

****Confidential****

Section 337 IP Infringement Investigations



United States International Trade Commission
Washington, D.C.
Steven E. Adkins

Overview

- Section 337
- The Regulatory Framework
- The Parties
- Enforcing Your Rights at the ITC--The Process
- Remedies
- Enforcing ITC Orders



Section 337

Section 337

Products Excluded from U.S. if ITC finds that:

1. There is a U.S. industry using valid IP right, *and*
2. Product imported/to be imported into U.S. infringes that IP right.

Section 337

Domestic industry

an industry in the United States

shall be considered to exist if there is **in the United States**, with respect to the articles protected by the patent, copyright, trademark, mask work or design concerned -

- (A) significant investment in plant and equipment;
- (B) significant employment of labor or capital; or
- (C) substantial investment in its exploitation, including engineering, research and development, or **licensing**.



The Regulatory Framework

The Regulatory Framework

The ITC

Six Commissioners—appointed by US President

Six Administrative Law Judges—hired by Commissioners

General Counsel's Office—Advises Commissioners

Office of Unfair Import Investigations—ITC Staff—Represents
public interest

The Regulatory Framework

Section 337 - Bases

1. Infringement of Statutory Intellectual Property Rights
 - Patents (about 98% of investigations)
 - Trademarks, Copyrights, Mask works
2. Other Unfair Methods of Competition or Acts



The Parties

The Parties

Who Can File a Complaint?

- Any owner or exclusive licensee of U.S. IP rights
- U.S. presence not required, but IP rights must be used in U.S.
 - Certain production or R&D in U.S.
 - IP licensing business in U.S.

The Parties

Who Can Be Sued?

- Manufacturers of products sold to be imported into U.S.
- Importers of products into U.S.
- U.S. distributors/retailers of imported products

The Parties

Office of Unfair Import Investigations

- ITC Investigative Staff Attorneys
 - *Before Filing a Complaint:* Available to discuss complaints
 - *Upon Filing the Complaint:* Advise Commissioners on sufficiency of complaint
 - *Upon Institution of an Investigation:* Participates as an independent party to represent public interest



Enforcing Your Rights at the ITC -The Process

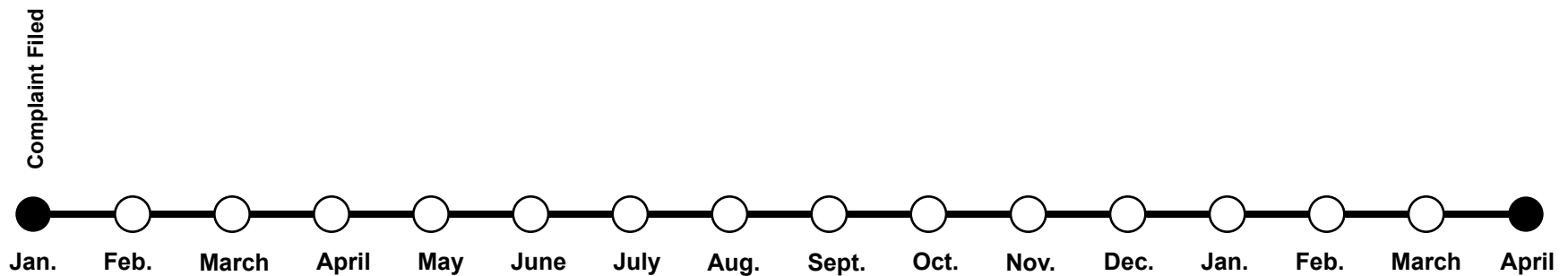
The Process

Decision points

- 1. Administrative Law Judge**
- 2. The Commission**
- 3. The President**
- 4. The Federal Circuit Court of Appeals**

The Process

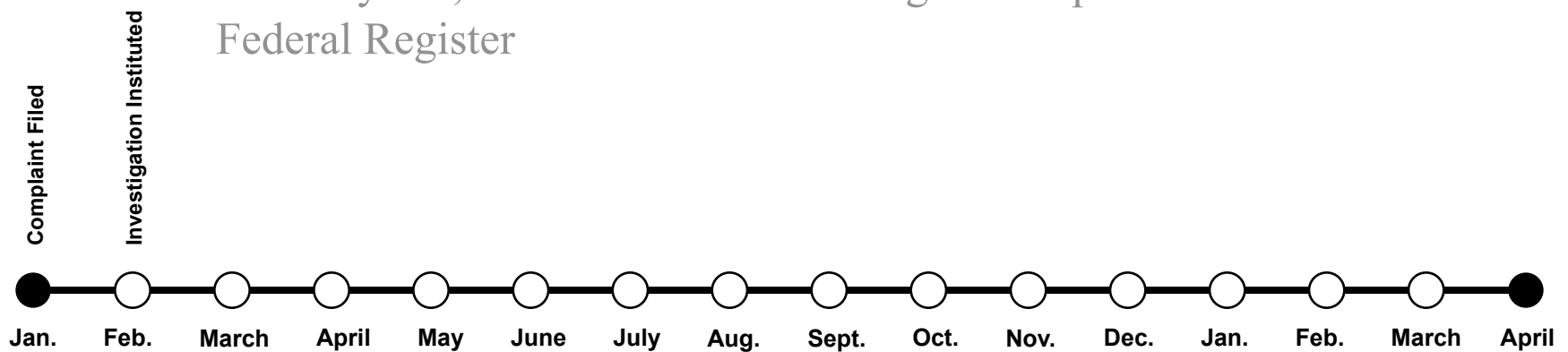
- **Part 1: Complaint filed**
 - January 1, 2009: Complaint filed with ITC



The Process

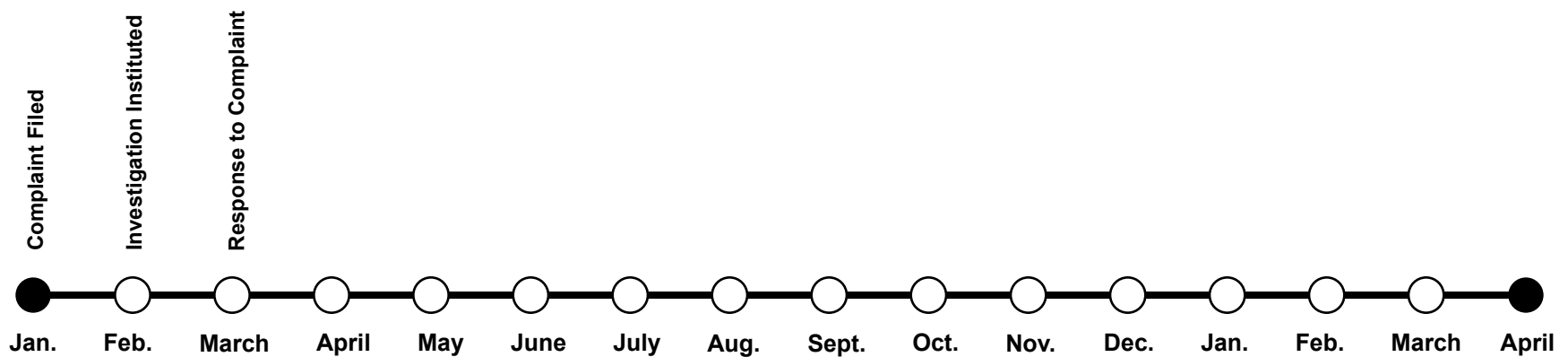
- **Part 2: Initiation of the Investigation**

- Approximately February 1, 2009: Commission institutes the investigation
- Respondents and relevant embassies served with complaint by mail by ITC
- February 1-6, 2009: Notice of Investigation is published in the Federal Register



The Process

- **Part 3: Response to the Complaint**
 - Mid-to-Late February 2009: Respondent's Response to the Complaint due



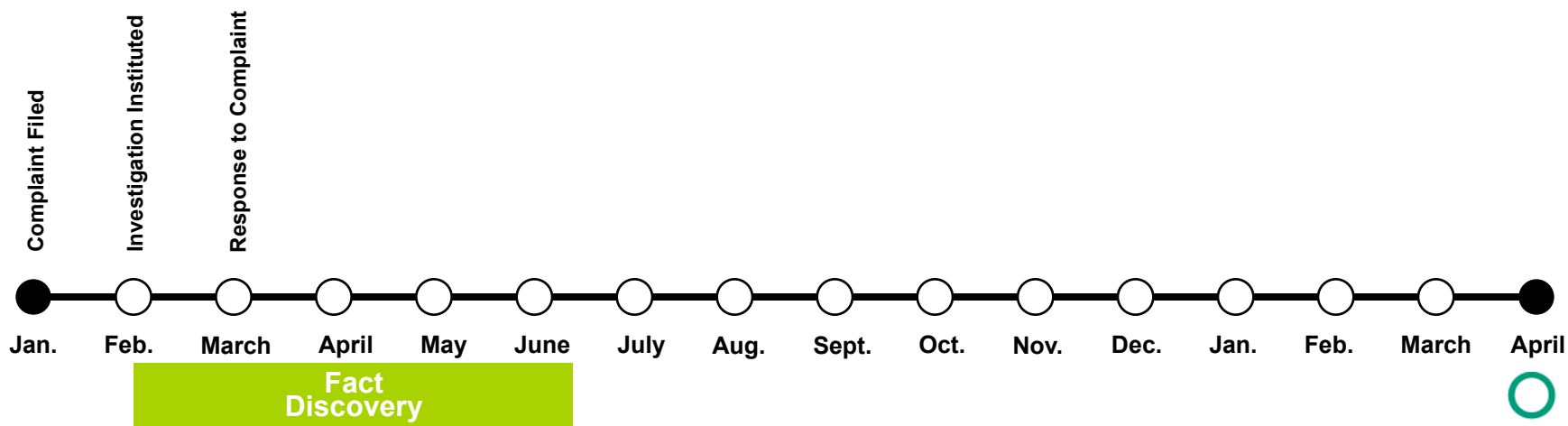
The Process

- **Part 4: Fact Discovery**

- February 2009 – June 2009

- Discovery requests can be served the day of institution

- Produce documents and depose witnesses



The Process

- **Part 5: Expert Discovery**

- July 2009

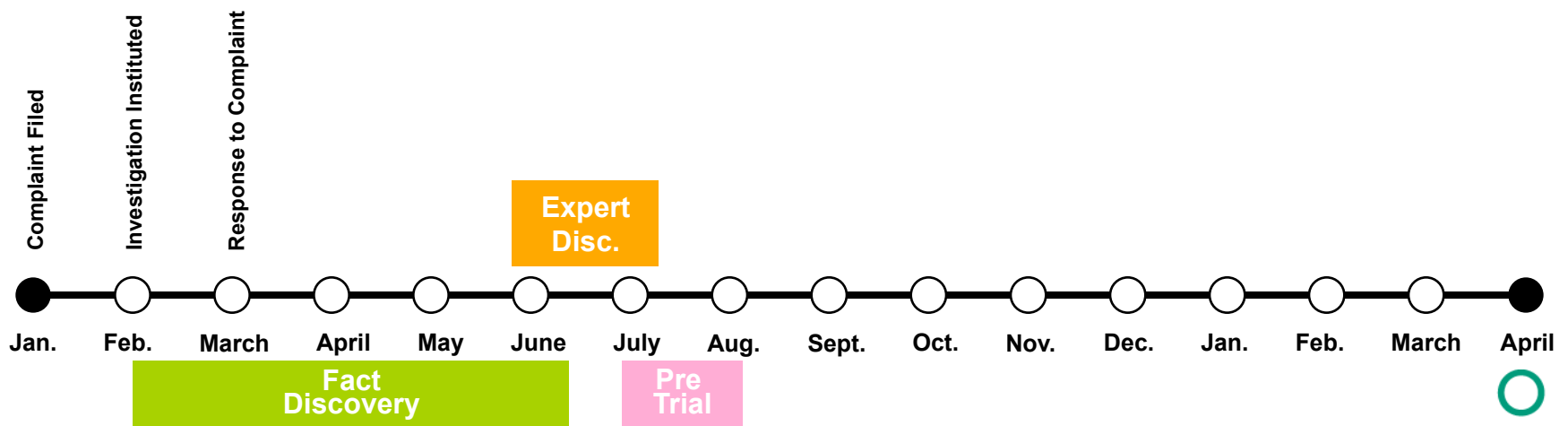
- Produce expert reports

- Depose experts



The Process

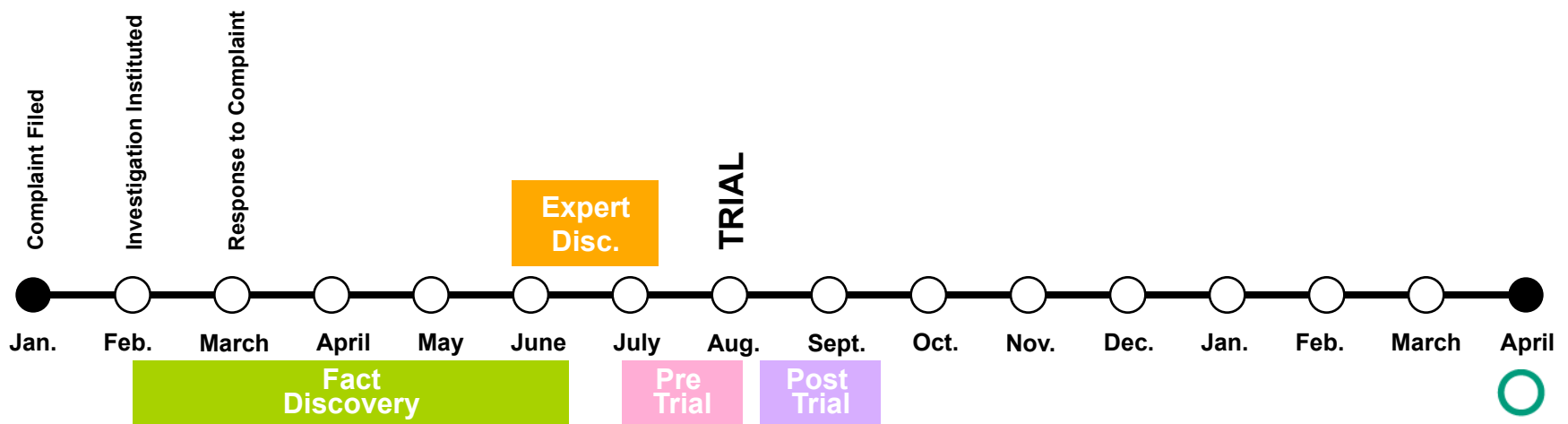
- Part 6: Pre-Trial
 - August 2009: Submit pre-trial pleadings



The Process

- **Part 7: Trial**

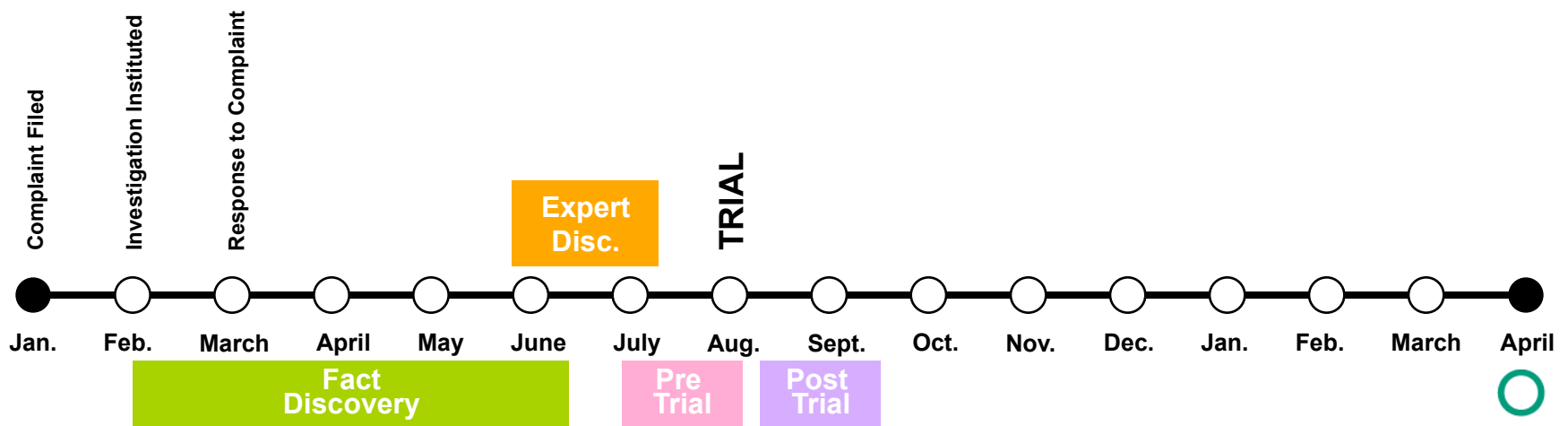
- September 2009: Bench trial held at ITC in Washington, D.C. (1-2 weeks in length)
 - Witnesses and experts examined



The Process

- **Part 8: Post-Trial**

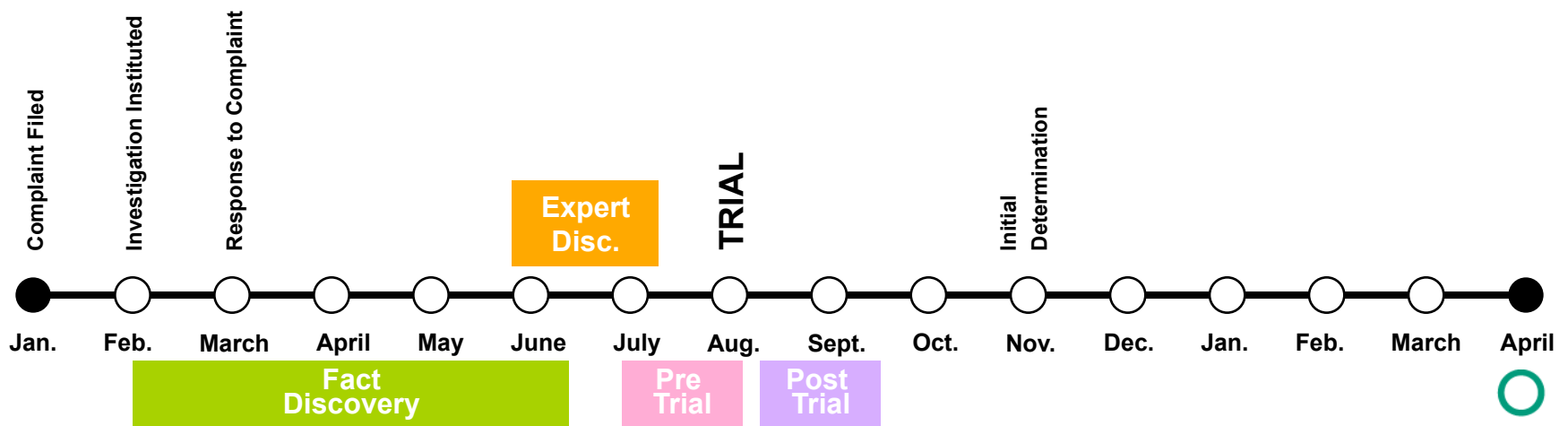
- September 2009 – October 2009: Submit post-trial pleadings
 - Submit briefs addressing issues raised
 - Propose findings of fact and conclusions of law



The Process

- **Part 9: Initial Determination**

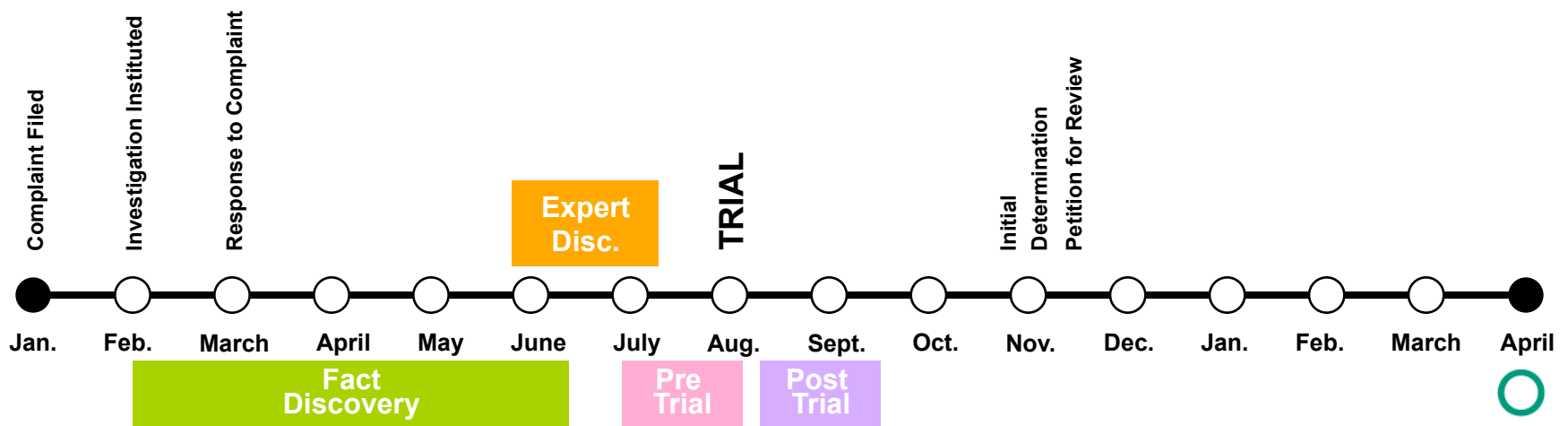
- November, 2009: Administrative Law Judge issues Initial Determination
 - Detailed legal analysis
 - Recommended determination on remedy and bond (if violation found)



The Process

- **Part 10: Petition for Review**

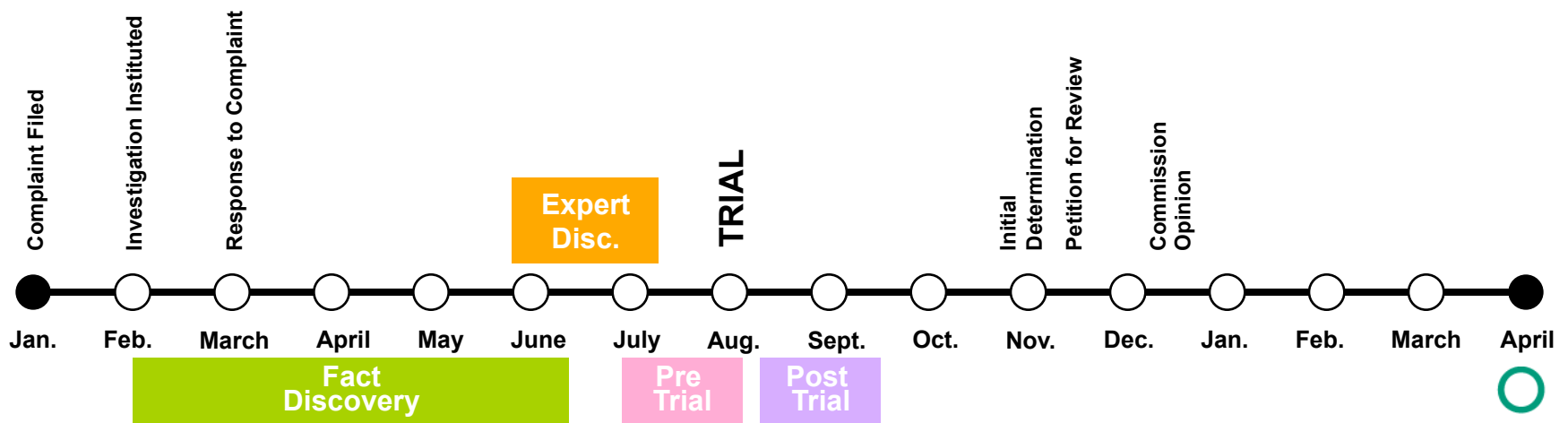
- November, 2009: Petition for Review filed with ITC
 - Losing party petitions
 - Winning party may petition



The Process

- **Part 11: Commission Review**

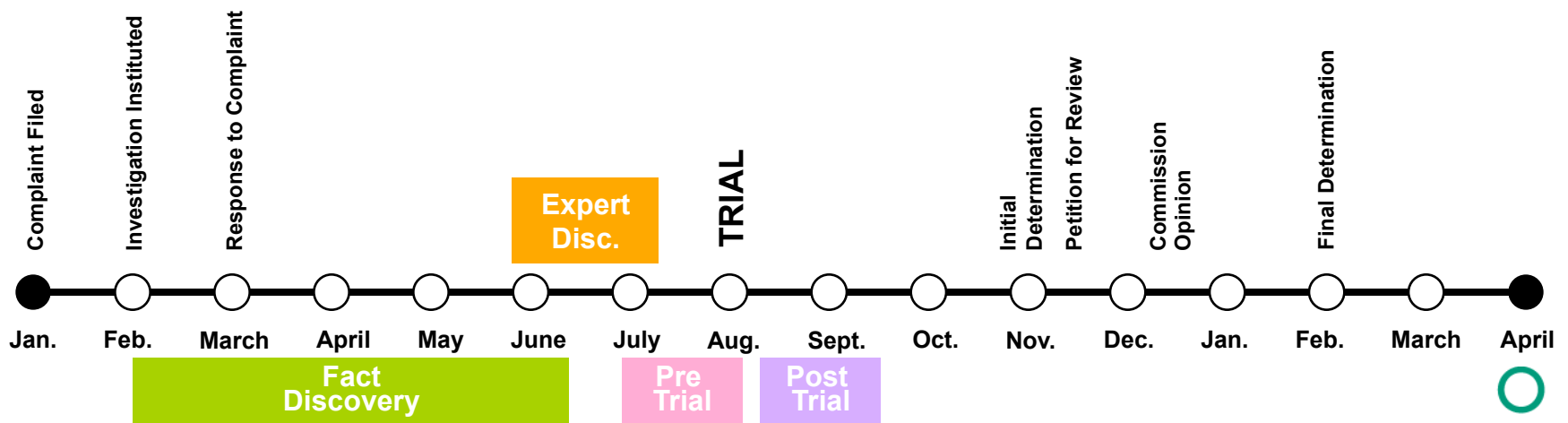
- December, 2009: Commission issues Opinion on whether to review the Judge's decision
 - ITC affirms decision/asks for briefs regarding remedy and bond during Presidential Review Period



The Process

- **Part 12: Final Determination**

- January, 2010: Commission issues its Final Determination
 - ITC reviews Judge's decision and enters Final Determination

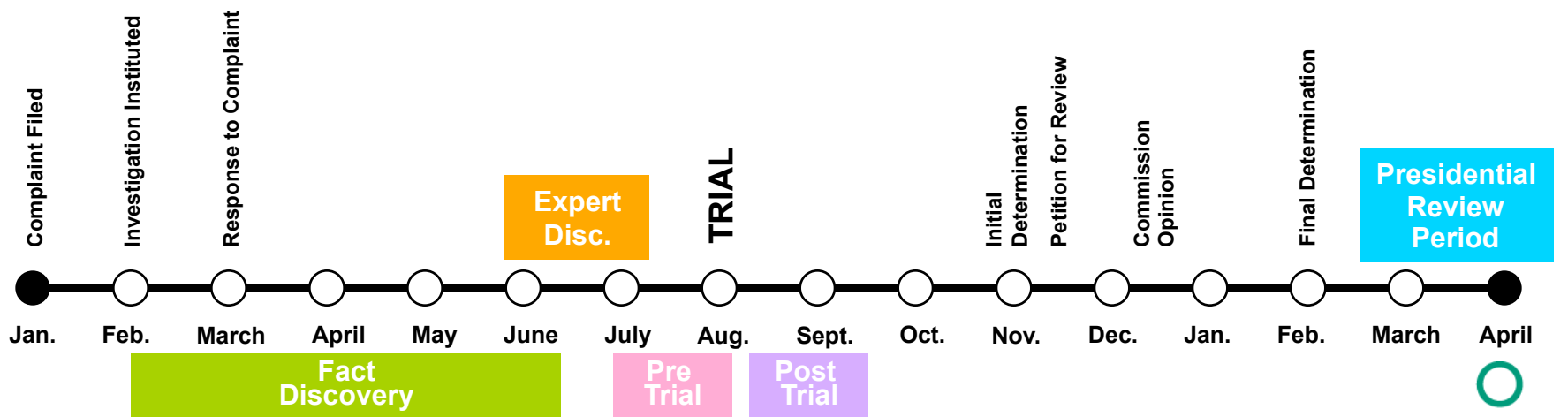


The Process

- **Part 13: Presidential Review Period**

- January– February, 2010: Presidential Review Period

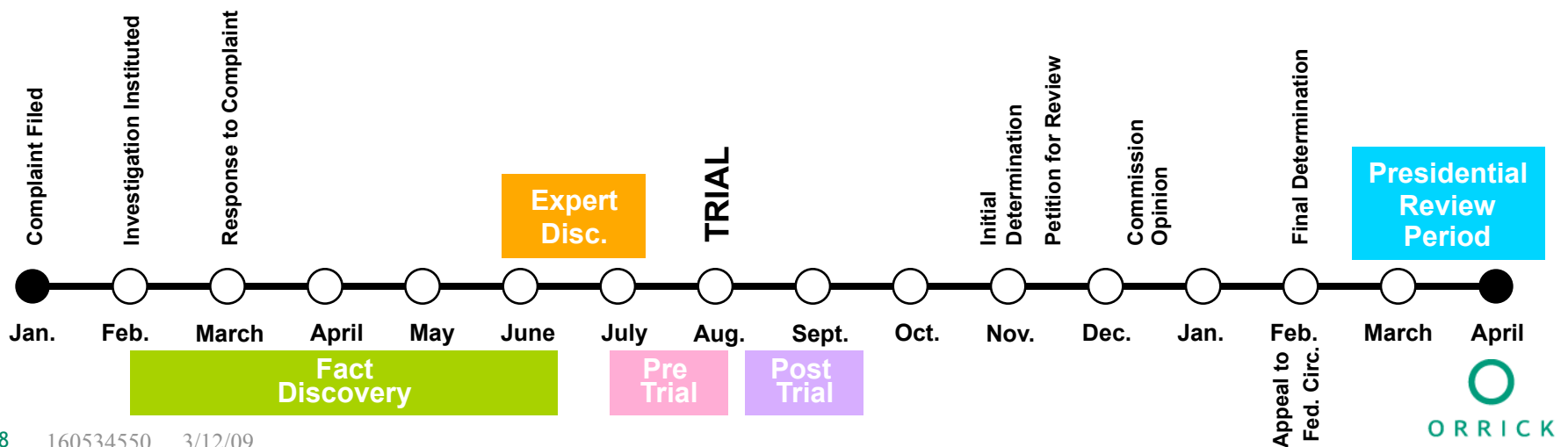
- President considers impact of remedy on public interest; exclusion orders rarely cancelled by the President



The Process

- **Part 14: Appeal to the Federal Court**

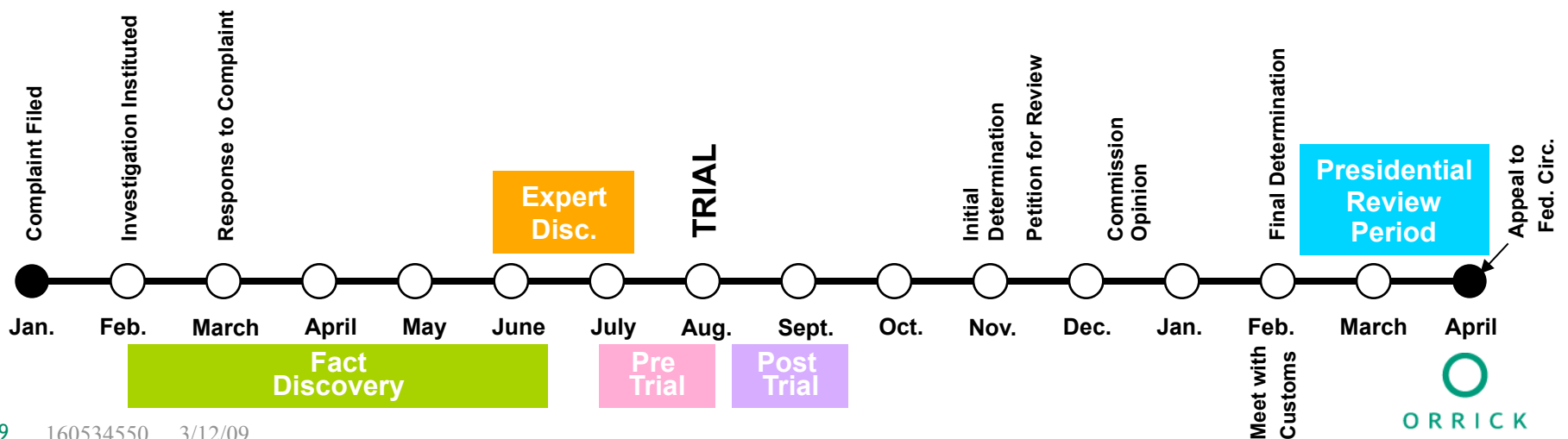
- February, 2010: Notice of Appeal filed with the Federal Circuit



The Process

- **Part 15: Customs**

- February, 2010: Begin meetings with Customs officials to discuss enforcement of exclusion order





Remedies

Remedies

Exclusion Orders

- **Limited:**

- bars imports from an identified source
- bars downstream products under certain circumstances

- **General:**

- bars all imports from *any* source
- affected company need not be named a respondent – or even related to a named respondent

Remedies

General Exclusion Orders

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C. 20436

In the Matter of
CERTAIN LASER BAR CODE
SCANNERS AND SCAN ENGINES,
COMPONENTS THEREOF AND
PRODUCTS CONTAINING SAME

Inv. No. 337-TA-551

LIMITED EXCLUSION ORDER

The Commission has determined that there is a violation of section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. § 1337, in the unlawful importation and sale by [] Instruments, Inc. of Blackwood, New Jersey and [] Co., Ltd. Of Suzhou, China of laser bar code scanners for reading bar code symbols, by reason of infringement of claim 48 of U.S. Patent No. 5,262,627 and claims 17 and 18 of U.S. Patent No. 5,917,173.

Accordingly, the Commission hereby ORDERS THAT:

1. Laser bar code scanners for reading bar code claims 17 and 18 of U.S. Patent No. 5,917,173 that are manufactured abroad or imported by or on behalf of [] Co., Ltd., Instruments, Inc., or any of their affiliated companies, parents, subsidiaries, or other related business entities, or their successors or assigns are excluded from entry for consumption into the United States.

Remedies

General Exclusion Orders

“A general exclusion order broadly prohibits entry of articles that infringe...without regard to whether the persons importing such articles were partner to, or were related to parties to, the investigation...”

VastFame Camera Ltd. v. ITC, 386 F. 3d 1108,
1114 (Fed. Cir. 2007)

Remedies

General Exclusion Orders

If “necessary to prevent circumvention of an exclusion order limited to products of named persons”

or

If “there is pattern of violation of this section and it is difficult to identify the source of infringing products.”

Section 337 (d)(2)(A) and (B)

Remedies

General Exclusion Orders

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C. 20436

**In the Matter of
CERTAIN PLASTIC FOOD
CONTAINERS**

Inv. No. 337-TA-514

GENERAL EXCLUSION ORDER

The Commission has previously determined that there is a violation of section 337 of the Tariff Act of 1930 (19 U.S.C. § 1337) in the unlawful importation and sale of certain plastic food containers that infringe the claim of U.S. Design Patent No. 415,420 ("the '420 patent"), claim 1 of U.S. Patent No. 6,056,138 ("the '138 patent"), and claim 1 of U.S. Patent No. 6,196,404 ("the '404 patent"). Accordingly, the Commission has determined to issue a general exclusion order prohibiting the unlicensed importation of infringing plastic food containers.

Remedies Presidential Review



UNITED STATES INTERNATIONAL TRADE COMMISSION
WASHINGTON, DC 20436
January 14, 2009

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

On January 14, 2009, the United States International Trade Commission issued a general exclusion order pursuant to section 337 of the Tariff Act of 1930 (19 U.S.C. § 1337) in USITC Investigation No. 337-TA-582, *Certain Hydraulic Excavators and Parts Thereof*.

The general exclusion order prohibits the importation into the United States for consumption of certain hydraulic excavators that infringe United States Trademark Registration Nos. 2,140,606; 2,241,077; 2,140,605 and 2,448,848, which cover the "CAT" and "Caterpillar" marks.

Remedies

Cease and Desist Orders

- Bars entity from engaging in infringing activity related to imported article within U.S. (inventory)
- Penalty for violation of up to US\$100,000 per day

Remedies

Cease and Desist Orders

UNITED STATES INTERNATIONAL TRADE COMMISSION

Washington, D.C. 20436

**In the Matter of
CERTAIN LASER BAR CODE
SCANNERS AND SCAN ENGINES,
COMPONENTS THEREOF AND
PRODUCTS CONTAINING SAME**

Inv. No. 337-TA-551

ORDER TO CEASE AND DESIST

IT IS HEREBY ORDERED THAT [] Instruments, Inc., 90 Coles Road, Blackwood, New Jersey 08012, cease and desist from conducting any of the following activities in the United States: importing, selling, marketing, advertising, distributing, offering for sale, transferring (except for exportation), and soliciting U.S. agents or distributors for, laser bar code scanners that infringe one or more of claim 48 of U.S. Patent No. 5,262,627 and claims 17 and 18 of U.S. Patent No. 5,917,173, in violation of section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. § 1337.



Enforcement

Enforcement Customs

- Meet with Customs informally to discuss scope of orders
- Prepare submission to IPR Branch of Customs
- Provide industry intelligence to Customs
 - Who is importing
 - Which ports
- Meet with Customs Port Directors and Import Specialists to explain order and assist in tracking imports

Contact Information

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