

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

In the Matter of

**CERTAIN SEMICONDUCTOR CHIPS WITH
MINIMIZED CHIP PACKAGE SIZE AND
PRODUCTS CONTAINING SAME**

Inv. No. 337-TA-605

**NOTICE OF COMMISSION DECISION TO REVIEW IN PART A FINAL
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 has determined to review in part the presiding administrative law judge's ("ALJ") final initial determination ("ID") issued on December 1, 2008 finding no violation of section 337 of the Tariff Act of 1930, 19 U.S.C. § 1337 in the above-captioned investigation.

FOR FURTHER INFORMATION CONTACT: Megan M. Valentine, Office of the General Counsel, U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C. 20436, telephone (202) 708-2301. Copies of non-confidential documents filed in connection with this investigation are or will be available for inspection during official business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C. 20436, telephone (202) 205-2000. General information concerning the Commission may also be obtained by accessing its Internet server at <http://www.usitc.gov>. The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>. Hearing-impaired persons are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on (202) 205-1810.

SUPPLEMENTARY INFORMATION: The Commission instituted this investigation on May 21, 2007, based on a complaint filed by Tessera, Inc. of San Jose, California against Spansion, Inc. and Spansion, LLC, both of Sunnyvale, California; QUALCOMM, Inc. of San Diego, California; AT1 Technologies of Thornhill, Ontario, Canada; Motorola, Inc. of Schaumburg, Illinois; STMicroelectronics N.V. of Geneva, Switzerland; and Freescale Semiconductor, Inc. of Austin, Texas. 72 *Fed. Reg.* 28522 (May 21, 2007). The complaint alleges violations of section 337 in the importation into the United States, the sale for importation, and the sale within the United States after importation of certain semiconductor chips with minimized chip package size or products containing same by reason of infringement of one or more claims of U.S. Patent Nos. 5,852,326, and 6,433,419.

On December 1, 2008, the ALJ issued his final ID finding no violation of section 337 by Respondents. The ID included the ALJ's recommended determination on remedy and bonding. In his ID, the ALJ found that Respondents' accused products do not infringe asserted claims 1, 2, 6, 12, 16-19, 21, 24-26, and 29 of the '326 patent. The ALJ also found that Respondents' accused products do not infringe asserted claims 1-11, 14, 15, 19, and 22-24 of the '419 patent. The ALJ additionally found that the asserted claims of the '326 and '419 patents are not invalid for failing to satisfy the enablement requirement or the written description requirement of 35 U.S.C. § 112 ¶ 1. The ALJ further found that the asserted claims of the '326 and '419 patents are not invalid as indefinite of 35 U.S.C. § 112 ¶ 2. The ALJ also found that the asserted claims of the '326 and '419 patents are not invalid under 35 U.S.C. § 102 for anticipation or under 35 U.S.C. § 103 for obviousness. Finally, the ALJ found that an industry in the United States exists with respect to the '326 and '419 patents as required by 19 U.S.C. § 1337(a)(2) and (3).

On December 15, 2008, Tessera and the Commission Investigative Attorney ("IA") filed separate petitions seeking review of the ALJ's determination concerning non-infringement of the asserted claims of the '326 and '419 patents. Also on December 15, 2008, Respondents filed various contingent petitions seeking review of certain aspects of the ALJ's findings as concern both the '326 and '419 patents in the event that the Commission determines to review the ID's findings concerning non-infringement. On December 23, 2008, Respondents filed an opposition to Tessera's and the IA's petitions for review and Tessera and the IA filed separate responses to Respondents' various contingent petitions for review.

Having examined the record of this investigation, including the ALJ's final ID, the petitions for review, and the responses thereto, the Commission has determined to review the final ID in part. Specifically, the Commission has determined to review the ALJ's finding that Respondents' accused devices do not infringe asserted claims 1, 2, 6, 12, 16-19, 21, 24, and 29 of the '326 patent and asserted claims 1-8, 9-11, 14, 15, 19, and 22-24 of the '419 patent. The Commission has further determined to review the ALJ's finding that Tessera has waived any argument that the accused products indirectly infringe the asserted patents. The Commission has also determined to review the ALJ's finding that the Motorola's OMPAC invention does not anticipate the asserted patents under 35 U.S.C. § 102(b). Finally, the Commission has determined to review the ALJ's finding that the Motorola's OMPAC invention does not anticipate the asserted patents under 35 U.S.C. § 102(g). The Commission has determined not to review the remaining issues decided in the ID.

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

1. Please address how the absence of the compliant layer affects the effective CTE of the baseline packages in the sense of the material properties of the structures remaining in the baseline. Specifically, to what extent does the CTE of the compliant layer materials affect the effective CTE of the actual packages as compared to their corresponding baseline

packages? Also, how specifically do the substituted materials in the baseline packages affect the effective CTE of the baseline packages.

2. Please address whether Dr. Qu's plastic work analysis can be isolated to the validated range of the finite element analysis ("FEA") models, and if so, whether the validated results are sufficient to satisfy the preponderance of the evidence standard for infringement.
3. Please address whether Tessera may prove infringement by relying on multiple tests rather than one test. In his first test, Dr. Qu demonstrated the existence of terminal-to-chip displacement and its effect on improved reliability in the accused chips by comparing the on-board behavior of FEA models of the accused packages to the on-board behavior of FEA models of their corresponding baseline packages. In his second test, Dr. Qu showed that the accused chips exhibit improved reliability under external loads by directly applying simulated external loads to the accused packages and their corresponding baseline packages. Was it sufficient that Dr. Qu showed the required features of the claimed movement – terminal-to-chip displacement and improved reliability under application of external loads – without directly showing terminal-to-chip displacement due to external loads?
4. Please address whether Motorola exercised reasonable diligence in reducing the OMPAC invention to practice by filing the applications leading to U.S. Patent Nos. 5,241,133 and 5,216,278, and whether the confidentiality agreement between Motorola and Citizen Watch amounted to "suppression" and/or "concealment" of the OMPAC invention.

In connection with the final disposition of this investigation, the Commission may (1) issue an order that could result in the exclusion of the subject articles from entry into the United States, and/or (2) issue one or more cease and desist orders that could result in the respondent(s) being required to cease and desist from engaging in unfair acts in the importation and sale of such articles. Accordingly, the Commission is interested in receiving written submissions that address the form of remedy, if any, that should be ordered. If a party seeks exclusion of an article from entry into the United States for purposes other than entry for consumption, the party should so indicate and provide information establishing that activities involving other types of entry either are adversely affecting it or likely to do so. For background, see *In the Matter of Certain Devices for Connecting Computers via Telephone Lines*, Inv. No. 337-TA-360, USITC Pub. No. 2843 (December 1994) (Commission Opinion).

If the Commission contemplates some form of remedy, it must consider the effects of that remedy upon the public interest. The factors the Commission will consider include the effect that an exclusion order and/or cease and desist orders would have on (1) the public health and welfare, (2) competitive conditions in the U.S. economy, (3) U.S. production of articles that are like or directly competitive with those that are subject to investigation, and (4) U.S. consumers. The Commission is therefore interested in receiving written submissions that address the aforementioned public interest factors in the context of this investigation.

If the Commission orders some form of remedy, the U.S. Trade Representative, as delegated by the President, has 60 days to approve or disapprove the Commission's action. *See* Presidential Memorandum of July 21, 2005, 70 *Fed. Reg.* 43251 (July 26, 2005). During this period, the subject articles would be entitled to enter the United States under bond, in an amount determined by the Commission and prescribed by the Secretary of the Treasury. The Commission is therefore interested in receiving submissions concerning the amount of the bond that should be imposed if a remedy is ordered.

WRITTEN SUBMISSIONS: The parties to the investigation are requested to file written submissions on the issues identified in this notice. Parties to the investigation, interested government agencies, and any other interested parties are encouraged to file written submissions on the issues of remedy, the public interest, and bonding. Such submissions should address the recommended determination by the ALJ on remedy and bonding.

In addition, with respect to the limited exclusion order ("LEO") sought by complainant, please address whether the Federal Circuit's decision in *Kyocera Wireless Corp. v. ITC*, 545 F.3d 1340 (Fed. Cir. 2008), has any impact on whether unnamed importers are covered by the LEO. *Cf.* Additional Views of Chairman Shara L. Aranoff, Vice Chairman Daniel R. Pearson, and Commissioner Deanna Tanner Okun in *Certain GPS Devices and Products Containing Same*, 337-TA-602."

Complainants and the IA are also requested to submit proposed remedial orders for the Commission's consideration. Complainants are also requested to state the dates that the patents expire and the HTSUS numbers under which the accused products are imported. The written submissions and proposed remedial orders must be filed no later than close of business on Friday, February 13, 2009. Reply submissions must be filed no later than the close of business on Monday, February 23, 2009. No further submissions on these issues will be permitted unless otherwise ordered by the Commission.

Persons filing written submissions must file the original document and 12 true copies thereof on or before the deadlines stated above with the Office of the Secretary. Any person desiring to submit a document to the Commission in confidence must request confidential treatment unless the information has already been granted such treatment during the proceedings. All such requests should be directed to the Secretary of the Commission and must include a full statement of the reasons why the Commission should grant such treatment. *See* 19 C.F.R. § 210.6. Documents for which confidential treatment by the Commission is sought will be treated accordingly. All nonconfidential written submissions will be available for public inspection at the Office of the Secretary.

The authority for the Commission's determination is contained in section 337 of the Tariff Act of 1930, as amended (19 U.S.C. § 1337), and in sections 210.42-46 and 210.50 of the Commission's Rules of Practice and Procedure (19 C.F.R. §§ 210.42-46 and 210.50).

By order of the Commission.

/s/
Marilyn R. Abbott
Secretary to the Commission

Issued: January 30, 2009