

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. 24

By publication of a notice in the *Federal Register* on March 14, 2016, pursuant to subsection (b) of section 337 of the Tariff Act of 1930, as amended, the Commission instituted this investigation to determine:

[W]hether there is a violation of subsection (a)(1)(B) of section 337 in the importation into the United States, the sale for importation, or the sale within the United States after importation of certain automated teller machines, ATM modules, components thereof, and products containing the same by reason of infringement of one or more of claims 1-3 and 5 of the '551 patent [U.S. Patent No. 7,891,551]; claims 1 and 6 of the '655 patent [U.S. Patent No. 7,950,655]; claims 1-4, 6, and 7 of the '165 patent [U.S. Patent No. 8,152,165]; and claims 1-3, 6, 8, and 9 of the '235 patent [U.S. Patent No. 8,523,235], and whether an industry in the United States exists as required by subsection (a)(2) of section 337.

81 Fed. Reg. 13419 (Mar. 14, 2016).

Respondents Diebold, Inc. and Diebold Self-Service Systems (collectively, "Diebold") filed a Motion for Sanctions in Connection with U.S. Patent Nos. 7,891,551 [{"the '551 patent"}] and 8,152,165 [{"the '165 patent"}]. Motion Docket No. 989-001. Complainants Nautilus Hyosung Inc. and Nautilus Hyosung America Inc. (collectively, "Hyosung") filed an opposition.

Diebold argues that Hyosung did not fulfill the duty imposed by 19 C.F.R. § 201.4 to verify that it had an adequate legal and factual basis for filing its complaint with respect to

the '551 and '165 patents. Mot. at 1; Mem at 1. Specifically, Diebold argues that although it informed Hyosung that the asserted claims of the '551 and '165 patents are invalid, Hyosung continued to assert those patents, and responded that it would oppose any motion for summary determination filed by Diebold. Mot. at 1-2. Diebold further argues that it did indeed file a motion for summary determination, and upon an order from the administrative law judge awarding monetary sanctions, Diebold is prepared to submit an accounting of the reasonable attorney fees it incurred in preparing and prosecuting both Diebold's motion for summary determination and the pending motion for sanctions. Mem. at 14.

Since the filing of the pending motion for sanctions, Hyosung has withdrawn its allegations under the '551 patent and the '165 patent. *See* Order No. 11 (initial determination), *aff'd*, Notice of Commission Determination Not to Review (July 27, 2016).¹ Furthermore, Order No. 13 denied a renewed motion (Motion Docket No. 989-004) filed by Diebold for summary determination that the '551 and '165 patents are invalid as anticipated, inasmuch as Hyosung no longer asserts the '551 and '165 patents in this investigation.² The original motion for summary determination (Motion Docket No. 989-002), referenced in the pending motion for sanctions, was withdrawn. *See* Withdrawal of Motion for Summary Determination (EDIS Doc. ID 581246).

¹ Order No. 17 is an unreviewed initial determination granting Hyosung's unopposed motion to terminate this investigation as to U.S. Patent No. 7,950,655. *See* Order No. 17 (initial determination), *aff'd*, Notice of Commission Determination Not to Review (Aug. 16, 2016). Consequently, Hyosung continues to assert only claims of U.S. Patent No. 8,523,235.

² In addition, the pending motion for sanctions, despite its arguments relating to alleged patent invalidity, does not provide an adequate basis upon which a finding of patent invalidity could be made.

Moreover, Commission Rule 201.4 requires that a motion seeking sanctions thereunder cannot be filed with, or presented to, the presiding administrative law judge or the Commission unless, within seven days after service of the motion (or such other period as the administrative law judge or the Commission may prescribe), the challenged paper, claim, defense, contention, allegation, or denial is not withdrawn or appropriately corrected. *See* 19 C.F.R. § 201.4(d)(1). Hyosung argues that prior to filing the pending motion at the Commission, Diebold provided Hyosung with only an “early draft of the supporting memorandum,” and further that Hyosung was not made aware of certain principal arguments that Diebold would make in its motion for summary determination of patent invalidity. *Opp’n* at 8. Indeed, there is no indication in the pending motion, including its supporting memorandum and the exhibits, that Diebold provided the pending motion for sanctions to Hyosung as required by Commission Rule 210.4.

Accordingly, Motion No. 989-001 is denied.



David P. Shaw
Administrative Law Judge


Issued: September 29, 2016

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PUBLIC CERTIFICATE OF SERVICE

I, Lisa R. Barton, hereby certify that the attached Order No. 24 has been served upon the following parties as indicated, on SEP 30 2016



Lisa R. Barton, Secretary
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