals
"bottom firing mode"	8,387,718: claims 1, 10, 16	a mode in which the tool operates if the trigger actuator is first operated and then the safety contact element is actuated and also operates if the safety contact element is first actuated and then the trigger actuator is operated
"restrictive firing mode"	8,387,718: claims 1, 10, 16	a mode in which the tool operates if the safety contact element is first actuated and then the trigger actuator is operated
"trigger position sensor"	8,286,722: claims 1, 16	a sensor configured to detect an operation of the trigger actuator
"holds"	8,011,547: claim 30 8,267,296: claims 1, 11	to maintain in a specified position
"first predetermined conditions"	8,011,547: claim 30 8,267,297: claim 1 8,286,722: claims 1, 16 8,602,282: claim 1	two or more conditions determined by a programmed computer
"second predetermined conditions"	8,011,547: claim 30 8,267,297: claim 1 8,286,722: claims 1, 16 8,602,282: claim 1	two or more conditions determined by a programmed computer and that are different than the first predetermined conditions
"initially charged with a pressurized gas"	8,011,547: claim 30 8,286,722: claim 1 8,387,718: claim 1 8,602,282: claim 1	containing gas at a pressure higher than atmospheric pressure before operation

CLAIM TERM	RELEVANT CLAIMS	PARTIES' AGREED CONSTRUCTION
"mechanism"	8,387,718: claims 1, 10, 16	fastener driving mechanism

(JC at 1-3.) The undersigned hereby adopts the parties' proposed constructions and shall construe the terms set forth above according to their agreed-to definitions.

B. Construction of the Disputed Claim Terms[4]

1. "ready position"

The parties disagree on the proper claim construction and have proposed the following constructions:

RELEVANT CLAIMS	COMPLAINANT	RESPONDENT
'547 patent: claim 30 '296 patent: claims 1, 11 '297 patent: claims 1, 32 '718 patent: claims 1, 10, 16 '722 patent: claims 1, 16 '282 patent: claim 1	at or proximal to the uppermost travel position	at or proximal to the top-most position and where a downward fastener driving movement is imminent, *i.e.*, where essentially no further lifting movement is required before the driving movement

(JC at 3.)

Complainant asserts that the specification clearly defines this term, stating: "the piston 80 is at its 'ready' position, which is when it is at (or proximal to) its uppermost travel position." (CMIB at 17 (citing '547 patent at 17:40-42).) Complainant contends that its proposed construction is consistent with this definition. (*Id.*)

Complainant objects to Respondent's proposal, arguing that it is an improper attempt to add additional limitations to the claims. (*Id.* at 16.) According to Complainant, nothing in the claims or specification supports Respondent's proposal. (CMIB at 17 ("[N]othing in the claims require or even suggest that in the "ready position" downward fastener driving movement is

[4] Because the specifications of the asserted patents are largely identical unless otherwise noted, the undersigned has only included citations to the '547 patent for ease of reference.

imminent or that essentially no further lifting movement is required before the driving movement."). Complainant also contends that Respondent's construction, if adopted, will add ambiguity to the claims because it is unclear what Respondent means by "downward fastener driving movement is imminent." (CMIB at 17-18 (arguing that Respondent's proposal "would only lead to further disputes down the road.").)

Respondent asserts that its proposed construction is consistent with the definition set forth by the applicant in the specification and during prosecution. (RMIB at 13.) According to Respondent, the '547 patent explains that the ready position is where the piston is "at (or proximal to) its uppermost travel position." (*Id.* (citing '547 patent at 17:40-42).) Respondent also contends that during prosecution of the '547 patent, Thomas McCardle, one of the named inventors of the Asserted Patents, submitted an affidavit discussing the prior art and the claimed invention. (*Id.*) In the affidavit, Respondent claims that Mr. McCardle repeatedly defined the ready position "as one where (i) the driving movement is imminent; (ii) the piston is capable of being released virtually immediately; and, (iii) the piston is in its proper position to initiate driving a fastener." (*Id.*)

Respondent submits that Complainant's proposal ignores the clear and unambiguous statements made during prosecution to define the "ready position." (*Id.* at 14.) It also insists that Complainant's construction fails to provide an objective boundary as to what it means to be proximal and what it means to be proximal to the top-most position. (RMRB at 3-4.)

In response, Complainant argues that Mr. McCardle's affidavit did not set forth a definition of "ready position." (CMRB at 4.) Complainant explains that Mr. McCardle "merely clarified how the present invention's 'ready position' (*i.e.*, 'at or proximal to the uppermost travel position') is vastly different from the alleged 'ready position' in prior art Sollberger (U.S.

Patent No. 4,215,808)." (*Id.*)

The parties' dispute is whether the "ready position" requires that downward fastener driving movement to be imminent. Respondent contends that, during prosecution, Mr. McCardle acted as his own lexicographer in defining what was meant by the term "ready position." The undersigned disagrees. The standard for finding lexicography is exacting. *GE Lighting Sols., LLC v. Agilight, Inc.*, 750 F.3d 1304, 1309 (Fed. Cir. 2014); *Thorner v. Sony Computer Entertainment America LLC*, 669 F.3d 1362, 1365 (Fed. Cir. 2012) (citing *CCS Fitness, Inc. v. Brunswick Corp.*, 288 F.3d 1359, 1366 (Fed. Cir. 2002)). To act as its own lexicographer, a patentee must "clearly set forth a definition of the disputed claim term," and "clearly express intent to define the term." *GE Lighting,* 750 F.3d at 1309. Contrary to Respondent's assertion, Mr. McCardle's affidavit did not clearly set forth a definition of the term "ready position." Rather, Mr. McCardle clarified how "ready position" in the '547 patent differed from "ready position" in the Sollberger prior art reference. (*See* RMIB Ex. 11 at 4 (in the claimed "ready position," the piston is at or proximal to the uppermost travel position whereas in Sollberger's "ready position," the piston is at its bottom-most travel position.); U.S. Patent No. 4,215,808 at 5:29-32.)

As the Federal Circuit has explained, "the specification 'is always highly relevant to the claim construction analysis. Usually, it is dispositive; it is the single best guide to the meaning of a disputed term.'" *Phillips*, 415 F.3d at 1315 (quoting *Vitronics*, 90 F.3d at 1582); *see also Accent Packaging, Inc. v. Leggett & Platt, Inc.*, 707 F.3d 1325-1326. Here, the specification is indeed dispositive as it defines the term "ready position":

- "the piston 80 is at its "ready" position, which is when it is at (or proximal to) its uppermost travel position as illustrated in FIGS. 2-5

- "the piston 458 is at its "ready" position, which is when it is at (or proximal to) its uppermost travel position.

('547 patent at 17:40-42, 32:19-21.)[5] Complainant's construction comports with this definition.

In addition, Respondent has provided no support for the second part of its proposed construction – "where essentially no further lifting movement is required before the driving movement." As described in the specification, the rotary motion of the lifter 100 will cause a small upward movement to the driver. ('547 patent at 14:49-52 (explaining that further lifting movement from the "ready position" is required to begin the driving stroke).) In other words, just before firing, there is a slight movement from the "ready position." Thus, were Respondent's construction adopted, it would exclude a preferred embodiment, which is "rarely, if ever, correct." *On-Line Techs., Inc. v. Bodensweewerk Perkin-Elmer GmbH*, 386 F.3d 1133, 1138 (Fed. Cir. 2004).

Accordingly, for the reasons stated above, the undersigned hereby construes the term "ready position" to mean "***at or proximal to the uppermost travel position***."

2. "driven position"

The parties disagree on the proper claim construction and have proposed the following constructions:

RELEVANT CLAIMS	COMPLAINANT	RESPONDENT
'547 patent: claim 30 '296 patent: claims 1, 11 '297 patent: claim 1 '722 patent: claims 1, 16 '282 patent: claim 1	near or at the bottom-most travel position	at the bottom-most travel position

(JC at 3.)

[5] Respondent does not dispute that the specification provides a definition for this term. (*See* Tr. at 7:12-16 ("Both parties agree that at column 17, lines 40 to 42 of Exhibit 1, which is the '547 patent, the applicant exclusively defined the 'ready position' to be at or proximal to the piston's uppermost travel position.")

Complainant asserts that its construction is consistent with the specification and the claim language. (CMIB at 18-19.) Specifically, Complainant contends that the specification defines "driven position" consistent with its proposal – *i.e.*, "near or at the bottom-most travel position." (*Id.* at 18 (citing '547 patent at 26:38-44 ("Referring again to FIG. 20, the piston 458 is depicted near or at its bottom-most travel position . . . . This bottom position is also sometimes referred to herein as the 'driven position'.")[6] Complainant further contends that nothing in the claims requires or suggests that the "driven position" must be exactly at the bottom-most travel position, as Respondent has proposed. (*Id.* at 19 (explaining that the claims describe "driven position" in conjunction with a "ready position" to describe movement of a "driver member" between these two positions).)

Respondent claims that the specification of the '547 patent explicitly defines the driven position as the bottom-most travel position. (RMIB at 14 (citing '547 patent at 12:51-62; Ex. 7, Vallee Decl. at ¶¶ 47-48).) Respondent submits that its proposed construction comports with this definition. (*Id.*) According to Respondent, if Complainant's construction were adopted, "the claim will be impermissibly broader than the supporting disclosure which explicitly defines the driven position as the bottom-most travel position." (*Id.* at 15.)

The parties' dispute centers on whether the driven position is *at* its bottom-most travel position, as proposed by Respondent, or just *near* its bottom-most travel position, as proposed by Complainant. The undersigned agrees with Respondent that the specification defines this term:

> Referring now to FIG. 3, **the piston is depicted at its bottom-most travel position**, and in this configuration, the displacement volume 76 and the main storage chamber 74 are at their largest combined volumes, while the cylinder

[6] Complainant acknowledges that there may be an exemplary embodiment that describes "driven position" as "at its bottom-most travel position," as proposed by Respondent. (CMIB at 19.) Complainant, however, asserts that "there is no basis to limit the claims to this embodiment, especially considering that another embodiment explains that the 'driven position' is not so absolute." (*Id.*)

> venting chamber 94 is at its minimum volume. **This bottom position is also sometimes referred to herein as the "driven position."** In FIG. 3, the movable piston stop 82 is now in contact with the stationary piston stop 84, which is why the cylinder venting chamber 94 is at its minimum (or zero) volume. **In FIG. 3, the driver 90 is also at its bottom-most travel position**, and its lower-most tip can be seen extending out the exit port at the bottom of the guide body 36.

('547 patent at 12:51-62; *see also id.* at 26:38-49, Fig. 3 (emphasis added).)

Complainant also claims that another portion of the specification defines this term. In support, Complainant cites to the following excerpt from the specification:

> **Referring again to FIG. 20, the piston 458 is depicted near or at its bottom-most travel position**, and in this configuration, the displacement volume 457 and the main storage chamber 454 are at their largest combined volumes, while the cylinder venting chamber 492 is at its minimum volume. **This bottom position is also sometimes referred to herein as the "driven position."** In FIG. 20, movable piston 458 is now in contact with the stationary piston stop 463, which is why the cylinder venting chamber 492 is at its minimum (zero) volume. In FIG. 20, the driver 490 is also at its bottom-most travel position, and its lower-most tip can be seen extending out the exit port at the bottom of a lower guide body 425.

('547 patent at 26:38-49 (emphasis added).) The undersigned finds that the natural reading of the above passage is consistent with Respondent's proposal – not Complainant's. In fact, nowhere does the specification describe the driven position as being *near* the bottom. Rather, even with reference to FIG. 20, the specification explains that only the bottom-most travel position is the "driven position." (*Id.* at 7:39-43, 8:30-34, 12:51-62, 26:38-49, Figs. 3, 20.)

Accordingly, the undersigned hereby construes "driven position" to mean ***"at the bottom-most travel position."***

3. "a main storage chamber that substantially surrounds at least a portion of said cylinder"

The parties disagree on the proper claim construction and have proposed the following constructions:

RELEVANT CLAIMS	COMPLAINANT	RESPONDENT
'547 patent: claim 30 '297 patent: claim 1	a main storage chamber that significantly surrounds at least a portion of the cylinder	a main storage chamber that is nearly all around the surface of the cylinder

(JC at 3.)

Complainant explains that "[t]he fundamental dispute here is whether the main storage chamber must extend 'nearly all around the surface of the cylinder' (as Respondent proposes) or whether the main storage chamber merely needs to surround only 'a portion of the cylinder' (as Complainant proposes)." (CMIB at 20.) According to Complainant, "[t]he claim language here is plain and ambiguous." (*Id.*) Complainant asserts that its construction simply seeks to "clarify one word of the disputed terms: 'substantially.'" (*Id.*) Complainant explains "'[s]ubstantially' has a commonly understood meaning in patent law, and is generally used as a term of approximation (*i.e.*, 'significantly')." (*Id.* (citing *Fisher-Price, Inc. v. Evenflo Co.*, No. 05-CV-280S, 2006 WL 1740263, at *6-8 (W.D.N.Y. June 26, 2006).)

Complainant argues that, "[i]n contrast, Respondent's proposed construction[] run[s] afoul of the clear language by attempting to read 'at least a portion of' out of the claims." (*Id.* at 21.) According to Complainant, Respondent suggests that "substantially surrounds" and "substantially surrounds at least a portion of said cylinder" "both mean the same thing: 'nearly all around the surface of the cylinder.'" (*Id.*) Complainant asserts that "Respondent's proposed construction cannot be correct, otherwise 'at least a portion of' would be unnecessary and superfluous as the patentee could have easily used the term 'substantially surrounds' alone." (*Id.*)

Respondent contends that its interpretation is consistent with the specification. (RMIB at 15.) In support, Respondent points to Figure 3 of the '547 patent, which shows that "the main storage chamber 74 is nearly all around the surface of the cylinder 71." (*Id.* at 15-16.)

Respondent argues that Complainant's construction is "contradicted by the specification" and "would inappropriately broaden this term to cover a main storage chamber that is simply nearby the cylinder" such as the one depicted in FIG. 34. (*Id.* at 16.) Respondent also argues that "[i]f Complainant's proposed construction [was] adopted, claim 30 of the '547 patent would be indefinite because nothing in the intrinsic evidence provides a standard for measuring when the main storage chamber 'significantly' surrounds the cylinder, and when it does not." (RMRB at 7.)

The undersigned finds that Respondent's proposal cannot be the correct construction as it reads out the phrase "at least a portion" from the claim term. "In the absence of any evidence to the contrary, we must presume that the use of [] different terms in the claims connotes different meanings." *CAE Screenplates Inc. v. Heinrich Fiedler GmbH & Co. KG*, 224 F.3d 1308, 1317 (Fed. Cir. 2000). Respondent does not cite to anything in the intrinsic evidence that supports ignoring the phrase "at least a portion." Instead, Respondent relies on Figure 34 and argues that it demonstrates that "at least a portion" is inconsistent with the specification. Figure 34 depicts a configuration in which the "[main] storage chamber 774 does not substantially surround the working cylinder 771, and instead is located off to one side of this working cylinder." ('547 patent at 26:12-14.) Thus, Figure 34 is an example of when the main storage chamber does not surround *any* portion of said cylinder – and not an example of it surrounding *a portion* of said cylinder. As such, Figure 34 is not inconsistent with the "at least a portion" language.

Respondent also argues that its proposal must be adopted to avoid a finding that the claim term is indefinite. (RMRB at 7.) Respondent asserts that the "word 'substantially' is a term of degree" and without "some standard of measuring that degree," claim 30 is indefinite. (*Id.* at 5.) According to Respondent, "nothing in the intrinsic evidence provides a standard for measuring when the main storage chamber 'significantly' surrounds the cylinder, and when it does not." (*Id.* at 7.) Respondent argues that the only guidance can be found in Figure 3 and that "any construction of substantially surrounding that's not co-extensive with figure 3 of the asserted patents would render claim 30 of the '547 indefinite." (Tr. at 35:10-15.) However, the undersigned finds that this concern does not specifically relate to the "at least a portion" language. Nowhere does Respondent argue that the word "portion" is unclear such that a person of ordinary skill in the art would not be able to understand what it meant to substantially surround "a portion of said cylinder" rather than the cylinder as a whole. The same issue would arise if the claim term to be construed was "a main storage chamber that substantially surrounds said cylinder." Thus, this argument likewise does not provide a reason for why the phrase "at least a portion" should be ignored.

Nor can the undersigned find that the word "substantially" renders the claim term indefinite. While it is true that the specification provides little guidance as to the meaning of "substantially", Respondent's own expert submits that a person of ordinary skill in the art would understand the claim if the words "nearly all around the surface of the cylinder" were substituted for "substantially." (RMIB Ex. 7 at ¶ 52 ("Vallee Decl.").) Because all parties agree[7] that

[7] During the *Markman* hearing, Complainant indicated that the precise word choice is irrelevant. (Tr. at 26:9-11 ("It is a main storage chamber that significantly surrounds – substantially, significantly, nearly all, I think those words are not at issue."); *see also id.* at 36:6-9 ("Neither party has had any trouble, contrary to what Respondents just talked about, defining the term substantially surrounds. They call it nearly all. We call it significant. They're similar. Okay?")

"substantially" is understandable when "nearly all" is used, the undersigned finds that it is appropriate to use this phrase in the definition.

Accordingly, the undersigned hereby construes the term "a main storage chamber that substantially surrounds at least a portion of said cylinder" to mean ***"a main storage chamber that is nearly all around at least a portion of the cylinder."***

4. "protruding toward said exit end of the guide body"[8]

The parties disagree on the proper claim construction and have proposed the following constructions:

RELEVANT CLAIMS	COMPLAINANT	RESPONDENT
'547 patent: claim 30 '296 patent: claim 11 '297 patent: claim 1	extending out of said exit end of the guide body	the driver member extends from the cylinder and has a lower end located within the guide body

(JC at 3.)

Complainant asserts that "protruding" has a commonly understood meaning, which is "to cause to stick out: PROJECT" or "to jut out from the surroundings." (CMIB at 14 (citing Ex. A (Webster's New Explorer College Dictionary, New Edition) at 776).) Complainant also asserts that the claims and specification support this plain and ordinary meaning. Complainant notes, for example, that the specification discloses two preferred embodiments and that each has a driver member that "extends out of said exit end of the guide body" while in their driven positions. Complainant further contends that the relevant claims describe that, in the "driven position," the driver member "protrud[es] toward said exit end of the guide body," whereas in the "ready position," the driver member is "withdrawn into said guide body." (*Id.* at 15.) Thus, according to

[8] Because the specifications of the asserted patents are largely identical, the undersigned has only included citations to the '547 patent for ease of reference.

Complainant, its construction captures the distinction between these two claimed positions. (*Id.* at 14.)

Complainant criticizes Respondent's proposed construction for reading out the preferred embodiments. Complainant argues that "if the driver member does not extend out of the guide member, the nail or fastener being driven can never be driven all the way into the workpiece, defeating the very point of the claimed invention." (*Id.* at 15.) In addition, Complainant contends that Respondent's arguments focus on the meaning of "toward," while ignoring the plain meaning of "protruding." (CMRB at 2.) Complainant notes that "nothing in Respondent's dictionary definitions of 'toward' *prohibits* the lower end of the driver member from extending out of the exit end of the guide body." (*Id.* (emphasis in original).)

Respondent explains that "[t]he dispute here concerns the straightforward meaning of the words 'protruding toward.'" (RMIB at 25.) It contends that the word "toward" is an ordinary, non-technical word that means "in the direction of," "along a course leading to," or "at a point in the direction of." (*Id.* (citing RMIB Ex. 13, WEBSTER'S COLLEGIATE DICTIONARY at 1322 (11th ed. 2007)). Respondent therefore asserts that "a skilled artisan would understand this term to mean "that the driver member must extend in the direction of—but not reach or extend out beyond—the exit end of the guide body. That is, the driver member's lower end must still be within the guide body." (*Id.* at 25-26.)

Respondent argues that Complainant's construction does nothing more than replace the words "protruding toward" with "extending out of" and is a "forbidden redrafting of the claims." (*Id.* at 26.) According to Respondent, "[t]his position appears to arise from specification embodiments where the driver member does indeed extend out beyond the exit end of the guide body. But the written description of those embodiments does not say that the driver member is

'protruding toward' the exit end." (*Id.* (internal citations omitted).) Respondent insists "the claim language is clear and the words 'protruding toward' were never redefined to mean 'extending out of.'" (*Id.*)

The crux of the parties' dispute is whether "protruding toward" means that a portion of the driver member "extend[s] out of said exit end of the guide body" (as Complainant proposes) or whether the driver member, including its lower end, remains entirely "within the guide body" (as Respondent proposes). When construing claim terms, "[w]e generally give words of a claim their ordinary meaning in the context of the claim and the whole patent document." *World Class Tech. Corp. v. Ormco Corp.,* 769 F.3d 1120, 1123 (Fed. Cir. 2014); *see also Phillips,* 415 F.3d at 1312-17. This meaning controls unless the intrinsic evidence clearly indicates that the patentee meant to assign the term a different meaning. *See Bell Atl. Network Servs.*, 262 F.3d at 1268. In the instant case, the intrinsic evidence does not justify departing from the plain and ordinary meaning of the word "protruding," which is "to cause to stick out" or "to jut out from the surroundings." (CMIB Ex. A at 776.) Respondent does not disagree with this definition; rather, Respondent focuses – incorrectly so – on the word "toward" as opposed to "protruding".

The specification also supports this interpretation and thus, Complainant's construction. All of the exemplary embodiments describe a driver member that is extending out of the exit end of the guide body while in the driven position.[9] (*See* '547 patent at 12:59-62 ("In FIG. 3, the driver 90 is also at its bottom-most travel position, and ***its lowermost tip can be seen extending out the exit port at the bottom of the guide body 36***"), 26:46-49 (In FIG. 20, the driver 490 is also at its bottom-most travel position, and ***its lower-most tip can be seen extending out the exit port at the bottom of a lower guide body 425***") (emphasis added).) Respondent's proposal, on

[9] Respondent concedes that the embodiments show the driver member extending out of the exit end of the guide body. (RMRB at 11.)

the other hand, reads out these embodiments.[10] "[A] claim interpretation that excludes a preferred embodiment from the scope of the claim is rarely, if ever, correct." *Accent Packaging,* 707 F.3d at 1326 (citation omitted).

Accordingly, the undersigned hereby construes the term "protruding toward said exit end of the guide body" to mean "***extending out of said exit end of the guide body.***"

5. "maximum pneumatic force of said pressurized gas"

The parties disagree on the proper claim construction and have proposed the following constructions:

RELEVANT CLAIMS	COMPLAINANT	RESPONDENT
'547 patent: claim 30	force of said pressurized gas just prior to firing	force when piston is at top most position

(JC at 4.)

In Complainant's view, the parties' dispute "centers on whether in the 'stop position' the piston must be at its top most position (as Respondent proposes) or positioned just prior to firing a fastener into a workpiece (as Complainant proposes)." (CMIB at 28.) According to Complainant, "claim 30 of the '547 patent explains that when the 'movable piston is under a maximum pneumatic force of said pressurized gas,' the claimed device is in a position just prior to firing a fastener into a workpiece." (*Id.*) As discussed in its argument with respect to "ready position," Complainant asserts that the position just prior to firing does not have to be the "top most position," and thus its construction – which does not include this limitation – should prevail over Respondent's. (*Id.* at 29.)

[10] The undersigned further notes that Respondent's reliance on *Chef America, Inc. v. Lamb-Weston, Inc.*, 358 F.3d 1371 (Fed. Cir. 2004), is misplaced. Complainant is not asking the undersigned to redraft the claim to preserve its validity or to make it operable. Unlike in *Chef America*, where the only possible interpretation led to a nonsensical result, the claim term at issue here can be interpreted as written without yielding a nonsensical result.

Respondent argues that "[t]he common meaning of the word 'maximum' is 'the greatest quantity or value attainable or attained." (RMIB at 29 (citing Ex. 13 at 767).) Respondent explains that "[i]n order for the pneumatic force of the air above the piston to be at its maximum (*i.e.*, greatest quantity of force), the piston must be fully raised. . . . And, in order for the piston to be fully raised, it must be at its top-most position." (*Id.* (citing Vallee Decl. at 80-81).)

Respondent asserts that Complainant's proposed construction "allows the pressure above the piston just before firing to be less than the maximum pressure that is ultimately exerted on the piston when driving the fastener." (*Id.* at 30.) Respondent also asserts that Complainant's definition would give no meaning to the word "maximum." (*Id.*) Respondent notes that "Complainant improperly equates the term 'maximum pneumatic force of said pressurized gas' with the term 'ready position.' These terms are not the same." (RMRB at 14.) Respondent argues that "[t]here are numerous independent claims in the Asserted Patents . . . that include the term 'ready position' without requiring the piston be under maximum force. . . For these claims, the piston can be held at either the top-most position or proximal the top-most position." (*Id.*) Respondent argues that the applicant decided only to claim the situation "where the piston is under a maximum pneumatic force." (*Id.*)

There is a "heavy presumption that a claim term carries its ordinary and customary meaning." *CCS Fitness*, 288 F.3d at 1359. The evidence shows that the definition of "maximum" is "the greatest quantity or value attainable or attained." (RMIB Ex. 13 at 767.) In the context of the invention, the maximum would be achieved only when the piston is in its top-most position. (Vallee Decl. at 80-83.) Thus, the presumption weighs in favor of Respondent's proposed definition.

Complainant asserts that the specification rebuts this presumption and indicates that "maximum" must mean something else. The specification provides that the driver and piston can be "near" the top-most position when the mechanism is ready for firing. ('547 patent at 7:50-55.) It further explains that the piston moves upward from the ready position when the device is fired. (*Id.* at 14:49-52 ("It should be noted that the rotary motion of the lifter 100 will cause a small upward movement of the driver 90 [and piston 80] so that the latch 120 can easily disengage from the 'last' tooth 126 of the driver 90.'") According to Complainant, this shows that pressure need not be at its maximum when the piston is in the ready position. These portions of the specification do *not*, however, specifically provide guidance as to the meaning of the word "maximum," but instead relate to the ready position. It is possible for the piston to be in its ready position, but the "maximum pneumatic force" to have not been reached. The claim term "maximum pneumatic force" is in addition to "ready position" and is presumed to provide an additional limitation. *CAE Screenplates*, 224 F.3d at 1317. Thus, for it to have meaning, the term "maximum" cannot be coextensive with "ready position."

Likewise, Complainant's fear that "Respondent's proposed construction would read the preferred embodiments out of the claims" is unfounded. (CMRB at 13.) There are some claims in the Asserted Patents that only claim that the piston be at its ready position. ('547 patent at claims 1, 12, 16, 17, 24, 28, 33.) These claims would cover an embodiment in which the pressurized gas was not at its "maximum pneumatic force." Other claims – such as claim 30 – require both that the piston be at its ready position *and that* there be "maximum pneumatic force of said pressurized gas."[11] Claim 30, therefore, recites only one of the multiple embodiments described in the specification.

[11] Complainant also attempts to argue against this plain meaning by asserting that "maximum" does not mean "absolute maximum." (CMRB at 13 (noting that "the claim states 'a maximum pneumatic force," not the absolute

Accordingly, for the reasons stated above and for the previous term, the undersigned hereby construes the term "maximum pneumatic force of said pressurized gas" to mean "***force when piston is at top most position***."

6. "lifter member"

The disputed term "lifter member" appears in claim 30 of the '547 patent, claims 1 and 30 of the '297 patent, claims 1, 10, and 16 of the '718 patent, and claim 1 of the '282 patent. The disputed term "lifter member [which/that] exhibits a contact surface" appears in claims 1 and 11 of the '296 patent. Because the parties' arguments for the term "lifter member [which/that] exhibits a contact surface" inform the construction of the term "lifter member," the undersigned will consider those arguments here. The parties disagree on the proper claim construction for these terms and have proposed the following constructions:

RELEVANT CLAIMS	COMPLAINANT	RESPONDENT
'547 patent: claim 30 '297 patent: claim 1 '718 patent: claims 1, 10, 16 '282 patent: claim 1	member that assists in lifting the driver back to its top-most position for a new firing or driving stroke	Means-plus-function claim term subject to 35 U.S.C. § 112, ¶ 6. Corresponding Structure: Rotary-to-linear lifter 100, 400, 460, 465, 470, or 480. Corresponding Functions: **'547 patent, claim 30; '297 patent, claims 1, 30; '282 patent, claim 1:** Moves said driver member from its driven position toward its ready position under first predetermined conditions. **'547 patent, claim 30:** Holds said movable piston in a "stop" position that is located proximal to said first end of said hollow

maximum force").) Complainant does not, however, provide support for the position that a person of ordinary skill in the art would understand that "maximum" does not mean "maximum" unless preceded by "absolute."

RELEVANT CLAIMS	COMPLAINANT	RESPONDENT
		cylinder, while said movable piston is under a maximum pneumatic force of said pressurized gas, when the driver member is at its ready position. **'718 patent, claims 1, 10, 16:** Moves a drive member away from an exit end of the mechanism.

(JC at 5.)

Respondent argues that "lifter member" is drafted in a means-plus-function format because it is a "generic" term that does not connote sufficiently definite structure and the related claim limitations do not provide any structure for the term. (RMIB at 19-20.) Respondent asserts that a person of ordinary skill in the art would not assign any particular structure to "lifter member," and instead would understand the term to refer to all structures that can perform the claimed functions. (*Id.* at 21-22 (citing RMIB Ex. 7 ("Vallee Decl.") at ¶¶ 55-56).) Complainant's expert provides examples of "a wide range of dissimilar structures, with little or no overlapping features, any of which could perform" the claimed functions as evidence that the term "refers only to a general category of whatever may perform specified functions." (Vallee Decl. at ¶¶ 58-61).)

Complainant notes that it is presumed that "lifter member" is not drafted in means-plus-function format because the word "means" does not appear in the claim. (CMIB at 38 (citing *Robert Bosch, LLC v. Snap-On Inc.*, 769 F.3d 1094, 1099 (Fed. Cir. 2014).) Complainant argues that the presumption is not overcome here because the intrinsic record provides structure for the term. (*Id.* at 38-39.) Complainant explains that the claim limitations that require the lifter member to "move[] a driver member away from an exit end of the mechanism" and "hold[] said movable piston in a 'stop' position" are structural limitations because they describe the position

and configuration of the "lifter member" relative to the other elements of the claim. (*Id.* at 39 (citing *Finjan, Inc. v. Proofpoint, Inc.*, No. 13-cv-05808-HSG, 2015 WL 7770208, at *11 (N.D. Cal. Dec. 3, 2015)).) Complainant further explains that the structure of "lifter member" is described through six "exemplary embodiments," and the specification describes the term as "a specific structure that is designed to contact the driver (at its teeth, for example) so as to either hold the drive in place, or to 'lift' the driver back to its top-most position for a new firing or driving stroke." (*Id.* at 39-40 (citing '574 patent at 11:14-16 (lifter 100), 23:55-58 (lifter 400), 33:29-34:25 (lifters 460, 465, 470, 480)).)

If a claim does not use the word "means," there is a rebuttable presumption that § 112, ¶ 6 does not apply. *Williamson v. Citrix Online*, 792 F.3d 1339, 1348-49 (Fed. Cir. 2015) (*en banc* in relevant part to "abandon characterizing as 'strong' the presumption that a limitation lacking the word 'means' is not subject to § 112, para. 6"). The claim is still subject to § 112, ¶ 6, however, if "the claim term fails to 'recite[ ] sufficiently definite structure' or else recites 'function without reciting sufficient structure for performing that function.'" *Id.* (quoting *Watts v. XL Sys., Inc.*, 232 F.3d 877, 880 (Fed. Cir. 2000)).

The undersigned finds that "lifter member" is not subject to § 112, ¶ 6. Although "lifter member"[12] does not have a plain and ordinary meaning, the intrinsic record provides that a person of ordinary skill in the art would understand the term to recite a sufficiently definite

[12] The term "member" may or may not be a nonce word, depending on the context of the claim. Section 2181 of the USPTO's Manual of Patent Examining Procedure ("MPEP"), which was cited by the *en banc* court in *Williamson*, 792 F.3d at 1350, provides examples of claim terms using the word "member" that were construed as a means-plus-function limitation, as well as counter examples where "member" was construed as a structural limitation. *Compare* MPEP § 2181(I)(A) ("The following is a list of non-structural generic placeholders that may invoke [§ 112, ¶ 6]: . . . 'member for' . . . .") *and id.* § 2181(I)(C) ("[A] generic placeholder (e.g., . . . 'member') coupled with a function may invoke [§ 112, ¶ 6] when it is preceded by a non-structural modifier that does not have any generally understood structural meaning in the art (e.g., . . . 'movable link member').") *with id.* § 2181(I)(A) ("The following are examples of structural terms that have been found not to invoke [§ 112, ¶ 6]: . . . 'reciprocating member,' . . . 'eyeglass hanger member.'").

structure. Respondent's expert declared that, based on the intrinsic record, the lifter member is a rotating element where contact is made at the face surface:

> Based on the claims, drawings, and the specification passage above, skilled artisans would have understood that "lifter member" means a rotating element where contact is made at the face surface and not at the outer perimeter. The outer shape would have been "understood" as unimportant, because no lifting contact is made at the outer perimeter. Furthermore, because the outer shape is unimportant to the function recited, skilled artisans would have understood that the rotating element (that carries the contact surface on its face surface) can take the form of a gear (i.e., a rotatable body with a round outer shape) or a cam (i.e., any rotatable body with an eccentric outer shape).

(Vallee Decl. at ¶ 91.) Similarly, Complainant's expert declared that the specification provides sufficient structure for the lifter member: "the specification explains to a person of ordinary skill in the art that the claimed 'lifter member' has structural characteristics – it is designed to contact the driver (at its teeth, for example) so as to either hold the driver in place, or to 'lift' the driver back to its top-most position for a new firing or driving stroke." (CMRB Ex. B. ("Pratt Decl.") at ¶ 43.)

Although the term "lifter member" is not subject to § 112, ¶ 6, it is still a disputed term in need of construction. Complainant proposed that the term "lifter member" be construed as "member that assists in lifting the driver back to its top-most position for a new firing or driving stroke," and Respondent did not propose a construction beyond the means-plus-function structure. (JC at 5.) The undersigned rejects Complainant's proposed construction for "lifter member," as it does not provide any structure for the term. Claim 30 of the '547 patent, for example, requires that the lifter member "moves said driver member from its driven position toward its ready position." ('547 patent at 51:42-44.) As set forth above, this limitation does not provide a person of ordinary skill in the art with the structure of the lifter member for performing the moving function. Complainant's proposed construction similarly requires that the lifter

member "assists in lifting the driver to its top-most position," but does not provide the structure for performing the "assists in lifting" function.

According to Respondent, a person of ordinary skill in the art would look to the intrinsic record for insight into the term because it does not have a plain and ordinary meaning. (RMIB at 32 (citing Vallee Decl. at ¶ 87).) Respondent points out that the claims distinguish the "contact surface" of the lifter member from the outer perimeter, and every embodiment in the specification describes pins extending from the face surface which makes contact with the teeth of the driver. (*Id.* at 32-33.) Respondent's expert, Dr. Vallee, explains that, in view of the specification, "skilled artisans would have understood that the 'lifter member' is a rotating element where contact is made at the face surface and not at the outer perimeter." (*Id.* at 33 (citing Vallee Decl. at ¶ 91).) Dr. Vallee further explains that, because the specification describes the shape of the outer perimeter as "not important," such a person would have understood that it can take the form of a gear or a cam. (*Id.* at 33-34 (citing Vallee Decl. at ¶ 91).) Respondent clarifies that the "gear or cam" in its proposed construction "include[s] almost any imaginable rotating body of the type claimed in the Asserted Patents." (RMRB at 16 (citing RMRB Ex. 18 at ¶ 35).)

Complainant argues that a lifter member can be any "body" rather than a "gear or a cam" as there is no basis in the intrinsic record to limit the term in this manner. (CMIB at 33-34.) Complainant also argues that the lifter member should be allowed to make "continuous or discontinuous contact" with the driver member, rather than "make contact at its face surface." (*Id.* at 34-35.) In support of its construction, Complainant asserts that the claim language is broad enough to include continuous contact and discontinuous contact "(where the lifter member is only sometimes in contact with the driver member)." (*Id.* at 34.) Complainant rebuts

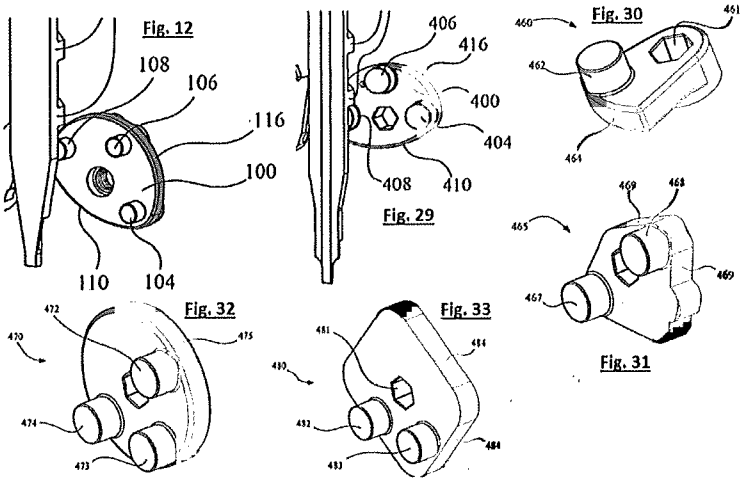
Respondent's construction by asserting that "face surface" is not used in the claims or specification, and that the claims do not limit the contact to any particular surface of the lifter member. (*Id.* at 34-35.)

The parties do not argue that the term "lifter member" in isolation, or in the context of the claims, is sufficiently understood by a person of ordinary skill in the art. "[W]e [then] turn to the remaining intrinsic evidence, including the written description, to aid in our construction of that term." *Power Integrations, Inc. v. Fairchild Semiconductor Int'l, Inc.*, 711 F.3d 1348, 1361 (Fed. Cir. 2013) (citation omitted). "The construction that stays true to the claim language and most naturally aligns with the patent's description of the invention will be, in the end, the correct construction." *Id.* (citation omitted).

First, the specification makes clear that the "lifter member" is a rotating element. The specification defines "lifter member" as a "rotary-to-lifter" component. (*See* '547 patent at 11:13-16 ("[T]he rotary-to-lifter 100 is also sometimes referred to herein as a 'lifter member,' or simply as a 'lifter.'"), 23:55-58 (referring to "rotary-to-lifter 400").) The specification further explains that a "feature of the present invention is that a variable stroke is possible by causing the rotary-to-linear lifter 400 to be rotated a multiple number of times to create a shorter or longer firing (driving) stroke, if desired." (*Id.* at 32:37-46.) *See Verizon Servs. Corp. v. Vonage Holdings Corp.*, 503 F.3d 1295, 1308 (Fed. Cir. 2007) ("When a patent thus describes the features of the 'present invention' as a whole, this description limits the scope of the invention."). Accordingly, the undersigned rejects Complainant's proposed construction as it does not include the "rotatable" requirement. The undersigned also rejects Respondent's proposal that a "lifter member" be a "gear or cam." Respondent posits that "gear or cam" "include[s] almost any imaginable rotating body of the type claimed in the Asserted Patents."

(RMRB at 16 (citing RMRB Ex. 18 at ¶ 35); *see also* '547 patent at 24:35-37 ("the lifter's exact outer shape is not important").) Requiring the lifter member to be rotatable, therefore, is in line with Respondent's proposed construction without introducing the "gear" or "cam" terms into the definition.

Second, the specification consistently describes the lifter member as having pins (singular or plural) that extend from its face surface to lift the driver by rotating through the teeth of the driver. Every embodiment is described as a rotatable component with pins on the face surface (illustrated in yellow), not the outer perimeter (illustrated in green), that contact the teeth of the driver to lift the driver.

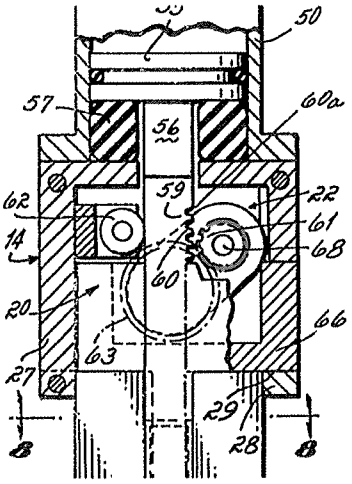


(Vallee Decl. at ¶ 89 (annotating the patent figures in color, as shown above); *see* '547 patent at 11:40-12:10 (Fig. 12, lifter 100), 24:25-25:13 (Fig. 29, lifter 400), 33:29-44 (Fig. 30, lifter 460), 33:45-59 (Fig. 31, lifter 465), 33:60-34:8 (Fig. 32, lifter 470), 34:9-25 (Fig. 33, lifter 480).) "[W]hen a patent 'repeatedly and consistently' characterizes a claim term in a particular way, it is proper to construe the claim term in accordance with that characterization." *GPNE Corp. v. Apple Inc.*, 830 F.3d 1365, 1370 (Fed. Cir. 2016). The specification does not state that the lifter member or the pins have to make continuous contact with the driver member in order to lift the

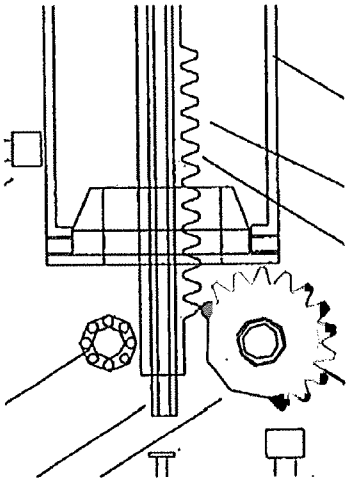
driver. Nor does Respondent argue as much. The undersigned therefore finds it unnecessary to define the lifter member as making "continuous or discontinuous contact" with the driver member, as Complainant proposes.

Third, the specification describes the prior art in a manner that reinforces that the pins extend from the face surface of the lifting member. The specification distinguishes two embodiments, described in the Sollberger and Pedicini references, at least in part on the basis that those references teach a "rack and pinion" gear that moves the piston back to its driving position. ('547 patent at 1:36-39, 1:48-51.) These gears have the "pins" on the outer perimeter of the lifting member, as opposed to the face surface. (*See* Vallee Decl. at ¶ 92 (excerpting and illustrating figures from the references, reproduced below, to show the lifting pins in green, extending from the outer perimeter).)

Sollberger
rack and pinion gears

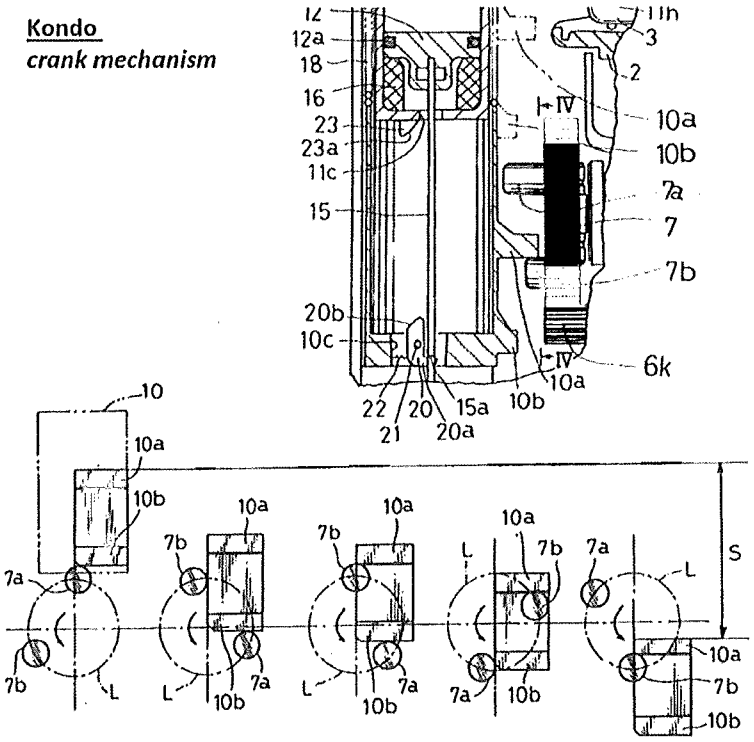


Pedicini '631
rack and pinion gears



In comparison, the inventors do not distinguish their lifting member from a third lifting member that existed at the time of the invention, which is described in the Kondo reference. This third lifting member has lifting pins extending from its face surface. (*See* Vallee Decl. at ¶ 93

(excerpting and illustrating a figure from the reference, reproduced below, to show the lifting pins in yellow and outer perimeter in green).)



The inventors' comments therefore distinguishing lifter members in the prior art that do not have lifting pins on the face surface, but do not distinguish lifter members in the prior art with lifting pins on the face surface. This is further support that a person of ordinary skill in the art would understand the lifter member of the invention to have lifting pins on its face surface.

Complainant argues that the scope of "lifter member" should not be restricted because the specification contains the following non-limiting statement:

> Any examples described or illustrated herein are intended as non-limiting examples, and many modifications or variations of the examples, or of the preferred embodiment(s), are possible in light of the above teachings, without departing from the spirit and scope of the present invention.

('547 patent at 39:57-62.) This boilerplate language, however, does not provide a person of ordinary skill in the art with an understanding of "lifter member" that expands the term beyond what the specification teaches such a person. The specification teaches that the lifter member can

have many different shapes and sizes, but it is consistent in its description that the lifter member is always rotatable with lifting pins on the face surface. A rotatable lifter member with lifting pins on its face surface "is not just the preferred embodiment of the invention; it is the only one disclosed." *Regents of University of Minnesota v. AGA Medical Corp.*, 717 F.3d 929, 937 (Fed. Cir. 2013) (citation omitted).

Accordingly, the undersigned hereby construes the term "lifter member" as a "***rotatable component having lifting pins on its face surface.***"

7. "lifter member [which/that] exhibits a contact surface"

The parties disagree on the proper claim construction for the term and have proposed the following constructions:

RELEVANT CLAIMS	COMPLAINANT	RESPONDENT
'296 patent: claims 1, 11	a body configured to make continuous or discontinuous contact with the driver member	a gear or cam configured to make contact at its face surface with the driver member

(JC at 4.)

The undersigned construed the term "lifter member" as a "***rotatable component having lifting pins on its face surface,***" taking into account the arguments made by the parties for the construction of the term "lifter member [which/that] exhibits a contact surface." The parties do not make any arguments regarding the last portion of the term ("[which/that] exhibits a contact surface") that were not addressed in the construction of the term "lifter member." The last portion of the term therefore does not need further construction. Accordingly, the undersigned hereby construes the term "lifter member [which/that] exhibits a contact surface" as a "***rotatable component having lifting pins on its face surface [which/that] exhibits a contact surface.***"

8. "driver member"

The parties disagree on the proper claim construction and have proposed the following constructions[13]:

RELEVANT CLAIMS	COMPLAINANT	RESPONDENT
'718 patent: claims 1, 10, 16	a member that drives a fastener into said workpiece	Means-plus-function claim term subject to 35 U.S.C. § 112, ¶ 6. Corresponding Structure: Driver 90, 490, or 790. Corresponding Function: Move toward the exit end of the mechanism and drive a fastener into a workpiece. Move away from said exit end toward a ready position.

(JC at 4.)

Respondent argues that "driver member" is a means-plus-function term for many of the same reasons that it argues "lifter member" is a means-plus-function term. As with "lifter member," Respondent asserts that a person of ordinary skill in the art would not assign any particular structure to "driver member," and instead would understand the term to refer to all structures that can perform the claimed functions. (RMIB at 46-47 (citing Vallee Decl. at ¶¶ 113-117).) Respondent's expert, Dr. Vallee, provides examples of various structures that can carry out the driving function, and explains that these structures will vary based on the type of fastener being driven. (Vallee Decl. at ¶¶ 115-117 ("The structure for driving a staple tends to be wide and thin, whereas structures for driving nails are typically round but can vary widely in diameter based on the size of the nail.")) Dr. Vallee also explains that some of these structures only

[13] According to Respondent, the term "driver member" appears in every asserted claim, but the other claims include at least some recitation of structure to avoid § 112, ¶ 6. (RMIB at 45.)

perform the driving function, while other structures may also include structure for the lifting function. (*Id.* at ¶ 116.)

Complainant also repeats many of the arguments it made in relation to the term "lifter member" to argue that "driver member" is not a means-plus-function term. It asserts that the claim limitations that require the driver member to "move[] towards and away from an exit end" are structural limitations because they describe the position and configuration of the "driver member" relative to the other elements of the claim. (CMIB at 36.) It further asserts that the structure of the "driver member" is described through "exemplary embodiments" in the specification that make clear that the term "is a specific structure – it is elongated with multiple teeth and designed to drive a fastener into a workpiece." (*Id.* at 36-37.)

For the reasons that parallel the analysis in the "lifter member" section, the undersigned finds that "driver member" is not subject to § 112, ¶ 6 because the intrinsic record provides a person of ordinary skill in the art with a sufficiently definite structure for the term. Specifically, the specification states that the driver member of the "present invention" "is attached to the piston, and has protrusions along its edges that are used to contact the lifter member, which lifts the driver during a return stroke." ('547 patent at 1:27-19; *cf.* 8:49-50 ("The driver 90 is also sometimes referred to herein as a 'driver member' . . . .").) In the "Summary of the Invention" section, the specification further states that an "advantage of the present invention" is that a movable latch "engage[s] the teeth of the driver element as a safety interlock" and "disengage[s] from multiple teeth of the driver element during a driving stroke." (*Id.* at 2:33-41.) The specification goes on to describe the driver as "rather elongated" with multiple teeth, but "the precise positions for the teeth 92 could be different from those illustrated for the driver 90

without departing from the principles of the present invention." (*Id.* at 8:52-54.) *See Verizon Servs.*, 503 F.3d at 1308.

Although the term "driver member" is not subject to § 112, ¶ 6, it is still a disputed term in need of construction. Complainant proposes that "driver member" be construed as "a member that drives a fastener into said workpiece." (JC at 5.) Respondent does not propose a construction for the term.

The undersigned rejects Complainant's proposed construction—"a member that drives a fastener into said workpiece"—as it does not provide any structure to remove "driver member" from "a general category of whatever may perform [the] specified functions." *Robert Bosch*, 769 F.3d at 1099. Based on the portions of the specification cited above, the undersigned instead agrees with Complainant's expert that "the specification explains to a person of ordinary skill in the art that the claimed 'driver member' has specific structural characteristics – it is designed to drive a fastener into a work piece and is elongated with multiple teeth that engage a lifter member." (Pratt Decl. at ¶ 36.)

Accordingly, the undersigned hereby construes the term "driver member" as a "***component having multiple teeth that is designed to drive a fastener into a workpiece.***"

9. "gas replenishment system"

The parties disagree on the proper claim construction and have proposed the following constructions:

RELEVANT CLAIMS	COMPLAINANT	RESPONDENT
'297 patent: claim 1 '282 patent: claim 1	system used to regularly replenish pressurized gas during normal operation of the device	one or more components that allow replenishment of charge gas to the storage volume

(JC at 4.)

Complainant asserts that its proposal is consistent with the intrinsic evidence. (CMIB at 27.) According to Complainant, "[t]he specification explains that the inventors were concerned with solving portability issues with prior art gas spring nailers, which utilized cumbersome systems, such as supply tanks, air pumps, and disposable pressurized air cartridges, that regularly replenished the pressurized gas used to drive fasteners." (*Id.* (citing '282 Patent at 1:44-46.) Complainant explains that "the specification makes clear that the claimed invention eliminates any need to regularly replenish pressurized gas during normal operation of the device." (*Id.*)

Complainant argues that Respondent's proposal is incorrect for two reasons. First, Complainant contends that Respondent attempts to improperly construe "system" to include a single component, in contrast to the plain and ordinary meaning of the word. (*Id.* at 26.) Complainant explains that the claim language covers "a system that replenishes gases, not simply a component (such as a valve) that allows replenishment of charge gases but cannot actually replenish the gases on its own without additional components (such as a hose or supply tank). (*Id.* at 27.) Second, Complainant takes issue with the word "allow" in Respondent's construction. (CMRB at 10.) According to Complainant, Respondent's proposal "stems from its belief that a simple valve on each accused device is a gas replenishment system, even though it cannot replenish gas on its own and instead requires additional components not on-board the device (such as an air pump) to actually recharge the gas." (*Id.* at 10 n. 8.)

Respondent explains that the specification provides that "one advantage of the claimed fastener driving tool is that there is 'no gas replenishment system on-board the tool for allowing a user to replenish the charge gases of the tool's working storage volume, thereby reducing opportunities for gas leaks.'" (RMIB at 39 (quoting '297 Patent at 2:23-26).)

Respondent asserts that Complainant's proposal includes "an unsupported temporal limitation that allows gas to be *regularly* replenished during *normal operation* of the tool." (*Id.* (emphasis in original.) According to Respondent, "nothing in the intrinsic evidence indicates that the gas replenishment system is limited to only regular replenishment of gas during normal operation of the device . . . Even if gas was not replenished regularly during normal operation, a fastening tool that included a component that allows charge gas to be replenished . . . would disregard the stated advantage of eliminating leaks." (*Id.*)

The undersigned shares Complainant's concern regarding the word "system." As noted *supra*, there is a "heavy presumption that a claim term carries its ordinary and customary meaning." *CCS Fitness,* 288 F.3d at 1366. As Complainant notes, "'system' is a commonly understood term meaning 'a group of objects or units so combined as to form a whole and work, function, or move interdependently and harmoniously." (CMIB Ex. A at 1005.) Respondent does not disagree with this definition, nor does it suggest that the patentee acted as its own lexicographer with respect to this term.

Respondent instead notes that a system can be limited to a single component. (RMRB at 18-19.) The undersigned agrees, but this fact does not require adoption of Respondent's proposal. While a component *may* be a system, it is not true that *all* individual components constitute a system. As Respondent acknowledges, a system can be made up of one *or more* components. (*Id.*.) In the case of a multi-component system, it is certainly true that only one component of such a system would not be considered a "system," as the single component cannot perform the function without additional components. Yet, such a component could meet Respondent's definition of "gas replenishment system." Thus, the undersigned concludes that Respondent's proposal cannot be correct.

The first part of Complainant's construction is essentially the plain and ordinary meaning of "gas replenishment system": "system used to regularly replenish pressurized gas." Respondent does not dispute that the system is used to replenish pressurized gas, but objects to the inclusion of the word "regularly." (RMIB at 39.) The undersigned agrees that the word "regularly" injects ambiguity into the definition. Additionally, Complainant does not point to any intrinsic evidence that explains the parameters of this term. The undersigned therefore declines to include the word "regularly" in the definition.

Respondent also objects to the phrase "normal operation of the device." (*Id.*) Again, Complainant does not point to any intrinsic evidence that specifically supports including this limitation. The undersigned likewise declines to include this phrase in the definition as well.

Accordingly, the undersigned hereby construes the term "gas replenishment system" to mean ***"system used to replenish pressurized gas."***

SO ORDERED.

Charles E. Bullock
Chief Administrative Law Judge

CERTAIN GAS SPRING NAILER PRODUCTS AND COMPONENTS THEREOF **Inv. No. 337-TA-1082**

PUBLIC CERTIFICATE OF SERVICE

I, Lisa R. Barton, hereby certify that **ORDER NO. 9** has been served upon the following parties as indicated, on 5/3/2018.

Lisa R. Barton, Secretary
U.S. International Trade Commission
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Washington, DC 20436

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