

PUBLIC VERSION

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

In the Matter of

**CERTAIN AUTOMATED TELLER
MACHINES, ATM MODULES,
COMPONENTS THEREOF, AND
PRODUCTS CONTAINING THE SAME**

Inv. No. 337-TA-989

Order No. 23

Respondents Diebold, Inc. and Diebold Self-Service Systems (collectively, “Diebold”) filed a Motion to Strike Untimely Infringement Contentions, and a memorandum in support thereof. Motion Docket No. 989-017. Complainants Nautilus Hyosung Inc. and Nautilus Hyosung America Inc. (collectively, “Hyosung”) filed an opposition.

Diebold filed a motion for leave to reply, and a reply. Motion Docket No. 989-024. Hyosung file an opposition to the motion for leave. Motion No. 989-024 for leave to reply is granted.

Diebold argues that on the last day of discovery and without requesting leave, and thus in an untimely and prejudicial manner, Hyosung added a new allegation of contributory infringement, *i.e.*, an allegation of infringement against a component contained within accused ATMs. *See, e.g.*, Mot. at 1-2; Mem. at 1, 10. For example, it is argued:

On the final day of discovery, Hyosung introduced new contributory infringement allegations against a specific ATM component referred to as the CCDM or ActivMedia module. These contentions come over a month after the contention deadline and weeks after the Ground 6(d) deadline for Accused Products, where, at both points, Hyosung elected *not* to accuse

the CCDM module itself of infringement, despite having the opportunity to do so. Hyosung has known since the outset of the investigation that Diebold purchased, imported, and sold the CCDM module in its ATMs in the United States. Yet, without excuse, Hyosung waited until the *very last day of discovery* to first allege contributory infringement against the CCDM module.

Mot. at 1 (emphasis in original). Diebold argues that “[t]he only remedy is to strike Hyosung’s late contentions for failing to abide by ITC practice, the Ground Rules, and the procedural schedule set in this investigation.” *Id.* at 2.

Hyosung argues, “Diebold’s motion seeks to deprive the ALJ and the Commission of a full evidentiary record by excluding timely supplemental interrogatory responses that clarify Hyosung’s indirect infringement contentions, which required clarification due to inconsistent information provided by Diebold very late in the discovery period. Diebold has not and cannot articulate any prejudice or undue delay that is not a product of its own making. Diebold’s motion is devoid of any valid basis for such drastic relief, and should be denied.” Opp’n at 1. For example, it is argued:

Hyosung timely pursued discovery regarding Diebold’s importation practices to inform its infringement allegations. Until late in the discovery period, Diebold stated that it imported the Accused Products in fully-assembled form (i.e., Diebold’s ATMs containing the CCDMv2 module). Such fully-assembled ATMs directly infringe the asserted claims of the ’235 patent, though Hyosung also plead indirect infringement in its complaint. Hyosung’s initial contention interrogatory responses reflected the information provided by Diebold at that point in time. Late in the discovery period, however, Diebold changed its tune and stated that is “usually” only imported the CCDMv2 modules for incorporation into its ATMs in the United States. This change in position necessitated Hyosung’s clarification of its indirect infringement allegation to specify that the importation of the CCDMv2 modules are acts of contributory infringement. Hyosung updated its interrogatory responses seasonably when this new information came to light, as required by Ground Rule 1.f.

Id.

It is undisputed that from the inception of this investigation, “Hyosung made a contributory infringement allegation against the CCDM in its sworn and verified Complaint based on Diebold’s importation of the CCDM.” Reply at 2 (quoting Opp’n at 2). Indeed, Hyosung’s complaint alleged contributory infringement by Diebold in the importation and sale of Accused Products, and defined Accused Products to include CCDM modules. *See, e.g.*, Complaint, ¶¶ 1.1, 4.2 and 6.11 (alleging, *inter alia*, that the Accused Products and components thereof have no substantial non-infringing uses). Furthermore, it is undisputed that “[t]he CCDM has been ‘central’ to this investigation since the outset of the litigation.” Reply at 2 (quoting Opp’n at 2). Thus, Hyosung is permitted to allege contributory infringement in this investigation based on Diebold’s importation or sale of CCDMs.

The memorandum in support of the pending motion to strike specifies that the following Hyosung contention is objectionable:

Diebold contributes to the infringement of the '235 patent by selling for importation into the United States, importing into the United States, and/or selling within the United States after importation certain cash and check automatic depositing modules (e.g., CCDMv2), for which there is no suitable or substantial noninfringing use and which embody a material part of the inventions described in the '235 patent. In addition, upon information and belief, such cash and check automatic depositing modules are and are known by Diebold to be made or especially adapted for use in the infringement of the Asserted Patents. Following importation, Diebold assembles the modules into finished goods, i.e., the Accused Products. Such manufacture, and

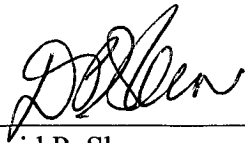
Mem. at 10 (depicting Hyosung Interrogatory Response). This contributory infringement contention is permissible. It reflects allegations made in the complaint, and the central role that CCDM modules have had in this investigation since its outset. In addition, facts relating to

Diebold's importation and sale of ATMs and CCDM modules have always been in Diebold's possession.¹ To the extent that Hyosung must rely on facts that it obtained late in discovery, it may do so. Consequently, the pending motion to strike will be denied.

Nevertheless, there is a further aspect of the pending motion that should be addressed. As quoted above, and as found in Diebold's motion and memorandum, it is argued that Hyosung alleges "contributory infringement against the CCDM module." Diebold raises the possibility of "prejudice" to "non-party Wincor," from which Diebold purchases modules. *See* Mot. at 2. Alleging that Diebold engages in contributory infringement by importing or selling a CCDM module is not the same as alleging contributory infringement against a CCDM module itself. It is not clear that Hyosung has alleged the latter, or what elements would be comprised by such an allegation. In any event, the rulings contained herein pertain to Hyosung's ability to make an allegation of contributory infringement against Diebold in connection with Diebold's importation or sale of ATMs or modules, not an allegation of contributory infringement by a module itself.

Accordingly, Motion No. 989-017 is denied.

So ordered.



David P. Shaw
Administrative Law Judge

Issued: September 22, 2016

¹ Yet, it was not until late in discovery that Hyosung was able to confirm that certain models of accused ATMs [

]. Opp'n at 7-9.

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PUBLIC CERTIFICATE OF SERVICE

I, Lisa R. Barton, hereby certify that the attached **Order No. 23** has been served upon the following parties as indicated, on _____

SEP 22 2016



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