



7020-02

INTERNATIONAL TRADE COMMISSION

Investigation No. 337-TA-746

CERTAIN AUTOMATED MEDIA LIBRARY DEVICES

DECISION TO MODIFY IN PART A REMAND INITIAL DETERMINATION; TERMINATION OF THE INVESTIGATION WITH A FINDING OF NO VIOLATION

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has determined to modify in part the presiding administrative law judge's ("ALJ") remand initial determination ("RID") issued on March 26, 2013, finding no violation of section 337 of the Tariff Act of 1930, 19 U.S.C. § 1337 in the above-captioned investigation. The Commission has terminated the investigation.

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 U.S. Patent No. 6,328,766 (“the ’766 patent”) and U.S. Patent No. 6,353,581 (“the ’581 patent”). 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.

On August 15, 2011, the ALJ granted Overland’s motion for partial termination of the investigation with respect to claims 6 and 11 of the ’766 patent and claims 8, 11 and 17-19 of the ’581 patent (Order No. 26) (not reviewed by the Commission, Aug. 26, 2011). On September 2, 2011, the ALJ terminated BDT-Solutions GmbH & Co. KG from the investigation upon a motion for summary determination of no violation (Order No. 31) (not reviewed by the Commission, Sept. 21, 2011). The ALJ also terminated IBM and Dell based on a license agreement (Order No. 35) (affirmed by the Commission, Jan. 27, 2012). Accordingly, BDT AG, BDT Automation Technology (Zhuhai FTZ) Co., Ltd., BDT de México, S. de R.L. de C.V, and BDT Products, Inc. (collectively, “the BDT Respondents”) remain as respondents in this 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 patent claims. 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). On September 4, 2012, the parties filed written submissions on the issues under review, remedy, the public interest, and bonding. The Commission did not receive any non-party submissions.

On October 25, 2012, the Commission affirmed, with modified reasoning, the ALJ's finding that the BDT Respondents did not contributorily infringe the asserted claims of the '766 patent. In addition, the Commission reversed 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 affirmed the ALJ's finding that the IBM documents related to the IBM 3575 tape library do not qualify as "printed publications." With respect to the '581 patent, the Commission construed the limitation "linear array" as recited in claims 1, 2, 5, 6, 7, 9, 10, 12, and 16 to mean "media element storage locations [or cells] arranged in one or more straight lines." The Commission affirmed, with modified reasoning, the ALJ's finding of noninfringement of the '581 patent. The Commission also affirmed, with modified reasoning, the ALJ's finding that the '581 patent was not shown to be invalid (except for claim 15). In addition, the Commission reversed the ALJ's finding that Overland had failed to satisfy the technical prong of the domestic industry requirement. Finally, the Commission affirmed, with modified reasoning, the ALJ's rejection of the BDT Respondents' patent exhaustion defense with respect to both asserted patents.

The Commission also determined to remand the investigation to the ALJ with respect to certain issues regarding both asserted patents, and to extend the target date for completion of the investigation. 77 *Fed. Reg.* 65907 (Oct. 31, 2012). Specifically, the Commission remanded 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. The Commission also remanded the investigation to the ALJ to consider whether Overland has satisfied the economic prong of the domestic industry requirement for the '581 patent.

On November 8, 2012, Overland filed a petition for reconsideration of the Commission's determination that the BDT Respondents did not infringe claims 10, 12, and 16 of the '581 patent, which the BDT Respondents opposed. On December 11, 2012, the Commission granted Overland's petition for reconsideration in view of the Commission's determination that the accused products met its modified construction of the term "linear array." A revised Commission Opinion issued on January 9, 2013 clarifying that the Commission affirms, with modified reasoning, the ALJ's finding of noninfringement of claims 1-2, 5-7 and 9 of the '581 patent. In addition to the issues remanded to the ALJ in the Commission's Order dated October 25, 2012, the Commission further remanded the investigation to the ALJ to make all findings regarding infringement of claims 10, 12, and 16 based on the existing record.

On November 13, 2012, the BDT Respondents filed a motion for leave to file out of time a petition for reconsideration of the Commission's determination that the BDT Respondents waived consideration of certain testimonies in support of a finding of invalidity of the '581 patent. The Commission found good and sufficient reason to waive the 14-day limit of rule 210.47 and granted the BDT Respondents' motion for leave to file out of time a petition for

reconsideration. However, the Commission determined that the petition did not comply with 19 C.F.R. § 210.47 because it was not confined to “new questions” raised by the Commission determination and for which the BDT Respondents had no opportunity to submit arguments.

On remand, the ALJ extended the target date for completion of the investigation to June 25, 2013. The Commission determined not to review the ID setting the new target date. Notice (Jan. 9, 2013). On March 26, 2013, the ALJ issued his RID in this investigation. The ALJ found no violation of section 337 by the BDT Respondents in connection with the asserted patents. Specifically, the ALJ found that the accused products do not directly infringe claims 10, 12 and 16 of the '581 patent because they do not meet the limitations: “a linear array of media element cells in fixed position with respect to said housing”; “a linear array of media element cells in fixed relative position;” “a moveable cell coupled to said end of said magazine adjacent to said opening”; and “at least one movable cell coupled to one end of said linear array.” Having found no direct infringement, the ALJ concluded that the BDT Respondents also do not induce or contributorily infringe claims 10, 12 and 16 of the '581 patent. The ALJ further found that the economic prong of the domestic industry requirement has been satisfied for the '581 patent under 19 U.S.C. § 1337(a)(3)(A), (B), and (C). With respect to the '766 patent, the ALJ found that claims 1-3 and 7-9 are invalid under 35 U.S.C. § 102 as anticipated by the 3494 Operator Guide, but that the claims are not invalid under 35 U.S.C. § 103 for obviousness.

On April 8, 2013, Overland petitioned for review of certain aspects of the RID. In particular, Overland requested that the Commission review and reverse the RID's finding of no infringement of claims 10, 12 and 16 of the '581 patent and the RID's finding that the asserted claims of the '766 patent are invalid as anticipated by the 3494 Operator Guide. The BDT

Respondents did not file a petition for review, but did file a response to Overland's petition for review on April 15, 2013.

On May 10, 2013, the Commission determined to review in part the RID. Specifically, the Commission determined to review the RID's finding that Overland did not show by a preponderance of the evidence that the accused products infringe claim 16 of the '581 patent. The Commission also determined to review the RID's finding that the asserted claims of the '766 patent are invalid as anticipated by the 3494 Operator Guide. The Commission determined not to review the remaining issues decided in the RID. Pursuant to the Commission Orders of October 25, 2012 and December 11, 2012, the ALJ's determinations on the unreviewed issues became the Commission's final determinations.

On review, the Commission has determined to affirm, based on the Commission's construction of the limitation "cells in fixed relative position," the RID's finding that Overland has not shown by a preponderance of the evidence that the accused products infringe claim 16 of the '581 patent. The Commission has also determined to affirm the RID's finding that the BDT Respondents have shown by clear and convincing evidence that the 3494 Operator Guide anticipates the asserted claims of the '766 patent. A Commission opinion on remand will be issued concurrently with this notice.

The Commission has terminated this investigation. 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.

William R. Bishop
Supervisory Hearings and Meetings Officer

Issued: May 28, 2013

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