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Out of the ITC in 100 Days

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A few months ago, we explored ideas for defendants who wished to quickly dispense with lawsuits involving patents directed to patent ineligible subject matter like abstract ideas or laws of nature.¹ With this edition, we turn to specialized strategies for defendants to fend off patent disputes involving these patents in the US International Trade Commission (ITC).

It is no secret that the ITC has seen an explosion in patent litigation in recent years. The ITC provides advantages over district courts that make it desirable for patentees, including an accelerated procedure for investigating complaints and unique remedies in the form of exclusion orders.² Known as “Section 337” investigations, these proceedings at the ITC involve allegations that goods imported into the US constitute an unfair act such as infringing a US patent, trademark, or copyright (whether registered or common law).³ For those who find themselves defending

an ITC investigation, the “100-day” program provides one possible route to quickly end investigations involving patents to ineligible subject matter under 35 U.S.C § 101.

The ITC’s “100-Day” Program for Quickly Terminating Investigations on Dispositive Issues—Including Subject Matter Eligibility

The Commission launched its “100-day” program as a pilot program in 2013.⁴ This program authorizes the Commission to identify investigations for early resolution in view of potentially dispositive issues such as standing and the economic prong of the domestic industry requirement. When the Commission identifies such a case, it will order the presiding administrative law judge (ALJ) to issue an initial determination within 100 days of the investigation being instituted. Thus far, the 100-day program has been seldom invoked and is typically used to resolve an investigation early on dispositive domestic industry issues.⁵ But thanks to the program’s rapid timeline, defendants who might invoke it for dispositive subject matter eligibility issues stand to save millions in legal fees.

One Successful Request for Entry into the 100-Day Program: *Certain Portable Electronic Devices*

The first successful use of the 100-day program to dismiss a patent suit on subject matter eligibility came in August 2016. In *Certain Portable Electronic Devices and Components Thereof*, ALJ Shaw found that all asserted claims brought against Sony, Samsung, and others covered patent-ineligible abstract ideas.⁶ Explaining his decision, ALJ Shaw found that the patent to a “user interface for a small portable music player,” was “not meaningfully different from the ideas found to be abstract in other cases . . . involving methods of organizing human

activity.”⁷ ALJ Shaw recommended that the investigation be terminated, and the Commission agreed.⁸

Before the Commission’s institution decision in *Certain Portable Electronic Devices*, the proposed respondents collectively urged the Commission to direct the ALJ to use the 100-day program to determine whether **all** asserted claims against them were directed to patent-ineligible subject matter under 35 U.S.C. § 101. The Commission agreed to do so, ordering:

Notwithstanding any Commission Rules that would otherwise apply, the presiding Administrative Law Judge shall hold an early evidentiary hearing, find facts, and issue an early decision, as to whether the asserted claims of the ’433 patent recite patent-eligible subject matter under 35 U.S.C. 101. Any such decision shall be in the form of an initial determination (ID). . . . The Commission expects the issuance of an early ID relating to Section 101 within 100 days of institution, except that the presiding ALJ may grant a limited extension of the ID for good cause shown. The issuance of an early ID finding that the asserted claims of the ’433 patent do not recite patent-eligible subject matter under 35 U.S.C. 101 shall stay the investigation unless the Commission orders otherwise; any other decision shall not stay the investigation or delay the issuance of a final ID covering the other issues of the investigation.⁹

If proposed respondents wish to follow the lead of *Portable Electronic Devices*, they must act quickly. Upon receipt of a complaint, the Commission will typically issue a notice instructing that written submissions on any issue—including the 100-day program—must be filed within “eight calendar days” of the notice publishing.¹⁰

One Less Successful Request: *Certain Data Transmission Devices*

On the other hand, the Commission rejected Respondents’ requests for entry into the 100-day program

in *Certain Data Transmission Devices, Components Thereof, Associated Software, and Products Containing the Same*, Inv. 337-TA-1150. Unlike in *Portable Electronic Devices*, the Respondents in *Data Transmission Devices* only requested an early disposition on subject matter eligibility for **some**, but not **all** asserted claims against them. The Commission found that the issue would not be case dispositive and denied entry into the 100-day program.¹¹

Specifically, the Commission noted that “it is not clear from the Respondents’ Requests that the issue [of patent eligibility] is likely to be dispositive with respect to all (and not just some) of the asserted claims of the Asserted Patents[.]”¹² The Commission also found that “[t]he same issue may also be more appropriately resolved via an early motion for summary determination.”¹³

The “Interim ID” Program: No Subject Matter Eligibility Decisions . . . Yet

Another recent effort by the Commission may also provide a route to an early resolution on subject matter eligibility. As part of its continuing efforts to streamline Section 337 Investigations, the Commission recently launched an “Interim ID” pilot-program that allows ALJs to issue interim IDs on a small number of case-dispositive issues. As of today, no Interim IDs have been issued on subject-matter eligibility, though that may change as more requests for entry into the program are made. Thus far, the program has been used sparingly: despite many Respondents requesting entry into the program, only two investigations have been given Interim ID treatment—and both investigations were related.¹⁴

Conclusion

Parties who find themselves defending an ITC investigation on patents that are vulnerable to subject matter eligibility issues may wish to explore the 100-day or Interim ID programs and whether they make sense for their case.

1. Alex Harding, Erika Arner and Daniel Cooley, *As the Curtain Falls on CBM Review, What’s Next for Financial Institutions?*, IP LITIGATOR (March 2022).
2. Daniel Cooley, Mareesa Frederick, Jonathan Fagan, *ITC Basics: What Makes the ITC a Unique and Desirable Forum*, IP LITIGATOR (October 2019).
3. See 19 U.S.C. § 1337; 19 CFR § 12.39.
4. *Pilot Program Will Test Early Disposition of Certain Section 337 Investigations*, USITC.gov (August 2013) https://www.usitc.gov/press_room/featured_news/pilot_program_will_test_early_disposition_certain.htm.
5. See Fort et al., *A Pilot No Longer – The 100-Day Provision Becomes a Fixture and Other New Rules from the US International Trade Commission*, EVERSHEDES-SUTHERLAND (June 7, 2018).

6. *Certain Portable Elec. Devices & Components Thereof* Final Initial Determination, USITC Inv. No. 337-TA-994 (Aug. 19, 2016).
7. *Id.* at *26–27 (Aug. 19, 2016) (quoting *Intell. Ventures I LLC v. Cap. One Bank (USA)*, 792 F.3d 1363, 1367 (Fed. Cir. 2015)).
8. *Certain Portable Elec. Devices & Components Thereof* Notice of Comm’n Determination Not to Rev. the 100-Day Initial Determination Finding the Asserted Claims of U.S. Pat. No. 6,928,433 Invalid Under 35 U.S.C. 101; Termination of Investigation, USITC Inv. No. 337-TA-994 (Sept. 21, 2016).
9. *Certain Portable Electronic Devices and Components Thereof* Institution of Investigation, USITC Inv. No. 337-TA-994 (May 11, 2016).

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10. See, e.g., *Certain Refrigerator Water Filtration Devices and Components Thereof* Receipt of Complaint, USITC Inv. No. 337-TA-1290 (Jan. 6, 2022).
 11. See *Certain Data Transmission Devices, Components Thereof, Associated Software, And Products Containing the Same* Order Denying Requests for Entry into Early Disposition Program, USITC Inv. No. 337-TA-1150 (Apr. 2, 2019).
 12. *Id.* at 2.
 13. *Id.*
 14. See *Certain Replacement Automotive Lamps*, Order No. 3, Inv. No. 337-TA-1291 (Jan. 25, 2022); *Certain Replacement Automotive Lamps*, Order

No. 3, Inv. No. 337-TA-1292 (Jan. 25, 2022) (ALJ Cheney ordering entry into the Interim ID program to determine if Complainant meets the economic prong of the domestic industry requirement); see also *Certain Electrolyte Containing Beverages and Labeling and Packaging Thereof*, Inv. No. 337-TA-1269 (ALJ McNamara declining entry into the program on the dispositive issue of domestic industry); *Certain Flocked Swabs, Products Containing Flocked Swabs, and Methods of Using Same*, Inv. No. 337-TA-1279 (ALJ Bhattacharyya declining entry into the program on multiple non-infringement and domestic issues which depended on claim construction).

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