

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C. 20436

In the Matter of

**CERTAIN AUDIO DIGITAL-TO-
ANALOG CONVERTERS AND
PRODUCTS CONTAINING SAME**

Inv. No. 337-TA-499

**NOTICE OF A COMMISSION DECISION TO REVIEW AND REVERSE ONE
FINDING OF THE ADMINISTRATIVE LAW JUDGE IN A FINAL INITIAL
DETERMINATION; COMMISSION DETERMINATION NOT TO REVIEW THE
REMAINDER OF THE INITIAL DETERMINATION FINDING A VIOLATION OF
SECTION 337: SCHEDULE FOR THE FILING OF WRITTEN SUBMISSIONS ON THE
ISSUES OF REMEDY, THE PUBLIC INTEREST, AND BONDING**

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has determined to review and reverse a finding contained in the final initial determination (“ID”) issued by the presiding administrative law judge (“ALJ”) in the above-captioned investigation on November 15, 2004. Specifically, the Commission has determined to review and reverse the ID’s finding that the ‘928 patent is unenforceable due to incorrect inventorship in view of a recently issued Certificate of Correction by the U.S. Patent and Trademark Office (USPTO). The Commission has determined not to review the remainder of the ID, thereby finding a violation of section 337 of the Tariff Act of 1930, 19 U.S.C. § 1337, in the above-captioned investigation.

FOR FURTHER INFORMATION CONTACT: Timothy P. Monaghan, Esq., Office of the General Counsel, U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C. 20436, telephone 202-205-3152. Copies of the public version of the ID and all nonconfidential 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. Hearing-impaired persons are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on 202-205-1810. General information

concerning the Commission may also be obtained by accessing its Internet server (<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>.

SUPPLEMENTARY INFORMATION: The Commission instituted this investigation on November 14, 2003, based on a complaint filed on behalf of Cirrus Logic, Inc. of Austin, TX ("Cirrus"). 68 *Fed. Reg.* 64641 (Nov. 14, 2003). The complaint, as supplemented, alleged violations of section 337 in the importation into the United States, sale for importation, and sale within the United States after importation of certain audio digital-to-analog converters and products containing same by reason of infringement of claims 1 and 11 of U.S. Patent No. 6,492,928 ("the '928 patent"). The notice of investigation named Wolfson Microelectronics, PLC of Edinburgh, United Kingdom; and Wolfson Microelectronics, Inc. of San Diego, CA (collectively "Wolfson") as respondents.

On December 29, 2003, the ALJ issued an ID (Order No. 5) granting complainant's motion to amend the complaint and notice of investigation to add allegations of infringement of claims 2, 3, 5, 6, and 15 of the '928 patent, and of claims 9, 12, and 19 of U.S. Patent No. 6,011,501 ("the '501 patent"). 69 *Fed. Reg.* 4177 (Jan. 28, 2004). On July 1, 2004, the ALJ issued an ID (Order No. 16) granting complainant's motion to terminate the investigation as to claims 1 and 2 of the '928 patent. On July 27, 2004, the ALJ issued an ID (Order No. 24) granting complainant's motion to terminate the investigation in part as to claim 11 of the '928 patent. Orders Nos. 5, 16, and 24 were not reviewed by the Commission; consequently, claims 3, 5, 6 and 15 of the '928 patent and claims 9, 12, and 19 of the '501 patent remain in the investigation. An evidentiary hearing was held from August 3 - August 11, 2004.

On November 15, 2004, the ALJ issued his final ID finding a violation of section 337 based on his findings that the asserted claims of the '501 patent are infringed, that they are not invalid in view of any prior art, and that claims 9 and 12 of the '501 patent are not invalid because of failure to provide an enabling written description of the claimed invention. The ALJ found that the '928 patent is unenforceable because the inventors intentionally withheld highly material prior art from the examiner during the prosecution of the '928 patent application at the USPTO. Independently, the ALJ found that the '928 patent is unenforceable because one person was mistakenly listed as an inventor on the patent. On November 23, 2004, a certificate correcting inventorship was issued by the USPTO. Accordingly, unenforceability on this ground has been cured. *Viskase Corp. v. American National Can Co.*, 261 F.3d 1316, 1329 (Fed. Cir. 2001) ("Absent fraud or deceptive intent, the correction of inventorship does not affect the validity or enforceability of the patent for the period before the correction."). The ALJ found that the accused devices infringe the asserted claims of the '928 patent, if enforceable, and that the asserted claims of the '928 patent are not invalid in view of any prior art, or for failure to provide an enabling written description of the claimed invention or for failure to disclose the best mode. The ALJ also issued his recommendations on remedy and bonding during the period of Presidential review on November 15, 2004.

On November 30, 2004, Cirrus, Wolfson, and the Commission's investigative attorney filed petitions for review of the final ID. On December 7, 2004, all parties filed responses.

Having examined the record in this investigation, including the ALJ's final ID, the petitions for review, and the responses thereto, the Commission has determined to review and reverse the ID's finding that the '928 patent is unenforceable due to incorrect inventorship in view of the recently issued certificate of correction by the USPTO. The Commission has determined not to review the remainder of the ID, thereby finding a violation of section 337.

In connection with the final disposition of this investigation, the Commission may issue (1) an order that could result in the exclusion of the subject articles from entry into the United States, and/or (2) cease and desist orders that could result in respondents being required to cease and desist from engaging in unfair action in the importation and sale of such articles. Accordingly, the Commission is interested in receiving written submissions that address the form of remedy, if any, that should be ordered. If a party seeks exclusion of an article from entry into the United States for purposes other than entry for consumption, the party should so indicate and provide information establishing that activities involving other types of entry are either adversely affecting it or likely to do so. For background, see *In the Matter of Certain Devices for Connecting Computers via Telephone Lines*, Inv. No. 337-TA-360, USITC Pub. No. 2843 (December 1994) (Commission Opinion).

When the Commission contemplates some form of remedy, it must consider the effects of that remedy upon the public interest. The factors the Commission will consider include the effect that an exclusion order and/or cease and desist orders would have on (1) the public health and welfare, (2) competitive conditions in the U.S. economy, (3) U.S. production of articles that are like or directly competitive with those that are subject to investigation, and (4) U.S. consumers. The Commission is therefore interested in receiving written submissions that address the aforementioned public interest factors in the context of this investigation.

If the Commission orders some form of remedy, the President has 60 days to approve or disapprove the Commission's action. During this period, the subject articles would be entitled to enter the United States under a bond, in an amount determined by the Commission and prescribed by the Secretary of the Treasury. The Commission is therefore interested in receiving submissions concerning the amount of the bond that should be imposed.

WRITTEN SUBMISSIONS: The parties to the investigation, interested government agencies, and any other interested persons are encouraged to file written submissions on the issues of remedy, the public interest, and bonding. Such submissions should address the ALJ's recommended determination on remedy and bonding. Complainant and the Commission investigative attorney are also requested to submit proposed remedial orders for the Commission's consideration. The written submissions and proposed remedial orders must be filed no later than the close of business on Monday, January 10, 2005, and reply submissions must be filed no later than close of business on Monday, January 17, 2005. No further

submissions will be permitted unless otherwise ordered by the Commission.

Persons filing written submissions must file the original document and 14 true copies thereof with the Office of the Secretary on or before the deadlines stated above. Any person desiring to submit a document (or portions thereof) to the Commission in confidence must request confidential treatment unless the information has already been granted such treatment during the proceedings. All such requests should be directed to the Secretary of the Commission and must include a full statement of the reasons why the Commission should grant such treatment. See 19 C.F.R. § 210.5. Documents for which confidential treatment is granted by the Commission will be treated accordingly. All nonconfidential written submissions will be available for public inspection at the Office of the Secretary.

This action is taken under the authority of section 337 of the Tariff Act of 1930, as amended (19 U.S.C. § 1337), and sections 210.42, 210.46, and 210.50 of the Commission's Interim Rules of Practice and Procedure (19 C.F.R. §§ 210.42, 210,46 and 210.50).

By order of the Commission.

/S/

Marilyn R. Abbott
Secretary to the Commission

Issued: December 30, 2004