

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

In the Matter of

**CERTAIN DIGITAL MEDIA DEVICES,
INCLUDING TELEVISIONS, BLU-RAY
DISC PLAYERS, HOME THEATER
SYSTEMS, TABLETS AND MOBILE
PHONES, COMPONENTS THEREOF
AND ASSOCIATED SOFTWARE**

Investigation No. 337-TA-882

**NOTICE OF A COMMISSION DETERMINATION TO REVIEW IN PART A FINAL
INITIAL DETERMINATION FINDING NO VIOLATION OF SECTION 337, ON
REVIEW TO MODIFY-IN-PART AND VACATE-IN-PART THE DETERMINATION;
GRANT OF CONSENT MOTION TO TERMINATE THE INVESTIGATION AS TO
RESPONDENTS PANASONIC CORPORATION AND PANASONIC CORPORATION
OF NORTH AMERICA ON THE BASIS OF A SETTLEMENT AGREEMENT;
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 to review in part the final initial determination (“ID”) of the presiding administrative law judge (“ALJ”) finding no violation of section 337 by the following remaining respondents in the above-captioned investigation: Samsung Electronics Co., Ltd. of Gyeonggi-do, Republic of Korea; Samsung Electronics America, Inc. of Ridgefield Park, New Jersey; Samsung Telecommunications America, LLC of Richardson, Texas (collectively, “Samsung”); LG Electronics, Inc. of Seoul, Republic of Korea; LG Electronics U.S.A., Inc. of Englewood Cliffs, New Jersey; LG Electronics MobileComm U.S.A., Inc. of San Diego, California (collectively, “LG”); Toshiba Corporation of Tokyo, Japan; and Toshiba American Information Systems, Inc. of Irvine, California (collectively, “Toshiba”). On review, the Commission has determined to modify-in-part and vacate-in-part the final ID. The Commission has also determined to grant the joint motion to terminate the above-captioned investigation as to respondents Panasonic Corporation of Osaka, Japan; Panasonic Corporation of North America of Secaucus, New Jersey (collectively, “Panasonic”) based upon a settlement agreement. The Commission has terminated the investigation with a finding of no violation of section 337.

FOR FURTHER INFORMATION CONTACT: Clint Gerdine, Esq., Office of the General Counsel, U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C. 20436,

telephone (202) 708-2310. 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 June 18, 2013 based on a complaint filed on May 13, 2013, by Black Hills Media, LLC ("BHM") of Wilmington, Delaware. 78 Fed. Reg. 36573-74. The complaint alleged 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, and the sale within the United States after importation of certain digital media devices, including televisions, blu-ray disc players, home theater systems, tablets and mobile phones, components thereof and associated software by reason of infringement of certain claims of the following U.S. Patent Nos.: 8,028,323 ("the '323 patent"); 8,214,873 ("the '873 patent"); 8,230,099 ("the '099 patent"); 8,045,952 ("the '952 patent"); 8,050,652 ("the '652 patent"); and 6,618,593 ("the '593 patent"). The complaint further alleged that an industry in the United States exists as required by subsection (a)(2) of section 337. The complaint named the following respondents: Samsung; LG; Toshiba; Panasonic; Sharp Corporation of Osaka, Japan; and Sharp Electronics Corporation of Mahwah, New Jersey (collectively, "Sharp").

On September 10, 2013, the Commission issued notice of its determination not to review the ALJ's ID (Order No. 17) granting Google Inc.'s motion to intervene as a party to the investigation. On November 20, 2013, the Commission issued notice of its determination not to review the ALJ's ID (Order No. 23) terminating the investigation as to Sharp based on a settlement agreement. On January 7, February 11, and April 10, 2014, the Commission issued notice of its determinations not to review the ALJ's IDs (Order Nos. 32, 35, and 49-50) terminating the investigation as to the following: the '323 and '099 patents; claims 2, 6-8, 15-19, 22, 25-27, 31, 35-36, and 44 of the '873 patent; claims 3-4, 6-7, 10, 42-45, 47-50, 52, and 55 of the '652 patent; claims 1, 4, 10, 13-17, 19, and 20-21 of the '593 patent; and claims 1-4 and 10-12 of the '952 patent. On March 14, 2014, the Commission issued notice of its determination not to review the ALJ's ID (Order No. 47) terminating the investigation as to claims 1, 11, and 13 of the '652 patent and claim 27 of the '873 patent with respect to Panasonic. On July 3, 2014, BHM and Panasonic filed an unopposed joint motion to terminate the investigation as to Panasonic based on a settlement agreement. Therefore, the remaining respondents are LG, Samsung, and Toshiba.

On July 7, 2014, the ALJ issued the final ID finding no violation of section 337 by the remaining respondents. The ALJ found that: (1) there was no importation of "articles that infringe" under section 337(a)(1)(B)(i) as to any of respondents' accused products with respect to any asserted claim of the patents at issue; (2) none of the accused products of the remaining respondents infringe any asserted claim of the patents at issue; (3) the domestic industry requirement (both economic and technical prongs) had not been satisfied with respect to any

asserted patent; and (4) the asserted claims of the '873 patent are invalid under 35 U.S.C. § 112, ¶ 1 and 35 U.S.C. §§ 102 and/or 103. On July 16, 2014, the ALJ issued his recommendation on remedy and bonding ("RD") in the event the Commission found a violation of section 337. On July 21, 2014, BHM filed a petition for review of the final ID only with respect to the '873 and '652 patents and the remaining respondents (including intervenor) filed a joint petition for review with respect to all asserted patents. On July 29, 2014, BHM, the remaining respondents, and the Commission investigative attorney each filed a response to the opposing petition for review. On July 30, 2014, the remaining respondents (including intervenor), filed an unopposed motion for leave to file a corrected joint response to BHM's petition for review along with the corrected joint response. The Commission has determined to grant respondents' motion.

Upon considering the record in this investigation, including the final ID and the parties' submissions, the Commission has determined to review-in-part the final ID under 19 C.F.R. § 210.44. On such review of the final ID, the Commission has modified a specific portion of the final ID and has vacated all portions of the final ID that reference *Suprema, Inc. v. ITC*, 742 F.3d 1350 (Fed. Cir. 2013), *reh'g en banc granted and vacated*, 2014 WL 3036241 (May 13, 2014). Specifically, the Commission has modified the following portion of the final ID: Section VIII.A.4, on page 460, before the last period "." of the citation to *Certain Male Prophylactic Devices*, the citation language "; *Certain Integrated Circuit Chips and Products Containing the Same*, Inv. No. 337-TA-859, Comm'n Op. at 30-51 (August 22, 2014)" has been inserted. The Commission has also vacated the following portions of the final ID: (1) Section III.A, the last paragraph on pages 9-10; (2) Section III.A.1, the citation language "*Suprema*, slip op. at 18 (" and the closing parenthesis ")" in this citation on page 10; (3) the entirety of Section III.A.2.a on page 11; and (4) the entirety of Section III.C.3 on pages 20-23. The Commission has determined not to review the remainder of the final ID under 19 C.F.R. § 210.42(h)(2).

In addition, the Commission has determined that BHM did not petition for review of the ALJ's finding in the final ID of invalidity of the asserted claims of the '873 patent under 35 U.S.C. §§ 102 and/or 103, and therefore has abandoned these issues under 19 C.F.R. § 210.43(b)(2). *See Allied Corp. v. ITC*, 850 F.2d 1573 (Fed. Cir. 1988). The Commission has also determined that BHM has petitioned for review of certain issues based on arguments that BHM did not set forth in detail in its pre- and/or post-hearing briefing before the ALJ, and therefore the Commission has determined that these issues are waived and deemed abandoned. *See Ajinomoto Co., Inc. v. ITC*, 597 F.3d 1267 (Fed. Cir. 2010); Order No. 2 (ALJ's Ground Rules, June 19, 2013). These abandoned issues are the following: (1) infringement of the '652 patent by accused Samsung and LG products with the Slacker application preinstalled; and (2) satisfaction of the economic prong of the domestic industry requirement with respect to all asserted patents. Specifically, these issues are found to be waived and therefore deemed abandoned because: (1) BHM did not present evidence of infringement with respect to accused Samsung and LG product models with the Slacker application preinstalled before the ALJ; and (2) BHM did not argue allocations of Sony's investments under 19 U.S.C. §§ 1337(a)(3)(A), (B) with respect to specific domestic industry products (that practice the asserted patents) identified in its "Identification of Models of Domestic Industry Products" in its pre-hearing brief.

The Commission has also determined to grant the joint motion to terminate the investigation as to Panasonic. Section 337(c) provides, in relevant part, that the Commission may terminate an investigation “on the basis of an agreement between the private parties to the investigation.” When the investigation is before the Commission, as is the case here, the Commission may act on a motion to terminate on the basis of settlement. *See Certain Insect Traps*, Inv. No. 337-TA-498, Notice of Commission Determination to Terminate the Investigation in its Entirety on the Basis of a Settlement Agreement, 69 Fed. Reg. 63176 (Oct. 29, 2004). Section 210.21(b) of the Commission’s Rules of Practice and Procedure (19 C.F.R. § 210.21(b)), which implements section 337(c), requires that a motion for termination based upon a settlement contain a copy of that settlement agreement, as well as a statement that there are no other agreements, written or oral, express or implied, between the parties concerning the subject matter of the investigation. The joint motion complies with these requirements.

The Commission also considers the public interest when terminating an investigation based upon a settlement agreement. 19 C.F.R. § 210.50(b)(2). We find no evidence that termination of the investigation as to Panasonic will prejudice the public interest or that settlement will adversely impact the public health and welfare, competitive conditions in the United States economy, the production of like or directly competitive articles in the United States, or United States consumers. Moreover, the public interest favors settlement to avoid needless litigation and to conserve public and private resources. Accordingly, the Commission hereby grants the consent motion to terminate this investigation as to Panasonic on the basis of a settlement agreement.

Finally, the Commission has terminated the investigation with a finding of no violation of section 337.

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 C.F.R. Part 210.

By order of the Commission.



Lisa R. Barton
Secretary to the Commission

Issued: September 10, 2014