

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

**In the Matter of**

**CERTAIN MAGNETIC TAPE  
CARTRIDGES AND COMPONENTS  
THEREOF**

**Investigation No. 337-TA-1058**

**NOTICE OF A COMMISSION DETERMINATION TO EXTEND THE TARGET DATE  
AND TO REVIEW IN PART A FINAL INITIAL DETERMINATION FINDING A  
VIOLATION OF SECTION 337; SCHEDULE FOR FILING WRITTEN SUBMISSIONS**

**AGENCY:** U.S. International Trade Commission.

**ACTION:** Notice.

**SUMMARY:** Notice is hereby given that the U.S. International Trade Commission has determined to extend the target date for completion of the above-referenced investigation to December 21, 2018, and to review in part the Administrative Law Judge's ("ALJ") final initial determination ("ID"), issued on August 17, 2018, finding a violation of section 337 in the above-referenced investigation.

**FOR FURTHER INFORMATION CONTACT:** Cathy Chen, Esq., Office of the General Counsel, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436, telephone (202) 205-2392. 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, DC 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 June 1, 2017. 82 FR 25333 (Jun. 1, 2017). The complaint, as amended, was filed by Sony Corporation of Tokyo, Japan; Sony Storage Media Solutions Corporation of Tokyo, Japan; Sony Storage Media Manufacturing Corporation of Miyagi, Japan; Sony DADC US Inc. of Terre Haute, Indiana; and Sony Latin America Inc. of Miami, Florida (collectively "Sony"). *Id.* The complaint alleges violations of section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. 1337 ("section 337"), in the importation into the United States, the sale for importation, and the sale within the United States after importation of certain magnetic tape cartridges and components thereof by reason of infringement of certain claims of U.S. Patent Nos. 7,029,774

(“the ’774 patent”); 6,674,596 (“the ’596 patent”); and 6,979,501 (“the ’501 patent”). *Id.* The complaint further alleges that an industry in the United States exists as required by 19 U.S.C. § 1337(a)(2). *Id.* The notice of investigation named Fujifilm Holdings Corporation of Tokyo, Japan; Fujifilm Corporation of Tokyo, Japan; Fujifilm Media Manufacturing Co., Ltd. of Kanagawa, Japan; Fujifilm Holdings America Corporation of Valhalla, NY; and Fujifilm Recording Media U.S.A., Inc. of Bedford, MA (collectively “Fujifilm”) as respondents. *Id.* at 25334. The Office of Unfair Import Investigations is also a party in this investigation. *Id.*

On March 22, 2018, the ALJ granted Sony’s motion to terminate certain asserted patent claims from the investigation. *See* Order No. 26; Comm’n Notice (Apr. 23, 2018). The evidentiary hearing was held on May 8-11, 2018.

On August 17, 2018, the ALJ issued his final ID and his recommended determination, finding a violation of section 337 by Fujifilm in connection with claims 1, 5-8, 10, 16, and 17 of the ’774 patent and claims 1-13 of the ’596 patent, but not in connection with claims 1, 2, 4-6, and 8 of the ’501 patent. Specifically, the ID concludes that Fujifilm’s accused products infringe the asserted claims of the ’774 patent and the ’596 patent; that the asserted claims of the ’774 and ’596 patents are not invalid; and that a domestic industry exists with respect to both patents. Although the ID finds that Fujifilm’s accused products also infringe the asserted claims of the ’501 patent, and that a domestic industry exists with respect to that patent, the ID concludes no violation as to the ’501 patent because the asserted claims are invalid.

On September 4, 2018, Sony, Fujifilm, and the Commission’s Investigative Attorney each filed a timely petition for review of the final ID. All parties challenge certain aspects of the ID’s finding with respect to the economic prong of the domestic industry requirement. Sony additionally challenges certain claim construction and validity findings related to the ’501 patent and certain infringement findings related to the ’596 patent. Fujifilm additionally challenges certain claim constructions and findings related to validity, infringement, and the technical prong of the domestic industry requirement relevant to the ’774 and the ’596 patents; and the ID’s finding that the asserted claims of the ’501 patent are not indefinite. The Commission’s Investigative Attorney additionally challenges the ID’s failure to construe two claim terms in the ’774 patent, and the ID’s finding that Fujifilm does not contributorily infringe the ’596 patent. Thereafter, the parties filed timely responses to the petitions for review and public interest comments pursuant to Commission Rule 210.50(a)(4).

The Commission has determined to extend the target date in this investigation to December 21, 2018.

Having examined the record of this investigation, including the ID, the petitions for review, and the responses thereto, the Commission has determined to review the ID in part. The Commission has determined to review the ID’s finding that the economic prong of the domestic industry requirement has been satisfied for all three asserted patents under sections 337(a)(3)(B) and (C) based on the domestic activities of Sony’s licensee. In addition, with respect to the ’774 patent, the Commission has determined to review the ID’s findings that the asserted claims are not invalid for lack of enablement and lack of written description, and the ID’s finding that Sony’s prior art tapes do not anticipate claim 17. The Commission has also determined to

review the ID's findings with respect to the '596 patent in their entirety. The Commission does not review the remainder of the ID.

The parties are requested to brief their positions on only the following issues under review with reference to the applicable law and the evidentiary record.

1. What is the proper scope of the claim limitations "a skew less than about 0.5" and "a kurtosis less than about 4.0" in the '774 patent? Please discuss whether the asserted claims are enabled and adequately described if the claimed ranges are construed to include negative skew and kurtosis less than about 3.0, as Fujifilm argues, and alternatively, if the claimed ranges for these parameters are construed to be limited to values that approach Gaussian distribution," *i.e.*, zero skew and kurtosis of three, as Sony argues. Under the latter construction, please also address Fujifilm's argument that a person of ordinary skill in the art would not know how to achieve a skew less than 0.30 and a kurtosis less than 3.4.
2. Please discuss whether Sony's prior art AIT-3 tapes anticipate claim 17 of the '774 patent, including Fujifilm's argument that the Toraysee document discloses the claimed "peak-to-valley roughness" and "peak height mean" values.
3. Please discuss whether Platte and Kano render obvious the asserted claims of the '596 patent.
4. Please discuss the extent to which the scope of the domestic industry with respect to the '774 and the '501 patents should extend to the R&D investments and employment of labor and capital by Sony's licensee in proprietary tape drives, which the ID found are necessary to exploit the technology of the tape media that are protected by the '774 and the '501 patents. Please address the Investigative Attorney's argument that the "ID conflated exploiting the patented article with exploiting the patented technology" and whether these two allegedly different analyses would render a different result under the "realities of the marketplace" exception in this investigation.

In connection with the final disposition of this investigation, the Commission may issue an order that could result in the exclusion of the subject articles from entry into the United States. 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).

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 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 FR 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, the public interest, and bonding. Complainants and the Office of Unfair Import Investigations are also requested to submit proposed remedial orders for the Commission's consideration. Complainants are further requested to state the dates that the patents expire, the HTSUS numbers under which the accused products are imported, and any known importers of the accused products. The written submissions and proposed remedial orders must be filed no later than close of business on **November 1, 2018**. Initial submissions are limited to 40 pages, not including any attachments or exhibits related to discussion of the public interest. Reply submissions must be filed no later than the close of business on **November 8, 2018**. Reply submissions are limited to 20 pages, not including any attachments or exhibits related to discussion of remedy, the public interest, and bonding. 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 8 true paper copies to the Office of the Secretary by noon the next day pursuant to Commission Rule 210.4(f), 19 C.F.R. 210.4(f). Submissions should refer to the investigation number ("Inv. No. 1058") 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](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 personnel, solely for cybersecurity purposes. All contract personnel will sign appropriate nondisclosure agreements. 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.

A handwritten signature in black ink, appearing to read 'Lisa R. Barton', enclosed within a large, loopy oval shape.

Lisa R. Barton  
Secretary to the Commission

Issued: October 18, 2018