

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

**In the Matter of**

**CERTAIN MOBILE TELEPHONES AND  
WIRELESS COMMUNICATION DEVICES  
FEATURING DIGITAL CAMERAS, AND  
COMPONENTS THEREOF**

**Inv. No. 337-TA-703**

**OFFICE OF UNFAIR IMPORT INVESTIGATIONS' BRIEF  
ON ISSUES UNDER REVIEW  
FROM THE INITIAL DETERMINATION ON CLAIM CONSTRUCTION**

Lynn I. Levine, Director  
Anne Goalwin, Supervisory Attorney  
Kevin Baer, Investigative Attorney  
Vu Q. Bui, Investigative Attorney

OFFICE OF UNFAIR IMPORT INVESTIGATIONS  
U.S. International Trade Commission  
500 E Street, S.W., Suite 401  
Washington, D.C. 20436  
(202) 205-2582  
(202) 205-2158 (Facsimile)

August 5, 2010

## **I. INTRODUCTION**

Pursuant to the July 22, 2010, Notice of Commission Determination to Review Initial Determination, the Office of Unfair Import Investigations (“OUII”) files this brief regarding the issues under review. As discussed below, claim construction necessarily occurs during adjudication of, *inter alia*, infringement, invalidity, and the technical prong of the domestic industry requirement. Standing alone, however, claim construction should not be considered an “issue” as used in Commission Rule 210.18. With respect to the issues relating to the proper construction of the disputed claim terms, OUII relies on its Petition for Review and its Response to the Private Parties’ Petition for Review.

### **A. Procedural History**

The Commission instituted this investigation by publication of the Notice of Investigation in the Federal Register on February 23, 2010. *75 Fed. Reg.* 8112. The investigation is based on the Complaint filed by Eastman Kodak Company (“Complainant”) alleging violations of Section 337 of the Tariff Act of 1930 by Research In Motion, Ltd., Research In Motion Corp., and Apple Inc. (collectively, “Respondents”) based on their importation into the United States, sale for importation, and sale within the United States after importation of certain mobile telephones and wireless communication devices featuring digital cameras, and components thereof, by reason of infringement of one or more of claims 15 and 23-27 of the ‘218 patent. *Id.* The Chief Administrative Law Judge (“ALJ”) subsequently set a fifteen (15) month target date, *i.e.*, May 23, 2011, for the investigation. Order No. 4 (March 19, 2010).

The issue of a claim construction hearing was discussed during a preliminary conference conducted by the ALJ on March 30, 2010, and a telephone conference ordered by the ALJ on April 8, 2010, in which the ALJ directed that “anyone who wants a *Markman* [claim construction] hearing

should file a motion by noon on April 12, 2010, setting forth its position, including a schedule for said hearing, which the party believes is appropriate, and its position as to how the *Markman* procedure should be presented in a procedural manner pursuant to Commission Rules.” Order No. 11 at 1, n. 1 (April 19, 2010). Following the telephone conference, Respondents moved for an order providing for a claim construction ruling in the form of an ID resolving the parties’ dispute over claim terms in the ‘218 patent based on the filing of simultaneous motions for summary determination on proposed claim constructions. Motion Docket No. 703-003. The Staff and Complainant each filed, on April 14, 2010, a response to the motion, and Respondents filed, on April 15, 2010, a reply to the responses, as directed by the ALJ. Upon consideration of the parties’ submissions, the ALJ determined to hold a claim construction hearing and, in preparation for such, set deadlines for the parties (1) to exchange claim terms for which constructions will be proposed, (2) to exchange proposed constructions for all terms proposed by any party, and (3) to submit summary determination motions on their proposed constructions. Order No. 11 at 19. The parties complied with these deadlines. *See* Motion Docket Nos. 703-11 to 703-14. Additionally, the depositions of the parties’ experts whose declarations were attached to the summary determination motions were taken on May 16, 2010.

A claim construction hearing was conducted on May 24-25, 2010. Pursuant to the ALJ’s ruling at the conclusion of the hearing, the parties submitted post-hearing briefs on June 1, 2010. On June 22, 2010, the ALJ issued his ID on claim construction, based on the parties’ pre-hearing filings, the extensive record compiled at the hearing,<sup>1</sup> and the parties’ post-hearing filings.

On June 30, 2010, the parties, including OUII, petitioned for review of the ID. Specifically,

---

<sup>1</sup> The hearing generated 1123 transcript pages consisting mostly of expert testimony.

Complainant Eastman Kodak Company, Inc. (“Kodak”) filed a petition for review of the ID (“Kodak’s Petition”), arguing that the ALJ erred in deciding claim construction by summary determination and, moreover, in construing the claim terms “motion processor,” “still processor,” “at least three different colors,” and “initiating capture of a still image while previewing the motion images.” Kodak’s Petition at 4-6. Respondent Apple Inc. (“Apple”) filed a petition for review of the ID (“Apple’s Petition”), arguing that the ID erred in its construction of the claim term “capture button.” Apple’s Petition at 1. Respondents Research In Motion, Ltd. and Research In Motion Corporation (collectively “RIM”) filed a contingent petition for review of the ID (“RIM’s Petition”), arguing that, if the Commission determines to review the ID, the Commission should review the ID’s construction of the claim term “initiating capture of a still image while previewing the motion images.” RIM’s Petition at 1.

The Office of Unfair Import Investigation (“OUII”) responded to the petitions for review arguing that (i) Kodak’s Petition should be granted, (ii) Apple’s Petition should be denied, and (iii) RIM’s Petition should be granted in part and denied in part.

On July 1, 2010, and subsequent to the claim construction ruling now under review, Respondents Apple and RIM each filed motions for summary determination of non-infringement. Motion Dkt. 703-016 (RIM) and 703-017 (Apple). On July 27, 2010, in response to the two motions for summary determination, the ALJ issued an order seeking, *inter alia*, additional briefing concerning the construction of the term “processor” and the operation of the accused products. Order No. 20. On August 4, 2010, the ALJ denied Apple’s motion for summary determination of non-infringement. Order No. 22. RIM’s motion for summary determination of non-infringement remains pending.

Finally, on August 4, 2010, Respondent Apple filed a motion seeking to postpone the evidentiary hearing, arguing that the delay will allow the Commission sufficient time to address the claim construction issues currently on review. Motion Dkt. 703-024.

## **II. DISCUSSION**

In a Notice dated July 22, 2010, the Commission undertook to review the ID in its entirety.

In particular, the Notice states that:

The Commission is particularly interested in briefing on the question of the legal authority for addressing the issue of claim construction as a matter for summary determination and treating the claim construction ruling as an initial determination under the Commission's rules of practice and procedure as currently written. In this connection, the parties are requested to respond to the following hypothetical analysis:

As used in rule 210.18(a), the term "issues to be determined in the investigation" can be viewed as limited to claims and affirmative defenses; a "part" of such an issue includes an element (or subpart thereof) of a claim or affirmative defense. Thus, the following could be a non-exhaustive list of examples of issues or parts thereof that are covered by rule 210.18(a): violation, importation, infringement, domestic industry (technical or economic prong), invalidity on any basis (such as anticipation or obviousness), unenforceability. Claim construction may be a necessary underpinning to the resolution of certain issues or elements, and may be part of a summary determination that addresses an issue or element. On its own, however, claim construction might not be viewed as constituting such an issue or element.

Notice at 2. With respect to the proper construction of the disputed terms of the asserted claims in the '218 patent, OUII relies on its Petition for Review and its Response to the private parties' Petitions. OUII addresses the Commission's specific question below.

OUII submits that it does not appear that summary determination under Commission Rule 210.18 is appropriate for a claim construction decision. This question appears to raise an issue of

first impression and thus no governing precedent affirmatively establishes guidelines that must be followed. Ultimately, the resolution of this issue likely implicates matters policy considerations.

Rule 210.18 concerns “issues to be determined” and in OUII’s view, claim construction is but a necessary underpinning to the resolution of certain issues such as infringement, invalidity, or the technical prong of the domestic industry requirement (“technical prong”). Standing alone, claim construction does not appear to fall within the scope of “issues to be determined” under the rule. In particular, a claim construction ruling does not resolve any of the issue involved in a violation determination, nor does it not result in one party successfully proving issues such as infringement, invalidity, or the technical prong. Thus, following a ruling on claim construction there is no clear aggrieved party. From the Judge’s and Commission’s perspective, the litigating parties remain in the same position as they were prior to a claim construction ruling.

This is consistent with the use of summary judgment in district court. The Commission’s rule governing summary determinations is based on Federal Rule Civil Procedure 56, governing summary judgment in federal district courts. *See Proposed Final Rules Governing Investigations and Enforcement Procedures Pertaining to Unfair Practices in Import Trade*, 57 Fed.Reg. 52830, 52837 (Nov. 5, 1992).<sup>2</sup> Federal Rule 56 concerns “summary judgment on all or part of *the claim*.” Fed.R.Civ.P. 56. The claim is defined as a claim for relief and is analogous to the determination whether there has been a violation of Section 337. *See Fed.R.Civ.P. 8*. Federal Rule 56, similar to Commission Rule 210.18(e), provides for partial summary judgment when is rendered on less than

---

<sup>2</sup> “Proposed final rule 210.18 governs summary determinations and is based on interim rule 210.50, which is based on FRCP 56 entitled “Summary Judgment.” The proposed rule has been drafted to correspond more closely to FRCP 56.” 57 Fed.Reg. 52837.

the whole action.<sup>3</sup> Fed.R.Civ.P. 56(d). In the Federal court system, any “judgment” disposing of less than the entire case is merely an interim order that “may be revised at any time before entry of a judgment adjudicating all the claims and all the parties rights and liabilities.”<sup>4</sup> Fed.R.Civ.P. 54(b). Thus, under the Federal court system, a claim construction order would not be an appealable order.

Rule 210.18, however, is merely *based* on the summary judgment rule, but it does not duplicate the rule. For example, the Commission Rules do not replicate the Federal court’s final judgment rule (Fed.R.Civ.P. 54) and likewise, the Commission practice is not governed by statutory rules limiting court of appeals jurisdiction to “final decisions.” *See* 28 USC § 1291. Similarly, the Commission Rules require interim petitions for reviewing IDs when an ID adjudicates less than the entirety of the investigation. *See* 210.43(a) (providing for 5 day deadline for petitioning from summary determination rulings that do not terminate the entire investigation and 10 days deadline for petitioning from summary determination rulings that terminate the entire investigation). The Commission Rule concerning summary determinations also differs from the Federal Rule with respect to granting less than the entire relief requested in motions. Under the Federal Rules, a judge may issue an *order* establishing facts if the summary judgment “is not rendered on the whole action” (Fed.R.Civ.P. 56(d)(1)) whereas the similar Commission Rule provides for an *order* establishing facts if the summary determination “is not rendered on the whole case or for all the relief asked.”

---

<sup>3</sup> “[P]artial summary ‘judgment’ is not a final judgment . . . The partial summary judgment is merely a pretrial adjudication that certain issues shall be deemed established for the trial of the case.” Fed.R.Civ.P. 56 (1946 Amendment Commentary, Subdivision (d)).

<sup>4</sup> Commission Rule 210.42(g) provides that an ALJ may reopen proceedings “[a]t any time prior to the filing of the initial determination.” In OUII’s view, this authority would allow an ALJ to adjust, modify, or change a claim construction decision, set forth in an order, until such a determination became part of an initial determination on an issue in the investigation.

19 CFR 210.18(e). Thus, the Commission Rules clearly contemplate summary determinations – that are immediately subject to petition for Commission review – adjudicating less than the entire case.

Although the Commission Rules provide for interim review during the course of an investigation, policy reasons counsel against the Commission treating a claim construction ruling as falling within the scope of matters contemplated by the Commission’s rule on initial determinations. For example, as noted above, a claim construction ruling does not resolve the entire investigation or even the entirety of one of the subissues, such as infringement. It leaves the parties in the same position as they were prior to the claim construction ruling. No party has been found liable (or not liable) for any issue in dispute. Positions of the parties may be strengthened or weakened, but whether or not a party infringes an asserted claim or a particular prior art reference invalidates a patent claim is mere speculation.

In addition, an early Commission decision concerning a claim construction ruling made when discovery is ongoing and even the parties are still unsure of the factual landscape to which the construction would be applied, may needlessly restrict the ALJ from altering a claim construction holding in light of insight into the nuances of the dispute gained adjudicating infringement or invalidity. Often, a party’s claim construction position comes fully to light when viewed in actual implementation. Claim construction can be an on-going process based on a better understanding of the technology and factual issues being presented. Not all investigations would, of course, require modifications to claim construction determinations, however, early Commission review would foreclose that possibility. In contrast, an order, rather than an ID, setting forth the claim construction would provide opportunities for the Judge or parties to make adjustments, if appropriate and necessary. OUII notes that these considerations do not apply to a summary determination concerning

the economic prong of the domestic industry or the importation requirement which is likely final with no part of that determination overlapping with other matters that could come before the ALJ.<sup>5</sup>

Furthermore, claim construction rulings themselves are not dispositive. Here, in this investigation, Respondent Apple immediately moved for summary determination of non-infringement following the Judge's claim construction ruling, but the Judge denied that motion.<sup>6</sup> In the event a claim construction ruling does rise to the level of controlling the ultimate outcome, the parties could stipulate to infringement or non-infringement under the controlling claim construction, with sufficient supporting facts, and seek a final ruling from the Judge. This process – obtain claim construction ruling, subsequently stipulate that a party can or cannot prevail under the claim construction, and obtain a final adjudication – is practiced by some parties in Federal courts. *See Nystrom v. Tres Company*, 339 F.3d 1347, 1350-51 (Fed. Cir. 2003) (discussing techniques for terminating lower court case to make it ripe for appellate review). A stipulation subsequent to a claim construction ruling would conserve resources and has the potential to terminate the investigation in its entirety. Absent a concrete adjudication, a claim construction ruling or an

---

<sup>5</sup> OUII notes that current practice allows for a summary determination concerning infringement and subsequent Commission review. Such a ruling would likely involve construction of claim terms. Subsequent determinations concerning validity, other infringement rulings, technical prong of the domestic industry, and unenforceability could therefore be hampered by an established claim construction, following Commission review, that may need to be modified in light of a better-developed factual record. How broadly or narrowly the Commission considers the “issues to be determined” could impact these concerns.

<sup>6</sup> An interlocutory petition under Rule 210.24(b) is an option, but a claim construction determination likely does not involve a controlling question of law. *See Wyeth v. Sandoz, Inc.* 210 U.S. Dist. LEXIS 71328 (E.D. N.C) (July 14, 2010).

ambiguous stipulation as to outcome risks complicating terminating the investigation.<sup>7</sup>

Summary determination, as used for this determination under review, is also inappropriate because the Commission rules governing summary determination do not allow for an evidentiary hearing. Rule 210.18(b) provides that summary determination will be made based on the briefing, affidavits, depositions, discovery responses, and oral argument. The rule does not provide for a live evidentiary hearing.

#### **IV. CONCLUSION**

For the reasons state above, the ID under review should be vacated and the issue of claim construction remanded to the Chief ALJ.

Respectfully submitted,

/s/ Kevin Baer  
Lynn I. Levine, Director  
Anne Goalwin, Supervisory Attorney  
Kevin Baer, Investigative Attorney  
Vu Q. Bui, Investigative Attorney  
OFFICE OF UNFAIR IMPORT INVESTIGATIONS  
U.S. International Trade Commission  
500 E Street, S.W., Suite 401  
Washington, D.C. 20436  
(202) 205-2582  
(202) 205-2158 (Facsimile)

August 5, 2010

---

<sup>7</sup> See *Bell Communications Research Inc. v. Fore Systems, Inc.*, 2003 U.S. App. LEXIS 5906 \*17-18 (Fed. Cir.) (March 27, 2003) (non-precedential) (reversing claim construction and stipulation where appellate court refused to speculate concerning scope of stipulation).

