

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

In the Matter of

**CERTAIN HYBRID ELECTRIC
VEHICLES AND COMPONENTS
THEREOF**

Investigation No. 337-TA-1042

**NOTICE OF COMMISSION DETERMINATION TO REVIEW AN INITIAL
DETERMINATION GRANTING SUMMARY DETERMINATION THAT THE
RESPONDENT IS BARRED FROM RAISING INVALIDITY DEFENSES WITH
RESPECT TO THREE ASSERTED PATENT CLAIMS**

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has determined to review an initial determination (“ID”) (Order No. 30) issued by the presiding administrative law judge (“ALJ”) on November 2, 2017, granting summary determination that the respondent is barred from raising certain invalidity defenses in this investigation because it previously presented those defenses to the Patent Trial and Appeal Board (“PTAB”).

FOR FURTHER INFORMATION CONTACT: Robert Needham, Office of the General Counsel, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436, telephone (202) 708-5468. 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 March 10, 2017, based on a complaint, supplemented by letters, filed by Paice LLC and Abell Foundation, Inc. both of Baltimore, Maryland (collectively, “Paice”). 82 FR 13363 (Mar. 10, 2017). The complaint, as supplemented, alleges 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, or the sale within the United States after importation of certain hybrid electric vehicles and components thereof by reason of the infringement of certain claims of five United States patents: U.S. Patent No. 7,104,347 (“the ’347 patent”); U.S. Patent No. 7,237,634 (“the ’634 patent”); U.S. Patent No. 7,455,134; U.S. Patent No. 7,559,388 (“the ’388 patent”);

and U.S. Patent No. 8,214,097. The notice of investigation named as the respondent Ford Motor Company of Dearborn, Michigan (“Ford”). The Office of Unfair Import Investigations was not named as a party.

In 2014 and 2015, Ford petitioned the PTAB for *inter partes* review (“IPR”) of numerous claims of Paice’s patents. In 2015 and 2016, the PTAB issued final written decisions finding that many of the claims unpatentable. Specifically, the PTAB found unpatentable the following claims: claim 3 of the ’388 patent; claim 28 of the ’347 patent; and claims 25, 240, 278, 290, and 292 of the ’634 patent.¹ The Federal Circuit later vacated and remanded the PTAB’s determination with respect to claim 3 of the ’388 patent.² The determinations with respect to the remaining claims are currently on appeal, and oral argument occurred on December 4, 2017.³

On August 31, 2017, Paice moved for a summary determination that 35 U.S.C. § 315(e)(2) bars Ford from raising certain of its invalidity defenses with respect to claim 3 of the ’388 patent; claims 24 and 28 of the ’347 patent; and claims 25, 240, 278, 290, and 292 of the ’634 patent. On September 11, 2017, Ford opposed the motion, and argued that it should not be barred from raising invalidity defenses that succeeded at the PTAB. Ford also withdrew its contention that claim 24 of the ’347 patent is invalid.

On November 2, 2017, the ALJ issued the subject ID, and granted Paice’s motion for summary determination in part. The ALJ applied 35 U.S.C. § 315(e)(2) to bar Ford from asserting certain invalidity defenses with respect to claims 25, 278, and 290 of the ’634 patent. The ALJ denied, as an order, the remainder of Paice’s motion.

On November 8, 2017, Ford petitioned the Commission for review of the ALJ’s determination. The petition states that the ID is moot with respect to claims 25 and 278, because Ford dropped its relevant invalidity argument with respect to claim 25 and Paice withdrew its allegations with respect to claim 278. Ford, however, maintains that 35 U.S.C. § 315(e)(2) should not bar certain of its invalidity defenses with respect to claim 290. On November 16, 2017, Paice opposed Ford’s petition.

The Commission has determined to review the subject ID.

¹ See *Ford Motor Co. v. Paice LLC and The Abell Foundation, Inc.*, IPR2014-00875, Paper 38 (P.T.A.B. Nov. 23, 2015); IPR2015-00794, Paper 31 (P.T.A.B. Nov. 1, 2016); IPR2015-00790, Paper 34 (P.T.A.B. Nov. 4, 2016); IPR2015-00722, Paper 36 (P.T.A.B. Sept. 26, 2016); IPR2015-00801, Paper 28 (P.T.A.B. Oct. 21, 2016); IPR2015-00606, Paper 33 (P.T.A.B. Nov. 8, 2016).

² *Paice LLC, The Abell Foundation, Inc. v. Ford Motor Co.*, 681 Fed. Appx. 904 (Fed. Cir. 2017). On remand, the PTAB subsequently found that claim 3 of the ’388 patent was unpatentable. *Ford Motor Co. v. Paice LLC and The Abell Foundation, Inc.*, IPR2014-00875, Paper 41 (P.T.A.B. Nov. 14, 2017).

³ *Paice LLC, The Abell Foundation, Inc. v. Ford Motor Co.*, Nos. 17-1263, 17-1387, 17-1406, 17-1442 (Fed. Cir.).

The parties are invited to submit briefing that identifies and discusses the full legislative history of 35 U.S.C. § 315(e)(2), in order to ensure that any Commission decision is made on a complete legislative record. The parties are not to brief any other issues.

WRITTEN SUBMISSIONS: The parties to the investigation are requested to file written submissions on the issue identified in this notice. Written submissions must be filed no later than close of business on December 15, 2017. Reply submissions must be filed no later than the close of business on December 22, 2017. 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 deadline 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-1042") in a prominent place on the cover page and/or the first page. (*See Handbook for Electronic Filing Procedures*, https://www.usitc.gov/secretary/documents/handbook_on_filing_procedures.pdf). Persons with questions regarding filing should contact the Secretary (202-205-2000).

Any person desiring to submit a document to the Commission in confidence must request confidential treatment. All such requests should be directed to the Secretary to the Commission and must include a full statement of the reasons why the Commission should grant such treatment. *See* 19 CFR 201.6. Documents for which confidential treatment by the Commission is properly sought will be treated accordingly. 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 personnel⁴, solely for cybersecurity purposes. All nonconfidential 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 8, 2017

⁴ All contract personnel will sign appropriate nondisclosure agreements.