

PUBLIC VERSION

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

In the Matter of

**CERTAIN NETWORK DEVICES,
RELATED SOFTWARE AND
COMPONENTS THEREOF (I)**

Investigation No. 337-TA-944

**NOTICE OF THE COMMISSION'S DETERMINATION TO REVIEW IN-PART A
FINAL INITIAL DETERMINATION FINDING A VIOLATION OF SECTION 337;
REQUEST FOR 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 review in-part the final initial determination ("ID") issued by the presiding administrative law judge ("ALJ") on February 2, 2016, finding a violation of section 337 of the Tariff Act of 1930, 19 U.S.C. § 1337, in the above-captioned investigation.

FOR FURTHER INFORMATION CONTACT: Amanda Pitcher Fisherow, Esq., Office of the General Counsel, U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C. 20436, telephone (202) 205-2737. 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 January 27, 2015, based on a complaint filed on behalf of Cisco Systems, Inc. ("Complainant") of San Jose, California. 80 *Fed. Reg.* 4314-15 (Jan. 27, 2015). The complaint was filed on December 19, 2014 and a supplement was filed on January 8, 2015. The complaint alleges violations of section 337 based upon the importation into the United States, the sale for

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importation, and the sale within the United States after importation of certain network devices, related software and components thereof by reason of infringement of certain claims of U.S. Patent No. 7,162,537 (“the ’537 patent”); U.S. Patent No. 8,356,296 (“the ’296 patent”); U.S. Patent No. 7,290,164 (“the ’164 patent”); U.S. Patent No. 7,340,597 (“the ’597 patent”); U.S. Patent No. 6,741,592 (“the ’592 patent”); and U.S. Patent No. 7,200,145 (“the ’145 patent”), and alleges that an industry in the United States exists as required by subsection (a)(2) of section 337. The ’296 patent was previously terminated from the investigation. A Commission investigative attorney (“IA”) is participating in the investigation.

On February 2, 2016, the ALJ issued his final ID finding a violation of section 337. The ID found a violation with respect to the ’537, ’592 and ’145 patents. The ID found no violation for the ’597 and ’164 patents. On February 11, 2016, the ALJ issued his Recommended Determination on Remedy and Bonding (“RD”).

On February 17, 2016, Cisco and Arista filed petitions for review. On March 3, 2016, the parties, including the IA, filed responses to the respective petitions for review.

Having examined the record of this investigation, including the final ID, the petitions for review, and the responses thereto, the Commission has determined to review the final ID on the following issues: (1) infringement of the ’537, ’597, ’592 and ’145 patents; (2) patentability of the ’597, ’592, and ’145 patents under 35 U.S.C. §101; (3) the construction of “said router configuration data managed by said database system and derived from configuration commands supplied by a user and executed by a router configuration subsystem before being stored in said database” of claims 1, 10, and 19 of the ’537 patent; (4) the construction of “a change to a configuration” / “a change in configuration” of claims 1, 39, and 71 of the ’597 patent; (5) equitable estoppel; (6) laches; (7) the technical prong of domestic industry for the ’537, ’597, ’592 and ’145 patents; (8) economic prong of domestic industry; and (9) importation. To the extent any findings that the Commission is reviewing herein implicates the ID’s findings for the ’164 patent (*e.g.*, intent to induce infringement), the Commission reviews those findings for the ’164 patent.

The parties are requested to brief their positions on the issues under review with reference to the applicable law and the evidentiary record. In connection with its review, the Commission is interested in only responses to the following questions. For each argument presented, the parties’ submissions should set forth whether such argument was presented to the ALJ and if so include citations to the record.

1. Please provide a chart identifying for each asserted claim of the ’537, ’597, ’592 and ’145 patents: (1) the basis for Cisco’s infringement allegation (*i.e.*, direct infringement, contributory infringement, and/or induced infringement); (2) identification and description of each accused product[[

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]].

2. If the Commission were to reverse the ID's finding [[

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3. Did Arista waive its argument that it had a good-faith basis for its belief of noninfringement by failing to present the argument to the ALJ? *See* Arista Pet. at 33; Cisco Reply at 36. If not, did Arista demonstrate a good-faith belief of noninfringement?

4. [[

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5. Can evidence of [[]] establish intent to indirectly infringe? Please discuss relevant case law pertaining to specific intent [[]].

6. [[

]].

7. [[

]].

8. Please discuss the relevant case law pertaining to whether [[]] is "material" to establish contributory infringement for the '537, '592 and '145 patents. *See e.g.*, Arista Pet. at 39-42, 67.

9. Please discuss and cite any record evidence that demonstrates when Cisco came into possession of RX-2964C, CX-0479, and RX-4007C. [[

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10. Please discuss whether the “materially prejudiced” requirement has been satisfied here for purposes of laches and equitable estoppel. In responding to this question, please address the prejudice demonstrated for each of the ’537, ’592, and ’145 patents independently and discuss the relevant case law in your response.
11. Please discuss whether laches should be an available defense in a Section 337 investigation. In your response, please address how *SCA Hygiene Products v. First Quality Baby Prod.*, 807 F.3d 1311 (Fed. Cir. 2015) applies and any statutory support for your position.
12. Does the ID’s construction of “a change to a configuration” / “a change in configuration” in the asserted claims of the ’537 patent to mean “a change to the state of the device” read out the phrase “of the subsystem” from the claims? Does this construction require that the change in state be to the subsystem or the device as a whole?
13. Please discuss whether anything in the specification, prosecution history or claims limit what constitutes “changes” in the “a change to a configuration” / “a change in configuration” limitations of the asserted claims of the ’597 patent. Please also address, if the Commission were to adopt the construction proposed by Arista, what would constitute a “change”?
14. Is the determination by [[

]] that would meet the “detect a change to a configuration of said subsystem”/ “detect/[ing] a change in a configuration of a subsystem” limitations of the asserted claims of the ’597 patent under the ID’s construction?
15. Discuss whether the accused products meet the limitations of “detect a change to a configuration of said subsystem”/ “detect/[ing] a change in a configuration of a subsystem” limitations of the asserted claims. Please address (1) the ID’s construction, which requires detecting “a change to the state of the device”, and (2) a construction that requires detecting a “change to the state” of the subsystem. *See e.g.*, Arista Pet. at 85.
16. With respect to the public interest factors, please discuss the facts in the record pertaining to the following: (1) whether RFC 5517 is a *de facto* industry standard; (2) whether the ’592 and ’145 patents are essential to an industry standard; (3) whether licensing obligations apply to RFC 5517; (4) whether Cisco complied with any licensing obligations with respect to an

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industry standard; and (5) whether patent hold-up and/or patent hold-out have been demonstrated in the record of this investigation. *See* Respondent Arista's Public Interest Submission Under 210.50(a) at 4-5 (March 17, 2016). Provide an analysis as to how these issues relate to the statutory public interest factors of Section 337(d) and (f), 19 U.S.C. § 1337(d), (f).

17. For purposes of the analysis of the statutory public interest factors, describe in detail the specific course of conduct on the part of Cisco, or other factors, that would support a finding that F/RAND commitments have arisen with respect to the '592 and '145 patents here. How does the RFC 5517 document factor into the analysis since it specifically states that what is described with respect to the '592 and '145 patents is not a standard? Arista argues that Cisco "never offered Arista a chance to license this *de facto* standard used by Cisco's other networking competitors." Respondent Arista's Public Interest Submission Under 210.50(a) at 5. Describe in detail any attempts that Arista made to license the '592 and '145 patents from Cisco. Please describe Cisco's response to these attempts.

In connection with the final disposition of this investigation, the Commission may (1) issue an order that could result in the exclusion of the subject articles from entry into the United States, and/or (2) issue one or more cease and desist orders that could result in the respondent(s) being required to cease and desist from engaging in unfair acts in the importation and sale of such articles. Accordingly, the Commission is interested in receiving written submissions that address the form of remedy, if any, that should be ordered. When 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 and/or cease and desist orders 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 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 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 *Fed. Reg.* 43251 (July 26, 2005). During this

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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 persons 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 and bonding. The complainant and the IA are also requested to submit proposed remedial orders for the Commission's consideration.

Complainant is also requested to state the date that the asserted patents expire and the HTSUS numbers under which the accused products are imported. Complainant is further requested to supply the names of known importers of the products at issue in this investigation. The written submissions and proposed remedial orders must be filed no later than close of business on Monday, April 25, 2016. Reply submissions must be filed no later than the close of business on Thursday, May 5, 2016. No further submissions on these issues will be permitted unless otherwise ordered by the Commission. The page limit for the parties' initial submissions is 125 pages. The parties reply submissions, if any, are limited to 75 pages.

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 section 210.4(f) of the Commission's Rules of Practice and Procedure (19 C.F.R. 210.4(f)). Submissions should refer to the investigation number ("Inv. No. 337-TA-944") in a prominent place on the cover page and/or the first page. (*See Handbook for Electronic Filing Procedures*, http://www.usitc.gov/secretary/fed_reg_notices/rules/handbook_on_electronic_filing.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 C.F.R. § 201.6. Documents for which confidential treatment by the Commission is properly sought will be treated accordingly. A redacted non-confidential version of the document must also be filed simultaneously with the any confidential filing. All non-confidential 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 C.F.R. Part 210).

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By order of the Commission.

A handwritten signature in black ink, appearing to read "Lisa R. Barton". The signature is stylized and cursive.

Lisa R. Barton
Secretary to the Commission

Issued: April 11, 2016