

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

In the Matter of)

CERTAIN OPTICAL DISK CONTROLLER CHIPS)
AND CHIPSETS AND PRODUCTS CONTAINING)
SAME, INCLUDING DVD PLAYERS AND PC OPTICAL)
STORAGE DEVICES)

Inv. No. 337-TA-506

NOTICE OF COMMISSION DETERMINATION TO RESCIND REMEDIAL ORDERS

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has determined to rescind the remedial orders issued in the above-captioned investigation.

FOR FURTHER INFORMATION CONTACT: Clara Kuehn, Esq., Office of the General Counsel, U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C. 20436, telephone (202) 205-3012. Copies of the Commission orders, the Commission opinion in support thereof, and all other nonconfidential documents filed in connection with this investigation are or will be available for inspection during official business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C. 20436, telephone 202-205-2000.

General information concerning the Commission may also be obtained by accessing its Internet server (<http://www.usitc.gov>). The public record for this investigation may be viewed on the Commission's electronic docket (EDIS-ON-LINE) at <http://edis.usitc.gov>. Hearing-impaired persons are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on 202-205-1810.

SUPPLEMENTARY INFORMATION:

The Commission instituted this investigation on April 14, 2004, based on a complaint filed on behalf of Zoran Corporation ("Zoran") and Oak Technology, Inc. ("Oak") both of Sunnyvale, California (collectively "complainants"). 69 *Fed. Reg.* 19876. The complaint, as supplemented, alleged violations of section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. § 1337, in the importation into the United States, the sale for importation, and the sale within the United States after importation of certain optical disk controller chips and chipsets and products containing same, including DVD players and PC optical storage devices, by reason of infringement of claims 1-12 of U.S. Patent No. 6,466,736 ("the '736 patent"), claims 1-3 of U.S. Patent No.

6,584,527 (“the ‘527 patent”), and claims 1–35 of U.S. Patent No. 6,546,440 (“the ‘440 patent”).
Id.

The notice of investigation identified 12 respondents. 69 *Fed. Reg.* 19876. On June 7, 2004, the presiding administrative law judge (“ALJ”) issued an initial determination (“ID”) (Order No. 5) terminating the investigation as to two respondents on the basis of a consent order and settlement agreement. On June 22, 2004, the ALJ issued an ID (Order No. 7) granting complainants’ motion to amend the complaint and notice of investigation to add nine additional respondents. Those IDs were not reviewed by the Commission.

On December 22, 2004, the ALJ issued an ID (Order No. 33) granting complainants’ motion to terminate the investigation in part with respect to claims 2–6 and 8–11 of the ‘736 patent and claims 2–4, 6, 9, 11, 12, 15–18, 20, and 22–35 of the ‘440 patent. On January 28, 2005, the ALJ issued an ID (Order No. 37) granting complainants’ motion to terminate the investigation in part with respect to claim 12 of the ‘736 patent. Neither ID was reviewed by the Commission. Thus, at the time that Order No. 37 issued, the claims remaining for determination on the merits were claims 1 and 7 of the ‘736 patent; claims 1, 5, 7, 8, 10, 13, 14, 19, and 21 of the ‘440 patent; and claims 1–3 of the ‘527 patent.

An eight-day evidentiary hearing was held on February 7–12, and 14–15, 2005.

On May 16, 2005, the ALJ issued his final ID, findings of fact and conclusions of law, and recommended determination on remedy and bonding. The ALJ concluded that there was a violation of section 337 based on his findings that: (a) the accused products infringe claim 3 of the ‘527 patent, (b) the ‘527 patent is not unenforceable, (c) claim 3 of the ‘527 patent is not invalid, and (d) complainants have satisfied the domestic industry requirement with respect to the ‘527 patent. Although the ALJ found that the other asserted claims of the ‘527 patent (claims 1 and 2) are not invalid, he found that the accused products do not infringe those claims. The ALJ found no violation with respect to the other patents in issue. He found that the accused products do not infringe any asserted claim of the ‘440 or ‘736 patents and that complainants have not satisfied the domestic industry requirement with respect to those patents. He also found that the asserted claims of the ‘440 and ‘736 patents are not invalid and that those patents are not unenforceable.

On May 27, 2005, complainants and nineteen respondents each petitioned for review of portions of the final ID. On July 19, 2005, the Commission determined to review the ID in part. 70 *Fed. Reg.* 42589-91. Specifically, the Commission determined to review the ID’s findings of fact and conclusions of law with respect to the ‘527 and ‘440 patents. *Id.* The Commission determined not to review the ID’s findings of fact and conclusions of law with respect to the ‘736 patent, thereby adopting them. *Id.* Accordingly, the Commission found no violation of section 337 with respect to the ‘736 patent. *Id.* The Commission also determined to review and modify the ID to clarify that respondents accused of infringing only the asserted claims of the ‘736 patent (*viz.*, respondents Audiovox Corporation; Initial Technology, Inc.; Mintek Digital, Inc.; Shinco International AV Co., Ltd.; Changzhou Shinco Digital Technology Co., Ltd.; Jiangsu Shinco Electronic Group Co., Ltd.; Terapin Technology Pte., Ltd. [formerly known as Teraoptix d/b/a Terapin Technology] of Singapore; and Terapin Technology U.S. [formerly also known as Teraoptix]) are not in violation of section 337. *Id.*

On review, the Commission determined that there was a violation of section 337 as to claim 3 of the '527 patent, but no violation of the statute as to the remaining claims in issue of the '527 patent (*viz.*, claims 1 and 2) and no violation as to the claims in issue of the '440 patent (*viz.*, claims 1, 5, 7, 8, 10, 13, 14, 19, and 21). 70 *Fed. Reg.* 57620. On September 28, 2005, the Commission determined that the appropriate form of relief is a limited exclusion order prohibiting the unlicensed entry of chips or chipsets covered by claim 3 of the '527 patent manufactured abroad or imported by or on behalf of MediaTek, Inc. of Hsin-Chu City, Taiwan, and optical storage devices containing such covered chips or chipsets that are manufactured abroad or imported by or on behalf of Artronix Technology, Inc. of Brea, California; ASUSTek Computer, Inc. of Taipei, Taiwan; ASUS Computer International of Fremont, California; MSI Computer Corporation of City of Industry, California; TEAC America Inc. of Montebello, California; EPO Science and Technology, Inc. of Taipei, Taiwan; LITE-ON Information Technology Corp. of Taipei, Taiwan; Micro-Star International Co., Ltd. of Taipei Hsien, Taiwan; TEAC Corp. of Tokyo, Japan; or Ultima Electronics Corp. of Taipei Hsien, Taiwan (collectively, with MediaTek, Inc. "respondents"). *Id.* The Commission also determined to issue cease and desist orders directed to Artronix Technology, Inc.; ASUSTek Computer, Inc.; ASUS Computer International; MSI Computer Corporation; TEAC America Inc.; EPO Science and Technology, Inc.; and LITE-ON Information Technology Corp. *Id.*

On February 10, 2006, complainants Zoran and Oak and respondent MediaTek filed, pursuant to 19 U.S.C. § 1337(k) and Commission rule 210.76(a) (19 C.F.R. § 210.76(a)), a joint petition for rescission of the limited exclusion order and the cease and desist orders issued in the investigation based on a settlement agreement that resolves the underlying dispute between all of the parties, including all of the other respondents. On February 22, 2006, the Commission investigative attorney filed a response supporting the joint petition.

Having reviewed the parties' submissions, the Commission has determined that the settlement agreement satisfies the requirement of Commission rule 210.76(a)(1), 19 C.F.R. § 210.76(a)(1), for changed conditions of fact or law. The Commission therefore has issued an order rescinding the remedial orders previously issued in this investigation.

This action is taken under the authority of section 337 of the Tariff Act of 1930 (19 U.S.C. § 1337) and section 210.76(a)(1) of the Commission's Rules of Practice and Procedure (19 C.F.R. § 210.76(a)(1)).

By order of the Commission.

Marilyn R. Abbott
Secretary to the Commission

Issued: March 17, 2006