

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

In the Matter of

**CERTAIN ELECTRONIC DEVICES,
INCLUDING STREAMING PLAYERS,
TELEVISIONS, SET TOP BOXES,
REMOTE CONTROLLERS, AND
COMPONENTS THEREOF**

Investigation No. 337-TA-1200

**NOTICE OF A FINAL DETERMINATION FINDING A VIOLATION OF SECTION 337,
DENYING A MOTION TO REOPEN THE RECORD, AND ISSUING A LIMITED
EXCLUSION ORDER AND A CEASE AND DESIST ORDER; TERMINATION OF
INVESTIGATION**

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission (“Commission”) has determined that respondent Roku Inc. has violated Section 337 of the Tariff Act of 1930, as amended, by importing, selling for importation, or selling in the United States after importation certain electronic devices, including streaming players, televisions, set top boxes, remote controllers, and components thereof, that infringe one or more claims of complainant’s U.S. Patent No. 10,593,196 (“the ’196 patent”). The Commission has determined that the appropriate remedies are a limited exclusion order and a cease and desist order against the respondent. The Commission has also determined to set a bond in the amount of zero (0) percent (*i.e.*, no bond) of the entered value of the excluded products imported during the period of Presidential review. This investigation is hereby terminated.

FOR FURTHER INFORMATION CONTACT: Carl P. Bretscher, Esq., Office of the General Counsel, U.S. International Trade Commission, 500 E Street S.W., Washington, D.C. 20436, telephone (202) 205-2382. Copies of non-confidential documents filed in connection with this investigation may be viewed on the Commission’s electronic docket (EDIS) at <https://edis.usitc.gov>. For help accessing EDIS, please email EDIS3Help@usitc.gov. General information concerning the Commission may also be obtained by accessing its Internet server at <https://www.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 May 22, 2020, based on a complaint filed by Universal Electronics, Inc. (“UEI”) of Scottsdale, Arizona. 85 FR 31211-212 (May 22, 2020). The complaint, as supplemented, alleges violations of section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. 1337 (“Section 337”), in the importation into the United States, sale for importation, or sale in the United States after importation of certain electronic devices, including streaming players, televisions, set top boxes,

remote controllers, and components thereof, by reason of infringement of one or more of the asserted claims of the '196 patent and U.S. Patent Nos. 7,696,514 (“the '514 patent”), 9,911,325 (“the '325 patent”), 9,716,853 (“the '853 patent”), 7,589,642 (“the '642 patent”), and 10,600,317 (“the '317 patent”). *Id.* The complaint alleges that a domestic industry exists. *Id.*

The Commission’s notice of investigation names the following respondents: Roku Inc. of Los Gatos, California (“Roku”); TCL Electronics Holdings Ltd. of New Territories, Hong Kong; Shenzhen TCL New Technology Co. Ltd. of Shenzhen, China; TCL King Electrical Appliances Co. Ltd. of Huizhou, China; TTE Technology Inc. of Corona, California; TCL Corp. of Huizhou City, China; TCL Moka Int’l Ltd. of New Territories, Hong Kong; TCL Overseas Marketing Ltd. of New Territories, Hong Kong; TCL Industries Holdings Co., Ltd. of New Territories, Hong Kong; and TCL Smart Device Co. of Bac Tan Uyen District, Vietnam (collectively, “the TCL Respondents”); Hisense Co. Ltd. of Qingdao, China; Hisense Electronics Manufacturing Co. of America Corp. of Suwanee, Georgia; Hisense Import & Export Co. Ltd. of Qingdao, China; Qingdao Hisense Electric Co., Ltd. of Qingdao, China; and Hisense International Co., Ltd. of Shen Wang, Hong Kong (collectively, “the Hisense Respondents”); Funai Electric Co., Ltd. of Osaka, Japan; Funai Corp. Inc. of Rutherford, New Jersey; and Funai Co., Ltd. of Nakhon Ratchasima, Thailand (collectively, “the Funai Respondents”). *Id.* The Office of Unfair Import Investigations did not participate as a party in this investigation. *Id.*

The Commission partially terminated the investigation with respect to certain patents and claims that were withdrawn by UEI, including all of the asserted claims of the '514 patent, '325 patent, and '853 patent. *See* Order No. 27 (Dec. 2, 2020), *unreviewed by* Comm’n Notice (Dec. 23, 2020); Order No. 32 (Dec. 21, 2020), *unreviewed by* Comm’n Notice (Jan. 5, 2021); Order No. 33 (Dec. 29, 2020), *unreviewed by* Comm’n Notice (Jan. 13, 2021); Order No. 34 (Jan. 4, 2021), *unreviewed by* Comm’n Notice (Jan. 21, 2021); Order No. 44 (Feb. 2, 2021), *unreviewed by* Comm’n Notice (Feb. 19, 2021); Order No. 49 (Feb. 9, 2021), *unreviewed by* Comm’n Notice (Feb. 24, 2021); Order No. 66 (March 23, 2021), *unreviewed by* Comm’n Notice (April 8, 2021); Order No. 67 (Apr. 6, 2021), *unreviewed by* Comm’n Notice (Apr. 22, 2021).

The Commission also terminated the investigation with respect to the Hisense Respondents, the TCL Respondents, and the Funai Respondents. Order No. 67 (Apr. 6, 2021), *unreviewed by* Comm’n Notice (Apr. 22, 2021).

As a result of these terminations, the only remaining respondent is Roku, and the only claims still at issue for infringement or domestic industry purposes are claim 19 of the '642 patent; claims 3, 6, 9, and 11 of the '317 patent; and claims 1-3, 11, and 13-15 of the '196 patent.

On August 19, 2020, the ALJ held a technology tutorial and *Markman* hearing. The ALJ issued a *Markman* order on October 1, 2020. Order No. 24 (Oct. 1, 2020).

On February 18, 2021, the Commission determined not to review an initial determination (“ID”) granting UEI’s motion for summary determination that claim 19 of the '642 patent is

practiced by the domestic industry products and infringed by the accused “Elk” series of products. Order No. 38 (Jan. 19, 2021), *unreviewed by* Comm’n Notice (Feb. 18, 2021).

On February 24, 2021, the Commission determined to review and reverse an ID granting Roku’s motion for summary determination that UEI lacks standing to assert the ’196 patent and to remand the standing question to the ALJ for further consideration. Order No. 40 (Jan. 25, 2021), *reviewed by* Comm’n Notice (Feb. 24, 2021); *see also* Comm’n Op. (Mar. 3, 2021).

The ALJ held on evidentiary hearing from April 19-23, 2021.

On July 9, 2021, the ALJ issued a final ID, finding a violation of Section 337 as to the ’196 patent because: (i) UEI has standing to assert the ’196 patent; (ii) the accused Roku Ultra and Soundbar products infringe claims 1, 3, 11, and 13-15 of the ’196 patent but its revised Ultra and Soundbar products do not infringe any asserted claims; (iii) the asserted claims are not invalid as obvious; and (iv) UEI satisfied the technical and economic prongs of the domestic industry requirement with respect to this patent. The ID, however, finds no violation with respect to the ’642 patent or the ’317 patent because the asserted claims of those patents, though infringed, are invalid.

On July 13, 2021, the Commission issued a notice soliciting public comments on the public interest factors, if any, that may be implicated if a remedy were issued. *See* 86 FR 38126 (July 19, 2021). The Commission did not receive any comments in response to its notice. No party submitted public interest comments pursuant to Commission Rule 210.50(a)(4) (19 CFR 210.50(a)(4)).

On July 23, 2021, both UEI and Roku filed petitions for review of certain findings in the final ID, pursuant to Commission Rule 210.43(a) (19 CFR 210.43(a)). On August 2, 2021, the parties filed their respective replies, pursuant to Commission Rule 210.43(c) (19 CFR 210.43(c)).

On September 9, 2021, the Commission determined to review the ID with respect to certain issues, including: (i) all issues in the ID relating to the ’196 patent, including claim construction, infringement, and validity (Questions A-D); (ii) whether UEI satisfied the technical prong of the domestic industry requirement with respect to the ’317 patent (Question E); and (iii) whether UEI satisfied the economic prong of the domestic industry requirement under Section 337(a)(3)(B) for the ’196 patent and ’317 patent (Question F), as well as the ’642 patent. 86 FR 51381, 51382-83 (Sept. 15, 2021). The Commission determined not to review any other issues relating to the ’317 patent or ’642 patent. *See id.*

On September 24, 2021, UEI and Roku filed their initial responses to the Commission’s questions on review and on remedy, the public interest, and bonding. On October 1, 2021, the parties filed their replies to each other’s initial submissions to the Commission.

On October 26, 2021, while the investigation was still pending final determination by the Commission, Roku filed a Motion for a Limited Reopening of the Record and for a Shortened Response Time (“Motion”) so that the Commission could consider allegedly contradictory

deposition testimony from a certain UEI fact witness taken in another investigation involving the same parties, products, and technology. *See Certain Televisions, Remote Controls, and Components Thereof*, Inv. No. 337-TA-1263 (“the 1263 Investigation”). On the same date, Roku and UEI filed a Joint Motion to Amend the Protective Order to Add Provisions Relating to Materials from Inv. No. 337-TA-1263 (“Joint APO Motion”).

On October 28, 2021, the Commission granted Roku’s motion for a shortened response time, directing UEI to file its response by the close of business on November 2, 2021. Comm’n Order (Oct. 28, 2021). The Commission denied the parties’ Joint APO Motion as moot. *Id.*

On November 2, 2021, UEI filed its opposition to Roku’s Motion, in accordance with the Commission’s order.

The Commission, having reviewed the parties’ submissions, the ID, and the deposition testimony at issue, has determined to deny Roku’s Motion to reopen the record.

Furthermore, the Commission, having reviewed the record in this investigation, including the final ID, the parties’ petitions, and responses thereto, has determined that Roku violated section 337 by importing into the United States, selling for importation, or selling in the United States after importation certain electronic devices, including streaming players, televisions, set-top boxes, remote controllers, and components thereof that infringe one or more of claims 1, 3, 11, and 13-15 of the ’196 patent. The Commission finds no violation with respect to the ’317 patent and ’642 patent.

The Commission has determined that the appropriate remedy is: (i) a limited exclusion order prohibiting the importation of certain electronic devices, including streaming players, televisions, set-top boxes, remote controllers, and components thereof that infringe one or more of claims 1, 3, 11, and 13-15 of the ’196 patent; and (ii) a cease and desist order against Roku. The Commission has determined that the public interest factors do not preclude issuance of a remedy. The Commission has determined to set a bond in the amount of zero (0) percent (*i.e.*, no bond) of the entered value of the excluded products imported during the period of Presidential review (19 U.S.C. 1337(j)).

The Commission issues its opinion herewith setting forth its determinations on certain issues. This investigation is hereby terminated.

The Commission’s orders and opinion were delivered to the President and United States Trade Representative on the day of their issuance.

The Commission voted to approve these determinations on November 10, 2021.

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 CFR Part 210).

By order of the Commission.

A handwritten signature in black ink, appearing to read 'LRB', enclosed within a large, stylized circular flourish.

Lisa R. Barton
Secretary to the Commission

Issued: November 10, 2021