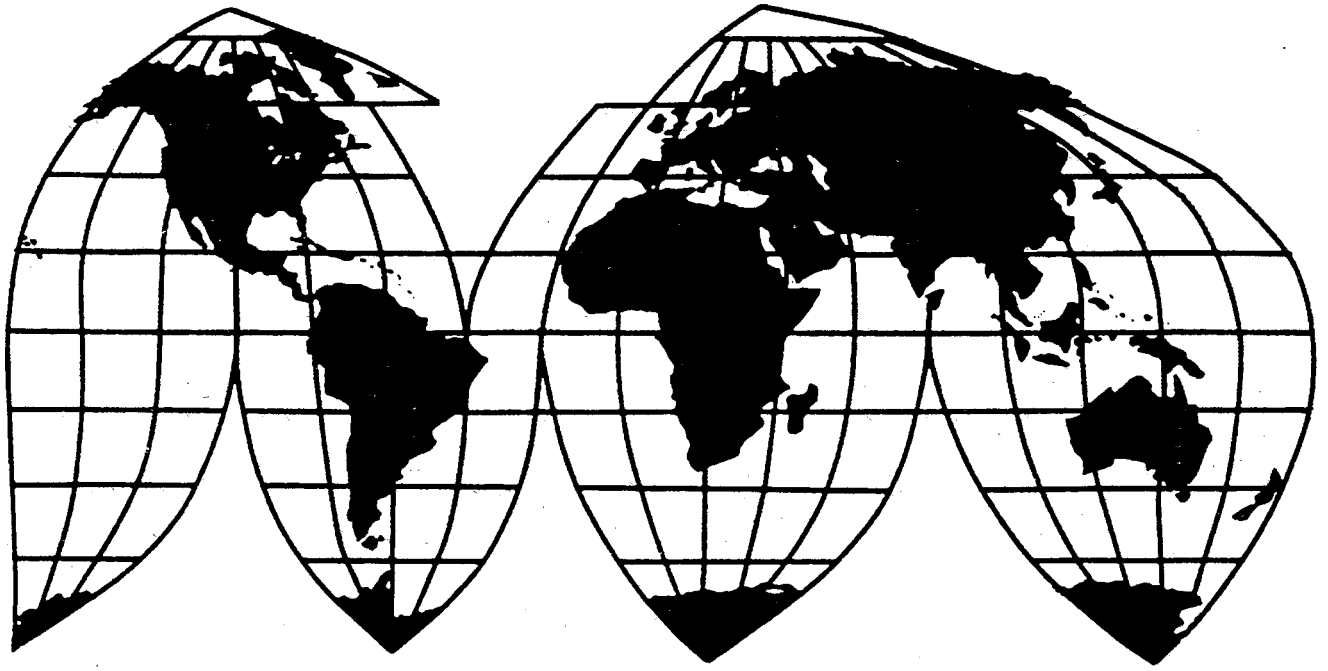
In the Matter of

Certain EPROM, EEPROM, Flash Memory, and Flash Microcontroller Semiconductor Devices, and Products Containing Same

Investigation No. 337-TA-395
(Decision to Reconsider)

Publication 3180 **April 1999**

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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

In the Matter of

CERTAIN EPROM, EEPROM, FLASH MEMORY, AND FLASH MICROCONTROLLER SEMICONDUCTOR DEVICES, AND PRODUCTS CONTAINING SAME

DOCKET

Inv. No. 337-TA-395

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US INT'L TRADE COMM

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NOTICE OF COMMISSION DECISION TO RECONSIDER PORTIONS OF FINAL DETERMINATION

AGENCY: U.S. International Trade Commission

ACTION: Notice

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has determined to reconsider certain portions of its final determination in the above-captioned investigation.

FOR FURTHER INFORMATION CONTACT: John A. Wasleff, Esq., Office of the General Counsel, U.S. International Trade Commission, telephone 202-205-3094.

SUPPLEMENTAL INFORMATION:

The Commission instituted this investigation on March 18, 1997, based on a complaint filed by Atmel Corporation. 62 Fed. Reg. 13706. The complaint named five respondents: Sanyo Electric Co., Ltd., Winbond Electronics Corporation and Winbond Electronics North America Corporation (collectively Winbond), Macronix International Co., Ltd., and Macronix America, Inc. (collectively Macronix). Silicon Storage Technology, Inc. (SST) was permitted to intervene.

In its complaint, Atmel alleged, *inter alia*, that respondents violated section 337 of the Tariff Act of 1930 by importing into the United States, selling for importation, and/or selling in the United States after importation certain electronic products and/or components that infringe claim 1 of U.S. Letters Patent 4,451,903(the '903 patent).

On July 2, 1998, the Commission determined that the '903 patent was unenforceable for failure to name an inventor, and hence that there was no violation of section 337 with respect to that patent. On August 11, 1998, Atmel filed a petition to correct the inventorship of the '903 patent with the U.S. Patent and Trademark Office (PTO). The PTO granted that petition on

August 18, 1998, and issued a Certificate of Correction on October 6, 1998. On September 8, 1998, Atmel filed with the Commission a Petition For Relief From Final Determination Finding U.S. Patent No. 4,415,903 Unenforceable. Respondents and the Commission's Office of Unfair import Investigations filed responses to the petition. The Commission granted Atmel's motion to file a reply brief and respondents' motions to file surreplies.

On August 28, 1998, Atmel filed a notice of appeal of the Commission's final determination in this investigation with the United States Court of Appeals for the Federal Circuit. On October 26, 1998, Atmel identified as an appellate issue the Commission's determination that the '903 patent is unenforceable for failure to name an inventor. On November 6, 1998, respondents Sanyo and Winbond filed motions to dismiss the inventorship issue as moot. The Commission took no position on those motions in order not to prejudice its deliberations on Atmel's petition for relief. On December 8, 1998, the Federal Circuit stayed the appeal pending the Commission's disposition of Atmel's petition.

Having examined the petition, the briefs in opposition, the reply brief, and the surreplies, the Commission has determined to reconsider its determination that the '903 patent is unenforceable for failure to name an inventor, and its consequent finding of no violation of section 337 with respect to the '903 patent. On reconsideration, the record will be reopened and the investigation remanded to the presiding administrative law judge, Judge Paul J. Luckern, for the limited purpose of resolving the issues arising from the issuance of the Certificate of Correction to the '903 patent.

This action is taken under the authority of section 337 of the Tariff Act of 1930 (19 U.S.C. § 1337) and section 210.47 of the Commission's Rules of Practice and Procedure (19 C.F.R. § 210.47). The Commission waived the 14-day limit under rule 210.47 pursuant to rule 210.4(b) (19 C.F.R. § 210.4(b)).

Copies of Atmel's petition and all other 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)*.

By order of the Commission.

Donna R. Koehnke

Donna R. Koehnke
Secretary

Issued: January 25, 1999

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

In the Matter of	
CERTAIN EPROM, EEPROM, FLASH MEMORY, AND FLASH MICROCONTROLLER SEMICONDUCTOR DEVICES, AND PRODUCTS CONTAINING SAME	**Inv. No. 337-TA-395**

ORDER

The Commission instituted this investigation on March 18, 1997, based on a complaint filed by Atmel Corporation. 62 Fed. Reg. 13706. The complaint named five respondents: Sanyo Electric Co., Ltd., Winbond Electronics Corporation and Winbond Electronics North America Corporation (collectively "Winbond"), Macronix International Co., Ltd., and Macronix America, Inc. (collectively "Macronix"). Silicon Storage Technology, Inc. ("SST") was permitted to intervene.

In its complaint, Atmel alleged, *inter alia*, that respondents violated section 337 by importing into the United States, selling for importation, and/or selling in the United States after importation certain electronic products and/or components that infringe claim 1 of U.S. Letters Patent 4,451,903 ("the '903 patent").

On July 2, 1998, the Commission determined that the '903 patent was unenforceable for "failure to name an inventor," and hence that there was no violation of section 337 with respect to that patent. On August 11, 1998, Atmel filed a petition to

correct the inventorship of the '903 patent with the U.S. Patent and Trademark Office ("PTO"). The PTO granted that petition on August 18, 1998, and issued a Certificate of Correction on October 6, 1998. On September 8, 1998, Atmel filed with the Commission a Petition For Relief From Final Determination Finding U.S. Patent No. 4,415,903 Unenforceable. Respondents and the Commission's Office of Unfair Import Investigations filed responses to the petition. The Commission granted Atmel's motion to file a reply brief and respondents' motions to file surreplies.

On August 28, 1998, Atmel filed a notice of appeal of the Commission's final determination in this investigation with the United States Court of Appeals for the Federal Circuit. On October 26, 1998, Atmel identified as an appellate issue the Commission's determination that the '903 patent is unenforceable for failure to name an inventor. On November 6, 1998, respondents Sanyo and Winbond filed motions to dismiss the inventorship issue as moot. The Commission took no position on those motions in order not to prejudice its deliberations on Atmel's petition for relief. On December 8, 1998, the Federal Circuit stayed the appeal pending the Commission's disposition of Atmel's petition.

Having examined the petition, the responses thereto, the reply brief, and the surreplies, it is hereby ORDERED THAT:

1. The Commission has determined to treat Atmel's petition as a motion for reconsideration under rule 210.47, and to waive the 14-day time limit thereunder for good and sufficient reason pursuant to rule 210.4(b).

2. Atmel's petition is granted, and the record in this investigation is reopened for the limited purpose of resolving the issues arising from the issuance of the Certificate of Correction to the '903 patent, including

the issues of whether there was deceptive intent and/or inequitable conduct with respect to inventorship in the original proceedings before the U.S. Patent and Trademark Office ("PTO") or in the correction proceedings before the PTO, and whether the inventors shown on the Certificate of Correction are the appropriate set of inventors.

3. The investigation is remanded to the presiding administrative law judge, Judge Paul J. Luckern, for purposes of the proceedings described above.

4. The Commission notes that there is a developed record bearing on the issue of whether the inventorship is correct as stated in the Certificate of Correction. Whether and to what extent further discovery is appropriate on this issue and/or any subsidiary issue raised by the Certificate of Correction is left to the discretion of the presiding administrative law judge.

5. The administrative law judge shall issue an initial determination limited to the issues for which the record was reopened. The initial determination shall be issued as expeditiously as possible, but in any event, no later than nine months from the date of this order, and shall be treated as if issued pursuant to rule 210.42(a)(1)(i).

6. The Secretary shall serve copies of this Order on the parties of record and on the Department of Health and Human Services, the Department of Justice, and the Federal Trade Commission, and publish notice thereof in the *Federal Register.*

By order of the Commission.

Donna R. Koehnke
Secretary

Issued: January 25, 1999

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

In the Matter of	
CERTAIN EPROM, EEPROM, FLASH MEMORY, AND FLASH MICROCONTROLLER SEMICONDUCTOR DEVICES, AND PRODUCTS CONTAINING SAME	Inv. No. 337-TA-395

COMMISSION OPINION

I. BACKGROUND

The above-referenced section 337 investigation involved claims of infringement of three patents owned by complainant Atmel Corporation ("Atmel"), U.S. Letters Patent 4,511,811 ("the '811 patent"), U.S. Letters Patent 4,673,829 ("the '829 patent"), and U.S. Letters Patent 4,451,903 ("the '903 patent"), all covering aspects of semiconductor memory products. The respondents were Sanyo Electric Co., Ltd. ("Sanyo"), Windbond Electronics Corporation, Windbond Electronics North America Corporation (collectively "Windbond"), Macronix International Co., Ltd., and Macronix America, Inc. (collectively "Macronix")[1]. Silicon Storage Technology, Inc. ("SST") was an intervenor in the case by virtue of the fact that Windbond and Sanyo have acted as foundries[2] for SST.

The presiding administrative law judge ("ALJ") (Judge Luckern) issued his final initial determination ("ID") on March 19, 1998, in which he found, *inter alia*, no infringement of any of the three patents at issue, and hence no violation of section 337. The

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1 Macronix is accused of infringing only the '903 patent.

2 Windbond and Sanyo manufacture semiconductor products abroad for SST, which products are sold by SST in the United States.

Commission determined not to review his finding that claims 2-8 of the '903 patent are invalid, but determined to review the balance of the ID.

After review, the Commission[3] issued its final determination on July 2, 1998 and its opinion on July 9, 1998. The Commission determined, *inter alia*, that the '903 patent is unenforceable for failure to name one or more co-inventors.[4] On August 21, 1998, Atmel filed a petition for correction of inventorship with the PTO in which it sought to add a co-inventor. The PTO granted Atmel's petition on August 28, 1998.[5]

On that same date, Atmel appealed the Commission's final determination in the *EPROMs* investigation to the United States Court of Appeals for the Federal Circuit. On September 8, 1998, Atmel filed with the Commission a document entitled "Petition Of Complainant Atmel Corporation For Relief From Final Determination Finding U.S. Patent No. 4,451,903 Unenforceable," invoking Fed. R. Civ. P. 60(b)[6] as authority for the

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3 The Commission consisted of Chairman Bragg and Commissioner Crawford, Vice Chairman Miller having been recused.

4 The patent statute provides that when an invention is made by two or more persons, they shall all apply for the patent jointly. Respondents and intervenor argued that the patent was defective because there were one or more persons who were joint inventors along with the inventor actually named on the face of the '903 patent. Such a defect renders a patent unenforceable.

5 A Certificate of Correction issued from the PTO on October 6, 1998. The Certificate of Correction states that "it is hereby certified that the correct inventorship of [the '903] patent is: Larry T. Jordan and Anil Gupta."

6 Rule 60(b) reads, in relevant part, as follows:

> On motion and upon such terms as are just, the court may relieve a party or a party's legal representative from a final judgment, order, or proceeding for the following reasons: (1) mistake, inadvertence, surprise, or excusable neglect; (2) newly discovered evidence which by due diligence could not have been

(continued...)

Commission to reconsider its determination as to the '903 patent. Atmel asked the Commission to take administrative notice of the action of the PTO in correcting the inventorship of the '903 patent, and to issue an exclusion order and cease and desist orders.

All of the respondents and intervenor SST filed responses in opposition to Atmel's petition. The Office of Unfair Import Investigations ("OUII") filed a response generally opposing reconsideration in favor of a new investigation. Atmel moved the Commission for leave to file a reply brief; the Commission granted this motion on October 30, 1998. The Commission also granted the motions of respondents and intervenor to file surreplies to Atmel's reply brief. Those surreplies were filed on November 6, 1998.

On December 14, 1998, the Commission received an order from the United States Court of Appeals for the Federal Circuit staying the appeal in the *EPROMs* investigation "pending the ITC's disposition of Atmel's petition for relief." The Federal Circuit further invited the parties to suggest how the court should proceed with the appellate case once that disposition has been made.

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6 (...continued)
discovered in time to move for a new trial under Rule 59(b); . . . or (6) *any other reason* justifying relief from the operation of the judgment. The motion shall be made within a reasonable time, and for reasons (1), (2), and (3) not more than one year after the judgment, order, or proceeding was entered or taken.

Fed. R. Civ. P. 60(b) (emphasis added).

II. ANALYSIS

Although Atmel invoked Fed. R. Civ. P. 60(b) as the authority for the Commission to reconsider our negative determination, we have granted the petition under Commission rule 210.47. The Federal Circuit ordered that Atmel's appeal be stayed "pending disposition of Atmel's petition for relief." Thus, the Federal Circuit has, at least by implication, vested the Commission with jurisdiction and directed the Commission to resolve the petition. *Cf. Borlem S.A.-Empreedimentos Industrais v. USITC*, 718 F. Supp. 41, 49 (CIT 1989), *aff'd.* 913 F.2d 933 (Fed. Cir. 1990) (Commission has power to reconsider final determination when directed by the court to do so).

Commission rule 210.47 provides that petitions for reconsideration are to be grounded on "new questions raised by the determination . . . upon which the petitioner had no opportunity to submit arguments." That the PTO allowed a correction of inventorship shortly after the Commission negative determination predicated on inventorship presents such a new question. Atmel's petition arises from the fact that inventorship is correctable by the PTO or by a U.S. district court, but not by the Commission. Consequently, the question of enforceability of the *corrected* patent is a question that is the direct result of, and in that sense raised by, the Commission's determination. These facts present the type of situation covered by rule 210.47. In view of these facts, including the action of a co-ordinate federal agency (*i.e.*, the PTO), the Commission has determined to grant reconsideration of its negative determination in this investigation.

While rule 210.47 has a 14-day limit on motions for reconsideration, Commission

rule 201.4 provides that the Commission may waive its rules when in its judgment "there is good and sufficient reason therefor."[7] We find that all of the unique circumstances surrounding this case, including the timing of Atmel's actions in response to and following our original determination, establish good and sufficient reason to waive the 14-day limit of rule 210.47 and to grant the petition. *See, e.g., Bookman v. United States*, 453 F.2d 1263, 1265 (Ct. Cl. 1972) ("it is often the case that reconsideration of a prior decision, within a reasonable period of time, is absolutely essential to the even administration of justice . . . ."); *United States v. Sioux Tribe*, 616 F.2d 485, 493 (Ct. Cl.), *cert. denied,* 446 U.S. 953 (1980) ("it is a well established principle that an administrative agency may reconsider its own decisions. 'The power to reconsider is inherent in the power to decide.'").

OUII and the respondents are correct, however, that the investigation currently is not in a posture for the Commission to grant the relief that Atmel has asked for in its petition. The Commission did not reach several issues associated with the '903 patent, all of which the Commission may need to resolve in determining what relief, if any, Atmel is entitled to receive in the event the '903 patent is enforceable. Atmel acknowledges as much in its reply brief before the Federal Circuit.[8] OUII and the respondents are also correct that due process

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7 In exceptional circumstances, the Commission has exercised this authority in the past to waive the 14-day limit for filing reconsideration motions. *Certain Condensers, Parts Thereof and Products Containing Same, Including Air Conditioners For Automobiles*, Inv. No. 337-TA-334 (1997) (Commission Order) (petition for reconsideration of Commission determination of section 337 violation filed 38 days beyond 14-day deadline accepted under rule 210.47 because of intervening change in law).

8 "Contrary to respondents' and intervenor's belief, Atmel does not assert that the Commission has already ruled on the issues of validity and infringement of the '903 patent. Rather, Atmel has requested the Commission to return to these issues because the issue of the '903 patent's inventorship is now moot." Atmel Reply Br. at 16.

requires that respondents/intervenor be given the opportunity to present arguments regarding the enforceability of the '903 patent in light of the Certificate of Correction. Therefore, we have reopened the record in this investigation for the limited purpose of resolving the issues arising from the issuance of the Certificate of Correction to the '903 patent.

While the existing record is extensive, it is not clear whether any additional discovery should be allowed to enable a complete presentation of all arguments concerning proper inventorship. The presiding administrative law judge is in the best position to evaluate these matters. Accordingly, we have remanded the investigation to the administrative law judge who is to issue an initial determination limited to the issues for which the record was reopened.