



7020-02

INTERNATIONAL TRADE COMMISSION

[Investigation No. 337-TA-1089]

Certain Memory Modules and Components Thereof; Notice of the Commission's Final Determination Finding No Violation of Section 337; Termination of the Investigation

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has found no violation of section 337 of the Tariff Act of 1930, as amended. The investigation is hereby terminated.

FOR FURTHER INFORMATION CONTACT: Robert Needham, Office of the General Counsel, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436, telephone 202-205-5468. Copies of non-confidential documents filed in connection with this investigation may be viewed on the Commission's electronic docket (EDIS) at <https://edis.usitc.gov>. For help accessing EDIS, please email EDIS3Help@usitc.gov. General information concerning the Commission may also be obtained by accessing its Internet server at <https://www.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 December 4, 2017, based on a complaint filed by Netlist, Inc. of Irvine, California ("Netlist"). 82 FR 57290-91. The complaint, as supplemented, 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 memory modules and components thereof that infringe claims 16-22, 24, 25, 27, 29-35, 38, 43-45, 47, 48, 50, 52, and 58 of U.S. Patent No. 9,606,907 (“the ’907 patent”) and claims 12-15, 17-25, 27, and 29 of U.S. Patent No. 9,535,623 (“the ’623 patent”). *Id.* The Commission’s notice of investigation named as respondents SK hynix Inc. of the Republic of Korea; SK hynix America Inc. of San Jose, California; and SK hynix memory solutions Inc. of San Jose, California (together, “SK hynix”). *Id.* at 57291. The Office of Unfair Import Investigations (“OUII”) is also participating in this investigation. *Id.*

The Commission subsequently terminated the investigation with respect to claims 16-22, 24, 25, 27, 29-35, 38, 43-45, 47, 48, 50, 52, and 58 of the ’907 patent and claims 12-15, 17-25, 27, and 29 of the ’623 patent based on Netlist’s partial withdrawal of its complaint. *See* Order. No. 12 (Mar. 19, 2018), *not reviewed*, Notice (Apr. 5, 2019); Order. No. 19 (Sept. 25, 2018), *not reviewed*, Notice (Oct. 15, 2018); Order. No. 27 (Dec. 6, 2018), *not reviewed*, Notice (Dec. 21, 2018). Accordingly, at the time of the Final ID, the remaining asserted claims were claims 1-8, 10, 12, 14, and 15 of the ’907 patent and claims 1-5 and 7-11 of the ’623 patent.

On October 19, 2019, the ID issued a final initial determination (“Final ID”) finding a violation of section 337 with respect to claims 6 and 12 of the ’907 patent. Final ID at 164-65. The ID found that Netlist showed that SK hynix infringes claims 1-8, 10, 12, 14, and 15 of the ’907 patent, but failed to show that SK hynix infringed any claim of the ’623 patent. The ID also found that SK hynix showed that claims 1-5, 7, 8, 10, 14, and 15 of the ’907 patent are invalid as obvious, but failed to show the invalidity

of claims 6 and 12. Finally, the ID found that Netlist satisfied the domestic industry requirement with respect to the '907 patent, but did not satisfy the domestic industry requirement with respect to the '623 patent.

On January 31, 2020, the Commission determined to review the final ID in part. Specifically, the Commission determined to review the following issues: (1) the construction of the limitation “receive” in the asserted claims of the '907 patent, as well as related issues of infringement and invalidity; (2) the construction of the limitation “produce first module control signals and second module control signals in response to the set of input address and control signals” in the asserted claims of the '907 patent, as well as related issues of infringement and invalidity; (3) the domestic industry requirement with respect to both of the '623 and '907 patents; and (4) the findings with respect to both of the '623 and '907 patents regarding whether SK hynix showed that Netlist violated its obligations, if any, to offer a license on reasonable and non-discriminatory (RAND) terms. The Commission determined not to review any other findings presented in the Final ID, including the finding of no violation with respect to the '623 patent based on Netlist’s failure to show infringement and the technical prong of the domestic industry requirement.

The Commission also sought briefing from the parties on four issues and on remedy, bonding and public interest. On February 14, 2020, Netlist, SK hynix, and OUII filed their initial submissions in response to the Commission’s request for briefing. On February 24, 2020, Netlist, SK hynix, and OUII filed their reply submissions in response to the Commission’s request for briefing. The Commission also received a submission from third-party Hewlett Packard Enterprise Company.

Having examined the record of this investigation, including the Final ID, the petitions, responses, and other submissions from the parties, the Commission has determined that Netlist has failed to show a violation of section 337. The Commission has determined to construe “receive” to occur when a signal or data reaches a circuit element’s input, and, under that construction, finds that Netlist failed to satisfy that limitation for infringement and the technical prong of the domestic industry requirement for any asserted claim of the ’907 patent. The Commission has also determined to construe the limitation “produce first module control signals and second module control signals in response to the set of input address and control signals” to require a response to at least one input address signal and at least one control signal, and, under that construction, finds that Netlist failed to satisfy that limitation for infringement and the technical prong of the domestic industry requirement for any asserted claim of the ’907 patent. The Commission further finds that, regardless of the constructions for these limitations, Netlist failed to provide sufficient evidence on its domestic industry products to satisfy the technical prong of the domestic industry requirement. Additionally, the Commission has determined to take no position on whether Netlist satisfied the economic prong of the domestic industry requirement for either the ’907 or ’623 patents. The Commission also affirms the Final ID’s finding that SK hynix showed that claims 1-5, 7, 8, 10, 14, and 15 of the ’907 patent are invalid as obvious. Finally, the Commission has determined to reverse the ALJ’s findings that the ’907 patent is essential to a JEDEC standard and that the JEDEC Patent Policy is unenforceable, has determined to affirm the ALJ’s finding that the ’623 patent is not shown to be essential to a JEDEC standard, and has determined to vacate all other finding relating to obligations to license on reasonable

and nondiscriminatory terms.

Accordingly, the Commission finds no violation of section 337 based on Netlist's failure to establish infringement and the technical prong of the domestic industry requirement, and on SK hynix's showing that claims 1-5, 7, 8, 10, 14, and 15 of the '907 patent are invalid as obvious. The Commission's determinations are explained more fully in the accompanying Opinion. All other findings in the ID under review that are consistent with the Commission's determinations are affirmed. The investigation is hereby terminated.

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: April 7, 2020.

Lisa Barton,

Secretary to the Commission.

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