

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 (III)**

Investigation No. 337-TA-630

**NOTICE OF THE COMMISSION'S FINAL DETERMINATION OF NO VIOLATION
OF SECTION 337; TERMINATION OF THE INVESTIGATION**

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has determined that there has been no violation of section 337 of the Tariff Act of 1930, 19 U.S.C. § 1337, in this investigation, and has terminated the investigation.

FOR FURTHER INFORMATION CONTACT: Panyin A. Hughes, Esq., Office of the General Counsel, U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C. 20436, telephone (202) 205-3042. 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: This investigation was instituted on January 14, 2008, based on a complaint filed by Tessera, Inc. of San Jose, California ("Tessera") on December 21, 2007, and supplemented on December 28, 2007. *73 Fed. Reg.* 2276 (Jan. 14, 2008). The complaint alleged violations of section 337 of the Tariff Act of 1930 (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 semiconductor chips with minimized chip package size or products containing the same by reason of infringement of various claims of United States Patent Nos. 5,663,106 ("the '106 patent"); 5,679,977 ("the '977 patent"); 6,133,627 ("the '627 patent"); and 6,458,681 ("the '681 patent"). The complaint named eighteen respondents. Several respondents were terminated from the investigation based on settlement agreements and consent orders. Two respondents defaulted. The following respondents remain in the investigation: Acer Inc. of

Taipei, Taiwan; Acer America Corp. of San Jose, CA; Centon Electronics, Inc. of Aliso Viejo, CA; Elpida Memory, Inc. of Tokyo, Japan and Elpida Memory (USA), Inc. of Sunnyvale, CA (collectively, “Elpida”); Kingston Technology Co., Inc. of Fountain Valley, CA; Nanya Technology Corporation of Taoyuan, Taiwan; Nanya Technology Corp. USA of San Jose, CA; Powerchip Semiconductor Corporation of Hsinchu, Taiwan; ProMOS Technologies, Inc. of Hsinchu, Taiwan; Ramaxel Technology Ltd. of Hong Kong, China; and SMART Modular Technologies, Inc. of Fremont, CA. The ’681 patent was terminated from the investigation prior to the hearing.

On August 28, 2009, the Administrative Law Judge (“ALJ”) issued his final Initial Determination (“ID”), finding no violation of section 337 by Respondents with respect to any of the asserted claims of the asserted patents. Specifically, the ALJ found that the accused products do not infringe the asserted claims of the ’106 patent. The ALJ also found that none of the cited references anticipates the asserted claims and that none of the cited references renders the asserted claims obvious. The ALJ further found that the asserted claims of the ’106 patent satisfy the requirement of 35 U.S.C. § 112, first, second and fourth paragraphs. Likewise, the ALJ found that the accused products do not infringe the asserted claims of the ’977 and ’627 patents and that none of the cited references anticipates the asserted claims of the patents. The ALJ further found that the asserted claims of the ’977 and ’627 patents satisfy the definiteness requirement of 35 U.S.C. § 112, second paragraph, and that Respondents waived their argument with respect to obviousness. The ALJ also found that all chips Respondents purchased from Tessera licensees were authorized to be sold by Tessera and, thus, Tessera’s rights in those chips became subject to exhaustion, but that Respondents, except Elpida, did not purchase all their chips from Tessera licensees.

On September 17, 2009, Tessera and the Commission investigative attorney filed petitions for review of the ID. That same day, Respondents filed contingent petitions for review of the ID. On October 1, 2009, the parties filed responses to the various petitions and contingent petitions for review.

On October 30, 2009, the Commission determined to review the final ID in part and requested briefing on several issues it determined to review, and on remedy, the public interest and bonding. 74 *Fed. Reg.* 57192 (Nov. 4, 2009). The Commission determined to review (1) the finding that the claim term “top layer” recited in claim 1 of the ’106 patent means “an outer layer of the chip assembly upon which the terminals are fixed,” the requirement that “the ‘top layer’ is a single layer,” and the effect of the findings on the infringement analysis, invalidity analysis and domestic industry analysis; (2) the finding that the claim term “thereon” recited in claim 1 of the ’106 patent requires “disposing the terminals on the top surface of the top layer,” and its effect on the infringement analysis, invalidity analysis and domestic industry analysis; (3) the finding that the Direct Loading testing methodology employed by Tessera’s expert to prove infringement is unreliable; and (4) the finding that the 1989 Motorola OMPAC 68-pin chip package fails to anticipate claims 17 and 18 of the ’977 patent. *Id.*

On November 13, 2009, the parties filed written submissions on the issues under review, remedy, the public interest, and bonding. On November 20, 2009, the parties filed response submissions on the issues on review, remedy, the public interest and bonding.

Having examined the record of this investigation, including the ALJ's final ID, the Commission has determined that there is no violation of section 337. Specifically, the Commission has determined to (1) modify the ALJ's construction of the claim terms "top layer" and "thereon" recited in claim 1 of the '106 patent; (2) reverse the ALJ's finding that the accused μ BGA products do not meet all of the limitations of the asserted claims of the '106 patent but affirm his finding that there is no infringement due to patent exhaustion; (3) affirm the ALJ's finding that the accused wBGA products do not infringe the asserted claims of the '106 patent; (4) affirm the ALJ's validity and domestic industry analyses pertaining to the asserted claims of the '106 patent; (5) affirm the ALJ's finding that the Direct Loading testing methodology employed by Tessera's expert fails to prove infringement; and (6) affirm the ALJ's finding that the 1989 Motorola OMPAC 68-pin chip package fails to anticipate claims 17 and 18 of the '977 patent under the on-sale bar provision of 35 U.S.C. § 102(b), but modify a portion of the ID.

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 of the Commission's Rules of Practice and Procedure (19 C.F.R. §§ 210.42-46).

By order of the Commission.

/s/

Marilyn R. Abbott
Secretary to the Commission

Issued: December 29, 2009