

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

In the Matter of

**CERTAIN AUTOMATED TELLER
MACHINES, ATM MODULES,
COMPONENTS THEREOF, AND
PRODUCTS CONTAINING THE SAME**

**Investigation No. 337-TA-989
(Enforcement)**

**NOTICE OF A COMMISSION DETERMINATION NOT TO REVIEW THE
ENFORCEMENT INITIAL DETERMINATION AND TO TERMINATE THE
ENFORCEMENT PROCEEDING**

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that U.S. International Trade Commission (“Commission”) has determined not to review the Enforcement Initial Determination (“EID”) issued in the underlying enforcement proceeding and to terminate the enforcement proceeding.

FOR FURTHER INFORMATION CONTACT: Carl P. Bretscher, Office of the General Counsel, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436, telephone 202-205-2382. 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 (<https://www.usitc.gov>). The public record for this investigation may be viewed on the Commission’s Electronic Docket Information System (“EDIS”) (<https://edis.usitc.gov>). Hearing-impaired persons are advised that information on this matter can be obtained by contacting the Commission’s TDD terminal, telephone 202-205-1810.

SUPPLEMENTARY INFORMATION: On March 14, 2016, the Commission instituted the original investigation based on a complaint filed by Nautilus Hyosung Inc. (now Hyosung TNS Inc.) of Seoul, Republic of Korea, and Nautilus Hyosung America Inc. of Irving, Texas (collectively, “Hyosung”). 81 FR 13149 (Mar. 14, 2016). The complaint alleged a violation of 19 U.S.C. 1337, as amended (“Section 337”), in the importation, sale for importation, or sale in the United States after importation of certain automated teller machines (“ATM”), ATM modules, components thereof, or products containing same that infringe one or more claims of U.S. Patent No. 8,523,235 (“the ’235 patent”). The notice of investigation named Diebold Nixdorf, Incorporated, and Diebold Self-Service Systems, both of North Canton, Ohio

(collectively, “Diebold”) as Respondents. The Office of Unfair Import Investigations (“OUII”) was not named as a party.

On July 14, 2017, the Commission found Diebold in violation of Section 337 as to the ’235 patent and issued a limited exclusion order and cease and desist orders (the “Remedial Orders”). Diebold appealed the final determination to the U.S. Court of Appeals for the Federal Circuit (“Federal Circuit”).

On December 22, 2017, the Commission instituted the subject enforcement proceeding based on a complaint filed by Hyosung accusing Diebold of violating the Remedial Orders. 82 FR 60762 (Dec. 22, 2017). OUII was named as a party to the enforcement proceeding. On August 15, 2018, during the course of the enforcement proceeding, the Federal Circuit reversed the Commission’s violation determination, finding that the asserted claims of the ’235 patent are invalid as indefinite. *Diebold Nixdorf, Inc. v. International Trade Comm’n*, 899 F.3d 1291 (Fed. Cir. 2018).

On November 13, 2018, Diebold petitioned the Commission to rescind the remedial orders in view of the Federal Circuit’s indefiniteness determination, and moved to terminate the enforcement proceeding. Hyosung opposed both the petition and the motion, and moved instead to reopen the record for the limited purpose of receiving new evidence on claim construction and indefiniteness. OUII opposed Hyosung’s motion and supported Diebold’s termination motion in relevant part.

On December 11, 2018, the Commission determined to institute a rescission proceeding and to rescind the Remedial Orders and denied Hyosung’s motion to reopen the record as moot. 83 FR 64599 (Dec. 17, 2018). During this period of time, the Commission also extended the target date for completion of this investigation in order to take into account any motions for rehearing before the Federal Circuit and issuance of the Federal Circuit’s mandate in the above-referenced appeal. Comm’n Notice (Dec. 11, 2018); Comm’n Notice (Nov. 5, 2018); Comm’n Notice (Sept. 14, 2018).

On December 21, 2018, the presiding administrative law judge (“ALJ”) issued an enforcement initial determination, in which he denied Diebold’s motion to terminate the rescission proceeding due to its failure to comply with the agreement disclosure provisions of Commission Rule 210.21, 19 CFR § 210.21. EID at 12-13, 17. The ALJ also found that no violation of any remedial order could occur, and no enforcement measures should be taken, following the Federal Circuit’s indefiniteness ruling and the Commission’s subsequent rescission of its remedial orders. *Id.* at 16-17.

As a result of the partial government shutdown, the Commission subsequently extended the date for determining whether to review the subject EID to March 15, 2019, and the target date for completion of this investigation to May 1, 2019. Comm’n Notice (Feb. 6, 2019). Hyosung filed its petition for review on January 30, 2019. Both Diebold and OUII filed their respective oppositions to Hyosung’s petition on February 6, 2019.

Having reviewed the record in this enforcement proceeding, including the ALJ's EID, the petition for review, and responses thereto, the Commission has determined not to review the subject EID and to terminate the enforcement proceeding.

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 210.43 and 210.51 of the Commission's Rules of Practice and Procedure (19 CFR §§ 210.43, 210.51).

By order of the Commission.

A handwritten signature in black ink, appearing to read 'Lisa R. Barton', with a stylized flourish at the end.

Lisa R. Barton
Secretary to the Commission

Issued: March 11, 2019