

**PUBLIC VERSION**

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

**In the Matter of**

**CERTAIN ELECTRONIC DEVICES,  
INCLUDING STREAMING PLAYERS,  
TELEVISIONS, SET TOP BOXES,  
REMOTE CONTROLLERS, AND  
COMPONENTS THEREOF**

**Investigation No. 337-TA-1200**

**COMMISSION OPINION**

On January 25, 2021, the presiding administrative law judge (“ALJ”) issued an initial determination (“ID”) (Order No. 40) granting summary determination that the complainant Universal Electronics, Inc. (“UEI”) lacks standing to assert U.S. Patent No. 10,593,196 (“the ’196 patent”) because it did not own all rights to the patent at the time it filed its complaint. The Commission, having reviewed the ID, the parties’ submissions, and the record, has determined to reverse the ID and find instead that respondent Roku Inc. (“Roku”) has not demonstrated that it is entitled to summary determination as a matter of law that UEI was not the rightful owner of all substantial rights in the ’196 patent at the time it filed its complaint and thus lacked standing to assert the ’196 patent in this investigation. The Commission remands the investigation with respect to the ’196 patent to the ALJ for further proceedings consistent with this Opinion.

**I. BACKGROUND**

**A. Procedural History**

The Commission instituted this investigation on May 22, 2020, based on a complaint filed by UEI of Scottsdale, Arizona. 85 Fed. Reg. 31211-212 (May 22, 2020). The complaint, as supplemented, alleges violations of section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. § 1337 (“Section 337”), in the importation into the United States, sale for importation, or sale in

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the United States after importation of certain electronic devices, including streaming players, televisions, set top boxes, remote controllers, and components thereof, by reason of infringement of one of more claims of the '196 patent and U.S. Patent Nos. 7,589,642 (“the '642 patent”); 7,696,514 (“the '514 patent”); 9,911,325 (“the '325 patent”); 10,600,317 (“the '317 patent”); and 9,716,853 (“the '853 patent”). *Id.* The complaint also alleges a domestic industry exists. *Id.*

The Commission’s notice of investigation named the following respondents: Roku Inc. of Los Gatos, California; TCL Electronics Holdings Ltd. of New Territories, Hong Kong; Shenzhen TCL New Technology Co. Ltd. of Shenzhen, China; TCL King Electrical Appliances Co. Ltd., Huizhou, China; TTE Technology Inc. of Corona, California; TCL Corp. of Huizhou City, China; TCL Moka Int’l Ltd. of New Territories, Hong Kong; TCL Overseas Marketing Ltd. of New Territories, Hong Kong; TCL Industries Holdings Co., Ltd. of New Territories, Hong Kong; and TCL Smart Device Co. of Bac Tan Uyen District, Vietnam (collectively, “the TCL Respondents”); Hisense Co. Ltd. of Qingdao, China; Hisense Electronics Manufacturing Co. of America Corp. of Suwanee, Georgia; Hisense Import & Export Co. Ltd. of Qingdao, China; Qingdao Hisense Electric Co., Ltd. of Qingdao, China; and Hisense International Co. of Shen Wang, Hong Kong (collectively, “the Hisense Respondents”); and Funai Electric Co., Ltd. of Osaka, Japan; Funai Corp. Inc. of Rutherford, New Jersey; and Funai Co., Ltd. of Nakhon Ratchasima, Thailand (collectively, “the Funai Respondents”) (all respondents are collectively referred to as “Respondents”). The Office of Unfair Import Investigations is not participating in this investigation. *Id.*

On December 23, 2020, the Commission partially terminated the investigation due to withdrawal of all claims of the '853 patent, claims 19 and 20 of the '196 patent, and claims 14 and 20 of the '642 patent. Order No. 27 at 1 (Dec. 2, 2020), *unreviewed by Comm’n Notice*

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(Dec. 23, 2020). The Commission then partially terminated the investigation due to withdrawal of claim 20 of the '514 patent. Order No. 32 (Dec. 21, 2020), *unreviewed by Comm'n Notice* (Jan. 5, 2021). On January 13, 2021, the Commission amended the notice of institution to clarify that claims 2 and 4-5 of the '196 patent are only domestic industry claims and are not being asserted against any Respondent for infringement purposes. Order No. 33 (Dec. 29, 2020), *unreviewed by Comm'n Notice* (Jan. 13, 2021). On January 21, 2021, the Commission partially terminated the investigation due to withdrawal of all asserted claims of the '317 patent, claim 6 of the '514 patent, and claims 1, 3, 4, 6, 12, and 19 of the '642 patent against the Funai Respondents. Order No. 34 at 3 (Jan. 4, 2021), *unreviewed by Comm'n Notice* (Jan. 21, 2021). On February 19, 2021, the Commission partially terminated the investigation due to: 1) withdrawal of all asserted claims of the '325 patent and '514 patent, claims 1, 2, 4, 5, 7, 8, and 10 of the '317 patent, and claim 25 of the '642 patent against all Respondents; and 2) claim 12 of the '642 patent against the TCL Respondents and Hisense Respondents. Order No. 44 (Feb. 2, 2021), *unreviewed by Comm'n Notice* (Feb. 19, 2021).

On February 18, 2021, the Commission determined not to review an ID (Order No. 38) granting summary determination that claim 19 of the '642 patent is practiced by certain domestic industry products and infringed by the "Elk" series of accused products. Order No. 38 (Jan. 19, 2021), *unreviewed by Comm'n Notice* (Feb. 18, 2021). On February 24, 2021, the Commission determined not to review an initial determination entering summary determination that the technical prong of the domestic industry requirement is satisfied for claims 1-3, 5-8, and 16 of the '325 patent. Order No. 41 (Jan. 25, 2021), *unreviewed by Comm'n Notice* (Feb. 24, 2021). On the same date, the Commission partially terminated the investigation due to withdrawal of all remaining asserted claims of the '317 patent and claims 1, 3, 4, and 6 of the '642 patent against

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the TCL Respondents and the Hisense Respondents. Order No. 49 (Feb. 9, 2021), *unreviewed by* Comm'n Notice (Feb. 24, 2021).

On December 30, 2020, Roku moved for summary determination that UEI lacks standing to assert the '196 patent because UEI did not own all substantial rights to the patent when it filed the complaint.<sup>1</sup> On January 11, 2021, UEI filed an opposition to Roku's motion.

On January 25, 2021, the ALJ entered summary determination that UEI lacked standing to assert the '196 patent as a matter of law. Order No. 40 (Jan. 25, 2021). On February 1, 2021, UEI filed a petition for review of Order No. 40.<sup>2</sup> On February 8, 2021, Roku filed an opposition to UEI's petition for review.<sup>3</sup> On February 10, 2021, UEI filed a motion for leave to file a reply brief in support of its petition for review.<sup>4</sup> On February 12, 2021, Roku filed an opposition to UEI's motion.<sup>5</sup>

On February 24, 2021, the Commission determined to review and reverse the subject ID (Order No. 40) granting Roku's motion for summary determination. Comm'n Notice (Feb. 24, 2021). This opinion sets forth the reasons for the Commission's determination.

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<sup>1</sup> Roku filed the motion alone because it is the only Respondent accused of infringing the '196 patent. Order No. 40 at 1 n.1 (Jan. 25, 2021).

<sup>2</sup> See Complainant's Petition for Review of Order No. 40 (Feb. 1, 2021) ("UEI's Pet.").

<sup>3</sup> See Roku, Inc.'s Opposition to Complainant's Petition for Review of Order No. 40 Regarding UEI's Lack of Standing to Assert U.S. Patent No. 10,593,196 (Feb. 8, 2021) ("Roku's Opp.").

<sup>4</sup> See Complainant's Motion for Leave to File a Reply Brief and Notice of Additional Support in Support of its Petition for Review of Order No. 40 (Feb. 10, 2021) ("UEI's Reply").

<sup>5</sup> See Roku, Inc.'s Opposition to Complainant's Motion for Leave to File a Reply in Support of its Petition for Review of Order No. 40 (Feb. 12, 2021) ("Roku's Sur-Reply").

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### B. The '196 Patent

#### 1. Inventorship and Chain of Priority

The '196 patent, entitled “System and Method for Optimized Appliance Control,” issued on March 17, 2020, from Application No. 16/197,748 (“the '748 Application”). *See* '196 patent, cover. The '196 patent claims priority through a chain of continuation and continuation-in-part (“CIP”) applications back to Application No. 13/657,176 (“the '176 application”), Provisional Application No. 61/680,876 (“the '876 Provisional Application”), and Provisional Application No. 61/552,857 (“the '857 Provisional Application”) (collectively, “the Priority Applications”). '196 patent, cover (“Related U.S. Application Data”). Mr. Arling and Mr. Barnett, two UEI employees, are co-inventors of the Priority Applications and the '196 patent. Order No. 40 at 3; UEI’s Pet. at 3, 4; Roku’s Opp. at 7-8; *see also* '196 patent, cover and Certificate of Correction.

The chain of priority for the '196 patent family is summarized below:



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'196 patent, cover (“Related U.S. Application Data”); *see also* Order No. 40 at 3; UEI’s Pet. at 3; Roku’s Opp. at 9.

Mr. Arling is the sole inventor of the new matter disclosed in the four CIP and continuation applications filed after the Priority Applications (“the Arling Applications”) – specifically, two CIPs (Application Nos. 13/899,671 and 14/136,023) and two continuations (Application Nos. 15/259,847 and 15/789,547) filed thereafter. Order No. 40 at 2-3; UEI’s Pet. at 3, 5; Roku’s Opp. at 8-9. There is no dispute that Mr. Arling properly assigned to UEI all of his rights in the Priority Applications, Arling Applications, and ’196 patent. UEI’s Pet. at 5-6.

The Arling Applications were followed by one more continuation application – the ’748 Application – which issued as the asserted ’196 patent. *See* ’196 patent, cover. The ’748 Application originally, and erroneously, named Mr. Arling as the sole inventor, even though the parties agree that Messrs. Barnett and Arling are co-inventors of the claimed invention in that application and the ’196 patent that issued therefrom. Order No. 40 at 3-4; UEI’s Pet. at 3-6; Roku’s Opp. at 1, 5-6, 10-11. On September 21, 2020 – five months after UEI filed the complaint at the Commission – UEI filed a petition with the U.S. Patent and Trademark Office (“PTO”) to add Mr. Barnett as a co-inventor of the ’196 patent. *Id. Id.* The PTO issued a Certificate of Correction on December 15, 2020, adding Mr. Barnett as a co-inventor. *Id.*; ’196 patent, Certificate of Correction.

### **2. The Barnett Agreements**

Roku’s summary determination motion focuses on multiple agreements, executed in 2004, 2012, and 2020, that relate to assigning Mr. Barnett’s intellectual property rights to UEI.

**2004 Barnett Agreement.** Shortly after Mr. Barnett joined UEI in 2004, he executed an employment agreement (the “2004 Barnett Agreement”), which states the following:

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Order No. 40 at 5; UEI’s Pet. at 7, 20-21 & Barnett Aff. at Ex. 1; Roku’s Opp. at 7.

**2012 Barnett Assignments.** In 2012, Mr. Barnett assigned to UEI his rights to the invention disclosed in each of the Priority Applications in which he is listed as an inventor (collectively, the “2012 Barnett Assignments”), as follows:

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UEI’s Ex. A, Barnett Aff. at Ex. 2 (’876 assignment), Ex. 3 (’857 assignment), Ex. 4 (’176 assignment), quoted in UEI’s Pet. at 4-5; Roku’s Opp. at 7-8; *see also* Order No. 40 at 3.

**2020 Barnett Assignment.** In 2020, Mr. Barnett assigned to UEI any rights he may have had in the ’196 patent when UEI filed a petition with the PTO to correct the inventorship of the patent. Order No. 40 at 3-4. This assignment is referred to “the 2020 Barnett Assignment.”

**II. LEGAL PRINCIPLES**

**A. Standing**

Commission Rule 210.12 requires the complainant(s) filing an intellectual property-based complaint to show that “at least one complainant is the owner or exclusive licensee of the subject intellectual property.” 19 C.F.R. § 210.12(a)(7); *see also IpVenture, Inc. v. ProStar Computer, Inc.*, 503 F.3d 1324, 1325 (Fed. Cir. 2007) (the only entity(ies) that can enforce the rights protected by a patent is the entity(ies) that owns or controls all substantial rights in that patent).

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Standing is ordinarily a question of law, which may rest on underlying findings of jurisdictional fact. *Abraxis Bioscience, Inc. v. Navinta LLC*, 625 F.3d 1359, 1363-64 (Fed. Cir. 2010).

Ownership of a patent initially vests in the inventor(s) as a matter of law. *Regents of the University of New Mexico v. Knight*, 321 F.3d 1111, 1118-19 (Fed. Cir. 2003) (“UNM”). An inventor, however, can assign all or part of his/her interests in a patent, patent application, or invention to another person or entity (the assignee) by means of a written assignment. *Id.* When a patent has multiple co-owners, each possessing an undivided part of the patent, all co-owners must be joined to establish standing to bring a civil action for patent infringement. *Israel Bio-Eng’g Project v. Amgen Inc.*, 475 F.3d 1256, 1264-65 (Fed. Cir. 2007). Without joinder, a single co-owner lacks the standing needed to sue for patent infringement. *Id.*

Issues of patent ownership are thus distinct from questions of inventorship. *Id.* at 1263. Ownership depends upon the substance of what was granted through assignment. *Id.* at 1265. A court must carefully consider the intention of the parties and the language of the grant in order to construe the substance of an assignment. *Id.* The interpretation of an assignment is ordinarily a question of law, which in some cases may rest on underlying factual findings. *Abraxis*, 625 F.3d at 1363. Although contractual obligations and transfers of property are ordinarily governed by state law, a patent assignment is interpreted pursuant to federal law when it is intimately related to the issue of standing. *Abraxis*, 625 F.3d at 1364; *UNM*, 321 F.3d at 1118-19.

### **B. Summary Determination**

Any party may move for summary determination, with supporting evidence and affidavits, with respect to any or all of the issues to be determined in the investigation. 19 C.F.R. § 210.18(a). A party opposing the motion may not rest upon mere allegations or denials of the movant’s pleading, but it must set forth specific facts showing there is a genuine issue of fact for the evidentiary hearing. *See id.* § 210.18(c). A motion for summary determination may be

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granted, in whole or in part, if the ALJ finds that there is no genuine issue as to any material fact and the moving party is entitled to a summary determination as a matter of law. *Id.* § 210.18(b).

### C. Review

With respect to the issues under review, “the Commission may affirm, reverse, modify, set aside or remand for further proceedings, in whole or in part, the initial determination of the administrative law judge.” 19 C.F.R. § 210.45(c). The Commission also “may take no position on specific issues or portions of the initial determination,” and “may make any finding or conclusions that in its judgment are proper based on the record in the proceeding.” *Id.*

## III. ANALYSIS

As set forth below, the Commission has determined to review and reverse the subject ID, which finds no genuine issue of material fact and that Roku is entitled to a determination as a matter of law that UEI lacked standing to assert the ’196 patent at the time it filed its complaint on April 6, 2020.

### A. Order No. 40

The ID finds as a matter of law that UEI lacked standing to assert the ’196 patent because the 2004 Barnett Agreement and 2012 Barnett Assignments did not assign Mr. Barnett’s entire rights in the ’196 patent to UEI before UEI filed the complaint, and the 2020 Barnett Assignment could not retroactively repair UEI’s alleged lack of standing. Order No. 40 at 4, 8-9.

#### 1. The 2004 Barnett Agreement

The ID begins by considering the 2004 Barnett Agreement, which Mr. Barnett executed shortly after he joined UEI. *Id.* at 5. The pertinent language from the Agreement provides:

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*Id.* (emphasis added).

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The ID finds that, under governing precedent, terms like “shall be” ordinarily represent a promise to assign any future inventions, and not an immediate or automatic transfer of future rights. *Id.* (citing, *inter alia*, *Arachnid, Inc. v. Merit Indus., Inc.*, 939 F.2d 1574, 1581 (Fed. Cir. 1991)). The ID further finds that “you agree . . . shall be the property” is a “mere promise to assign rights in the future, not an immediate transfer of expectant interests.” *Id.* (quoting *Abraxis*, 625 F.3d at 1365). The ID also finds that the 2004 Barnett Agreement lacks present language of conveyance, such as “hereby conveys, transfers, and assigns,” which is required to create an automatic conveyance of an expectant interest. *Id.* In the absence of such language, the ID concludes that the 2004 Barnett Agreement did not automatically assign to UEI any of Mr. Barnett’s rights to the Provisional Applications or the ’196 patent that eventually issued from the priority chain. *Id.*

### **2. The 2012 Barnett Assignments**

The ID finds that the 2012 Barnett Assignments also failed to assign to UEI all of Mr. Barnett’s rights in the ’196 patent under governing law. *Id.* at 6. The ID finds that the 2012 Barnett Assignments are limited to “all divisions and continuations” of the Priority Applications, and thus do not cover the CIPs because they contain “new matter” not found in the Priority Applications. *Id.* at 6-7 (citing *Transco Prods. Inc. v. Performance Contracting, Inc.*, 38 F.3d 551, 555-56 (Fed. Cir. 1994)).

The ID further finds that, with the addition of new matter from the CIPs, the invention claimed in the ’196 patent is not the same “invention” that Mr. Barnett assigned to UEI when he executed the 2012 Barnett Assignments. *Id.* at \*7 (citing *Alpha One Transporter, Inc. v. Perkins Motor Transport, Inc.*, 2014 WL 4537012 at \*3 (S.D. Cal. Sept. 11, 2014) (assignment of “the invention” did not cover a subsequent CIP because it contained new matter)). The ID also finds that Mr. Barnett did not execute any separate assignments for any of the CIP or continuation

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applications claiming priority to the Provisional Applications. *Id.* at 6. The ID concludes that the 2012 Barnett Assignments did not convey Mr. Barnett’s complete rights to the ’196 patent to UEI, and thus UEI lacks standing because it did not own all rights to the ’196 patent at the time it filed its complaint. *Id.* at 4, 6-8.

In so holding, the ID distinguishes cases cited by UEI that found that the assignments at issue covered later-filed CIPs. *Id.* at 7. The ID finds that those assignments used terms like “improvements” to cover CIPs and any new matter disclosed therein, a term not used in the 2012 Barnett Agreements. *Id.* (discussing *E.I. du Pont de Nemours & Co. v. Okuley*, 2000 WL 1911430 at \*26 (S.D. Ohio Dec. 21, 2000) (“*Okuley I*”), *aff’d*, 344 F.3d 578 (6th Cir. 2003) (“*Okuley II*”)<sup>6</sup>; *Rowe Int’l Corp. v. Ecast, Inc.*, 500 F. Supp. 2d 885, 890-91 (N.D. Ill. 2007)).

The ID also dismisses UEI’s argument that Mr. Barnett could not have assigned any of the new matter added by the subsequent CIPs because he was not the inventor of any such new matter. *Id.* at 7-8. The ID responds that “Mr. Barnett may not have been an inventor of the new matter that was added to the CIP applications, but it is undisputed that he was an inventor for the aspects of those applications that derive from the parent 176 Patent [*sic*, Application].” *Id.* at 8. The ID further finds that “[i]n any event, [Mr. Barnett] is definitely a joint inventor on the ’196 Patent, so UEI’s argument regarding the CIPs is beside the point.” *Id.*

In sum, the ID concludes that UEI lacks standing because the 2004 Barnett Agreement and 2012 Barnett Assignments did not fully convey to UEI Mr. Barnett’s entire rights to the ’196 patent, so UEI did not possess all rights to the ’196 patent when it filed its complaint. *Id.* at 8-9.

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<sup>6</sup> The Sixth Circuit, and not the Federal Circuit, heard the *Okuley* appeal because it was directed to issues of ownership and not inventorship or standing. *See Okuley II*, 344 F.3d at 580, 582-84.

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The ID further finds that UEI could not retroactively repair its lack of standing by adding Mr. Barnett as a co-inventor and obtaining a new assignment after it had filed its complaint. *Id.*

### **B. Determination**

The Commission finds that the ID errs in determining, as a matter of law, that Roku had established that the 2012 Barnett Assignments were ineffective in conveying all substantial rights to the '196 patent and that UEI was not the rightful owner of the '196 patent when it filed its complaint. Given that the material facts are not in dispute and the assignments in question are intimately connected to the issue of standing, the assignments are to be interpreted as a matter of law, pursuant to federal, not state, law. *Abraxis*, 625 F.3d at 1363-64; *UNM*, 321 F.3d at 1118.

#### **1. The 2004 Barnett Agreement**

The ID finds that governing legal precedent holds that the term “shall be” in the 2004 Barnett Agreement is only a promise to assign any future discoveries or inventions to UEI, not a present or automatic conveyance of any expectant interest. ID at 4-5. UEI argues the ID is in error, because the language “you *hereby agree* that all discoveries, designs, devices, and concepts developed by you . . . *shall be* the property of [UEI]” is an automatic conveyance of any future inventions, which becomes effective once an invention is made, without the need for any further assignment or action by Mr. Barnett. UEI’s Pet. at 19-22. UEI further argues that the ID errs in relying on *Arachnid*, 939 F.3d at 1576, because the agreement at issue in that case expressly used language of a future conveyance (“will be assigned”) and not a present conveyance (*e.g.*, “hereby assign”). *Id.* at 22.

The Commission finds there is no need to resolve the dispute as to the 2004 Barnett Agreement because the question is moot. Even if the 2004 Barnett Agreement was only a promise to assign any inventions in the future, as the ID finds, and not an automatic conveyance of an expectant interest, as UEI argues, the Commission finds that Mr. Barnett fulfilled that

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promise by executing the 2012 Barnett Assignments, which assigned to UEI any and all rights he had in the invention of the '196 patent, as discussed below. Because the issue is moot in light of the 2012 Barnett Assignments, the Commission takes no position on the dispute as to the 2004 Barnett Agreement.

### 2. The 2012 Barnett Assignments

There is no dispute that the 2012 Barnett Assignments expressly operate as a present conveyance (“hereby sell[s] and assign[s]”) of Mr. Barnett’s “entire right, title, and interest” in the invention disclosed in each Priority Application, as set forth below:

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UEI’s Pet. at 4-5; Roku’s Opp. at 7-8 (emphasis added). No further action or assignment was required to convey to UEI Mr. Barnett’s “entire right, title, and interest” in the inventions in the Priority Applications. *See DDB Technologies, LLC v. MLB Advanced Media, LLP*, 517 F.3d 1284, 1290 (Fed. Cir. 2008) (holding “hereby grant and assign” constitutes a present, or automatic, assignment of future inventions, and not a mere promise to assign). Further, there is no genuine dispute that Mr. Barnett did not contribute any “new matter” or other discoveries or inventions to the CIP applications (*i.e.*, Application Nos. 13/899,671 and 14/136,023) or claimed in the '196 patent after he filed the Priority Applications and assigned them to UEI via the 2012 Barnett Assignments.<sup>7</sup> *See* UEI’s Pet. at 1, 3-4, 5. Accordingly, Roku has not shown that Mr.

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<sup>7</sup> Although Roku’s opposition to UEI’s petition for review challenges UEI’s assertion that the ID finds that Mr. Barnett did not invent any new matter after he assigned the Priority Applications, Roku does not actually assert that, apart from Mr. Barnett’s inventions disclosed in the Priority Applications, Mr. Barnett contributed any new matter disclosed or claimed in the CIPs or the '196 patent, nor does Roku cite any evidence to that effect. *See* Roku’s Opp. at 15 (discussing Order No. 40 at 8). Furthermore, Roku does not dispute the intrinsic record showing that Mr.

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Barnett had any further rights to assign with respect to the '196 patent after he executed the 2012 Barnett Assignments.

The ID errs in finding, as a matter of law, that the 2012 Barnett Assignments do not cover rights associated with CIPs because CIPs, unlike “continuations,” contain new matter not disclosed in the Priority Applications. *See* Order No. 40 at 6-7 (citing *Transco*, 38 F.3d at 555-56). This finding is inconsistent with Federal Circuit precedent concerning the legal effect of assignment language similar to that used in the 2012 Barnett Assignments at issue.<sup>8</sup> In *UNM*, the

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Arling is the sole inventor of the new matter contained in the CIPs (*i.e.*, Application Nos. 13/899,671 and 14/136,023) and '196 patent. *See* Order No. 40 at 2-4; Exhibits 15 and 18 to UEI's Motion for Summary Determination. Thus, there is no genuine dispute that Mr. Barnett did not contribute any new matter to the CIPs after assigning the Priority Applications. Likewise, Roku cites no evidence to dispute UEI's showing that the '196 patent claims are supported by the disclosures in the '857 Provisional Application. *Compare* UEI's Pet. at 4, 17 with Roku's Opp. at 14-15.

<sup>8</sup> Vice Chair Stayin does not join the Commission in finding the outcome here is governed by the *UNM* decision but joins the Commission's determination that Roku failed to show it was entitled to summary determination that UEI lacked standing to assert the '196 patent when it filed the complaint. In the Vice Chair's view, the Commission's reading of *UNM* is overly broad, including because the inventors the Federal Circuit concluded were obligated to assign their rights in the CIPs to the university were subject to the university's patent policy and a co-inventorship agreement, in addition to prior assignments of five parent applications to the CIPs at issue in that case. *See* 321 F.3d at 1119-20. The *UNM* decision did not find, as the Commission does here, that the inventors' prior assignment of the parent application *was itself* an assignment of the inventors' rights in a subsequent CIP. *See id.* At most, the Vice Chair believes the *UNM* decision could support the conclusion that Mr. Barnett had an obligation to assign the '196 patent to UEI.

Moreover, concluding that *any* assignment that refers to “continuation” applications necessarily includes continuations-in-part is problematic from the Vice Chair's perspective. This approach would seem to conflict with the Commission's own recitation of the law, which requires the Commission to “carefully consider the intention of the parties and the language of the grant in order to construe the substance of an assignment.” *Supra* at 8 (citing *Amgen*, 475 F.3d at 1265). “Continuation-in-part” may be a term of administrative convenience, *infra* at 17, but it is nonetheless a term used in patent prosecution for decades, and one that is used for applications that are distinct from continuations in ways parties may find material. Any finding that parties to a specific agreement meant the term “continuation” to include continuations-in-part should be based on the governing principles of contract interpretation.

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Federal Circuit interpreted similar language of the grant of patent rights in an assignment, in which the co-inventors agreed to “sell, assign, and transfer . . . all right, title, and interest” in their inventions, any patents that may issue from those inventions, and “in and to any and all divisions, reissues, *continuations*, and extensions thereof.” *UNM*, 321 F.3d at 1119 (emphasis added). Although there were also other employment agreements at issue in *UNM*, it was the assignment that specifically referenced the transfer of rights associated with “continuation[.]” applications. *Id.* The Federal Circuit held that the “broad language contained in the [agreements at issue, including the assignment was] more than sufficient” to cover “*all* related patents and applications, *including the CIP applications*,” even though the assignment did not expressly mention CIPs. *Id.* (discussing obligation to assign CIPs) (emphasis added). *Id.* The Federal Circuit further concluded that the university to which the inventors had assigned (or were obligated to assign) their inventions was the rightful owner of all patents, continuations, and CIPs that issued from the inventors’ parent applications, including five CIPs that the university

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Subsequent to *UNM*, the Federal Circuit held in *MHL TEK, LLC v. Nissan Motor Co.*, 655 F.3d 1266 (Fed. Cir. 2011), that where the inventors assigned their “entire right, title and interest,” to the “inventions and discoveries in [the Parent Application],” the question of standing to assert an unrelated patent depended “on whether the inventions claimed therein are the ‘inventions and discoveries’ set forth in the Parent Application.” *Id.* at 1275. This inquiry turns on whether the specification of the parent application provides sufficient written description for the claims of the asserted patent. *Id.* at 1276.

Mr. Barnett likewise assigned his “entire right, title and interest in and *to the invention*” in the Priority Applications through the 2012 Barnett Assignments. The Vice Chair thus believes the Commission’s standing inquiry should begin with whether the invention claimed in the ’196 patent is also set forth in any of the Priority Applications. Here, Roku’s expert witness did not dispute that the claims of the ’196 patent were supported by the ’857 priority application. UEI’s Pet. at 17; UEI Opp. to Mot. for Summ. Determ., Ex. B (Rosenberg Report), ¶ 529. On this record, there is no genuine issue of material fact that the invention claimed by the ’196 patent is the same invention Mr. Barnett assigned to UEI through at least the assignment of the ’857 application in 2012.

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filed a year after the co-inventors assigned their original parent applications.<sup>9</sup> *See id.* at 1114-15, 1120-23 (discussing ownership of patents and applications, including CIPs). The Commission finds that *UNM* is instructive to the current issue since it shows that the failure to explicitly recite CIP applications in conveyance language is not fatal to the assignment of rights in the CIPs when broad language is used as in the 2012 Barnett Assignments.

The ID does not address *UNM*, *supra*, and further errs in attempting to distinguish the *Okuley* case cited by UEI. The ID asserts that the assignment at issue in *Okuley I* contained the term “improvements,” which was supposedly found to cover the new matter disclosed in the CIP. *See* Order No. 40 at 7 (discussing *Okuley I*, 2000 WL 1911430 at \*26). The assignment in question, however, did not actually mention “improvements,” when it assigned Dr. Okuley’s entire right, title, and interest in his inventions. *See Okuley I*, 2000 WL 1911430, at \*5; *Okuley II*, 344 F.3d at 580-81. Rather, the district court referred to “improvements” in quoting the U.S. Supreme Court’s holding that “[a]n assignment which conveys the entire right, title, and interest in an invention includes ‘all alterations and improvements and all patents whatsoever, issued and extensions alike, to the extent of the territory specified in the instrument.’”<sup>10</sup> *Okuley I*, 2000 WL 1911430, at \*26 (quoting *Hendrie v. Sayles*, 98 U.S. 546, 553-54 (1879)). It was on the basis of Dr. Okuley’s assignment of the “entire right, title, and interest” in his inventions, and not the assignment’s supposed use of the term “improvements,” that the *Okuley* court held that “[t]he

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<sup>9</sup> The Federal Circuit also held that the MPEP provision requiring new assignments for CIPs “is not a statement of law” and “does not alter the legal ownership rights in patent applications and issued patents.” *UNM*, 321 F.3d at 1121 (discussing MPEP § 306).

<sup>10</sup> The court mentioned another assignment, executed by Dr. Browse (Dr. Okuley’s mentor), that does refer to “improvements.” *Okuley I*, 2000 WL 1911430, at \*1-2. The court, however, found that Dr. Okuley was not bound by the Browse assignment. *See id.* at \*15-17. The court does not mention the Browse assignment in finding that Dr. Okuley’s assignment of his “entire right, title, and interest” in his inventions covers “improvements” thereto, including CIPs. *See id.* at \*26.

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CIP applications at issue are simply extensions of the original patent application filed in this case,” and thus covered by the original assignment. *Id.*, *aff’d*, *Okuley II*, 344 F.3d at 585-56.

Likewise, *Rowe*, 500 F. Supp. 2d at 890, does not support the ID’s finding. *See* Order No. 40 at 7. Although the assignment in *Rowe* expressly covered “any and all other applications . . . on said invention or *improvements*,” the court held that “the fact that the assignment does not use the magic words ‘continuation-in-part’ is of no consequence” in determining whether the assignment covers CIPs. *See Rowe*, 500 F. Supp. 2d at 890-91 (emphasis added). Thus, *Rowe* does not support the ID’s finding that Mr. Barnett’s failure to convey his rights using a specific term such as “improvements” in the 2012 Barnett Assignments means that these Assignments “did not cover CIP applications.” Order No. 40 at 7. Indeed, the *Rowe* court favorably cites both *UNM*, 321 F.3d at 119, and *Okuley I*, 2000 WL 1911430, at \*26, for holding that a broadly worded assignment (*e.g.*, conveying the “entire right, title, and interest” in an invention) may include CIPs or other “improvements,” even if the assignment does not expressly use those terms, as discussed above. *See Rowe*, 500 F. Supp. 2d at 891.

The Commission further finds that the *Transco* decision, discussed in the ID, does not support the ID’s finding that the 2012 Barnett Assignments do not cover CIPs. *See* Order No. 40 at 6-7. The ID observes that the Federal Circuit stated that CIPs differ from continuation and divisional applications in that a CIP adds new matter that was not present in the original patent application. *Id.* (discussing *Transco*, 38 F.3d at 555-56 (citing Manual of Patent Examining Procedure (“MPEP”) §§ 201.06-201.08)). Yet the Federal Circuit proceeded to explain that “[t]he PTO has noted that the expressions ‘continuation,’ ‘divisional,’ and ‘continuation-in-part’ are merely terms used for administrative convenience,” because the PTO characterizes all of these various applications as “continuing” applications. *Transco*, 38 F.3d at 555-56 (citing

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MPEP § 201.11) (emphasis added). *Transco*, moreover, did not involve assignment, ownership, or standing. *See id.* at 552. Rather, it focused on whether the continuation applications satisfied the statutory “best mode” requirement – an issue that is not relevant here.<sup>11</sup> *See id.* at 552.

The Commission’s determination is not inconsistent with *Alpha One*, also cited in the ID. *See* Order No. 40 at 7. The assignment at issue in *Alpha One* was limited to “the full and exclusive right, title, and interest in and to said invention, in and to said [provisional] application, and in and to any Letters Patent to be granted and issued thereon.” *Alpha One*, 2014 WL 4537012, at \*3-4. The *Alpha One* assignment did not cover any “divisions or continuations,” like the 2012 Barnett Assignments, nor did it cover any new matter subsequently invented by the inventor (Mr. McGhie). *See id.* Also, the inventor did not separately assign any such new matter through any other agreement. *See id.* As a result, the assignment did not cover the patent at issue in *Alpha One* because that patent issued from a CIP containing new matter that was not part of the original assigned application. *See id.* In other words, the “invention” in the asserted patent was not the same as the “invention” disclosed in the original assigned application.<sup>12</sup> *Id.*

*Alpha One* is plainly distinguishable from the present case. *Cf.* Order No. 40 at 7. Unlike *Alpha One*, *supra*, the new matter contained in the CIPs was invented by Mr. Arling and assigned to UEI by Mr. Arling, who also assigned his entire rights to the Priority Applications, the continuations, the ’748 Application, and, thus, the ’196 patent. Mr. Barnett, on the other

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<sup>11</sup> The “best mode” requirement is no longer an affirmative defense of patent invalidity, as it was when *Transco* was decided. *See* 35 U.S.C. § 282(b)(3)(A), as amended by the “America Invents Act of 2011,” P.L. 112-29, § 15(a) (Sept. 26, 2011).

<sup>12</sup> In contrast, the Federal Circuit has held that an assignment conveying the entire rights to the “inventions and discoveries” in an application may cover a patent claiming the same “invention,” even if that patent was not formally related to that application. *See MHL TEK, LLC v. Nissan Motor Co.*, 655 F.3d 1266, 1275-76 (Fed. Cir. 2011).

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hand, was not the inventor of any new matter not disclosed in the Priority Applications. Thus, Mr. Barnett had no further rights to assign after he executed the 2012 Barnett Assignments because he did not contribute any new matter to the patent family after the Priority Applications. *See UNM*, 321 F.3d at 1118-19 (ownership of a patent initially vests in the inventor(s), who may then assign his/her rights to another). The ID errs by not considering that the Barnett and Arling assignments *in combination* vested complete ownership of the '196 patent in UEI before it filed its complaint.<sup>13</sup>

In conclusion, the ID errs in finding that UEI did not possess all rights to the '196 patent because Mr. Barnett did not execute any assignments for the later-filed CIPs or continuation applications. *See* Order No. 40 at 7-8. However, Roku has not established that further assignments were necessary since Mr. Barnett retained no remaining rights to the '196 patent that he had not previously assigned and did not invent any new matter after he had assigned the Provisional Applications. Roku also does not contest that Mr. Barnett assigned his entire rights to the invention in the Provisional Applications through the 2012 Barnett Assignments. Thus, Roku has not established that Mr. Barnett retained any rights relevant to the '196 patent that may have required a separate assignment after he had executed the 2012 Barnett Assignments. *See UNM*, 321 F.3d at 1119-20, 1121.<sup>14</sup> Moreover, Roku has not shown that the CIPs filed after the

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<sup>13</sup> Because the Barnett and Arling Assignments in combination vested complete ownership of the '196 patent in UEI before it filed its complaint, there is no need to determine whether the invention of the '196 patent rests entirely on the disclosures in the Priority Applications (*see* UEI's Pet. at 4, 17) or on the Priority Applications in combination with the new matter in Mr. Arling's CIPs (*see* Roku's Opp. at 14-15).

<sup>14</sup> As discussed *supra*, n.8, the Vice Chair joins the Commission's decision that the 2012 Barnett assignment transferred Barnett's rights, title, and interest in the '196 patent to UEI, but does not join the Commission's reasoning because the Federal Circuit concluded in *UNM* that the inventors were *obligated to assign* the CIPs to the university, and not that they had already done

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Provisional Applications impaired or detracted from Mr. Barnett's assignment of his entire rights and interests in the Provisional Applications to UEI because that conveyance was completed upon execution of the 2012 Barnett Assignments. *See id.* at 1118-19 (the assignee becomes of the new owner of the rights assigned by the inventor). Roku also did not establish that UEI's ownership of the '196 patent was affected by Mr. Barnett's 2020 Assignment, given Roku's failure to show that Mr. Barnett had any further rights in the '196 patent to assign. Thus, Roku is not entitled to summary determination as a matter of law based on the undisputed facts that Mr. Barnett's assignment of his entire rights in the Provisional Applications combined with Mr. Arling's assignment of his entire rights in the Provisional Applications, Arling Applications (including any new matter in the CIPs), and '748 Application vested in UEI all substantial rights in the '196 patent before UEI filed its complaint. Accordingly, the ID's summary determination of lack of standing is reversed.

The Commission also rejects Roku's argument that UEI "abandoned" its rights to assert the '196 patent by not addressing that patent in its prehearing brief. *See Roku's Opp.* at 17-18. The ALJ, in granting summary determination, dismissed the '196 patent before the parties filed their prehearing briefs, leaving UEI with no further issues to address for that patent at that time.

The Commission further denies UEI's motion for leave to file a reply.<sup>15</sup> The Commission's rules generally do not provide for a reply, and UEI's proposed reply does not substantially contribute to the issues under review.

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so in through their assignment of the parent applications. *UNM*, 321 F.3d at 1121 ("UNM is therefore *entitled to be* the rightful owner of the [] patents.").

<sup>15</sup> Vice Chair Stayin would grant UEI's motion for leave to file a reply.

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**IV. CONCLUSION**

For the foregoing reasons, the Commission has determined to review and reverse the subject ID (Order No. 40) and to remand the investigation with respect to the '196 patent to the ALJ for further proceedings consistent with this opinion. UEI's motion for leave to file a reply brief in support of its petition is denied.

By order of the Commission.

A handwritten signature in black ink, appearing to read 'Lisa R. Barton', enclosed within a large, stylized oval flourish.

Lisa R. Barton  
Secretary to the Commission

Issued: March 17, 2021

**CERTAIN ELECTRONIC DEVICES, INCLUDING  
STREAMING PLAYERS, TELEVISIONS, SET TOP  
BOXES, REMOTE CONTROLLERS, AND  
COMPONENTS THEREOF**

**Inv. No. 337-TA-1200**

**PUBLIC CERTIFICATE OF SERVICE**

I, Lisa R. Barton, hereby certify that the attached **COMMISSION OPINION** has been served upon the following parties as indicated, on **March 17, 2021**.



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Certificate of Service – Page 2

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