

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

In the Matter of

**CERTAIN OPTICAL DISC DRIVES,
COMPONENTS THEREOF, AND
PRODUCTS CONTAINING THE SAME**

Investigation No. 337-TA-897

ORDER REMANDING THE INVESTIGATION

I. PROCEDURAL HISTORY

The Commission instituted this investigation on October 25, 2013, based on a Complaint filed by Optical Devices, LLC of Peterborough, New Hampshire (“Optical Devices”), as supplemented. 78 *Fed. Reg.* 64009-10 (Oct. 25, 2013). The Complaint 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, the sale for importation, and the sale within the United States after importation of certain optical disc drives, components thereof, and products containing the same by reason of infringement of certain claims of U.S. Patent Nos. 6,904,007 (“the ’007 patent”); 7,196,979 (“the ’979 patent”); 8,416,651 (“the ’651 patent”); RE40,927 (“the ’927 patent”); RE42,913 (“the ’913 patent”); and RE43,681 (“the ’681 patent”). The Complaint further alleges the existence of a domestic industry. The Commission’s Notice of Investigation named as respondents Lenovo Group Ltd. of Quarry Bay, Hong Kong and Lenovo (United States) Inc., of Morrisville, North Carolina; LG Electronics, Inc. of Seoul, Republic of Korea and LG Electronics U.S.A., Inc. of Englewood Cliffs, New Jersey; Nintendo Co., Ltd. of Kyoto, Japan and Nintendo of America, Inc. of Redmond, Washington; Panasonic Corp. of Osaka, Japan

and Panasonic Corporation of North America of Secaucus, New Jersey; Samsung Electronics Co., Ltd. of Seoul, Republic of Korea and Samsung Electronics America, Inc. of Ridgefield Park, New Jersey (collectively “Samsung”); Toshiba Corporation of Tokyo, Japan and Toshiba America Information Systems, Inc. of Irvine, California; and MediaTek, Inc. of Hsinchu City, Taiwan and MediaTek USA Inc. of San Jose, California (collectively “Respondents”). The Office of Unfair Import Investigations was not named as a party to the investigation.

The Commission later terminated the investigation as to the application of numerous claims of the asserted patents to various named respondents. *See* Notice of Commission Determination Not to Review an Initial Determination Granting Complainant’s Motions to Partially Terminate the Investigation as to Certain Patents (Aug. 8, 2014). The Commission also later terminated the investigation with respect to Samsung based on a settlement agreement. *See* Notice of Commission Determination to Grant a Joint Motion to Terminate the Investigation as to Respondents [Samsung] on the Basis of a Settlement Agreement (Sept. 2, 2014).¹

On May 6, 2014, Respondents filed a motion to terminate the investigation for good cause based on Optical Devices’ lack of prudential standing to bring an infringement action with respect to the asserted patents pursuant to 19 CFR § 210.21(a). On May 16, 2014, Optical Devices filed a response in opposition. On June 3, 2014, Respondents, pursuant to Order No. 83, filed a reply in support of their motion. On June 10, 2014, Optical Devices filed a motion for leave to file a surreply in opposition to Respondent’s reply. On June 11, 2014, Respondents filed an opposition to Optical Devices’ motion for leave to file a surreply.

¹ Although the Samsung respondents were subsequently terminated from the investigation, they were signatories on the motion to terminate. The term “Respondents,” therefore, includes

On October 20, 2014, the presiding administrative law judge (“ALJ”) issued the subject initial determination (“ID”), granting Respondents’ motion to terminate the investigation based on Optical Devices’ lack of prudential standing. Order No. 113 (Oct. 20, 2014). Specifically, the ALJ found that Optical Devices does not hold all substantial rights to the subject patents and, therefore, lacks prudential standing to maintain an action for infringement without joinder of other necessary parties. ID at 8. The ALJ also granted Optical Devices’ motion for leave to file a surreply. *Id.* at 2.

On October 28, 2014, Optical Devices filed a petition for review of the subject ID, arguing that the ALJ erred in law and fact and contravened Commission policy. On Nov. 4, 2014, Respondents filed an opposition to Optical Devices’ petition.

As explained in the accompanying Commission opinion, the Commission vacates the ALJ’s finding that Optical Devices lacks standing with respect to the ’007, ’979, and ’651 patents (collectively, “the Kadlec Patents”) and remands the investigation to the ALJ for further proceedings. The Commission further finds based on modified reasoning that Optical Devices lacks standing with respect to the ’927, ’913, and ’681 patents (collectively, “the Wild Patents”) and it would prejudice Respondents’ to allow Optical Devices to join non-parties Retro Reflective Optics, LLC and Credit Suisse Management LLC to remedy its lack of standing at this procedural juncture in the investigation. The investigation is, therefore, terminated with respect to the Wild Patents.

Samsung prior to its termination on September 2, 2014.

Upon consideration of this matter, the Commission hereby ORDERS that:

1. The investigation is remanded to the presiding administrative law judge (“ALJ”), Judge Dee Lord, to conduct further proceedings with respect to U.S. Patent Nos. 6,904,007; 7,196,979; and 8,416,651 (“the Kadlec patents”) as appropriate and consistent with the Commission’s opinion herein.
2. The ALJ is invited to take, at her discretion, additional briefing from the parties concerning the application of the various licensing, assignment, and investment agreements to the Kadlec patents.
3. Notice of this Order shall be served on the parties to this investigation.

By order of the Commission.

A handwritten signature in black ink, appearing to read 'Lisa R. Barton', written in a cursive style.

Lisa R. Barton
Secretary to the Commission

Issued: December 4, 2014

**CERTAIN OPTICAL DISC DRIVES, COMPONENTS
THEREOF, AND PRODUCTS CONTAINING THE SAME**

Inv. No. 337-TA-897

PUBLIC CERTIFICATE OF SERVICE

I, Lisa R. Barton, hereby certify that the attached **COMMISSION ORDER** has been served upon the following parties as indicated, on **December 4, 2014**.



Lisa R. Barton, Secretary
U.S. International Trade Commission
500 E Street, SW, Room 112
Washington, DC 20436

On Behalf of Complainant Optical Devices, LLC:

Alexandra C. Fennell, Esq.
PEPPER HAMILTON LLP
19th Floor, High Street Tower
125 High Street
Boston, MA 02110-2736

- Via Hand Delivery
 Via Express Delivery
 Via First Class Mail
 Other: _____

On Behalf of Respondents MediaTek Inc. and MediaTek USA Inc.:

S. Alex Lasher, Esq.
QUINN EMANUEL URQUHART & SULLIVAN LLP
777 6th Street, NW, 11th Floor
Washington, DC 20001

- Via Hand Delivery
 Via Express Delivery
 Via First Class Mail
 Other: _____

On Behalf of Respondents Nintendo Co., Ltd., Nintendo of America, Inc., Panasonic Corporation, and Panasonic Corporation of North America:

Daniel R. Foster, Esq.
MCDERMOTT WILL & EMERY LLP
4 Park Plaza, Suite 1700
Irvine, CA 92614-2559

- Via Hand Delivery
 Via Express Delivery
 Via First Class Mail
 Other: _____

On Behalf of Respondents LG Electronics, Inc. and LG Electronics, U.S.A., Inc.:

Herbert H. Finn, Esq.
GREENBERG TRAUIG LLP
77 West Wacker Drive, Suite 3100
Chicago, IL 60601

- Via Hand Delivery
 Via Express Delivery
 Via First Class Mail
 Other: _____

**CERTAIN OPTICAL DISC DRIVES, COMPONENTS
THEREOF, AND PRODUCTS CONTAINING THE SAME**

Inv. No. 337-TA-897

Certificate of Service – Page 2

**On Behalf of Respondents Lenovo Group Ltd. And Lenovo
(United States) Inc.:**

Marcia H. Sundeen, Esq.
KENYON & KENYON LLP
1500 K Street, NW
Washington, DC 20005

- Via Hand Delivery
- Via Express Delivery
- Via First Class Mail
- Other: _____

**On Behalf of Respondents Toshiba Corporation and Toshiba
America Information Systems, Inc.:**

Aaron Wainscoat, Esq.
DLA PIPER LLP (US)
2000 University Avenue
East Palo Alto, CA 94303

- Via Hand Delivery
- Via Express Delivery
- Via First Class Mail
- Other: _____