

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 II)

Inv. No. 337-TA-523

**NOTICE OF COMMISSION DECISIONS: TO GRANT JOINT MOTIONS TO
TERMINATE THE INVESTIGATION AS TO ALL RESPONDENTS ON THE BASIS OF
SETTLEMENT AGREEMENTS; TO GRANT-IN-PART AND DENY-IN-PART
REQUESTS TO VACATE A FINAL INITIAL DETERMINATION; TO GRANT A
MOTION FOR LEAVE TO FILE CORRECTED VERSIONS OF A JOINT MOTION TO
TERMINATE; TO DENY MOTIONS FOR LEAVE TO FILE REPLY; TO DENY A
PETITION FOR RECONSIDERATION**

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has determined to grant joint motions to terminate the above-captioned investigation as to all respondents on the basis of settlement agreements. The Commission has also granted-in-part and denied-in-part the private parties' requests to vacate the presiding administrative law judge's ("ALJ's") final initial determination ("ID"). Specifically, the Commission has determined to vacate those portions of the final ID that are presently under review by the Commission, and has determined to deny the request for vacatur as to those portions of the final ID that were previously adopted by the Commission.

The Commission has also granted a joint motion for leave to file corrected versions of the joint motion to terminate the investigation as to respondent Sunext Technology Co., Ltd.; denied motions for leave to reply; and denied a petition for reconsideration.

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 all 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 August 31, 2004, based on a complaint filed on behalf of MediaTek Corporation (“complainant”) of Hsin-Chu City, Taiwan. 69 *Fed. Reg.* 53089 (Aug. 31, 2004). The complaint, as supplemented, alleged violations of section 337 in the importation into the United States, sale for importation, and sale within the United States after importation of certain optical disk controller chips and chipsets by reason of infringement of claims 1, 3-6, and 8-10 of U.S. Patent No. 5,970,031 (“the ‘031 patent”) and claims 1-4 of U.S. Patent No. 6,229,773 (“the ‘773 patent”). *Id.* The notice of investigation named two respondents: Zoran Corporation (“Zoran”) and Oak Technology, Inc. (“Oak”), both of Sunnyvale, California. *Id.*

On October 7, 2004, the ALJ issued an ID (Order No. 5) granting complainant’s motion to amend the complaint and notice of investigation to add Sunext Technology Co., Ltd. (“Sunext”) of Hsin-Chu City, Taiwan, as a respondent and to add claims of another patent, *viz.*, claims 1-2, 5-6, 15-19, 21, and 22 of U.S. Patent No. 6,170,043 (“the ‘043 patent”) to the scope of the investigation. 69 *Fed. Reg.* 64588. That ID was not reviewed by the Commission. *Id.*

A tutorial was held on June 24, 2005, and an eight-day evidentiary hearing was held from June 27, 2005, through July 7, 2005.

On September 30, 2005, the ALJ issued his final ID concluding that there was no violation of section 337. Although the ALJ found that respondent Oak infringes claims 1, 2, and 3 of the ‘773 patent, he found that those claims are invalid as anticipated by Japanese patent application number 08-015834 (RX-518) (“the Okuda prior art reference”). He found no infringement of claim 4 of the ‘773 patent, and no infringement of any asserted claim of the ‘031 or ‘043 patents. The ALJ concluded that the asserted claims of the ‘031 patent are invalid for lack of enablement, the asserted claims of the ‘043 patent are not invalid, and the asserted claims of the ‘043 patent are not unenforceable. He also found that complainant did not establish the technical or economic prong of the domestic industry requirement for any of the three patents in issue.

On December 16, 2005, the Commission determined to review the final ID in part. 70 *Fed. Reg.* 76074.

(1) The Commission determined to review the ALJ’s analysis of the technical and economic prongs of the domestic industry requirement in its entirety.

(2) With respect to the ‘773 patent, the Commission determined to review the following portions of the ALJ’s infringement analysis: (a) the findings and analysis under the doctrine of equivalents concerning the SC series chips relating to the “radio frequency (RF) amplifier chip”

limitation of claims 1 and 3 of the '773 patent (ID at 89-93, 97); (b) the finding that Sunext's reference designs incorporating the SC series controller chips do not infringe claim 4 under the doctrine of equivalents (ID at 99-100); (c) the finding that the "working optical drives" of Sunext's customers that incorporate the accused OTI-9510 and SC series controller chips infringe claims 1-3 of the '773 patent (ID at 79, 89, 100); and (d) the finding that Sunext does not indirectly infringe the asserted claims of the '773 patent (ID at 102-04). As to invalidity, the Commission determined to review the ALJ's finding that the Okuda prior art reference anticipates claims 1, 2, and 3 of the '773 patent (ID at 104-06), and his conclusion that respondents failed to establish that claims 1, 2, or 3 of the '773 patent are made obvious by certain prior art (ID at 109-111).

(3) With respect to the '043 patent, the Commission determined to review the ALJ's finding that PCT Publication No. W097/38367 (Hagiwara) does not anticipate claims 15, 16, 17, 19, 21, or 22 of the '043 patent. The Commission also determined to review portions of the ALJ's determination that the '043 patent is not unenforceable for inequitable conduct before the PTO, specifically sections X.E.1 and X.E.2 of the ID (ID at 154-56).

The Commission determined not to review the remainder of the ID, thereby adopting those portions of the ID. *70 Fed. Reg. 76074*. In its notice of review, the Commission requested briefing from the parties on the issues under review, and requested interested persons to file written submissions on remedy, the public interest, and bonding. *Id.*

On December 21, 2005, MediaTek petitioned for reconsideration of the Commission's determination not to review the ALJ's claim construction with respect to one of the three patents in issue. Zoran, Oak, and the Commission investigative attorney ("IA") opposed MediaTek's petition, and on December 30, 2005, MediaTek filed a reply to those oppositions. On January 4, 2006, Zoran and Oak filed an opposition to MediaTek's motion for leave to file a reply, and on January 5, 2006, MediaTek filed a reply. The Commission has determined to deny MediaTek's motions for leave to file a reply.

Having considered MediaTek's December 21, 2005, petition for reconsideration and the responses thereto, the Commission has determined to deny the petition. Pursuant to Commission rule 210.47 (19 C.F.R. § 210.47), within 14 days after service of a Commission determination, any party may file a petition for reconsideration. Any such petition, however, "must be confined to new questions raised by the determination or action ordered to be taken thereunder and upon which the petitioner had no opportunity to submit arguments." Commission rule 210.47 (19 C.F.R. § 210.47). The Commission has found that MediaTek's petition is not confined to new questions. Accordingly, the Commission has denied the petition for reconsideration for failure to comply with Commission rule 210.47 (19 C.F.R. § 210.47).

Initial submissions in response to the Commission's notice of review were filed by all parties on January 9, 2006. On January 16, 2006, all parties filed reply submissions.

On February 10, 2006, complainant MediaTek and respondents Zoran and Oak filed a joint motion pursuant to Commission rules 210.21(a) and (b) (19 C.F.R. § 210.21(a) and (b)) to terminate the investigation as to Zoran and Oak on the basis of a settlement agreement. On the same day, MediaTek and the third respondent, Sunext, filed a joint motion pursuant to

Commission rules 210.21(a) and (b) (19 C.F.R. § 210.21(a) and (b)) to terminate the investigation as to Sunext on the basis of a settlement agreement. On February 14, 2006, MediaTek and Sunext filed a joint motion for leave to file corrected versions of their joint motion to terminate. The Commission determined to grant the joint motion for leave to file corrected versions. On February 22, 2006, the IA filed a response supporting the joint motions to terminate. In their joint motions to terminate the investigation, MediaTek, Zoran, Oak, and Sunext requested that, if the Commission grants their joint motions, the Commission vacate the ALJ's final ID in its entirety. The IA supported the private parties' request to vacate the final ID.

Having examined the joint motions to terminate and the IA's response thereto, the Commission determined that the motions comply with the procedural requirements of Commission rule 210.21(b)(1) (19 C.F.R. § 210.21(b)(1)). The Commission further determined that the proposed settlement of the Commission investigation will not have an adverse effect on the public health and welfare, competitive conditions in the U.S. economy, the production of like or directly competitive articles in the United States, or U.S. consumers. Accordingly, the Commission determined to grant the joint motion of complainant MediaTek and respondents Zoran and Oak to terminate the investigation as to Zoran and Oak, and determined to grant the joint motion of MediaTek and Sunext to terminate the investigation as to Sunext. As to vacatur, the Commission determined to vacate those portions of the final ID that are presently under review by the Commission and to deny the request for vacatur as to those portions of the final ID previously adopted by the Commission. *See 70 Fed. Reg. 76074 (Dec. 22, 2005).*

The authority for the Commission's determination is contained in section 337 of the Tariff Act of 1930, as amended (19 U.S.C. § 1337), and in sections 210.21, 210.45, and 210.50 of the Commission's Rules of Practice and Procedure (19 C.F.R. §§ 210.21, 210.45, and 210.50).

By order of the Commission.

Marilyn R. Abbott
Secretary to the Commission

Issued: March 31, 2006