

UNITED STATES INTERNATIONAL TRADE COMMISSION

Washington, D.C.

In the Matter of

**CERTAIN SILICON MICROPHONE
PACKAGES AND PRODUCTS
CONTAINING THE SAME**

Inv. No. 337-TA-695

**ORDER NO. 14: DENYING COMPLAINANT'S MOTION TO AMEND
COMPLAINT & NOTICE OF INVESTIGATION**

(April 2, 2010)

On March 15, 2010, complainant Knowles Electronics, LLC ("Knowles") moved to amend the complaint and notice of investigation to assert infringement of dependent claims 22, 23 and 24 of U.S. Patent 7,242,089 (the "'089 patent").¹ (Motion Docket No. 695-10.) On March 19, 2010, respondent Analog Devices, Inc. ("Analog") filed a response opposing the motion.² On March 25, 2010, the Commission Investigative Staff ("Staff") filed a response opposing the motion.

Commission Rule 210.14(b) governs amending the complaint and notice of investigation after an investigation has been instituted. It states, *inter alia*:

After an investigation has been instituted, the complaint or notice of investigation may be amended only by leave of the Commission for good cause shown and upon such conditions as are necessary to avoid prejudicing the public interest and the rights of the parties to the investigation.

After an investigation has been instituted, a complainant who seeks to amend the

¹ By a separate letter dated March 22, 2010, Knowles acknowledged that it was informed by Staff that its motion also requires amendment of the Notice of Investigation to add the proposed claims, although the motion does not request it.

² Analog's response failed to identify the motion docket number as required by Ground Rule 3.1.

complaint and notice of investigation bears the burden of establishing the existence of good cause to make the requested amendment. *Certain EPROM, EEPROM, Flash Memory, and Flash Microcontroller Semiconductor Devices and Products Containing Same*, Inv. No. 337-TA-395, Order No. 18 at 2 (Aug. 27, 1997). Generally, good cause exists when new information is obtained during discovery that was not known to a complainant prior to institution. *Certain Display Controllers with Upscaling Functionality and Products Containing Same*, Inv. No. 337-TA-481, Order No. 8, 2003 ITC LEXIS 494, *5 (Jan. 30, 2003). Timely motions to amend the complaint to assert new claims from a patent at issue are routinely granted; however, amendments to add a new patent are not. *Id.*; *see also EPROM*, 337-TA-395, Order No. 18 (where a motion to amend the complaint to add infringement allegations for two additional patents was denied because the complainant based its infringement allegations for the new patents on the same schematic diagrams that had been produced in earlier litigation). In addition, there must be an inquiry into whether granting the motion would prejudice the rights of the other parties and the public interest. *EPROM*, 337-TA-395, Order No. 18 at *2.

Here, I find that Knowles has not demonstrated good cause to amend the complaint.

When a complainant seeks to amend the complaint and notice of investigation by adding patent claims, the “good cause” requirement of Commission rule 210.14(b) requires that the party demonstrate why it was unable to bring the allegations forward at an earlier point.

Certain Liquid Crystal Display Modules, Products Containing Same, and Methods for Using the Same, 337-TA-634, Order No. 5, 2008 ITC LEXIS 1781, *2 (Aug. 6, 2008)(hereinafter “*Liquid Crystal Display*”) (citing *Certain HSP Modems, Software and Hardware Components Thereof, and Products Containing Same*, Inv. No. 337-TA-439, Order. No. 12 at 4 (Feb. 8, 2001)(hereinafter “*HSP Modems*”).

I concur with the reasoning in *HSP Modems, supra*, wherein it says, “[e]specially given the swift nature with which section 337 investigations proceed, ‘it is important that all patent claims which a complainant intends to pursue be identified at the earliest opportunity’ and ‘militate[s] against the late addition of new claims except in compelling circumstances.’” Knowles has not met its burden of demonstrating its inability to bring these allegations forward at an earlier point in time.

Knowles argues that good cause exists to permit the requested amendment, citing “recently discovered documents produced by [Analog]” that form the basis for adding the three dependent claims to the complaint.³ Knowles includes in its argument for good cause a brief discussion of the content of the documents upon which it bases its new assertions, asserting it had no knowledge of the “modified design” of Analog’s products until it received the discovery. The delay in filing the motion, according to Knowles, was that it was “precluded by the Commission’s Rules from expanding the scope of the temporary relief inquiry in this investigation after receiving such discovery.” (Citing 19 CFR § 210.57.)

Analog opposes the motion, stating that Knowles’ “discovery” is based on a single document that Analog produced on January 8, 2010, and which does not describe an Analog product. In support of its position, Analog cites *Certain Power Supply Controllers and Prods. Containing Same*, Inv. No. 337-TA-541, Order No. 15 (Dec. 21, 2005), available at 2005 WL 3706844, (“*Power Supply Controllers*”)(denying motion to amend because, *inter alia*, the documents upon which the complainant relied were produced by respondent four months prior). Analog also cites *Certain Semiconductor Integrated Circuits Using Tungsten Metallization and Prods. Containing Same*, ITC Inv. No. 337-TA-648, Order No. 60 (Mar. 26, 2009) available at 2009 WL 852258 (hereinafter “*Semiconductor Integrated Circuits*”)(denying motion to amend

³ Knowles does not reveal the date on which it received the documents.

complaint to assert two additional patent claims because, among other reasons, it was brought one month before the end of fact discovery).

Staff argues that to make a showing of good cause, the motion must be timely and a complainant “must demonstrate why it was unable to bring its new allegation forward at an earlier time.” (Citing *Certain Lighting Control Devices Including Dimmer Switches and/or Switches and Parts Thereof*, Inv. No. 337-TA-599, Order No. 8 (August 21, 2007); *Certain Excimer Laser Systems for Vision Correction and Components Thereof and Methods for Performing Such Surgery*, Inv. No. 337-TA-419, Order No. 13 (May 27, 1999)(“given the swift nature with which section 337 investigations proceed, ‘it is important that all patent claims which a complainant intends to pursue be identified at the earliest opportunity’ and ‘militate[s] against the addition of new claims except in compelling circumstances.’”).

Staff concludes that Knowles’ argument that 19 CFR § 210.57 prevented an earlier motion to amend the complaint is incorrect. While Staff acknowledges that § 210.57 proscribes broadening the scope of the temporary relief phase of the proceeding, Staff argues that the section does not apply to amending the complaint itself.

Based upon the facts before me in this motion, I find that Knowles has failed to demonstrate good cause for its nine week delay in filing the within motion. It is uncontested that the discovery that produced the document upon which the motion is based was served on Knowles on January 8, 2010, and this motion was not brought until March 15, 2010. The only explanation for the delay, which exceeds two months, was that Knowles was precluded from expanding the scope of the temporary relief portion of this investigation. Staff’s position that the proscription of 19 CFR § 210.57 applies only to the temporary relief portion of the case and not to an amendment to the complaint is correct. There was nothing to prevent Knowles from

moving to amend the complaint while the temporary relief portion of the case was pending. In fact, the motion was filed prior to the issuance of the Initial Determination denying the temporary relief requested, and it contained footnotes stating, “This request applies only to Knowles’ Complaint and the permanent relief proceeding. Knowles does not intend to – or seek to – amend the scope of its Motion for Temporary Relief.” (See Knowles’ motion at page 1 and memorandum in support of the motion at page 1.)

Based upon the foregoing, I find that Knowles has failed to show good cause to allow amendment of the complaint to add allegations of infringement of dependent claims 22, 23 and 24 of the ’089 patent.

Because I have found the lack of showing of good cause, it is not necessary to treat the additional issue of whether or not allowing the amendment would prejudice the rights of the parties in this investigation. Nevertheless, I also find that Knowles’ proposed amendment would prejudice Analog. It has been emphasized in other cases that:

The potential prejudice to a respondent from expanding the scope of an investigation once underway, and the resulting potential for strategic behavior by a complainant in seeking to amend a complaint to add new allegations mid-investigation underscore the necessity of requiring a demonstration that good cause exists for not having raised the new allegations in the original Complaint *or in an otherwise timely manner.*

Certain Excimer Laser Systems for Vision Correction Surgery and Components Thereof and Methods for Performing Such Surgery, Inv. No. 337-TA-419, Order No. 13 at 6 (May 27, 1999) (internal citations omitted) (emphasis added.); see also *Liquid Crystal Display*, 337-TA-634, Order No. 5, 2008 ITC LEXIS 1781 at *3. Knowles acknowledges that the deadline for the parties to submit their lists of terms for construction has passed; but argues that the parties’ rights would not be prejudiced by allowing the amendment. Knowles indicates it “will not object to [Analog] identifying terms for construction by Knowles” for terms in the added claims of the

'089 patent.

Knowles' delay in filing its motion would certainly place a hardship on the parties without modifying the procedural schedule. As Knowles acknowledges, initial expert reports were due on April 2, 2010; the parties notices of prior art were due on March 29, 2010; and both fact and expert discovery will end later in April, 2010. As Analog argues persuasively, requiring Analog to re-evaluate its infringement and invalidity positions to determine whether the newly asserted claims require construction, and to provide additional last minute discovery is unjustified at this late stage.

ORDER

Motion No. 695-10 is hereby DENIED.

SO ORDERED.



Robert K. Rogers, Jr.
Administrative Law Judge

**CERTAIN SILICON MICROPHONE PACKAGES
AND PRODUCTS CONTAINING THE SAME**

Inv. No. 337-TA-695

PUBLIC CERTIFICATE OF SERVICE

I, Marilyn R. Abbott, hereby certify that the attached **ORDER** was served upon **Maressa A. Frederick, Esq.**, Commission Investigative Attorney, and the following parties via first class mail delivery on April 5, 2010.



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