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UNITED STATES INTERNATIONAL TRADE COMMISSION

Washington, D.C.

In the Matter of

**CERTAIN ENCAPSULATED INTEGRATED
CIRCUIT DEVICES AND PRODUCTS
CONTAINING SAME**

**Inv. No. 337-TA-501
(Remand)**

SUPPLEMENTAL INITIAL DETERMINATION ON VIOLATION OF SECTION 337

Administrative Law Judge Charles E. Bullock
(October 30, 2009)

Appearances:

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LIST OF ABBREVIATIONS

CDX	Complainant's demonstrative exhibit
CFF	Complainant's proposed findings of fact
CIBR	Complainant's initial post-hearing brief on remand
CORFF	Complainant's objections to Respondents' proposed findings of fact
COSFF	Complainant's objections to Staff's proposed findings of fact
CPX	Complainant's physical exhibit
CRBR	Complainant's reply post-hearing brief on remand
CX	Complainant's exhibit
Dep	Deposition
JX	Joint Exhibit
PHB	Pre-hearing brief
RDX	Respondents' demonstrative exhibit
RFF	Respondents' proposed findings of fact
RIBR	Respondents' initial post-hearing brief on remand
ROCFF	Respondents' objections to Complainant's proposed findings of fact
ROSFF	Respondents' objections to Staff's proposed findings of fact
RPX	Respondents' physical exhibit
RRBR	Respondents' reply post-hearing brief on remand
RX	Respondents' exhibit
SFF	Staff's proposed findings of fact
SIBR	Staff's initial post-hearing brief on remand
SOCFF	Staff's objections to Complainant's proposed findings of fact
SORFF	Staff's objections to Respondents' proposed findings of fact
SRBR	Staff's reply post-hearing brief on remand
Tr.	Transcript on remand

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**CERTAIN ENCAPSULATED INTEGRATED
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**Inv. No. 337-TA-501
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SUPPLEMENTAL INITIAL DETERMINATION ON VIOLATION OF SECTION 337¹

Administrative Law Judge Charles E. Bullock
(October 30, 2009)

Pursuant to the Notice of Investigation, 68 Fed. Reg. 70836 (December 9, 2003), the Commission's Opinion remanding the investigation (April 13, 2005), the Commission's Notice and Order remanding the investigation (July 1, 2009), and 19 C.F.R. § 210.42(a), this is the undersigned's Supplemental Initial Determination in the matter of certain encapsulated integrated circuit devices and products containing same, Investigation No. 337-TA-501 (Remand).

The undersigned hereby reaffirms that a violation of Section 337 of the Tariff Act of 1930, as amended, has been found in the importation into the United States, the sale for importation, or the sale within the United States after importation of certain encapsulated integrated circuit devices and products contains same in connection with claims 2, 3, 21, and 22 of the U.S. Patent No. 6,433,277. The undersigned also hereby reaffirms that no violation of Section 337 of the Tariff Act of 1930, as amended, has been found in the importation into the United States, the sale for importation, or the sale within the United States after importation of certain encapsulated

¹ This Initial Determination ("ID") supplements the Remand ID issued on November 9, 2005.

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integrated circuit devices and products contains same in connection with claims 1-4, 7, and 8 of U.S. Patent No. 6,630,728 and claims 1, 2, 13 and 14 of U.S. Patent No. 6,455,356.

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DISCUSSION

I. Procedural History

After a long procedural history,² on November 9, 2005, the undersigned issued a Remand ID and a recommended determination on remedy and bond. The undersigned found a violation of Section 337 with regard to claims 2, 3, 21 and 22 of U.S. Patent No. 6,433,277 (“the ‘277 patent”), but no violation with regard to claims 1-4, 7 and 8 of U.S. Patent No. 6,630,728 (“the ‘728 patent”) and claims 1, 2, 13 and 14 of U.S. Patent No. 6,455,356 (“the ‘356 patent”). In particular, the undersigned found that certain of Carsem’s accused products infringed claims 2, 3, 21, and 22 of the ‘277 patent, but that Carsem’s accused products did not infringe the asserted claims of the ‘728 and ‘356 patents. The undersigned also found claims 1, 7, 17, 18 and 20 of the ‘277 patent and claims 1-4, 7, and 8 of the ‘728 patent invalid and the asserted claims of the ‘356 patent valid.

On July 1, 2008, the U.S. District Court for the District of Columbia issued an Opinion and Order granting the Commission’s petition to enforce subpoenas *duces tecum* and *ad testificandum* to non-party ASAT. On September 5, 2008, ASAT filed a notice of appeal with the Court of Appeals for the D.C. Circuit seeking to appeal the District Court’s order. On December 31, 2008, ASAT moved to voluntarily dismiss its appeal, which was granted by the D.C. Circuit on January 9, 2009.

² For a more complete procedural history of this investigation, see the Commission’s Notice and Order of July 21, 2009, and the Remand ID of November 9, 2005.

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On April 20, 2009, Carsem filed a renewed motion to remand the investigation to the undersigned to reopen the record and to extend the target date.

On July 1, 2009, the Commission issued a Notice and Order ("Remand Order") remanding the investigation and extending the target date. In pertinent part, the Commission ordered that:

1. This investigation is remanded to the ALJ to reopen the record to admit any new evidence that has been or is obtained as a result of the enforcement of the Commission's subpoena duces tecum to ASAT and which relates to the invalidity defenses for which the Commission's subpoena was obtained. The ALJ may permit such related discovery as he, in his discretion, deems appropriate and may admit any new evidence, which is otherwise admissible, that is obtained as a result of such related discovery.
2. The ALJ shall revise or supplement, as appropriate, his November 9, 2005, Remand ID, in light of the the [sic] supplemental record, making all necessary findings concerning Carsem's invalidity defenses for which the Commission's subpoena was obtained.
3. The ALJ shall issue his revised or supplemental ID no later than three months prior to the target date for completion of this investigation. The target date for completion of this investigation is extended to September 1, 2009, to give the ALJ an opportunity to issue a procedural schedule for the remand proceeding and to issue an initial determination further extending the target date as appropriate in view of the procedural schedule he establishes. The Initial Determination extending the target date must be issued by August 3, 2009, to permit Commission action thereon prior to the September 1, 2009, target date.

Commission Notice and Order (July 1, 2009).

On July 23, 2009, Order No. 104 issued as an ID setting the procedural schedule and extending the target date in this investigation to February 2, 2010. *See* Notice of Commission Decision Not to Review an Initial Determination (August 27, 2009).

On September 10-11, 2009, a hearing was held in this investigation to address Carsem's

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invalidity defenses for which the subpoena to ASAT was obtained. Carsem alleged at the hearing that the asserted claims of the '277, '728, and '356 patents-in-suit were invalid as anticipated under 35 U.S.C. § 102(g) in light of the ASAT LPCC Inverter Controller invention ("LPCC invention") or obvious under 35 U.S.C. § 103 in light of the ASAT LPCC invention in combination with other alleged prior art. Accordingly, this supplemental ID will be confined to Carsem's anticipation and obviousness arguments.

After the hearing, post-hearing briefs on remand together with proposed findings of fact and conclusions of law were filed on September 23, 2009. Post-hearing reply briefs on remand were filed on September 29, 2009. On September 29, 2009, the parties also filed their rebuttals and objections to the proposed findings of fact and conclusions of law. However, Amkor only filed on September 29 its objections and rebuttals to the Staff's proposed findings of fact. On September 30, 2009, Amkor filed a motion seeking leave to file its rebuttals and objections to Carsem's proposed findings of fact on September 30, 2009. (Motion Docket No. 501-122) For good cause shown, Amkor's motion for leave is hereby granted.

II. Amkor's Motion to Strike

Amkor argues in its post-hearing brief that large portions of Mr. Mclellan's and Mr. Combs' testimony should be stricken because such testimony was available at the time of the initial hearing and as such is outside the scope of the Remand Order. CIBR at 1-4. Amkor argues that the sole purpose of the hearing was to evaluate new evidence obtained through the subpoena to ASAT and thus anything outside that purpose is beyond the scope of the Remand Order. *Id.* at

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2. Both Carsem and the Staff argue that the testimony of Mclellan and Combs properly falls within the scope of the Commission's Remand Order. RRBR at 10; SRBR at 3.

Amkor did not object on the basis it now asserts when the direct witness statements of Mclellan and Combs were served on August 5, 2009, and did not object when the direct testimony of Mclellan and Combs was admitted into evidence at the hearing. By failing to so object, the undersigned finds that Amkor waived its objections.

Moreover, the undersigned finds that the Commission's Remand Order permits such testimony. In particular, the Remand Order gives the undersigned discretion to permit discovery related to the documents obtained pursuant to the subpoena to ASAT and to admit any new evidence. *See* Remand Order at 5, ¶ 1. Additionally, the Remand Order explicitly requires that the undersigned make "all necessary findings concerning Carsem's invalidity defenses for which the Commission's subpoena was obtained." Remand Order at 5, ¶ 2. The testimony of Mclellan and Combs that Amkor seeks to strike is clearly related to the "invalidity defenses for which the Commission's subpoena was obtained" and the testimony was obtained as a result of the newly produced discovery from the subpoena to ASAT. For example, both Mclellan and Combs offered extensive testimony about the documents produced as a result of the ASAT subpoena. Additionally, Mclellan and Combs testified that those documents produced as a result of the ASAT subpoena refreshed and confirmed their recollection as to the timeline for the conception and development of the ASAT LPCC invention. *See* RFFR 2072-2293.

For the reasons discussed above, Amkor's request to strike portions of the testimony of Mclellan and Combs is denied.

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III. Standards of Law

A. Anticipation

A patent may be found invalid as anticipated under 35 U.S.C. § 102(g) if before the conception of the invention covered by the patent, “the invention was made in this country by another inventor who had not abandoned, suppressed, or concealed it.” 35 U.S.C. § 102(g). Anticipation is a question of fact. *Texas Instruments, Inc. v. U.S. Int’l Trade Comm’n*, 988 F.2d 1165, 1177 (Fed. Cir. 1993) (“*Texas Instruments II*”). Anticipation is a two-step inquiry: first, the claims of the asserted patent must be properly construed, and then the construed claims must be compared to the alleged prior art reference. *See, e.g., Medichem, S.A. v. Rolabo, S.L.*, 353 F.3d 928, 933 (Fed. Cir. 2003). It is axiomatic that claims are construed the same way for both invalidity and infringement. *W.L. Gore v. Garlock, Inc.*, 842 F.2d 1275, 1279 (Fed. Cir. 2008).

“Claimed subject matter is ‘anticipated’ when it is not new; that is, when it was previously known. Invalidation on this ground requires that every element and limitation of the claim was previously described in a single prior art reference, either expressly or inherently, so as to place a person of ordinary skill in possession of the invention.” *Sanofi-Synthelabo v. Apotex, Inc.*, 550 F.3d 1075, 1082 (Fed. Cir. 2008) (citing *Schering Corp. v. Geneva Pharms., Inc.*, 339 F.3d 1373, 1379 (Fed. Cir. 2003) and *Continental Can Co. USA v. Monsanto Co.*, 948 F.2d 1264, 1267-69 (Fed. Cir. 1991)). Therefore, to anticipate, a prior art reference must disclose all elements of the claim within the four corners of said reference. *Net MoneyIN, Inc. v. VeriSign, Inc.*, 545 F.3d 1359, 1369 (Fed. Cir. 2008) (“*NMF*”); *see also Abbott Labs. v. Sandoz, Inc.*, 544 F.3d 1341, 1345 (Fed. Cir. 2007) (stating, “Anticipation is established by documentary evidence, and requires that every

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claim element and limitation is set forth in a single prior art reference, in the same form and order as in the claim.”). Additionally, “[b]ecause the hallmark of anticipation is prior invention, the prior art reference--in order to anticipate under 35 U.S.C. § 102--must not only disclose all elements of the claim within the four corners of the document, but must also disclose those elements ‘arranged as in the claim.’” *Id.* (quoting *Connell v. Sears, Roebuck & Co.*, 722 F.2d 1542, 1548 (Fed. Cir. 1983)). Therefore, it is not enough that a prior art reference simply contains all of the separate elements of the claimed invention. *Id.* at 1370-71 (stating that “it is not enough [for anticipation] that the prior art reference discloses part of the claimed invention, which an ordinary artisan might supplement to make the whole, or that it includes multiple, distinct teachings that the artisan might somehow combine to achieve the claimed invention.”). Those elements must be arranged or combined in said reference in the same way as they are in the patent claim.

If a prior art reference does not expressly set forth a particular claim element, it still may anticipate the claim if the missing element is inherently disclosed by said reference. *Trintec Indus., Inc. v. Top-U.S.A. Corp.*, 295 F.3d 1292, 1295 (Fed. Cir. 2002); *In re Robertson*, 169 F.3d 743, 745 (Fed. Cir. 1999). Inherent anticipation occurs when “the missing descriptive material is ‘necessarily present,’ not merely probably or possibly present, in the prior art.” *Id.*; *see also Rhino Assocs. v. Berg Mfg. & Sales Corp.*, 482 F. Supp.2d 537, 551 (M.D. Pa. 2007). In other words, inherency may not be established by probabilities or possibilities. *See Continental Can*, 948 F.2d at 1268. Thus, “[t]he mere fact that a certain thing may result from a given set of circumstances is not sufficient.” *Id.*

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B. Obviousness

Included within the presumption of validity is a presumption of non-obviousness.

Structural Rubber Prods. Co. v. Park Rubber Co., 749 F.2d 707, 714 (Fed. Cir. 1984).

Obviousness is grounded in 35 U.S.C. § 103, which provide, *inter alia*, that:

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negative by the manner in which the invention was made.

35 U.S.C. § 103(a). Under 35 U.S.C. § 103(a), a patent is valid unless “the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.” 35 U.S.C. § 103(a). The ultimate question of obviousness is a question of law, but “it is well understood that there are factual issues underlying the ultimate obviousness decision.” *Richardson-Vicks Inc.*, 122 F.3d at 1479; *Wang Lab., Inc. v. Toshiba Corp.*, 993 F.2d 858, 863 (Fed. Cir. 1993).

Once claims have been properly construed, “[t]he second step in an obviousness inquiry is to determine whether the claimed invention would have been obvious as a legal matter, based on underlying factual inquiries including: (1) the scope and content of the prior art, (2) the level of ordinary skill in the art, (3) the differences between the claimed invention and the prior art; and (4) secondary considerations of non-obviousness” (also known as “objective evidence”). *Smiths Indus. Med. Sys., Inc. v. Vital Signs, Inc.*, 183 F.3d 1347, 1354 (Fed. Cir. 1999) (citing *Graham v.*

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John Deere Co., 383 U.S. 1, 17 (1966)). The ultimate determination of whether an invention would have been obvious is a legal conclusion based on underlying findings of fact. *In re Dembiczak*, 175 F.3d 994, 998 (Fed. Cir. 1999).

Obviousness may be based on any of the alleged prior art references or a combination of the same, and what a person of ordinary skill in the art would understand based on his knowledge and said references. If all of the elements of an invention are found, then:

a proper analysis under § 103 requires, inter alia, consideration of two factors: (1) whether the prior art would have suggested to those of ordinary skill in the art that they should make the claimed composition or device, or carry out the claimed process; and (2) whether the prior art would also have revealed that in so making or carrying out, those of ordinary skill would have a reasonable expectation of success. *Both the suggestion and the reasonable expectation of success must be founded in the prior art, not in the applicant's disclosure.*

Velander v. Garner, 348 F.3d 1359, 1363 (Fed. Cir. 2003) (emphasis added) (internal citations omitted).

The critical inquiry in determining the differences between the claimed invention and the prior art is whether there is a reason to combine the prior art references. *See C.R. Bard v. M3 Sys.*, 157 F.3d 1340, 1352 (Fed. Cir. 1998). For example:

[A] patent composed of several elements is not proved obvious merely by demonstrating that each of its elements was, independently, known in the prior art. Although common sense directs one to look with care at a patent application that claims as innovation the combination of two known devices according to their established functions, it can be important to identify a reason that would have prompted a person of ordinary skill in the relevant field to combine the elements in the way the claimed new invention does. This is so because inventions in most, if not all, instances rely upon building blocks long since uncovered and claimed discoveries almost of necessity will be combinations of what, in some sense, is already known.

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KSR Int'l Co. v. Teleflex, Inc., 550 U.S. 398, 418-19 (2007) (emphasis added). Federal Circuit case law previously required that, in order to prove obviousness, the patent challenger must demonstrate, by clear and convincing evidence, that there is a “teaching, suggestion, or motivation to combine.” The Supreme Court, however, rejected this “rigid approach” stating:

When a work is available in one field of endeavor, design incentives and other market forces can prompt variations of it, either in the same field or a different one. If a person of ordinary skill can implement a predictable variation, § 103 likely bars its patentability. For the same reason, if a technique has been used to improve one device, and a person of ordinary skill in the art would recognize that it would improve similar devices in the same way, using the technique is obvious unless its actual application is beyond his or her skill. *Sakraida* and *Anderson's-Black Rock* are illustrative—a court must ask whether the improvement is more than the predictable use of prior art elements according to their established function.

Following these principles may be more difficult in other cases than it is here because the claimed subject matter may involve more than the simple substitution of one known element for another or the mere application of a known technique to a piece of prior art ready for the improvement. Often, it will be necessary for a court to look to interrelated teachings of multiple patents; the effects of demands known to the design community or present in the marketplace; and the background knowledge possessed by a person having ordinary skill in the art, all in order to determine whether there was an apparent reason to combine the known elements in the fashion claimed by the patent at issue. To facilitate review, this analysis should be made explicitly. *See In re Kahn*, 441 F.3d 977, 988 (CA Fed. 2006) (“[R]ejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusions of obviousness”). As our precedents make clear, however, the analysis need not seek out precise teachings directed to the specific subject matter of the challenged claim, for a court can take account of the inferences and creative steps that a person of ordinary skill in the art would employ.

[...]

The obviousness analysis cannot be confined by a formalistic conception of the words teaching, suggestion, and motivation, or by overemphasis on the importance of published articles and the explicit content of issued patents. The diversity of

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inventive pursuits and of modern technology counsels against limiting the analysis in this way. In many fields it may be that there is little discussion of obvious techniques or combinations, and it often may be the case that market demand, rather than scientific literature, will drive design trends. Granting patent protection to advance that would occur in the ordinary course without real innovation retards progress and may, in the case of patents combining previously known elements, deprive prior inventions of their value or utility.

KSR, 550 U.S. at 417-419. The Federal Circuit has harmonized the *KSR* opinion with many prior circuit court opinions by holding that when a patent challenger contends that a patent is invalid for obviousness based on a combination of prior art references, “the burden falls on the patent challenger to show by clear and convincing evidence that a person of ordinary skill in the art would have had reason to attempt to make the composition or device, or carry out the claimed process, and would have had a reasonable expectation of success in doing so. *PharmaStem Therapeutics, Inc. v. ViaCell, Inc.*, 491 F.3d 1342, 1360 (Fed. Cir. 2007)(citing *Medichem S.A. v. Rolabo S.L.*, 437 F.3d 1175, 1164 (Fed. Cir. 2006)); *Noelle v. Lederman*, 355 F.3d 1343, 1351-52 (Fed. Cir. 2004); *Brown & Williamson Tobacco Corp. v. Philip Morris, Inc.*, 229 F.3d 1120, 1121 (Fed. Cir. 2000) and *KSR*, 127 S.Ct. at 1740 (“a combination of elements ‘must do more than yield a predictable result’; combining elements that work together ‘in an unexpected and fruitful manner’ would not have been obvious”). Further, a suggestion to combine need not be express and may come from the prior art, as filtered through the knowledge of one skilled in the art. *See Certain Lens-Fitted Film Pkgs.*, Inv. No. 337-TA-406, Order No. 141 at 6 (May 24, 2005).

“Secondary considerations,” also referred to as “objective evidence of non-obviousness,” must be considered in evaluating the obviousness of a claimed invention, but the existence of such evidence does not control the obviousness determination. *Graham*, 383 U.S. at 17-18. A court

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must consider all of the evidence under the *Graham* factors before reaching a decision on obviousness. *Richardson-Vicks Inc.*, 122 F.3d at 1483-84. Objective evidence of non-obviousness may include evidence of the commercial success of the invention, long felt but unsolved needs, failure of others, copying by others, teaching away, and professional acclaim. See *Perkin-Elmer Corp. v. Computervision Corp.*, 732 F.2d 888, 894 (Fed. Cir. 1984), *cert. denied*, 469 U.S. 857 (1984); *Avia Group Int'l, Inc. v. L.A. Gear California*, 853 F.2d 1557, 1564 (Fed. Cir. 1988); *In re Hedges*, 783 F.2d 1038, 1041 (Fed. Cir. 1986); *Kloster Speedsteel AB v. Crucible Inc.*, 793 F.2d 1565 (Fed. Cir. 1986), *cert. denied*, 479 U.S. 1034 (1987). The burden of showing secondary considerations is on the patentee and, in order to accord objective evidence substantial weight, a patentee must establish a nexus between the evidence and the merits of the claimed invention; a *prima facie* case is generally set forth “when the patentee shows both that there is commercial success, and that the thing (product or method) that is commercially successful is the invention disclosed and claimed in the patent.” *In re GPAC Inc.*, 57 F.3d 1573, 1580 (Fed. Cir. 1995); *Demaco Corp. v. F. Von Langsdorff Licensing Ltd.*, 851 F.2d 1387, 1392 (Fed. Cir. 1988), *cert. denied*, 488 U.S. 956 (1988); *Certain Crystalline Cefadroxil Monohydrate*, Inv. No. 337-TA-293, Comm’n Op. (March 15, 1990). Once a patentee establishes nexus, the burden shifts back to the challenger to show that, *e.g.*, commercial success was caused by “extraneous factors other than the patented invention, such as advertising, superior workmanship, etc.” *Demaco Corp.*, 851 F.2d at 1393.

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IV. Validity

A. Anticipation

Carsem argues that ASAT's LPCC Inverter Controller Invention anticipates the asserted claims of the '277 and '728 patents-in-suit under 35 U.S.C. § 102(g).³ *See* RIBR at 1-3; *see also* *Apotex USA, Inc. v. Merck & Co., Inc.*, 254 F.3d 1031, 1035 (Fed. Cir. 2001) ("In addition to governing priority determinations in interference proceedings in the United States Patent and Trademark Office, § 102(g) may be asserted as a basis for invalidating a patent in defense to an infringement suit."). Section 102(g) states in relevant part that:

A person is entitled to a patent unless –

[B]efore such person's conception thereof, the invention was made in this country by another inventor who had not abandoned, suppressed, or concealed it. In determining priority of invention under this subsection, there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other.

35 U.S.C. § 102(g). Therefore, to prove that the LPCC invention anticipates, Carsem must show among other things that the ASAT LPCC invention "was made in this country" prior to the conception of the asserted claims of the '277 and '728 patents-in-suit.

Section 282 of the Patent Act provides that "[a] patent shall be presumed valid." 35 U.S.C. § 282. In order to overcome the presumption of validity, the party challenging a patent must prove

³ Carsem does not assert in its post-hearing briefing that the ASAT LPCC invention anticipates the asserted claims of the '356 patent. *See* RIBR at 27-28; RRB at 11-14. This position is consistent with the testimony of Carsem's expert, Gilleo, who conceded at the hearing that there was no anticipation. *See* Tr. at 408.

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facts supporting a determination of invalidity by clear and convincing evidence. *Am. Hoist & Derrick Co. v. Sowa & Sons, Inc.*, 725 F.2d 1350, 1360 (Fed. Cir 1984). “Section 282 applies with full force to a § 102(g) defense, and thus a party asserting invalidity under § 102(g) must prove facts by clear and convincing evidence establishing a prior invention that was not abandoned, suppressed, or concealed.” *Apotex*, 254 F.3d at 1036.

Because of the presumption of validity that attaches to an issued patent, an alleged infringer who raises invalidity as an affirmative defense has the ultimate burden of persuasion to prove invalidity by clear and convincing evidence, as well as the initial burden of going forward with evidence to support its invalidity allegation.⁴ *Technology Licensing Corp. v. Videotek, Inc.*, 545 F.3d 1316, 1327 (Fed. Cir. 2008). Once the challenger presents initially persuasive evidence of invalidity, the burden of going forward shifts to the patentee to present contrary evidence and argument. *Id.* Ultimately, the outcome will depend on whether, in light of all the evidence, the party challenging the patent’s validity has carried its burden of persuasion to prove by clear and convincing evidence that the patent is invalid. *Id.* at 1327-28. Respondents’ burden of persuasion to prove invalidity never shifts to the other party and thus “the risk of decisional uncertainty stays on the proponent of the proposition.” *Id.* at 1327; *see also PowerOasis, Inc. v. T-Mobile USA, Inc.*, 522 F.3d 1299, 1303, 1305 (Fed. Cir. 2008).

Carsem, as the party attacking the validity of the patents-in-suit, has the ultimate burden in

⁴ The terms “going forward with evidence” and “coming forward with evidence” should be understood to mean both producing additional evidence and presenting persuasive argument based on new evidence or evidence already of record. *Tech. Licensing*, 545 F.3d at 1327.

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this investigation of proving by clear and convincing evidence anticipation under Section 102(g) based on available prior art. Thus, Carsem has the initial burden of coming forward with evidence that there is prior art on which a finding of anticipation may be based. Carsem argues that the ASAT LPCC invention was conceived in [REDACTED] See RIBR at 2-6. In support, Carsem relies on the testimony of the inventor of the LPCC invention, Mclellan and former ASAT employee Combs. *Id.* at 2-4. Assuming, *arguendo*, that the testimony of Mclellan and Combs, along with the other evidence presented by Carsem, is sufficient to establish a priority date of [REDACTED] for the ASAT LPCC invention and that Carsem is able to successfully establish a prima facie case of anticipation based on the LPCC invention, the burden of production shifts to Amkor to come forward with evidence that: (1) the LPCC invention does not expressly or inherently disclose all of the limitations of the asserted claims of the patents-in-suit; and/or (2) the ASAT LPCC invention is not prior art. See *In the Matter of Certain R-134A Coolant*, USITC Inv. No. 337-TA-623, 2008 WL 5668690 (Dec. 1, 2008).

At the 2004 hearing in this investigation, Amkor produced extensive evidence regarding the date of invention of the patents-in-suit. See ID at 157-67. Having considered the evidence, the undersigned concluded that the patents-in-suit were entitled to a priority date no earlier than [REDACTED] and no later than [REDACTED] See ID at 167; *see also* IDR at 45-48. The testimony supporting the undersigned's finding that the patents-in-suit are entitled to a date of invention no earlier than [REDACTED] comes from the deposition testimony of Roman, which was entered into evidence at the agreement of the parties in lieu of live testimony at the hearing. Specifically, Roman testified as follows:

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[REDACTED]

[REDACTED]

[REDACTED]

RX-359C (Roman Depo. at 16:8-15, 42:12-17)(emphasis added). Roman's answer of [REDACTED] in response to the question [REDACTED] suggests that [REDACTED] Based on the broad nature of the question, it is likely that the answer also was intended to be broad. Therefore it appears probable, or at the very least plausible, that when Roman answered [REDACTED] he was referring to [REDACTED]

The evidence presented by Amkor during the 2004 hearing supporting the finding that the patents-in-suit are entitled to a priority date no earlier than [REDACTED] and no later than [REDACTED] satisfies Amkor's burden of coming forward with evidence to rebut Carsem's argument that the ASAT LPCC invention is prior art. Roman's testimony creates an issue of material fact as to whether the ASAT LPCC invention was made in this country prior to the inventions embodied in the asserted claims of the patents-in-suit.

Because Amkor satisfied its burden of production, the burden of production again shifts to

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the proponent of the invalidity defense, Carsem, to “convince the court” by clear and convincing evidence that the patents-in-suit are not entitled to a priority date of [REDACTED] or that the ASAT LPCC invention was made in this country prior to [REDACTED]. *See Tech. Licensing*, 545 F.3d at 1328. Carsem did not put on any evidence in any of the hearings in this investigation rebutting Roman’s [REDACTED] testimony and no party petitioned for review of the finding in the ID that the patents-in-suit were entitled to a priority date of no earlier than [REDACTED] and no later than [REDACTED]. Further, the Commission did not disturb that finding in its Opinion remanding the investigation. *See Commission’s Opinion Remanding the Investigation* (April 13, 2005).

Having considered the evidence as a whole presented by Carsem on remand regarding the priority date of the ASAT LPCC invention and even assuming, as discussed earlier, that the ASAT LPCC invention is entitled to a date of invention no earlier than [REDACTED] the undersigned finds that Carsem has failed to prove by clear and convincing evidence that the [REDACTED] date of invention of the ASAT LPCC invention is prior to the [REDACTED] date of invention accorded the asserted claims of the patents-in-suit.⁵ Therefore the undersigned finds that

⁵ Both Carsem and the Staff argue in error that the evidence presented by Carsem regarding the ASAT LPCC invention is qualitatively and quantitatively greater than that offered by Amkor in support of its date of invention for the patents-in-suit and thus the ASAT LPCC invention must be prior art to Amkor’s asserted patents. *See RRBR* at 7, *SIBR* at 11, 13. As previously discussed, Carsem has the burden of persuasion to prove by clear and convincing evidence that the ASAT LPCC invention was made in this country prior to the inventions embodied in the asserted claims of the patents-in-suit. Therefore, comparing Carsem’s evidence to Amkor’s evidence is improper and proves nothing. As Amkor correctly points out in its post-hearing brief, this is not an interference proceeding where the finder of fact must compare two invention stories and determine

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Carsem has not proven that the ASAT LPCC invention is prior art against the patents-in-suit. Accordingly, the undersigned finds that Carsem has failed to prove by clear and convincing evidence that the asserted claims of the patents-in-suit are invalid as anticipated by the ASAT LPCC invention.

B. Obviousness

Carsem argues that claims 1, 2, 3, 4, 7, 17, 18, and 20 of the '277 patent, claims 1, 2, 3, 4, 7, and 8 of '728 patent, and claims 1, 2, 13, and 14 of the '356 patent are invalid as obvious under 35 U.S.C. § 103 in view of the ASAT LPCC Inverter Controller invention in combination with one or more of the alleged prior art JP951, JP964, JP456, JP854, JP248, US '214, JP948, and JP284 references. *See* RIBR at 23, 26, 27.

Section 103 states in part that “[a] patent may not be obtained . . . if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious.” 35 U.S.C. § 103. As discussed in detail, *supra*, the undersigned has found that Carsem has failed to prove by clear and convincing evidence that the ASAT’s LPCC Inverter Controller invention antedates the '277, '728 and '356 patents-in-suit and is therefore not prior art. Because each of Carsem’s obviousness combinations relies on the ASAT LPCC Inverter Controller invention as prior art, the fact that the LPCC invention is not prior art is fatal to Carsem’s obviousness arguments. Accordingly, the undersigned finds that Carsem has failed to

by a preponderance of the evidence who invented first; this is an infringement case, where the burden always remains with Carsem to prove that the date of invention accorded the ASAT LPCC

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prove by clear and convincing evidence that the patents-in-suit are invalid as obvious under 35 U.S.C. § 103 in light of Carsem's asserted obviousness combinations.

invention is clearly before the date of invention of the patents-in-suit.

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CONCLUSIONS OF LAW

1. Claims 1-4, 7, 17, 18, and 20-23 of the '277 patent are not invalid under 35 U.S.C. § 102(g) as anticipated by the ASAT LPCC Inverter Controller invention.
2. Claims 1-4, 7, and 8 of the '728 patent are not invalid under 35 U.S.C. § 102(g) as anticipated by the ASAT LPCC Inverter Controller invention.
3. Claims 1, 2-4, 7, 17, 18, and 20-23 of the '277 patent are not invalid under 35 U.S.C. § 103(a) in view of the ASAT LPCC Inverter Controller invention in combination with one or more of the following references: JP951, JP964, JP456, JP854, JP248, US '214, JP948, and JP284.
4. Claims 1-4, 7, and 8 of the '728 patent are not invalid under 35 U.S.C. § 103(a) in view of the ASAT LPCC Inverter Controller invention in combination with one or more of the following references: JP951, JP964, JP456, JP854, JP248, US '214, JP948, and JP284.
5. Claims 1, 2, 13 and 14 of the '356 patent are not invalid under 35 U.S.C. § 103(a) in view of the ASAT LPCC Inverter Controller invention in combination with one or more of the following references: JP951, JP964, JP456, JP854, JP248, US '214, JP948, and JP284

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INITIAL DETERMINATION

Based on the foregoing opinion, findings of fact, conclusions of law, the evidence, and the record as a whole, and having considered all pleadings and arguments, including the proposed findings of fact and conclusions of law, the undersigned hereby reaffirms the Initial Determination in the Remand ID that: (1) a violation of Section 337 of the Tariff Act of 1930, as amended, has been found in the importation into the United States, the sale for importation, or the sale within the United States after importation of certain encapsulated integrated circuit devices and products contains same in connection with claims 2, 3, 21, and 22 of the U.S. Patent No. 6,433,277; and (2) no violation of Section 337 of the Tariff Act of 1930, as amended, has been found in the importation into the United States, the sale for importation, or the sale within the United States after importation of certain encapsulated integrated circuit devices and products contains same in connection with claims 1-4, 7, and 8 of U.S. Patent No. 6,630,728 and claims 1, 2, 13 and 14 of U.S. Patent No. 6,455,356. Furthermore, the undersigned hereby reaffirms the determination in the Remand ID that a domestic industry exists in the United States that practices the '277 and '728 patents, but no domestic industry exists in the United States that practices the '356 patent.

The Administrative Law Judge hereby CERTIFIES to the Commission this Supplemental Initial Determination, together with the record of the hearing in this investigation consisting of the following: the transcript of the evidentiary hearing, with appropriate corrections as may hereafter be ordered by the Administrative Law Judge; and further the exhibits accepted into evidence in this investigation as listed in the attached exhibit lists.

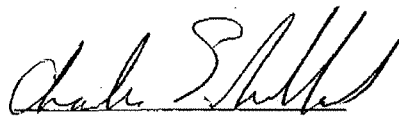
CONTAINS CONFIDENTIAL BUSINESS INFORMATION

Pursuant to 19 C.F.R. § 210.42(h), this Supplemental Initial Determination shall become the determination of the Commission unless a party files a petition for review pursuant to 19 C.F.R. § 210.43(a) or the Commission, pursuant to 19 C.F.R. § 210.44, orders on its own motion a review of the Supplemental Initial Determination or certain issues therein.

Within seven days of the date of this document, each party shall submit to the office of the Administrative Law Judge a statement as to whether or not it seeks to have any portion of this document deleted from the public version. The parties' submissions must be made by hard copy by the aforementioned date.

Any party seeking to have any portion of this document deleted from the public version thereof must submit to this office a copy of this document with red brackets indicating any portion asserted to contain confidential business information. The parties' submission concerning the public version of this document need not be filed with the Commission Secretary.

SO ORDERED.

A handwritten signature in dark ink, appearing to read "Charles E. Bullock", is written over a horizontal line.

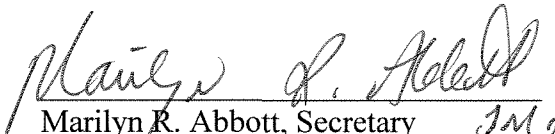
Charles E. Bullock
Administrative Law Judge

**IN THE MATTER OF CERTAIN ENCAPSULATED
INTEGRATED CIRCUIT DEVICES AND PRODUCTS
CONTAINING SAME**

**337-TA-501
(Remand)**

CERTIFICATE OF SERVICE

I, Marilyn R. Abbott, hereby certify that the attached **PUBLIC INITIAL DETERMINATION** has been served upon, **David O. Lloyd, Esq.**, Commission Investigative Attorney, and the following parties via first class mail and air mail where necessary on November 20, 2009.


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**IN THE MATTER OF CERTAIN ENCAPSULATED
INTEGRATED CIRCUIT DEVICES AND PRODUCTS
CONTAINING SAME**

**337-TA-501
(Remand)**

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