

PATENT LITIGATION AT THE INTERNATIONAL TRADE COMMISSION

JANET B. LINN, ESQ.
Bleakley Platt & Schmidt, LLP
One North Lexington Ave.
White Plains, NY 10601

INTERNATIONAL TRADE COMMISSION

- The United States International Trade Commission (“ITC”) is an “independent, quasi-judicial federal agency with broad investigative responsibilities on matters of trade.”
- The ITC adjudicates cases involving imports that allegedly infringe intellectual property rights.

UNLAWFUL PRACTICES IN IMPORT TRADE – 19 U.S.C. Sec. 1337(a)(1)

Unlawful activities under section 337(a)(1)(B), 19 U.S.C. §1337 (a)(1)(B), include importation of articles for sale in the United States that infringe a United States patent:

“[T]he following are unlawful, and when found by the Commission to exist shall be dealt with, in addition to any other provision of law, as provided in this section:

...

(B) The importation into the United States, the sale for importation, or the sale within the United States after importation by the owner, importer, or consignee, of articles that –

- (i) infringe a valid and enforceable United States patent ... under title 17; or
- (ii) are made, produced, processed, or mined under, or by means of, a process covered by the claims of a valid and enforceable United States patent.”

ITC v. DISTRICT COURT ACTION

- Domestic Industry Required
- Technical Expertise of ITC
- Multiple Respondents
- No Stay for PTO proceedings
- Procedure
- Remedies

TWO PRONGS OF DOMESTIC INDUSTRY

An ITC action can only be brought if the complainant has an existing domestic industry or a domestic industry is in the process of being established with respect to the Articles protected by patent. 19 U.S.C. §1337(a)(2)

- Economic Prong
Economic activities in 19 U.S.C. §1337(a)(3) have taken place or are taking place with respect to the articles protected by the patents.
- Technical Prong
Complainant must have a domestic product that practices at least one claim of each asserted patent

DOMESTIC INDUSTRY

“[A]n industry in the United States shall be considered to exist if there is in the United States, with respect to the articles protected by the patent.

- (A) significant investment in plant and equipment;
- (B) significant employment of labor or capital; or
- (C) substantial investment in its exploitation, including engineering, research and development, or licensing.”

19 U.S.C. §1337(a)(3)

INITIATION OF INVESTIGATION

- Complaint filed by private party - must be detailed and include claim charts
- Can bring action against multiple respondents (vs. district court limitation on defendants)
- Commission (Office of Unfair Import Investigation – (“OUII”)) has thirty days to determine whether to institute an investigation

ITC PROCEDURE

- Attorney from Office of Unfair Import Investigation participates in all phases of investigation and in the hearing
- Investigation controlled by Administrative Law Judge until initial determination on violation and recommendation
- Worldwide discovery
- Expedited deadlines for discovery responses
- Expedited determination – 12 to 15 months from initiation to decision

REMEDIES

- Exclusion Order:

“The authority of the Commission to order an exclusion from entry of articles shall be limited to persons determined by the Commission to be violating this section unless the Commission determines that –

(a) a general exclusion from entry of articles is necessary to prevent circumvention of an exclusion order limited to products of names persons; or

(b) there is a pattern of violation of this section and it is difficult to identify the source of infringing products”

19 U.S.C. §1337(d)(2)

- No damages

- Cease and desist order against U.S. companies selling imported articles -- Enjoins sales from inventory.

APPEAL

- Appeal to full commission (six Commissioners) from ALJ recommendation
- ITC determination appealed to the Federal Court
- President reviews Commission Exclusion Order
 - Exclusion Order must be in the public interest
 - US Trade Representative vetoed ban on import and sale of Apple products under exclusion order and cease and desist order.

EFFECT OF EXCLUSION ORDER

- Order enforced by US Custom and Border Protection.
- Customs gets copy of Exclusion Order and reviews product coming into the United States to see if it violates the Order.

ITC JURISDICTION IN QUESTION

- Suprema v. ITC - Jurisdiction of ITC over induced infringement
- Change ITC standard to obtain injunctive relief to the standard in eBay v. Mercexchange

WWW.BPSLAW.COM

New York

One North Lexington Avenue
White Plains, NY 10601
914.949.2700

Connecticut

Twenty-Five Field Point Road
Greenwich, CT 06830
203.422.5050