

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

**In the Matter of**

**CERTAIN INCREMENTAL DENTAL  
POSITIONING ADJUSTMENT  
APPLIANCES AND METHODS OF  
PRODUCING SAME**

**Inv. No. 337-TA-562  
(Enforcement Proceeding)**

**Order No. 70**

On December 1, 2014, respondents ClearCorrect Operating, LLC; ClearCorrect Pakistan (Private), Ltd. (together, “ClearCorrect”); Mr. Mudassar Rathore; Dr. Waqas Wahab; Dr. Nadeem Arif; and Dr. Asim Waheed (collectively, “Respondents”) filed a motion to stay this investigation pending appeal before the Court of Appeals for the Federal Circuit of Investigation No. 337-TA-833 (the “883 Investigation”), and a memorandum in support thereof. Motion Docket No. 562-63. Complainant Align Technology, Inc. (“Align”) and the Commission Investigative Staff (“Staff”) filed separate oppositions.

This enforcement proceeding was instituted on May 1, 2012 to determine whether or not Respondents’ importation of certain digital data sets into the United States violates the consent order that terminated the 562 violation proceeding. *See* 77 Fed. Reg. 25747 (May 1, 2012). At approximately the same time, the Commission instituted a separate violation proceeding, *i.e.*, the 883 Investigation, that included the three patent claims subject to the 562 consent order, and that named the two ClearCorrect entities as respondents. *See* 77 Fed. Reg. 20648 (Apr. 5, 2012).

After this enforcement proceeding was previously terminated in January 2013, the 833 Investigation proceeded through the evidentiary hearing, and the presiding administrative law

judge issued a final initial determination on violation that was reviewed by the Commission. The Commission determined that a violation existed with respect to one of the three patent claims at issue in this enforcement proceeding, *i.e.*, claim 1 of U.S. Patent No. 6,722,880 (“the ’880 patent”). *Certain Digital Models, Digital Data, and Treatment Plans for Use in Making Incremental Dental Positioning Appliances, the Appliances Made Therefrom, and Methods of Making the Same* (“*Certain Digital Models*”), Inv. 337-TA-833, Commission Determination to Affirm-in-Part, Modify-in-Part, and Reverse-in-Part the Final Initial Determination, 79 Fed. Reg. 19640 (Apr. 9, 2014) (EDIS Doc. No. 531700). With respect to the accused digital datasets, the Commission affirmed “the ALJ’s conclusion that the accused products are ‘articles’ within the meaning of Section 337(a)(1)(B) and that the mode of bringing the accused products into the United States constitutes importation of the accused products into the United States pursuant to Section 337(a)(1)(B).” *Id.* The Commission found no infringement, and thus no violation, with respect to the two other claims at issue in this enforcement proceeding, *i.e.*, claim 3 of the ’880 patent and claim 1 of U.S. Patent No. 6,471,511 (“the ’511 patent”). *See id.*; *Certain Digital Models*, Commission Opinion at 8-9, 11-12, 15-16, 105-115 (Apr. 9, 2014) (EDIS Doc. No. 531514).

Both Align and ClearCorrect appealed various aspects of the Commission’s opinion in the 833 Investigation, including the Commission’s determinations as to the ’880 and ’511 patents. The parties have filed initial briefs in the appeal. According to the Federal Circuit docket sheet for the appeal, responsive briefs are scheduled to be filed in January 2015. *See* Exhibit A to Staff Opp’n.

As set forth by the Commission, stay determinations by administrative law judges with respect to concurrent proceedings have considered the following factors: “(1) the state of

discovery and the hearing date,” (2) “whether a stay will simplify the issues and hearing of the case,” (3) “the undue prejudice or clear tactical disadvantage to any party,” (4) “the stage of the” concurrent proceedings, and (5) “the efficient use of Commission resources.” *Certain Semiconductor Chips with Minimized Chip Package Size and Products Containing Same*, Inv. 337-TA-605, Commission Opinion, 2008 WL 2223426, at \*2 (May 27, 2008) (“*Certain Semiconductor Chips*”). It is the determination of the administrative law judge that these factors, considered as a whole, do not favor imposition of a stay at this time.

### **State of Discovery and the Hearing Date**

The previous termination of this enforcement proceeding on January 4, 2013 occurred one business day before the scheduled evidentiary hearing. At that time, all prehearing briefs had been submitted and all fact and expert discovery had been concluded. Accordingly, the investigation was at an advanced stage when it was terminated by the Commission’s (now-vacated) decision. *Cf. Certain Semiconductor Chips*, 2008 WL 2223426, at \*2-3 (finding this factor weighed against a stay where the motion for stay was made the morning of the hearing). Accordingly, this factor weighs against a stay.

### **Whether a Stay Will Simplify the Issues and Hearing of the Case**

Respondents argue, *inter alia*, that the appeal of the 833 Investigation before the Federal Circuit will determine “almost all” or “virtually all” of the issues in this investigation. *See* Mem. at 6 (“The Federal Circuit’s rulings in the appeal of the ‘833 investigation will provide definitive guidance on almost all of the meaningful issues in this investigation.”); *id.* at 8 (“[T]he Federal Circuit will decide virtually all of the issues important to this investigation . . . .”).

While it is true that the patent claims at issue in this enforcement proceeding are a subset of those asserted in the 833 Investigation, this enforcement proceeding also encompasses

multiple issues that pertain solely to this investigation. For this reason, Judge Rogers denied Respondents' earlier motion to consolidate this enforcement proceeding with the 833 Investigation. *See* Order No. 43, at 7 ("[I]t appears that issues related to the parties' identities and legal obligations in the 562 Proceeding and the articles accused in the 833 Investigation . . . will create different results depending upon which case one is considering. The only issue that appears likely to be in common is claim construction . . .") (Aug. 16, 2012) (EDIS Doc. No. 488593).

In the event the Federal Circuit affirms the Commission's holdings as to the 833 Investigation, certain issues will remain to be decided in this enforcement proceeding. These issues include which of the Respondents, if any, are bound by the consent order, construction of the consent order, and civil penalty issues. *See* Staff Opp'n at 8 (citing Resps. Prehearing Brief at 6-28, 67-75 (EDIS Doc. No. 499075)). Imposing a stay would therefore delay follow-on discovery, briefing, and resolution of these issues until after the Federal Circuit's decision is received.

If the Federal Circuit reverses the Commission's finding of violation with respect to claim 1 of the '880 patent, however, the analysis of the issues pending in this enforcement proceeding would be affected. Nevertheless, this consideration does not significantly favor a stay at this time. No party faces the immediate imposition of remedial orders or penalties, and failure to impose a stay allows the litigation of this enforcement proceeding to go forward in the usual manner. Accordingly, this factor does not favor a stay.

#### **Undue Prejudice or Tactical Disadvantage to Any Party**

It is the determination of the administrative law judge that issues concerning undue prejudice weigh against a stay. This enforcement proceeding was instituted on May 1, 2012. 77

Fed. Reg. 25746 (May 1, 2012). Generally, the Commission aims to complete enforcement actions in less time than original violation-phase investigations. *See, e.g.*, 19 C.F.R. § 210.51(a); *see generally* 19 C.F.R. § 210.2. Due to the appeal of the Commission's order terminating this enforcement proceeding, more than 2.5 years has already elapsed since this proceeding was instituted. Waiting until completion of the appeal in the 833 Investigation, including any requests for rehearing *en banc* or petitions for *certiorari* before the U.S. Supreme Court, before continuing this proceeding would prejudice Align by adding months to the completion date of this investigation. Accordingly, this factor weighs against a stay.

#### **Stage of the Federal Circuit Proceedings**

The stage of the Federal Circuit proceedings for the 833 Investigation also weighs against a stay. The initial briefs (from both Respondents and Align) were filed on October 9, 2014. *See* Exhibit A to Staff Opp'n (Docket Sheet). Responsive briefs are due on January 21, 2015. *See id.* Reply briefs, oral argument, and time for the Federal Circuit panel to consider the arguments and issue an opinion are expected to follow. It therefore seems likely that it will be many months before the appeals process in the 833 Investigation is complete. Accordingly, this factor does not favor a stay.

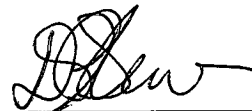
#### **Efficient Use of the Commission Resources**

The interest in efficient use of Commission resources also does not weigh in favor of a stay. While there is the possibility that the appellate proceedings in the 833 Investigation will affect the issues in this enforcement proceeding, this possibility is highly contingent. As discussed above, in the event the Federal Circuit upholds the Commission's determination, there will be no effect on the issues presented here. Moreover, given that there are only three patent claims at issue in this proceeding, and that invalidity and unenforceability defenses will not be

presented,<sup>1</sup> the issues remaining to be decided are relatively streamlined. Accordingly, the other factors discussed above outweigh any potential inefficiencies that would result from a stay.

\* \* \*

For the reasons set forth above, Motion No. 562-63 is denied.



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David P. Shaw  
Administrative Law Judge

Issued: January 5, 2015

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<sup>1</sup> Judge Rogers previously held that “as a matter of law, invalidity and unenforceability defenses cannot be raised in this enforcement action.” Order No. 44, at 4 (Aug. 17, 2012).

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**PUBLIC CERTIFICATE OF SERVICE**

I, Lisa R. Barton, hereby certify that the attached **ORDER NO. 70** has been served by hand upon the Commission Investigative Attorney, **Monica Bhattacharyya, Esq.**, and the following parties as indicated, on **JAN 05 2015**.



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