



**INTERNATIONAL TRADE COMMISSION**

**[Investigation No. 337-TA-951]**

**Certain Lithium Metal Oxide Cathode Materials, Lithium-Ion Batteries for Power Tool**

**Products Containing Same, and Power Tool Products with Lithium-Ion Batteries**

**Containing Same;**

**Commission's Procedure for a Public Hearing on the Issues of Laches, Contributory**

**Infringement, and the Public Interest**

**AGENCY:** U.S. International Trade Commission.

**ACTION:** Notice.

**SUMMARY:** Notice is hereby given that the U.S. International Trade Commission has determined to hold a public hearing on the issues of laches, contributory infringement, and the public interest.

**DATES:** The public hearing is scheduled for Thursday, November 17, 2016, beginning at 10 a.m. See the Notice of Appearance section in SUPPLEMENTARY INFORMATION for more information.

**ADDRESSES:** The Commission will hold the public hearing in the Commission's Main Hearing Room (Room 101), 500 E Street SW., Washington, DC 20436.

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 SW., Washington, DC 20436, telephone 202-205-2000. General information concerning the Commission may also be obtained by accessing its Internet server (<https://www.usitc.gov>). The public record for this

investigation may be viewed on the Commission's electronic docket (EDIS) at <https://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.

**FOR FURTHER INFORMATION CONTACT:** Panyin A. Hughes, Office of the General Counsel, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436, telephone 202-205-3042.

**SUPPLEMENTARY INFORMATION:** The Commission instituted this investigation on March 30, 2015, based on a complaint filed by BASF Corporation of Florham Park, New Jersey and UChicago Argonne LLC of Lemont, Illinois (collectively, "Complainants"). 80 FR 16696 (Mar. 30, 2015). 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 lithium metal oxide cathode materials, lithium-ion batteries for power tool products containing same, and power tool products with lithium-ion batteries containing same by reason of infringement of one or more of claims 1-4, 7, 13, and 14 of U.S. Patent No. 6,677,082 ("the '082 patent") and claims 1-4, 8, 9, and 17 of U.S. Patent No. 6,680,143 ("the '143 patent"). *Id.* The notice of investigation named the following respondents: Umicore N.V. of Brussels, Belgium; Umicore USA Inc. of Raleigh, North Carolina (collectively, "Umicore"); Makita Corporation of Anjo, Japan; Makita Corporation of America of Buford, Georgia; and Makita U.S.A. Inc. of La Mirada, California (collectively, "Makita"). *Id.* The Office of Unfair Import Investigations is a party to the investigation.

On November 5, 2015, the ALJ granted a joint motion by Complainants and Makita to terminate the investigation as to Makita based upon settlement. *See* Order No. 32 (Nov. 5, 2015). The Commission determined not to review. *See* Notice (Nov. 23, 2015).

On December 1, 2015, the ALJ granted an unopposed motion by Complainants to terminate the investigation as to claim 8 of the '082 patent. *See* Order No. 35 (Dec. 1, 2015). The Commission determined not to review Order No. 35. *See* Notice (Dec. 22, 2015).

On February 29, 2016, the ALJ issued his final ID, finding a violation of section 337 by Umicore in connection with claims 1-4, 7, 13, and 14 of the '082 patent and claims 1-4, 8, 9, and 17 of the '143 patent. Specifically, the ID found that the Commission has subject matter jurisdiction, *in rem* jurisdiction over the accused products, and *in personam* jurisdiction over Umicore. ID at 10-11. The ID found that Complainants satisfied the importation requirement of section 337 (19 U.S.C. 1337(a)(1)(B)). *Id.* at 9-10. The ID found that the accused products directly infringe asserted claims 1-4, 7, 13, and 14 of the '082 patent; and asserted claims 1-4, 8, 9, and 17 of the '143 patent, and that Umicore contributorily infringes those claims. *See* ID at 65-71, 83-85. The ID, however, found that Complainants failed to show that Umicore induces infringement of the asserted claims. *Id.* at 79-83. The ID further found that Umicore failed to establish that the asserted claims of the '082 or '143 patents are invalid for lack of enablement or incorrect inventorship. ID at 118-20. The ID also found that Umicore's laches defense fails as a matter of law (ID at 122-124) and also fails on the merits (ID at 124-126). Finally, the ID found that Complainants established the existence of a domestic industry that practices the asserted patents under 19 U.S.C. 1337(a)(2). *See* ID at 18, 24.

On March 14, 2016, Umicore filed a petition for review of the ID. Also on March 14, 2016, the Commission investigative attorney ("IA") petitioned for review of the ID's finding that

a laches defense fails as a matter of law in section 337 investigations. Further on March 14, 2016, Complainants filed a contingent petition for review of the ID. That same day, Umicore filed a motion under Commission Rules 210.15(a)(2) and 210.38(a) (19 CFR 210.15(a)(2) and 210.38(a)), for the Commission to reopen the record in this investigation to admit a paper published on October 29, 2015, and a press release issued that day (collectively, “documents”). On March 22, 2016, the parties filed responses to the petitions for review. On March 24, 2016, Complainants and the IA filed oppositions to Umicore’s motion to reopen the record. On April 5, 2016, Umicore moved for leave to file a reply. The Commission has determined to grant Umicore’s motion for leave to file a reply.

On April 8, 2016, 3M Corporation (“3M”) filed a motion to intervene under Commission Rule 210.19. 3M requests that the Commission grant it “with full participation rights in this Investigation in order to protect its significant interests in the accused materials.”

On May 11, 2016, the Commission determined to review the final ID in part. 81 FR 30548-50 (May 17, 2016). Specifically, the Commission determined to review (1) the ID’s contributory and induced infringement findings; (2) the ID’s domestic industry findings under 19 U.S.C. 1337(a)(3)(C); and (3) the ID’s findings on laches. The Commission determined to deny Umicore’s motion to reopen the record to admit certain documents. *Id.* The Commission also determined to deny 3M’s motion to intervene, but stated that it would consider 3M’s comments in considering remedy, bonding and the public interest this investigation if a violation of Section 337 is found.

The Commission requested the parties to brief their positions on the issues under review with reference to the applicable law and the evidentiary record, and posed specific briefing

questions. On May 23, 2016, the parties filed submissions to the Commission's questions. On June 3, 2016, the parties filed responses to the initial submissions.

Pursuant to Commission rule 210.45 (19 CFR 210.45), Umicore's request for a Commission hearing was granted. Details of the hearing are set forth below.

**Commission Hearing:** The Commission will hold the public hearing on Thursday, November 17, 2016, in the Commission's Main Hearing Room (Room 101), 500 E Street SW., Washington DC 20436, beginning at 10 a.m. The hearing will be limited to the issues of laches, contributory infringement, and the public interest. The hearing will consist of two panels. The first panel will be limited to the parties (*i.e.*, complainants, respondents, and the IA), who will be given an opportunity to comment on the issues identified above based upon the record in this investigation. A representative for each of the private parties and the IA may present opening remarks not lasting more than 10 minutes. After the opening remarks, the Commissioners may ask questions of the panelists. This is a public hearing; confidential business information ("CBI") should not be discussed. A party, however, can draw the Commission's attention to CBI, if necessary, by pointing to where in the record the information can be found. The name and contact information of the parties' respective representatives must be filed with the Office of the Secretary by Friday, November 4, 2016. The first panel will be from 10 a.m. to 11:30 a.m.

The second panel will be limited to public interest issues. In particular, the Commission will hear presentations concerning the appropriate remedy (if any) and the effect that such remedy would have upon the public interest. Government agencies, public-interest groups, and interested members of the public may make oral presentations on the issues of remedy and the public interest. Parties to the investigation are expected to present any public interest comments during the first panel and will not participate in the second panel. The panel will be conducted in

like manner as the first panel, *i.e.*, an opportunity will be given for opening remarks, not lasting more than 10 minutes, and Commissioners may ask questions of the panelists. The second panel will begin at 11:30 a.m.

After the conclusion of the hearing, no additional written submissions or arguments will be permitted.

**Notice of Appearance:** Written requests to appear at the Commission hearing with respect to the second panel (*i.e.*, public interest only) must be filed with the Office of the Secretary by November 1, 2016. Persons who wish to participate must provide their email addresses as part of their contact information. Participants are also requested to provide a one-page synopsis of their oral presentations indicating what position they have on the public interest. These documents will be placed in the public record.

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.

Lisa R. Barton

Secretary to the Commission

Issued: October 11, 2016.

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