



7020-02

## INTERNATIONAL TRADE COMMISSION

[Investigation No. 337-TA-1076]

### **Certain Magnetic Data Storage Tapes and Cartridges Containing the Same (II); Notice of a Commission Determination to Review in Part a Final Initial Determination Finding a Violation of Section 337; and Schedule for Filing Written Submissions on the Issues under Review and on Remedy, Public Interest, and Bonding**

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

**ACTION:** Notice.

**SUMMARY:** Notice is hereby given that the U.S. International Trade Commission (the “Commission”) has determined to review in part the final initial determination (“ID”) of the administrative law judge (“ALJ”), which was issued on October 25, 2018.

**FOR FURTHER INFORMATION CONTACT:** Carl P. Bretscher, Office of the General Counsel, U.S. International Trade Commission, 500 E Street, SW, Washington, DC 20436, telephone 202-205-2382. 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 Information System (“EDIS”) (<https://edis.usitc.gov>). Hearing-impaired persons are advised that information on this matter can be obtained by contacting the Commission’s TDD terminal, telephone 202-205-1810.

**SUPPLEMENTARY INFORMATION:** The Commission instituted this investigation on October 25, 2017, on a complaint filed by FUJIFILM Corporation of Tokyo, Japan and FUJIFILM Recording Media U.S.A., Inc. of Bedford, Massachusetts (collectively, “Fujifilm”). 82 FR 49421-22 (Oct. 25, 2017). The complaint alleges violations of 19 U.S.C. § 1337, as amended (“Section 337”), in the importation into the United States, sale for importation, and sale in the United States after importation of certain magnetic data storage tapes and cartridges that infringe one or more of the asserted claims of U.S. Patent Nos. 6,630,256 (“the ’256 patent”), 6,835,451 (“the ’451 patent”), 7,011,899 (“the ’899 patent”), 6,462,905 (“the ’905 patent”), and 6,783,094 (“the ’094 patent”). *Id.* The notice of investigation named Sony Corporation of Tokyo, Japan; Sony Storage Media Solutions Corporation of Tokyo, Japan; Sony Storage Media Manufacturing Corporation of Miyagi, Japan; Sony DADC US Inc. of Terre Haute, Indiana; and Sony Latin America Inc. of Miami, Florida (collectively, “Sony”) as respondents. *Id.* The Office of Unfair Import Investigations (“OUII”) was also named a party to the investigation. *Id.*

The Commission previously terminated the investigation as to the ’094 patent and certain claims of the ’905, ’256, ’451, and ’899 patents. Comm’n Notice (Apr. 17, 2018) (aff’g Order No. 11); Comm’n Notice (July 9, 2018) (aff’g Order No. 17); Comm’n Notice (July 27, 2018) (aff’g Order No. 22).

The ALJ held an evidentiary hearing from June 25-29, 2018. On October 25, 2018, the ALJ issued his final ID, in which he found Sony in violation of Section 337 as to the ’256 and ’899 patents, but not the ’905 or ’451 patents. The ALJ recommended that the Commission issue a limited exclusion order and cease and desist orders to each of the Sony respondents.

The parties filed their respective petitions for review on November 9, 2018. The parties filed their respective responses to the petitions on November 20, 2018.

Having reviewed the record in this investigation, including the ALJ's orders and final ID, as well as the parties' petitions and responses thereto, the Commission has determined to review the final ID in part, as follows.

With regard to the '256 patent, the Commission has determined to review the ID's finding that Fujifilm has satisfied the technical prong of the domestic industry requirement.

With regard to the '899 patent, the Commission has determined to review the ID's construction and application of the claimed ranges expressed in terms of "per 6400  $\mu\text{m}^2$ " and related issues of infringement and the technical prong of domestic industry requirement. The Commission has also determined to review the ID's findings as to whether the asserted claims are invalid as obvious.

With regard to the '905 patent, the Commission has determined to review the ID's findings regarding whether claim 3 of the patent is invalid as anticipated or obvious.

The Commission has determined not to review the remaining findings in the ID.

The parties are asked to provide additional briefing on the following issues regarding the '256, '899, and '905 patents, with appropriate reference to the applicable law and the existing evidentiary record. For each argument presented, the parties' submissions should set forth whether and/or how that argument was presented and preserved in the proceedings before the ALJ, in conformity with the ALJ's Ground Rules (Order No. 2), with citations to the record:

- A. With regard to the '256 patent, please identify any technical specifications, instructions from the manufacturer, vendor specifications, or any other evidence as to whether the sample LTO tapes tested by Fujifilm are representative of other Fujifilm tapes in the same product generations.

- B. With regard to the '899 patent, please explain how a person skilled in the art would construe the claimed projection densities expressed in terms of “per 6400  $\mu\text{m}^2$ ” in the context of the patent.
- C. Using your claim construction in (B), above, explain how a skilled artisan would determine whether a tape product, which may be 100 meters long or more, satisfies that claim limitation, particularly if different measurements taken from a sample tape yield results both inside and outside the claimed ranges. Based on your interpretation and application of the claimed projection densities “per 6400  $\mu\text{m}^2$ ”, explain whether Fujifilm has demonstrated by a preponderance of the evidence that the '899 patent claims are infringed or practiced by Sony or Fujifilm, respectively.
- D. With regard to claim 2 of the '899 patent, explain whether the evidence of record supports a finding that the sample Sony LTO-6 tape examined during the earlier investigation *Certain Magnetic Tape Cartridges and Components Thereof*, Inv. No. 337-TA-1036, was sufficiently representative of Sony tapes being manufactured today such that the measurements taken from that earlier tape (*e.g.*, of coefficients of length variation) can provide reliable evidence in the present investigation.
- E. With regard to the '899 patent, explain whether a person skilled in the art would have been motivated to apply a Gaussian curve or other statistical analysis to the measurements disclosed in the Sueoka reference (Japanese Patent Application No. 2001-273623); whether such an analysis was performed properly in this case; and

whether the asserted claims are invalid as obvious over Sueoka in combination with such an analysis or other knowledge in the art.

- F. With regard to the '899 patent, explain whether a person skilled in the art would have been motivated to combine Sueoka with the Aonuma reference (Japanese Patent Application No. 2003-36520), particularly in view of the different materials they use, and whether the asserted claims are invalid as obvious over Sueoka in combination with Aonuma.
- G. With regard to the '905 patent, explain whether Sony has demonstrated by clear and convincing evidence that the LTO tapes previously sold by Fujifilm expressly or inherently practiced all of the limitations of claim 3, and whether those private sales constituted an on-sale bar for purposes of anticipation.
- H. With respect to the '905 patent, explain whether Sony has shown by clear and convincing evidence that the McAllister-I patent (U.S. Patent No. 5,901,916) expressly or inherently discloses the relative gear sizes recited in claim 3, and whether the McAllister-I patent anticipates claim 3. If there is no anticipation, explain whether the figures and other teachings of the McAllister-I patent provide clear and convincing evidence that claim 3 is obvious.

The parties are requested to brief only the discrete issues identified above, with reference to the applicable law and evidentiary record. The parties are not to brief any other issues on review, which have already been adequately presented in the parties' previous filings.

In connection with the final disposition of this investigation, the Commission may issue: (1) an exclusion order that could result in the exclusion of the subject articles from entry into the United States, and/or (2) a cease-and-desist order that could result in the respondent being

required to cease and desist from engaging in unfair acts in the importation and sale of such articles. Accordingly, the Commission is interested in receiving written submissions that address the form of remedy, if any, that should be ordered. If a party seeks exclusion of an article from entry into the United States for purposes other than entry for consumption, the party should so indicate and provide information establishing that activities involving other types of entry either are adversely affecting it or likely to do so. For background, *see Certain Devices for Connecting Computers via Telephone Lines*, Inv. No. 337-TA-360, USITC Pub. No. 2843 (December 1994) (Commission Opinion).

If the Commission contemplates some form of remedy, it must consider the effects of that remedy upon the public interest. The factors the Commission will consider include the effect that an exclusion order and/or cease-and-desist order would have on: (1) the public health and welfare; (2) competitive conditions in the U.S. economy; (3) U.S. production of articles that are like or directly competitive with those that are subject to investigation; and (4) U.S. consumers. The Commission is therefore interested in receiving written submissions that address the aforementioned public interest factors in the context of this investigation.

If the Commission orders some form of remedy, the U.S. Trade Representative, as delegated by the President, has 60 days to approve or disapprove the Commission's action. *See* Presidential Memorandum of July 21, 2005. 70 FR 43251 (July 26, 2005). During this period, the subject articles would be entitled to enter the United States under bond, in an amount determined by the Commission and prescribed by the Secretary of the Treasury. The Commission is therefore interested in receiving submissions concerning the amount of the bond that should be imposed if a remedy is ordered.

**WRITTEN SUBMISSIONS:** The parties to this investigation are requested to file written submissions on the issues identified in this Notice and on the issues of remedy, the public interest, and bonding. Complainant and OUII are requested to submit proposed remedial orders for the Commission's consideration. Complainant is also requested to state the date that the patents expire and the HTSUS numbers under which the accused products are imported. Complainant is further requested to supply the names of known importers of the Respondents' products at issue in this investigation. The parties' written submissions and proposed remedial orders must be filed no later than the close of business on March 29, 2019. Reply submissions must be filed no later than the close of business on April 5, 2019. Opening submissions are limited to 50 pages. Reply submissions are limited to 40 pages. Such submissions should address the ALJ's recommended determination on remedy and bonding. Interested government agencies and any other interested parties are also encouraged to file written submissions on the issues of remedy, the public interest, and bonding. Third-party submissions should be filed no later than the close of business on March 29, 2019. No further submissions on any of these issues will be permitted unless otherwise ordered by the Commission.

Persons filing written submissions must file the original document electronically on or before the deadlines stated above and submit eight (8) true paper copies to the Office of the Secretary by noon the next day, pursuant to section 201.4(f) of the Commission's Rule of Practice and Procedure (19 CFR 210.4(f)). Submissions should refer to the investigation number ("Inv. No. 337-TA-1076") in a prominent place on the cover page and/or first page. (*See Handbook for Electronic Filing Procedures, [https://www.usitc.gov/documents/handbook\\_on\\_filing\\_procedures.pdf](https://www.usitc.gov/documents/handbook_on_filing_procedures.pdf)*). Persons with questions regarding filing should contact the Secretary (202-205-2000).

Any person desiring to submit a document to the Commission in confidence must request confidential treatment. All such requests should be directed to the Secretary to the Commission and include a full statement of the reasons why the Commission should grant such treatment. See 19 CFR 201.6. Documents for which confidential treatment by the Commission is properly sought will be treated accordingly. All information, including confidential business information and documents for which confidential treatment is properly sought, submitted to the Commission for purposes of this Investigation may be disclosed to and used: (i) by the Commission, its employees and Offices, and contract personnel (a) for developing or maintaining the records of this or a related proceeding, or (b) in internal investigations, audits, reviews, and evaluations relating to the programs, personnel, and operations of the Commission including under 5 U.S.C. Appendix 3; or (ii) by U.S. government employees and contract personnel<sup>[1]</sup> solely for cybersecurity purposes. All non-confidential written submissions will be available for public inspection at the Office of the Secretary and on EDIS.

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: March 15, 2019.

**Katherine Hiner,**

*Acting Secretary to the Commission.*

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<sup>1</sup> All contract personnel will sign appropriate nondisclosure agreements.

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