

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

In the Matter of

**CERTAIN PERSONAL DATA AND
MOBILE COMMUNICATIONS DEVICES
AND RELATED SOFTWARE**

Investigation No. 337-TA-710

**NOTICE OF THE COMMISSION'S FINAL DETERMINATION
FINDING A VIOLATION OF SECTION 337;
ISSUANCE OF A LIMITED EXCLUSION ORDER;
TERMINATION OF THE INVESTIGATION**

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has found a violation of section 337 in this investigation and has issued a limited exclusion order prohibiting importation of infringing personal data and mobile communications devices and related software. The Commission has determined that exclusion of articles subject to this order shall commence on April 19, 2012.

FOR FURTHER INFORMATION CONTACT: Sidney A. Rosenzweig, Office of the General Counsel, U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C. 20436, telephone (202) 708-2532. Copies of non-confidential documents filed in connection with this investigation are or will be available for inspection during official business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C. 20436, telephone (202) 205-2000. General information concerning the Commission may also be obtained by accessing its Internet server at <http://www.usitc.gov>. The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>. Hearing-impaired persons are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on (202) 205-1810.

SUPPLEMENTARY INFORMATION: The Commission instituted this investigation on April 6, 2010, based on a complaint filed by Apple Inc., and its subsidiary NeXT Software, Inc., both of Cupertino, California (collectively, "Apple"), alleging a violation of section 337 in the importation, sale for importation, and sale within the United States after importation of certain personal data and mobile communications devices and related software that infringe certain U.S. patents. *75 Fed. Reg.* 17434 (Apr. 6, 2010). The notice of investigation named as respondents

High Tech Computer Corp. of Taoyuan City, Taiwan and its United States subsidiaries HTC America Inc. of Bellevue, Washington, and Exedia, Inc. of Houston, Texas (collectively, "HTC").

Several patents that had been asserted by Apple in this investigation were earlier asserted by Apple in Investigation No. 337-TA-704 against Nokia Corp. of Espoo, Finland and Nokia Inc. of White Plains, New York (collectively, "Nokia"). On motion by the Commission investigative attorney ("IA") in the 704 investigation and by the respondents in both investigations, the Chief ALJ transferred Apple's assertion of overlapping patents against Nokia from the 704 investigation into the 710 investigation. *See* Inv. No. 337-TA-704, Order No. 5 (Apr. 26, 2010). However, Apple and Nokia entered a settlement agreement, and on July 21, 2011, the Commission determined not to review the presiding ALJ's termination of the investigation as to Nokia in the 710 investigation based on settlement.

On July 15, 2011, the ALJ issued the final ID. By that time, the investigation had narrowed to certain claims of four patents: claims 1, 3, 8, 15, and 19 of U.S. Patent No. 5,946,647 ("the '647 patent"); claims 1, 2, 24, and 29 of U.S. Patent No. 6,343,263 ("the '263 patent"); claims 1, 5, and 6 of U.S. Patent No. 5,481,721 ("the '721 patent"); and claims 1 and 7 of U.S. Patent No. 6,275,983 ("the '983 patent"). The final ID found a violation of section 337 by HTC by virtue of the infringement of claims 1, 8, 15, and 19 of the '647 patent, and claims 1, 2, 24, and 29 of the '263 patent. The final ID found that claim 3 of the '647 patent was not infringed. In addition, the final ID found that Apple had demonstrated neither infringement nor Apple's own practice (for purposes of establishing the existence of a domestic industry) of claims 1, 5, and 6 of the '721 patent and claims 1 and 7 of the '983 patent. The final ID concluded that HTC had not demonstrated that any of the asserted patent claims were invalid. The ALJ recommended the issuance of a limited exclusion order but that zero bond be posted during the Presidential review period.

HTC, Apple, and the IA each petitioned for review of the final ID. On September 15, 2011, the Commission determined to review several issues regarding each of the four patents asserted in this investigation. *76 Fed. Reg.* 58,537 (Sept. 21, 2011). The parties filed briefing on the issues under review, remedy, the public interest, and bonding. In addition, the following non-parties submitted comments on the public interest: the Association for Competitive Technology; Google Inc.; and T-Mobile USA., Inc. ("T-Mobile").

Having examined the record of this investigation, including the ALJ's final ID and the aforementioned briefing and comments, the Commission has determined that there is a violation of section 337 by reason of the importation and sale of articles that infringe claims 1 and 8 of the '647 patent. The Commission has determined to reverse the ALJ's finding of violation as to claims 15 and 19 of the '647 patent and as to the asserted claims of the '263 patent. The Commission affirms the ALJ's conclusion that there has been no violation as to the '721 and '983 patents.


The Commission has further determined that the appropriate remedy is a limited exclusion order prohibiting the entry of personal data and mobile communications devices and related software that infringe claims 1 or 8 of the '647 patent. The Commission has also determined that the public

interest factors enumerated in section 337(d), 19 U.S.C. § 1337(d), do not preclude the issuance of the limited exclusion order. Notwithstanding the foregoing, the Commission has determined that based on consideration of competitive conditions in the United States economy, the exclusion of articles subject to the order shall commence on April 19, 2012 to provide a transition period for U.S. carriers. In addition, the Commission has determined, based on consideration of the effect of exclusion on United States consumers, that until December 19, 2013, HTC may import refurbished handsets to be provided to consumers as replacements under warranty or an insurance contract (whether the warranty or contract is offered by HTC, a carrier, or by a third party). This exemption does not permit HTC to call new devices “refurbished” and to import them as replacements. The Commission has determined not to issue a cease and desist order and that zero bonding is required during the period of Presidential review, 19 U.S.C. § 1337(j). The investigation is terminated.

The Commission’s order and opinion were delivered to the President and the United States Trade Representative on the day of their issuance.

The authority for the Commission’s determination is contained in section 337 of the Tariff Act of 1930, as amended (19 U.S.C. § 1337), and in sections 210.42-46 and 210.50 of the Commission’s Rules of Practice and Procedure (19 C.F.R. §§ 210.42-46 and 210.50).

By order of the Commission.


James R. Holbein
Secretary to the Commission

Issued: December 19, 2011

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

In the Matter of

**CERTAIN PERSONAL DATA AND
MOBILE COMMUNICATION DEVICES
AND RELATED SOFTWARE**

Inv. No. 337-TA-710

LIMITED EXCLUSION ORDER

The Commission has determined that there is a violation of section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. § 1337, in the unlawful importation, sale for importation, or sale in the United States after importation by Respondents High Tech Computer Corp., HTC America, Inc. and Exedia, Inc. (collectively “Respondents”) of certain personal data and mobile communication devices and related software that infringe claims 1 or 8 of U.S. Patent No. 5,946,647 (“the ’647 patent”). Having reviewed the record in this investigation, including the written submissions of the parties, the Commission has made its determination on the issues of remedy, the public interest, and bonding. The Commission has determined that the appropriate form of relief is a limited exclusion order prohibiting the unlicensed entry of infringing personal data and mobile communication devices and related software that are manufactured abroad by or on behalf of, or imported by or on behalf of Respondents or any of their affiliated companies, parents, subsidiaries, licensees, or other related business entities, or their successors or assigns.

The Commission has further determined that the public interest factors enumerated in 19 U.S.C. § 1337(d) do not preclude issuance of the limited exclusion order. Finally, the Commission has determined that exclusion of articles subject to the order shall commence on April 19, 2012. The respondents may import without posting a bond during the Presidential

review period.

Accordingly, the Commission hereby **ORDERS** that:

1. Personal data and mobile communication devices and related software covered by claims 1 or 8 of the '647 patent that are manufactured abroad by or on behalf of, or imported by or on behalf of, Respondents or any of their affiliated companies, parents, subsidiaries, successors, assigns, or other related business entities, are excluded from entry for consumption into the United States, entry for consumption from a foreign trade zone, or withdrawal from a warehouse for consumption, for the remaining term of the patent, except under license of the patent's owner or as provided by law, and except for refurbished articles imported on or before December 19, 2013, for use as a replacement under warranty or insurance contract for an identical article that was imported prior to April 19, 2012.

2. Notwithstanding any other provision of this Order, but subject to the limited exemption in paragraph 1 for certain refurbished articles, the Commission has determined that the exclusion of articles shall commence on April 19, 2012.

3. At the discretion of U.S. Customs and Border Protection ("CBP") and pursuant to procedures it establishes, persons seeking to import personal data and mobile communication devices and related software that are potentially subject to this Order may be required to certify that they are familiar with the terms of this Order, that they have made appropriate inquiry, and thereupon state that, to the best of their knowledge and belief, the products being imported are not excluded from entry under paragraph 1 of this Order. At its discretion, CBP may require persons who have provided the certification described in this paragraph to furnish such records or analyses as are necessary to substantiate the certification.


4. In accordance with 19 U.S.C. § 1337(l), the provisions of this Order shall not apply to personal data and mobile communication devices and related software that are imported by and for the use of the United States, or imported for, and to be used for, the United States with the authorization or consent of the Government.

5. The Commission may modify this Order in accordance with the procedures described in section 210.76 of the Commission's Rules of Practice and Procedure, 19 C.F.R. § 210.76.

6. The Secretary shall serve copies of this Order upon each party of record in this investigation and upon the Department of Health and Human Services, the Department of Justice, the Federal Trade Commission, and Customs and Border Protection.

7. Notice of this Order shall be published in the *Federal Register*.

By Order of the Commission.


James R. Holbein
Secretary to the Commission

Issued: December 19, 2011

**CERTAIN PERSONAL DATA AND MOBILE
COMMUNICATIONS DEVICES AND RELATED SOFTWARE**

337-TA-710

Certificate of Service

I, James R. Holbein, hereby certify that the attached **Final Determination Finding a Violation of Section 337; Issuance of a Limited Exclusion Order; Termination of Investigation** has been served by hand upon the Commission Investigative Attorney, Thomas S. Fusco, Esq., and the following parties as indicated, on **December 19, 2011**.



James R. Holbein, Secretary
U.S. International Trade Commission
500 E Street, SW
Washington, DC 20436

**On Behalf of Complainants Apple Inc., f/k/a Apple
Computer, Inc. and NeXT Software, Inc. f/k/a NeXT
Computer, Inc.:**

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- Via Hand Delivery
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**On Behalf of Respondents High Tech Computer Corp.
a/k/a HTC Corp.; HTC America; and, Exedea, Inc.:**

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