



INTERNATIONAL TRADE COMMISSION

Investigation No. 337-TA-744

Certain Mobile Devices, Associated Software, and Components Thereof

Final Determination of Violation; Issuance of a Limited Exclusion Order; Termination of Investigation

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has determined that there is a violation of section 337 of the Tariff Act of 1930, as amended (19 U.S.C. 1337) by respondent Motorola Mobility, Inc. of Libertyville, Illinois (“Motorola”) in the above-captioned investigation. The Commission has issued a limited exclusion order directed to the infringing products of Motorola and has terminated the investigation.

FOR FURTHER INFORMATION CONTACT: Michael Liberman, Esq., Office of the General Counsel, U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C. 20436, telephone (202) 205-3115. 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 5, 2010, based on a complaint filed by Microsoft Corporation of Redmond, Washington (“Microsoft”). 75 FR 68379-80 (Nov. 5, 2010). 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, associated software, and components thereof by reason of infringement of U.S. Patent Nos. 5,579,517 (“the ‘517 patent”); 5,758,352 (“the ‘352 patent”); 6,621,746 (“the ‘746 patent”); 6,826,762 (“the ‘762 patent”); 6,909,910 (“the ‘910 patent”); 7,644,376 (“the ‘376 patent”); 5,664,133 (“the ‘133 patent”); 6,578,054 (“the ‘054 patent”); and 6,370,566 (“the ‘566 patent.”) Subsequently, the ‘517 and the ‘746 patents were terminated from the investigation. The notice of investigation, as amended, names Motorola Mobility, Inc. of Libertyville, Illinois and Motorola, Inc. of Schaumburg, Illinois as respondents. Motorola, Inc. n/k/a Motorola Solutions was terminated from the investigation based on withdrawal of infringement allegations on July 12, 2011.

The presiding administrative law judge (“ALJ”) issued the final initial determination (“ID”) on violation in this investigation on December 20, 2011. He issued his recommended determination on remedy and bonding on the same day. The ALJ found that a violation of section 337 has occurred in the importation into the United States, the sale for importation, or the sale within the United States after importation of certain mobile devices, associated software, and components thereof containing same by reason of infringement of one or more of claims 1, 2, 5 and 6 of the ‘566 patent. Both Complainant and Respondent filed timely petitions for

review of various portions of the final ID, as well as timely responses to the petitions.

The Commission determined to review various portions of the final ID and issued a Notice to that effect dated March 2, 2012. 77 FR 14043 (Mar. 8, 2012). In the Notice, the Commission also set a schedule for the filing of written submissions on the issues under review, including certain questions posed by the Commission, and on remedy, the public interest, and bonding. The parties have briefed, with initial and reply submissions, the issues under review and the issues of remedy, the public interest, and bonding. Public interest comments were also received from non-parties Association for Competitive Technology, Inc. and Google Inc.

On review, the Commission has determined as follows.

(1) To affirm with modifications the ALJ's determination that Microsoft met the economic prong of the domestic industry requirement with respect to all of the presently asserted patents in this investigation, *i.e.*, the '352 patent, the '762 patent, the '910 patent; the '376 patent, the '133 patent, the '054 patent, and the '566 patent;

(2) With respect to the ID's determination regarding the technical prong of the domestic industry requirement with respect to all of the presently asserted patents:

(a) to affirm with modifications the ALJ's determination that Microsoft failed to meet the technical prong of the domestic industry requirement with

respect to the '054 patent;

(b) to affirm the ALJ's determination that Microsoft satisfied the technical prong of the domestic industry requirement with respect to the '566, '133, and '910 patents;

(c) to reverse the ALJ's determination that Microsoft failed to meet the technical prong of the domestic industry requirement with respect to the '352 patent;

(d) to affirm the ALJ's determination that Microsoft failed to meet the technical prong of the domestic industry requirement with respect to the '762 and '376 patents;

(3) To affirm with modifications the ALJ's determination that the asserted claims of the '566 patent are not invalid due to anticipation or obviousness;

(4) To reverse the ALJ's determination that Microsoft failed to carry its burden of showing that Motorola's accused products infringe the asserted claims of the '352 patent and determine that, based on the record, Microsoft proved by a preponderance of the evidence that Motorola's accused products directly infringe the '352 patent;

(5) To affirm the ALJ's determination that Microsoft failed to prove by a preponderance of the evidence that Motorola induced infringement of each of the '054, '762, '376, '133, and '910 patents, and to affirm with modifications the

ALJ's determination that Microsoft failed to prove by a preponderance of the evidence that Motorola induced infringement of each of the '566 and '352 patents.

The Commission has determined that the appropriate form of relief in this investigation is a limited exclusion order prohibiting the unlicensed entry for consumption of mobile devices, associated software and components thereof covered by claims 1, 2, 5, or 6 of the United States Patent No. 6,370,566 and that are manufactured abroad by or on behalf of, or imported by or on behalf of, Motorola. The order provides an exception for service, repair, or replacement articles for use in servicing, repairing, or replacing mobile devices under warranty or insurance contract.

The Commission has further determined that the public interest factors enumerated in section 337(d)(1) (19 U.S.C. 1337(d)(1)) do not preclude issuance of the limited exclusion order. Finally, the Commission determined that Motorola is required to post a bond set at a reasonable royalty rate in the amount of \$0.33 per device entered for consumption during the period of Presidential review. The Commission's order was delivered to the President and the United States Trade Representative on the day of its issuance.

The Commission has therefore 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 sections 210.41-.42, 210.50 of the Commission's Rules of Practice and Procedure (19 CFR 210.41-.42, 210.50).

By order of the Commission.

James R. Holbein
Secretary to the Commission

Issued: May 18, 2012

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