7020-02

INTERNATIONAL TRADE COMMISSION

[Investigation No. 337-TA-750]

Certain Mobile Devices and Related Software Thereof;

Commission Decision to Remand Investigation to the Chief Administrative Law Judge Pursuant to Remand From the U.S. Court of Appeals for the Federal Circuit

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has determined to remand the above-captioned investigation to the Chief Administrative Law Judge for assignment to an administrative law judge ("ALJ") for an initial determination on remand ("RID") concerning validity, infringement, and domestic industry following remand from the U.S. Court of Appeals for the Federal Circuit ("Federal Circuit").

FOR FURTHER INFORMATION CONTACT: Megan M. Valentine, Office of the General Counsel, U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C. 20436, telephone (202) 708-2301. 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 November 30, 2010, based on a complaint filed by Apple Inc., f/k/a Apple Computer, Inc., of Cupertino, California ("Apple"). 75 *FR* 74081-82. The complaint alleges 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 mobile devices and related software by reason of infringement of certain claims of U.S. Patent Nos. 7,812,828 ("the '828 Patent"); 7,663,607 ("the '607 Patent"); and 5,379,430 ("the '430 Patent"). The Commission's notice of investigation named Motorola, Inc. n/k/a Motorola Solutions of Schaumburg, Illinois ("Motorola Solutions") and Motorola Mobility, Inc. ("Motorola") of Libertyville, Illinois as respondents. The Office of Unfair Import Investigation was named as a participating party. The Commission subsequently terminated Motorola Solutions as a respondent based on withdrawal of allegations pursuant to Commission Rule 210.21(a)(1) (19 CFR 210.21(a)(1)). Notice (Aug. 31, 2011).

On January 13, 2012, the ALJ issued his final ID, finding no violation of Section 337. Specifically, the ALJ determined that the accused products do not infringe the asserted claims of the '828 Patent either literally or under the doctrine of equivalents ("DOE"). The ALJ also found that the asserted claims of the '828 Patent are not invalid. The ALJ further found that the accused products literally infringe the asserted claims of the '430 and '607 patents, but do not infringe under DOE. The ALJ also found that the asserted claims of the '430 Patent are invalid under 35 U.S.C. 102 for anticipation, and that the asserted claims of the '607 Patent are invalid under 35 U.S.C. 102 for anticipation and under 35 U.S.C. 103 for obviousness. The ALJ further found that Apple has standing to assert the '430 Patent, and that Motorola is not licensed to practice the '430 Patent. The ALJ also found that Apple satisfied the domestic industry requirement.

On January 30, 2012, Apple filed a petition for review of certain aspects of the ID's findings concerning claim construction infringement, and validity. Also on January 30, 2012, Motorola filed a contingent petition for review of certain aspects of the ID's findings concerning claim construction, infringement, validity, and domestic industry. On February 7, 2012, Motorola and Apple filed responses to each other's petitions. Also on February 7, 2012, the Commission investigative attorney ("IA") filed a joint response to both Apple's and Motorola's petitions.

On March 16, 2012, the Commission issued a notice, determining to review the ID in part, and on review, to affirm the ALJ's determination of no violation and to terminate the investigation. 77 *FR* 16860-62. Specifically, the Commission determined to review, and on review to affirm, the ALJ's finding that the asserted claims of the '828 patent are not infringed. The Commission did not review the ID's construction of the limitation "mathematically fit[ting] an ellipse to at least one of the [one or more] pixel groups" in claims 1 and 10 of the '828 patent. The Commission also determined to review the ALJ's finding that the asserted claims of the '607 patent are invalid for obviousness under 35 U.S.C. 103, and on review, to affirm with modification the ID's finding of obviousness. The Commission did not review the ID's finding that the asserted claims of the '607 patent are anticipated under 35 U.S.C. 102(e).

On April 13, 2012, Apple timely appealed the Commission's final determination of no violation of section 337 as to the '607 and '828 patents to the Federal Circuit. Specifically, Apple appealed the ALJ's unreviewed finding that the asserted claims of the '607 patent are anticipated by U.S. Patent No. 7,372,455 to Perski ("Perski '455"). Apple also appealed the Commission's determination that the asserted claims of the '607 patent are invalid for obviousness in view of the prior art reference "SmartSkin: An Infrastructure for Freehand Manipulation on Interactive Surfaces" by Jun Rekimoto ("SmartSkin") in combination with Japan Unexamined Patent

Application Publication No. 2002-342033A to Jun Rekimoto ("Rekimoto '033"). Apple further appealed the ALJ's unreviewed construction of the claim limitation "mathematically fit[ting] an ellipse to . . . pixel groups" in the asserted claims of the '828 patent and the Commission's resulting determination of non-infringement.

On August 7, 2013, the Federal Circuit affirmed-in-part, reversed-in-part, and vacated-in-part the Commission's decision and remanded for further proceedings. *Apple, Inc*. v. *Int'l Trade Comm'n.,* 725 F.3d 1356 (Fed. Cir. 2013). Specifically, the Court affirmed the Commission's determination that Perski '455 anticipates claims 1-7 of the '607 patent but reversed the Commission's determination that Perski '455 anticipates claim 10 of the '607 patent. *Id*. at 1361-63. The Court also vacated and remanded the Commission's determination that claim 10 of the '607 patent is invalid for obviousness in view of the SmartSkin reference in combination with Rekimoto '033, holding that the Commission failed to perform the necessary analysis of secondary considerations before finding the claim invalid for obviousness although the Court agreed with the Commission's finding that the combined prior art references disclose all of the limitations of claim 10. *Id*. at 1364-67. The Court also reversed the Commission's construction of the limitation "mathematically fit[ting] an ellipse" in the asserted claims of the '828 patent and remanded the issue of infringement for the Commission to make a determination in light of the Court's construction of that claim limitation. *Id*. at 1367-68.

On September 6, 2013, intervenor Motorola filed a combined petition for panel rehearing and rehearing en banc concerning the panel's holding that the Commission failed to consider secondary considerations in finding claim 10 of the '607 patent invalid for obviousness. On November 8, 2013, the Court denied the petition. The mandate issued on November 15, 2013, returning jurisdiction to the Commission.

On January 7, 2014, the Commission issued an Order directing the parties to submit comments regarding what further proceedings must be conducted to comply with the Federal Circuit's remand. On January 22, 2014, Apple, Motorola, and the IA submitted initial comments. On January 29, 2014, the parties submitted response comments.

Having examined the record of this investigation, including the ALJ=s final ID, the petitions for review, the responses thereto, and the parties' comments on remand, the Commission has determined to remand the investigation to the Chief ALJ for assignment to a presiding ALJ to determine certain outstanding issues concerning violation of section 337 set forth below.

With respect to the '607 patent, the Commission remands the issue of whether Perski '455 anticipates claim 10 of the '607 patent. Specifically, the ALJ should determine whether Apple can establish an earlier priority date for claim 10 of the '607 patent than the filing date of Perski '455 such that Perski '455 is prior art to claim 10 in light of the Commission's prior determination that Perski '455 discloses all of the limitations of claim 10. The Commission further remands the issue of whether claims 10 of the '607 patent is invalid for obviousness in view of Smartskin in combination with Rekimoto '033. Specifically, the ALJ should determine whether Apple's evidence of secondary considerations requires a finding of nonobviousness with respect to the '607 patent in light of the Commission's determination, as affirmed by the Federal Circuit, that SmartSkin in combination with Rekimoto '033 discloses all limitations of claim 10. In deciding the issue of obviousness, the ALJ should also determine whether there is a nexus between Apple's evidence of secondary considerations and the invention recited in claim 10 of the '607 patent. The Commission also remands the issue of domestic industry to the ALJ. Specifically, the ALJ should determine whether Apple's iPhone 4 practices all of the limitations of claim 10 of the '607 patent.

With respect to the ’828 patent, the Commission remands the issue of infringement. Specifically, the ALJ should determine whether Motorola’s accused products infringe the asserted claims of the ’828 patent under the Federal Circuit’s construction of the claim limitation “mathematically fit[ting] an ellipse.” The Commission further remands the issue of anticipation. Specifically, the ALJ should determine whether U.S. Patent No. 5,825,352 to Bisset anticipates claims 1 and 10 of the ’828 patent under the Federal Circuit’s construction of the claim limitation “mathematically fit[ting] an ellipse.”

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.

Issued: May 6, 2014.

Lisa R. Barton,
Secretary to the Commission.

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