






# When and Why You Should Consider Using the ITC as a Forum for Patent Infringement

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## What Is the ITC and What Is Section 337?

-  The ITC is an independent federal agency with a wide range of trade related mandates.
-  Under Section 337, 19 U.S.C. § 1337, the Commission adjudicates and can impose remedies a variety of unfair practices involving import trade, including IP cases.
-  Patent Infringement is the most common unfair act alleged under Section 337-probably 90+% of cases filed.

## Section 337 Remedies

- Exclusion orders against unfair imports
  - Enforced by Customs
  - General or limited exclusion orders
  
- Cease and desist orders
  - Enforced by the Commission
  
- Consent orders (violation carries same penalties as a Cease & Desist Order)
  
- Duration of orders – life of IP right or period of years

## Notable Features of 337

- ❖ *In rem* jurisdiction – personal jurisdiction not required for exclusion order (but is for cease & desist order)
  
- ❖ *Inter partes* administrative litigation
  - Involves complainants and respondents
  - Public interest represented by Commission Investigative Attorney (Staff Attorney or OUII)
  
- ❖ Target Dates: usually 12 -15 months

## Notable Features of 337 (cont'd)

- ❖ Trials held in Washington, DC before experienced Administrative Law Judges, with subsequent review by the Commission
- ❖ President has power to disapprove remedies on policy grounds only, but has rarely done so
  - Commission can also decline to issue a remedy on public interest grounds – rarely done
- ❖ Appeals are to the U.S. Court of Appeals for the Federal Circuit
- ❖ History of Section 337 dates to 1922; modern version adopted in 1974 with major amendments in 1988 and 1994

# ITC v. District Court- Advantages/Disadvantages

## ITC

- FR No consolidation with current district court actions
- FR ALJ expertise in IP cases; ALJ handles both discovery disputes and hearing (becomes familiar with the issues)
- FR Jurisdictional advantages: (1) name multiple respondents from U.S. and abroad; (2) *in rem* jurisdiction not available in district court; (3) nationwide subpoena power; (4) foreign discovery against respondents; (5) sanctions available against foreign respondents who fail to comply with discovery; (6) exclusion orders enforced by U.S. Customs & Border Protection
- FR Expedited proceedings – usually 12-15 months - short deadlines throughout investigation
- FR No counterclaims by respondents; counterclaims removed to district court

## District Court

- FR No domestic industry requirement (both technical and economic)
- FR No importation requirement
- FR Complaint need not lay out fundamental initial infringement contentions; essentially notice pleading v. fact pleading at ITC
- FR Monetary Damages
- FR Attorneys' fees
- FR Costs
- FR Injunctive relief (?) (still an open question) – self-policing
- FR Respondent can stay a related District Court action until “final” decision no long subject to appeal or remand
- FR Juries

# ITC Expertise in Patent Litigation

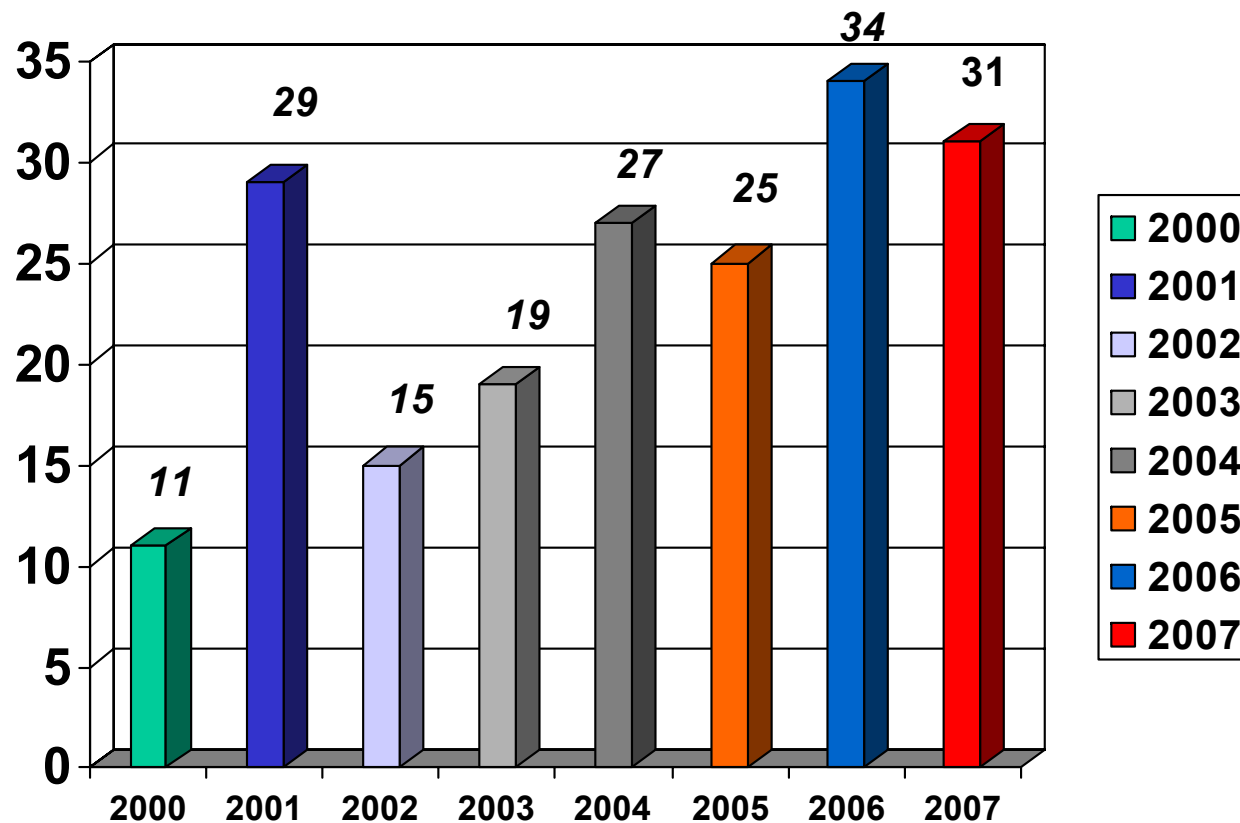
## Experienced Trial Judges:

- Bench Trials – no need to worry about juries
- Experienced judges for IP issues – that's all they handle
- Great forum for complex cases

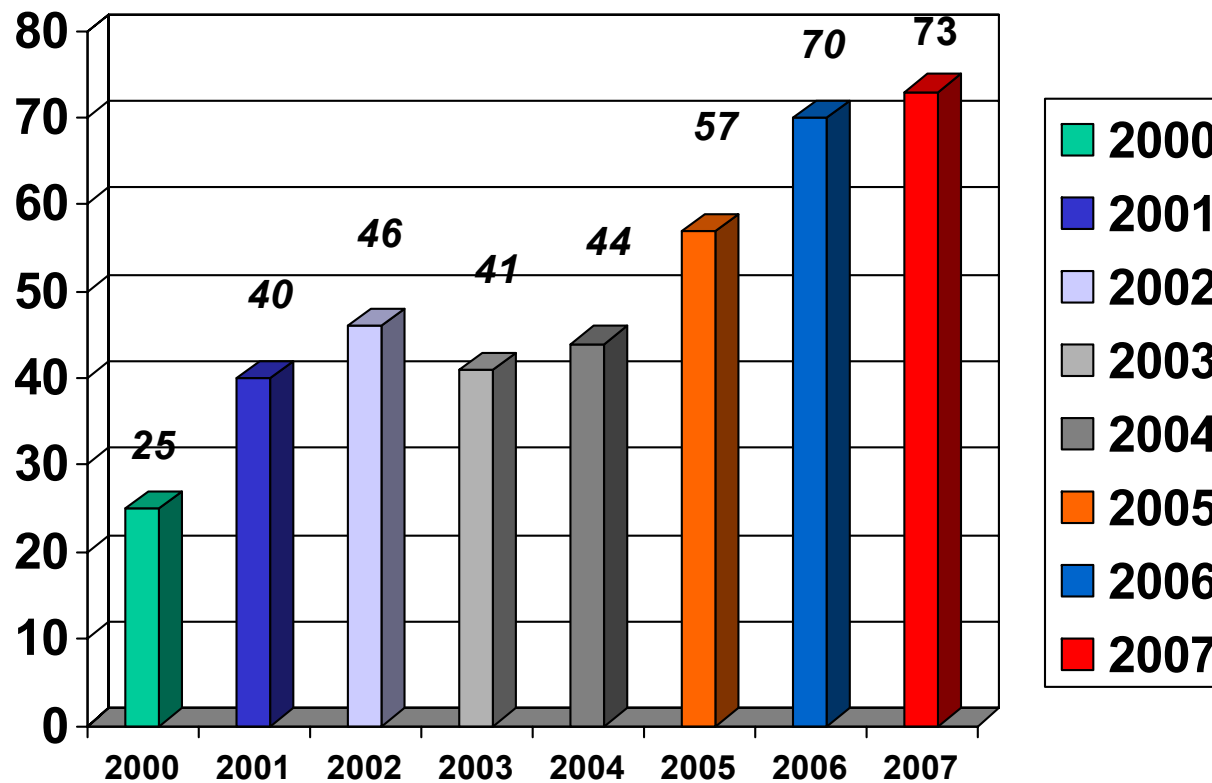
## ITC Staff Attorney (OUII):

- Full party representing the public interest
- Very knowledgeable/skilled/experienced
- Important to work with staff
- Neutral until pretrial brief

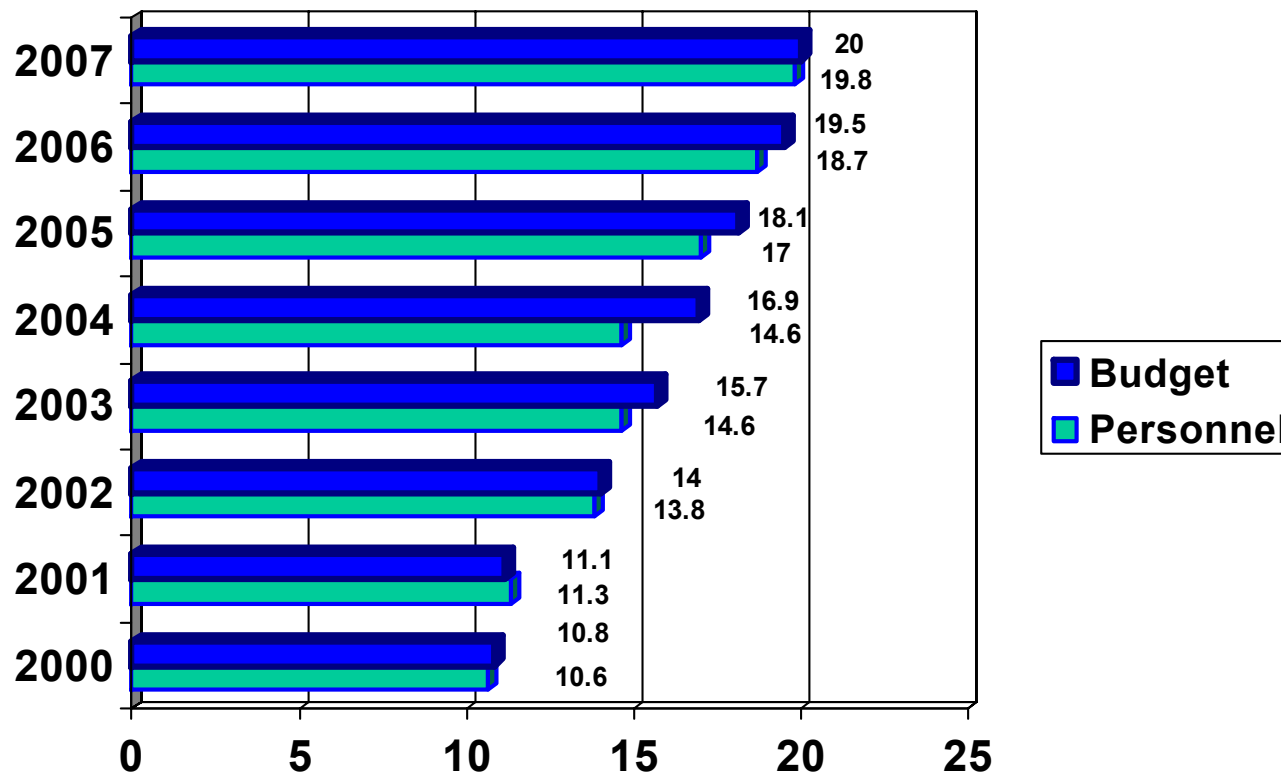
# New Section 337 Investigations Instituted by Fiscal Year



## Number of Active Section 337 Investigations and Related Proceedings by Fiscal Year



# Percentage of ITC Personnel (Workyears) and Percentage of ITC Budget Devoted to Section 337 Investigations for FY 2000 – FY 2006



## Information on the ITC Web Site

1. Call (x6414) or e-mail Jeff Whieldon at or [whieldon@fr.com](mailto:whieldon@fr.com)
2. OUII's Section 337 Information Resources:  
[http://www.usitc.gov/trade\\_remedy/int\\_prop/index.htm](http://www.usitc.gov/trade_remedy/int_prop/index.htm)
3. Includes:
  - Copy of the statute and rules
  - Frequently Asked Questions booklet in .pdf format
  - History of all Section 337 investigations since 1974
  - List of all outstanding exclusion orders
4. Electronic Document Imaging System (EDIS II) <http://edis.usitc.gov>
  - Images of all public filings in each investigation, including trial exhibits
  - Now provide for electronic filings

