

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

In the Matter of

**CERTAIN AUTOMATED MEDIA
LIBRARY DEVICES**

Investigation No. 337-TA-746

**NOTICE OF COMMISSION DECISION REMANDING THE INVESTIGATION
AS TO U.S. PATENT NOS. 6,328,766 AND 6,353,581;
EXTENSION OF TARGET DATE**

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has determined to remand to the presiding administrative law judge ("ALJ") with respect to U.S. Patent Nos. 6,328,766 ("the '766 patent") and 6,353,581 ("the '581 patent"), and the target date for completion of the investigation is extended to March 25, 2013.

FOR FURTHER INFORMATION CONTACT: Cathy Chen, Esq., Office of the General Counsel, U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C. 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, 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 November 24, 2010, based upon a complaint filed by Overland Storage, Inc. of San Diego, California ("Overland") on October 19, 2010, and supplemented on November 9, 2010. *75 Fed. Reg.* 71735 (Nov. 24, 2010). The complaint alleged violations of section 337 of the Tariff Act of 1930, as amended (19 U.S.C. § 1337) by reason of infringement of certain claims of the '766 patent and the '581 patent (collectively, "the Asserted Patents"). The notice of investigation named as respondents BDT AG of Rottweil, Germany; BDT Solutions GmbH & Co. KG of Rottweil, Germany; BDT Automation Technology (Zhuhai FTZ), Co., Ltd. of Zhuhai Guandang, China; BDT de Mexico, S. de R.L. de C.V., of Jalisco, Mexico; BDT Products, Inc., of Irvine, California; Dell Inc. of Round Rock, Texas ("Dell"); and International Business Machines Corp. of Armonk, New York ("IBM"). The Office of Unfair Import Investigations was not named as a party.

The ALJ granted BDT Solutions GmbH & Co. KG's motion for summary determination of no violation on September 2, 2011. *See* Notice of Commission Determination Not to Review an Initial Determination Granting BDT Solutions' Motion for Summary Determination of No Violation of Section 337 (Sep. 21, 2011). On December 5, 2011, the ALJ granted a joint motion to terminate IBM and Dell from the investigation. *See* Notice of Commission Determination to Affirm an Initial Determination Granting a Joint Motion For Termination of the Investigation by Settlement as to Respondents International Business Machines Corp. and Dell Inc. (Jan. 27, 2012). BDT AG; BDT Automation Technology (Zhuhai FTZ), Co., Ltd.; BDT de Mexico, S. de R.L. de C.V.; and BDT Products, Inc. (collectively, "the BDT Respondents") remain as respondents in the investigation.

On June 20, 2012, the ALJ issued his final ID, finding no violation of section 337 by the BDT Respondents with respect to any of the asserted claims. Specifically, the ALJ found no violation of section 337 by the BDT Respondents in connection with claims 1-3 and 7-9 of the '766 patent and claims 1-2, 5-7, 9-10, 12, and 15-16 of the '581 patent. The ALJ also found that the asserted claims were not shown to be invalid except for claim 15 of the '581 patent. The ALJ further found that a domestic industry in the United States exists that practices the '766 patent. The ALJ, however, found that a domestic industry in the United States does not exist that practices the '581 patent. The ALJ also rejected the BDT Respondents' patent exhaustion defense.

On July 5, 2012, the BDT Respondents filed a joint petition for review of certain aspects of the final ID's findings concerning infringement of the '766 patent, and invalidity and patent exhaustion with respect to the Asserted Patents. Also on July 5, 2012, Overland filed a petition for review of certain aspects of the final ID's findings concerning claim construction, invalidity, and domestic industry with respect to the '581 patent, and infringement of the Asserted Patents. On July 13, 2012, Overland and the BDT Respondents each filed a response.

On August 20, 2012, 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. *77 Fed. Reg. 51573* (August 24, 2012). Specifically, with respect to the '766 patent, the Commission determined to review the ALJ's finding that Overland did not prove the BDT Respondents possessed the requisite knowledge required for contributory infringement. The Commission also determined to review the ALJ's finding that the IBM documents related to certain IBM tape libraries do not qualify as printed publications under 35 U.S.C. § 102, and the ALJ's invalidity analysis concerning any IBM documents that are found to qualify as printed publications. With respect to the '581 patent, the Commission determined to review the ALJ's construction of the claim term "linear array," and the ALJ's findings on infringement and invalidity in view of the proper construction of that claim term. The Commission also determined to review the ALJ's finding that no domestic industry exists with respect to the '581 patent. The Commission further determined to review the ALJ's rejection of the BDT Respondents' patent exhaustion defense. The Commission determined not to review the remaining issues decided in the ID.

On September 4, 2012, the parties filed written submissions on the issues under review, remedy, the public interest, and bonding. On September 12, 2012, the parties filed reply briefs. The Commission did not receive any non-party submissions.

Having examined the record of this investigation, including the ALJ's final ID and the parties' submissions, the Commission has determined to remand the investigation to the ALJ with respect to the '766 and the '581 patents, and to extend the target date.

Specifically, the Commission affirms, with modified reasoning, the ALJ's finding that the BDT Respondents did not contributorily infringe the asserted claims of the '766 patent. In particular, the Commission finds that Overland waived its right to argue that the requisite knowledge required for contributory infringement can be presumed. The Commission also finds that Overland has not proven that the BDT Respondents imported, sold for importation, or sold after importation within the United States, any Accused Products that contributed to IBM's or Dell's direct infringement after the BDT Respondents had knowledge of the '766 patent. In addition, the Commission reverses the ALJ's finding that the IBM documents related to the IBM 3570, 7331, 7336, and 3494 tape libraries do not qualify as "printed publications" under 35 U.S.C. § 102, but affirms the ALJ's finding that the IBM documents related to the IBM 3575 tape library do not qualify as "printed publications." Accordingly, the Commission remands the investigation to the ALJ to consider whether the IBM documents that qualify as prior art anticipate or, in combination with their associated IBM tape library and/or U.S. Patent No. 6,434,090, render obvious the asserted claims of the '766 patent.

With respect to the '581 patent, the Commission finds that the limitation "linear array" as recited in claims 1, 2, 5, 6, 7, 9, 10, 12, and 16 means "media element storage locations [or cells] arranged in one or more straight lines." The Commission affirms, with modified reasoning, the ALJ's finding of noninfringement. The Commission also affirms, with modified reasoning, the ALJ's finding that the '581 patent was not shown to be invalid. In addition, the Commission reverses the ALJ's finding that Overland has failed to satisfy the technical prong of the domestic industry requirement. Specifically, the Commission finds that Overland has sustained its burden of showing by a preponderance of the evidence that at least its NEO 2000, 2000e, 4000, and 4000e tape libraries practice one or more claims of the '581 patent. Accordingly, the Commission remands the investigation to the ALJ to consider whether Overland has satisfied the economic prong of the domestic industry requirement. Finally, the Commission affirms, with modified reasoning, the ALJ's rejection of the BDT Respondents' patent exhaustion defense.

The Commission has extended the target date for completion of this investigation to March 25, 2013.

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 section 210.50 of the Commission's Rules of Practice and Procedure (19 C.F.R. § 210.50).

By order of the Commission.

A handwritten signature in black ink, appearing to read 'Lisa R. Barton', written in a cursive style.

Lisa R. Barton
Acting Secretary to the Commission

Issued: October 25, 2012