



# **Navigating ITC Investigations: What You Need to Know Before Institution and After Initial Determination**

Thursday, September 8, 2022



# Meet The Speakers

---



**Daniel Tishman**  
Principal



**John Thuermer**  
Associate


# Overview


- **Housekeeping**
  - CLE
  - Questions
  - Materials
    - <http://www.fr.com/webinars>

**FISH.**  
+ Complimentary CLE Webinar

**Preparing for Future Litigation:  
Strategies for Start-Ups**

**SIGN ME UP**

 **DATE**  
Wednesday,  
October 5, 2022

 **TIME**  
1:30 – 2:30 p.m. ET/  
10:30 – 11:30 a.m. PT

**Webinar | Preparing for Future Litigation: Strategies  
for Start-Ups**

Success in patent litigation begins long before a litigant sets foot in a courtroom. The most successful companies prepare for patent litigation from the moment of corporate formation and through every action they take thereafter. However, litigation can often be a good thing for companies because it means that they have developed a successful product worth fighting over. Companies should thus focus less of their time on avoiding litigation and more on winning when it happens.

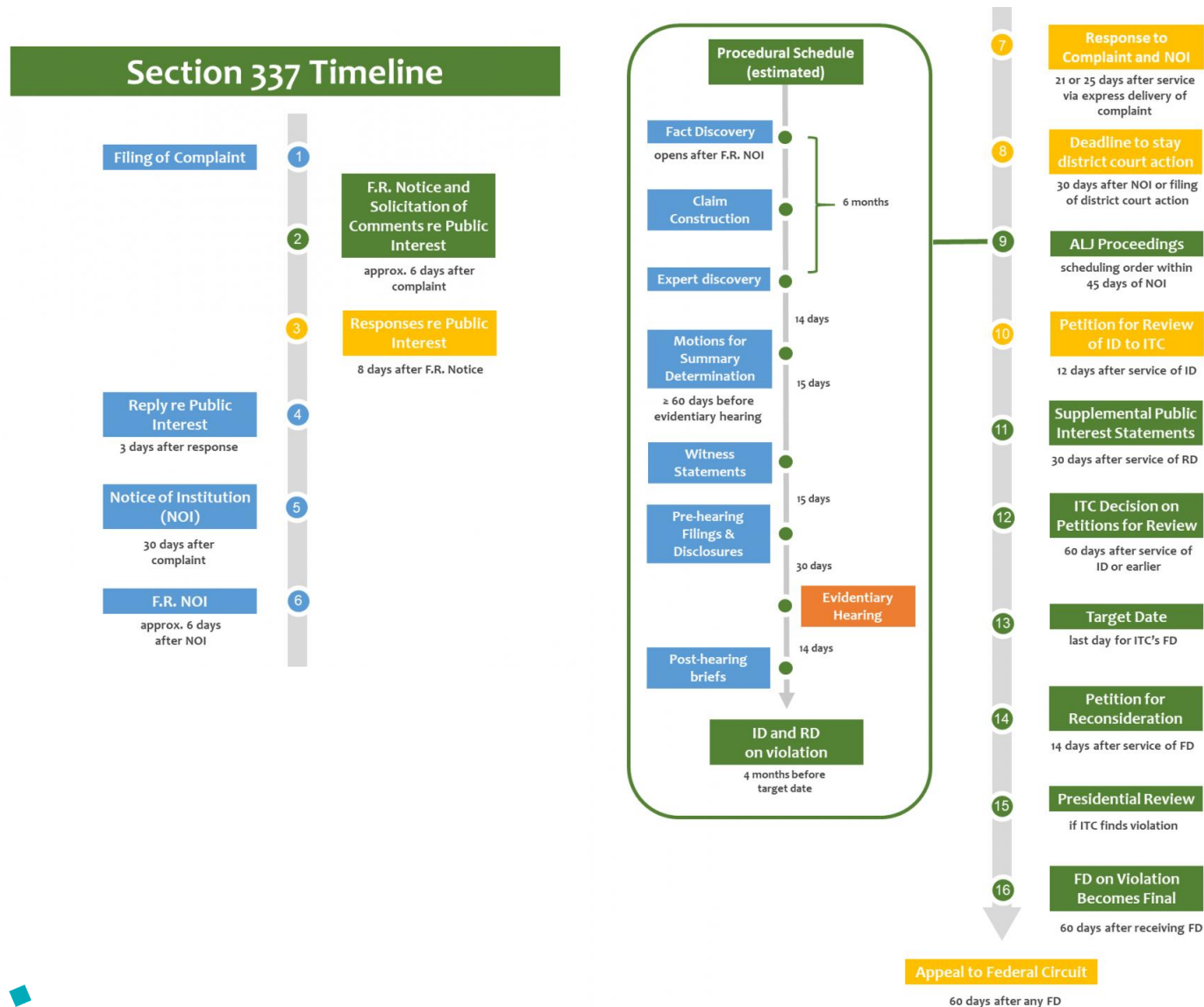
**Complimentary Webinar**  
Wednesday, October 5, 2022  
1:30 - 2:30 p.m. ET

**REGISTER**

On Wednesday, October 5, please join Principals [Betsy Flanagan](#) and [Matt Colvin](#) as they discuss strategies early-stage companies can use to prepare for future litigation, including:

- Designing your IP portfolio for litigation
- Capturing inventions and the stories behind them
- IP education and avoiding bad documents
- Keeping an eye on the competition
- Guarding against willfulness

# Timeline of an ITC Investigation



<https://www.fr.com/itc-litigation-section-337-investigation-timeline/>

# Agenda

---

- **Strategies for complainants in best positioning their complaints for review by the ITC**
- **Strategies for respondents seeking early resolution or delay of an ITC investigation**
- **Public interest briefing before an investigation and after an initial determination**
- **Post-remedial order proceedings regarding redesigned products**
- **Post-remedial order proceedings before in other venues**



## **Strategies for Complainants in Best Positioning Their Complaints for Review by the ITC**

# Complaint Requirements

---

- 19 C.F.R. § 210.12(a) – “***Contents of the complaint.***”
  - 12 subparagraphs with specific requirements
- Key points for a patent-based investigation
  - Identify category of accused products
  - Identify specific accused products
  - Identify instances of importation
  - Identify the respondents
  - Develop domestic industry theories
    - Identify domestic industry products
    - Identify relevant expenditures
  - Identify verifier early

# Importation

---

- 19 C.F.R. § 210.12(a)(9)(viii) – importation
- Importation databases – Import Genius, Datamyne, Panjiva
- E-commerce websites – Amazon, eBay
- Accused products – country of origin labels; shipping labels; receipts
- Company websites
  - Reports touting manufacturing at one location or region
  - Press releases touting new product or geographic expansion
- Accused products must be imported
- Importation records must have a sufficient link to accused products
  - “vehicle parts” may not be sufficient for an infringing headlight, for example





# Category of Accused Products

---

- 19 C.F.R. § 210.12(a)(12) – plain English Statement
- Actual text of the rule: the complaint must “[c]ontain a clear statement in plain English of the category of products accused. For example, the caption of the investigation might refer to ‘certain electronic devices,’ but the complaint would provide a further statement to identify the type of products involved in plain English such as mobile devices, tablets, or computers.”
- (a)(12) allows the complainant to shape the scope of the investigation – precursor to the language the Commission will use to define the scope of the investigation
- Commission wants to avoid disputes over whether disparate products are a part of the investigation

# Naming the Investigation

---

- Plain-English statement serves as a limit on an overly broad caption
- Avoid key differences in scope between caption and plain-English statement
- Caption may reflect cause of action or theory of infringement
- Exemplary phrases used at the end of captions
  - Products containing same
  - Components thereof
  - Kits containing same
  - Methods of using same
  - Processes for manufacturing

# Domestic Industry

---

- 19 C.F.R. § 210.12(a)(9)(ix) – technical prong
- 19 C.F.R. § 210.12(a)(6) – economic prong
- A complainant must provide a chart showing a representative domestic industry product practices an exemplary claim of each asserted patent
  - OK to keep it simple (one product, one claim)
- Try to identify products and investments that will avoid early disposition mechanisms
- Identify who will verify the complaint early

# OUII Review

---

- Office of Unfair Import Investigations (OUII) will review your complaint
  - Voluntary, confidential review
  - Timing varies by OUII's current caseload
  - Contact information is available on Commission website
- OUII makes a recommendation to Commission on institution
- OUII and the Commission can request supplementation after complaint is filed
- OUII participation in investigations
  - OUII generally participates in investigations involving general exclusion orders, trade secret claims, public interest issues, challenging Section 337 issues and *pro se* complainants

# As a Complainant, Avoid Losing Momentum

---

- Avoid giving respondents additional time to prepare, which may result from supplementation
- No limitations on supplementation
  - 1256 investigation is an outlier of an example
  - Complainant sought a GEO, named 100 proposed respondents
  - Complainant filed six supplements
  - Complaint was filed January 19, 2021, instituted on March 24 (two months)
- Establishing importation can be a stumbling block
  - 1186 investigation – complainant could not show all proposed respondents involved in importation and associated unfair acts
  - Complaint filed on August 29, 2019, instituted November 25 (three months)



## **Strategies for Respondents Seeking Early Resolution or Delay of an ITC Investigation**

# Strategies for Seeking Early Resolution

---

- **Respondents seeking early resolution of an ITC Investigation have a few tools at their disposal, including:**
  - The 100-day program
  - The interim ID program
  - Motions for summary determination
- **Respondents can also consider filing an IPR petition; however, the impact of such a petition on the investigation may be limited.**

# The 100-day Program and the Interim ID Program

---

## Differences between 100-day program and interim ID pilot program:

	100-Day Program	Interim ID Pilot Program
Institution	<ul style="list-style-type: none"><li>• At outset, with notice of institution</li></ul>	<ul style="list-style-type: none"><li>• By ALJ after institution</li></ul>
Criteria	<ul style="list-style-type: none"><li>• Dispositive of entire investigation</li><li>• Capable of resolution w/in 100 days</li></ul>	<ul style="list-style-type: none"><li>• Expected, but not required to be dispositive of entire investigation</li></ul>
Schedule	<ul style="list-style-type: none"><li>• ID within 100 days of institution</li><li>• Can stay other issues</li></ul>	<ul style="list-style-type: none"><li>• ID at least 45 days before hearing</li><li>• Other issues can proceed in parallel</li></ul>



# The 100-day Program

---

- **Background:** Introduced as a pilot program in 2013, codified in 2018
- **Rarely instituted:** Requests on same day as P.I. stmt.; approx. 1/10 of requests granted
- 
- **Successful 100-day program issues:** DI (econ.); standing; §101; preclusion; contract
- **19 C.F.R. § 210.10(b)(3):** “The Commission may order the administrative law judge to issue **an initial determination within 100 days of institution** of an investigation as provided in § 210.42(a)(3) ruling on a **potentially dispositive issue** as set forth in the **notice of investigation**. The presiding administrative law judge is authorized, in accordance with § 210.36, to hold expedited hearings on any such designated issue and also has **discretion to stay discovery of any remaining issues** during the pendency of the 100-day proceeding.”

# The 100-day Program

---

- **Typical Schedule:**

- Fact Discovery – Weeks 1-2
- Expert Discovery – Weeks 2-4
- Pre-Hearing Briefs – Week 4
- Pre-Hearing Motions – Week 5
- Hearing – Week 6
- Post-Hearing Briefs – Week 8
- ID – Week 13
- Petitions for review due 5 calendars day after ID; replies due 3 business days later
- Decision whether to review within 30 days

# The Interim ID Pilot Program

- **Background:** In 2021, the Commission implemented the interim ID Pilot Program, which allows ALJs to initiate interim ID proceedings (either on request, or *sua sponte*)
- **Rarely used:** So far, CALJ Cheney has used the program once (337-TA-1291/1292) after the ITC denied the respondent's request to use the 100-day program. Found sufficient E.D.I.

## PILOT PROGRAM WILL TEST INTERIM ALJ INITIAL DETERMINATIONS ON KEY ISSUES IN SEC. 337 INVESTIGATIONS

Under this pilot program, the presiding ALJ in an investigation will be able to hold an evidentiary hearing and receive briefing on one or more discrete issues prior to the main evidentiary hearing, in order to fully develop the factual record to resolve those discrete issues. Such issues may include, but are not limited to, infringement, patent invalidity, patent eligibility, standing, or satisfaction of the domestic industry requirement. The ALJ will issue an interim ID on these discrete issues, which will then be subject to petitions for review and responses thereto and prompt Commission decisions on whether to review the interim ID and resolution of any review.

It is expected that interim ID issues will be case-dispositive, or will resolve significant issues in advance of the main evidentiary hearing, and could facilitate settlement or otherwise resolve the entire dispute between the parties. As such, the ALJ may exercise discretion to suspend the procedural schedule, including discovery, as to remaining issues during the Commission review period.

[https://www.usitc.gov/press\\_room/featured\\_news/337pilotprogram.htm](https://www.usitc.gov/press_room/featured_news/337pilotprogram.htm)

# The Interim ID Pilot Program

## PILOT PROGRAM WILL TEST INTERIM ALJ INITIAL DETERMINATIONS ON KEY ISSUES IN SEC. 337 INVESTIGATIONS

The pilot program will operate under the following parameters:

- Presiding ALJs will be able to put issues within the program as they deem appropriate. It will be within each ALJ's discretion to allow parties to file motions to put particular issues within the program that they believe will resolve the investigation expeditiously or facilitate settlement.
- The presiding ALJ will fully develop the factual record and arguments on the discrete issues within the program, including, as appropriate, through an evidentiary hearing and briefing on those issues.
- Interim IDs will be based on a full evidentiary record and all applicable legal standards and burdens of proof, including the requirements of the Administrative Procedure Act (APA).
- Interim IDs are to be issued no later than 45 days before the scheduled start of the main evidentiary hearing in the investigation.
- The presiding ALJ may determine to stay discovery on other issues during the interim ID process, taking into account the Commission's obligation to complete investigations expeditiously and with a view toward avoiding extension of the target date.
- The presiding ALJ may also determine to place the remaining procedural schedule of an investigation on hold while an interim ID is before the Commission, again taking into account the need to complete investigations expeditiously and avoiding an extension of the target date.
- Petitions for review of interim IDs will be due 8 calendar days after the interim ID issues; responses will be due 5 business days later.
- The Commission will normally determine whether to review an interim ID within 45 days of issuance, and resolve any review within another 45 days, but can set a different time frame for good cause.

[https://www.usitc.gov/press\\_room/featured\\_news/337pilotprogram.htm](https://www.usitc.gov/press_room/featured_news/337pilotprogram.htm)

# Motions for Summary Determination

---

## 19 C.F.R. § 210.18 Summary determinations.

(a) Motions for summary determinations. Any party may move with any necessary supporting affidavits for a summary determination in its favor upon all or any part of the issues to be determined in the investigation. Counsel or other representatives in support of the complaint may so move **at any time after 20 days following the date of service of the complaint and notice instituting the investigation**. Any other party or a respondent may so move at any time after the date of publication of the notice of investigation in the Federal Register. **Any such motion by any party in connection with the issue of permanent relief, however, must be filed at least 60 days before the date fixed for any hearing** provided for in § 210.36(a)(1). Notwithstanding any other rule, the deadline for filing summary determinations shall be computed by counting backward at least 60 days including the first calendar day prior to the date the hearing is scheduled to commence. If the end of the 60 day period falls on a weekend or holiday, the period extends until the end of the next business day. Under exceptional circumstances and upon motion, the presiding administrative law judge may determine that good cause exists to permit a summary determination motion to be filed out of time.

...

(f) Order of summary determination. An order of summary determination shall constitute an initial determination of the administrative law judge.

<https://www.law.cornell.edu/cfr/text/19/210.18>

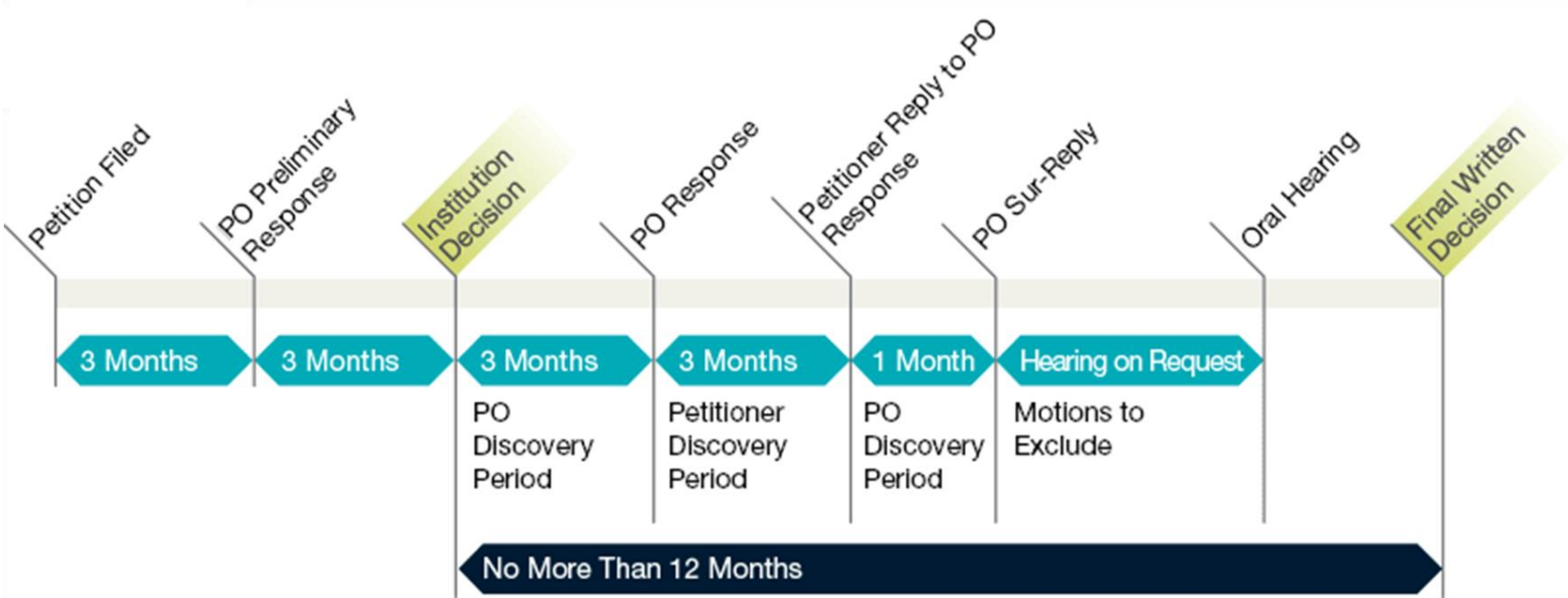
# IPRs and Their Impact on ITC Investigations

---

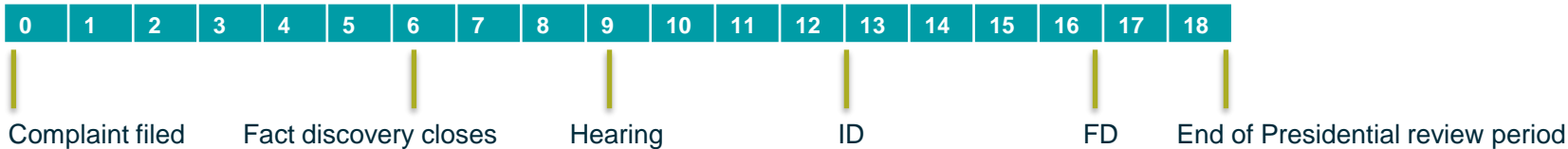
- An IPR can provide a useful pressure point in an ITC investigation, but it must be filed very early in the investigation to have any chance of avoiding a remedial order.
- If the PTAB's FWD issues after remedial orders, the remedial orders will be enforced until the PTO issues certificates cancelling the claims, which it cannot do until exhaustion of any appeals from the PTAB's FWD. See *Certain Network Devices, Related Software and Components Thereof (II)*, Inv. No. 337-TA-945, Comm'n Op. (Aug. 16, 2017).
- If the FWD issues before the remedial order, the ITC may suspend enforcement. See *Certain Unmanned Aerial Vehicles*, 337-TA-1333, Comm'n Op. (Sept. 8, 2020).
- *How soon do you have to file your IPR to avoid a remedial order?*

# IPRs and Their Impact on ITC Investigations

## IPR Schedule



## Example ITC Schedule (16 Month Target Date)





# IPRs and Their Impact on ITC Investigations

---

- **A few additional notes on IPRS:**
  - ***Fintiv***: Under the PTO's interim guidance, "The PTAB will not discretionarily deny petitions based on applying *Fintiv* to a parallel ITC proceeding."
  - **PTAB Estoppel**: After FWD, PTAB estoppel applies at the ITC, see 35 U.S.C. § 315(e)(2)
  - PTAB estoppel also applies against successful IPR petitioners, see *Certain Hybrid Electric Vehicles and Components Thereof*, Inv. No. 337-TA-1042, Order No. 30 (Nov. 1, 2017)





## **Public Interest Briefing Before an Investigation and After an Initial Determination**

# Timing of Statements

---

- First round precedes institution – 19 C.F.R. § 210.8(b)
- Second round follows the RD – 19 C.F.R. § 210.50(a)(4)
- Third party round: third parties can submit in response to Commission request published in the Federal Register
- Final round: parties have an opportunity to file submission in response to Commission request, typically in Notice of Review

# Pre-institution Public Interest Statement

---

- 19 C.F.R. § 210.8(b) – complainant must file a public interest statement
- The submission should:
  - Explain how the accused products are used in the U.S.
  - Identify any public health, safety, or welfare concerns
  - Identify potential replacement articles
  - Discuss whether non-respondents can increase production capacity
  - State how remedial orders would impact consumers
- Respondents have eight days to respond; complainants have three days to reply
- Submissions are limited to five pages
- Complainants often focus on identifying alternative products, minimizing impact
- Respondents principally discuss the importance of their product and may ask the Commission to delegate public interest

# Post-Recommended Determination (RD) Submissions

---

- 19 C.F.R. § 210.50(a)(4)
- Within 30 days of the RD, the parties may file PI submissions and “updates” to their pre-institution statement
- Time to start thinking: earlier is better, but some may wait until post-hearing briefing finished
- Relevant issues may arise before the ID issues
  - Patents may be terminated from the investigation, creating non-infringing alternatives
  - ALJ may find no violation on certain claims or products that also alter the dynamics
- Parties may wish to approach third parties for assistance – friendly submissions
- Parties’ submissions are still limited to five pages

# Party Submissions in Response to Commission Notice

---

- In a determination of review, the Commission typically calls for submissions that address:
  - Form of remedy
  - Public interest factors
    - public health and welfare,
    - competitive conditions in the United States economy,
    - the production of like or directly competitive articles in the United States, and
    - United States consumers
  - Amount of bond
  - Commission will also request proposed remedial orders from complainant
- First and last chance to introduce evidence
- Parties can submit wide variety of evidence

# Commission Review vs. Presidential Review

---

- Commission review is focused on merits of investigation and remedy
  - Commission review precedes a final determination
  - The Commission's merits determination can involve several facets
  - The Commission's remedy determination assesses impact on US
- Presidential review considers international trade, international law and IP policy concerns
  - Presidential review follows the Commission's final determination
  - USTR does not review the merits of a Commission determination
  - Presidential intervention is extremely rare

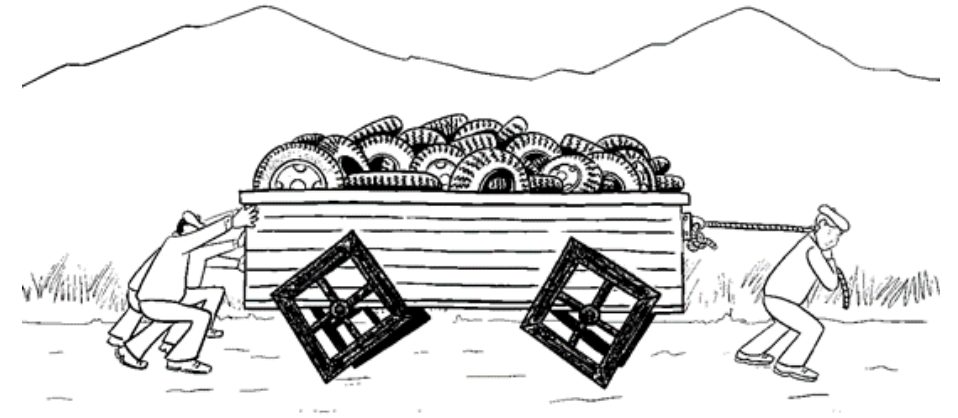


## **Post-remedial Order Proceedings Regarding Redesigned Products**

# Post-remedial Order Proceedings Regarding Redesigned Products

---

- **Note:** the best time to have a redesign adjudicated as non-infringing: during the investigation
  - *Human Milk Oligosaccharides*, Inv. No. 337-TA-1120, describes four factors:
    - (1) Whether redesign is within the scope of the investigation (usu. not at issue)
    - (2) Whether redesign has been imported (not mandatory)
    - (3) Whether redesign is sufficiently fixed in design
    - (4) Whether the redesign has been sufficiently disclosed by respondent in discovery.
- Otherwise, redesign may be addressed by customs or the ITC





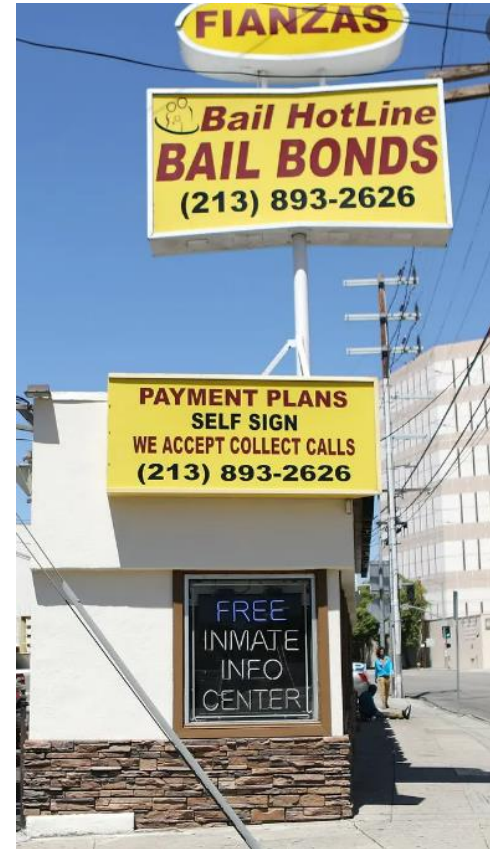
# Post-remedial Order Proceedings Regarding Redesigned Products

---

- **Options for redesigns after a remedial order:**
  - Bond during presidential review
  - Customs Part 177 Ruling Letter
  - Enforcement proceeding
  - Modification proceeding
  - Advisory opinion

# Bond

- **Limited Exclusion Order (LEO) Bond (Payable to Customs)**
  - Allows importation during Presidential Review Period; may continue to import “under bond prescribed by the Secretary in an amount determined by the Commission to be sufficient to protect the complainant from any injury” 19 U.S.C. §§ 1337(e)(1), (j)(3).
  - Single entry bond – must be in an amount to cover 100% of value of imports during 60 day Pres. Review Period. 19 C.F.R. § 12.39
  - May be returned to respondent or forfeited to complainant
- **Cease & Desist Order (CDO) Bond (Payable to the ITC)**
  - Allows sales and other domestic activity during Presidential Review Period
  - Made by submitting certified check / surety bond proportionate to sales
- **Return / Forfeiture Proceeding**
  - Only a handful of forfeiture proceedings have occurred in the past 15 years
  - Deadlines fall after appeals 19 C.F.R. §§ 210.50(d)(1)(i), (ii).



# Part 177 Ruling Letter Overview

---

- **Scope**

- Permits a current or proposed importer to present facts of their transaction; prospective in nature

- **Venue**

- Customs' Intellectual Property Rights Branch (IPRB) conducts proceeding
- May occur in parallel to an ITC proceeding, e.g., Modification Proceeding

- **Procedure**

- *Inter partes*, including briefing and a hearing
- Burden on importer to prove no infringement

- **Result**

- Customs will review the transaction and provide a “definitive interpretation of the law,” including:
- An infringement determination based on a redesigned product
- Whether importation of the redesign would violate an ITC issued LEO or CDO



**Note:** Regardless of whether submitting a Part 177 letter, respondents and complainants will likely coordinate with CBP regarding the scope of any exclusion order

# Part 177 Ruling Letter Timeline

---

- **Time to Request Ruling**
  - Request for Customs Ruling ASAP after FD
  - Decision within 60-100 days
- **Effects of Ruling and Appeal**
  - Ruling is binding only on Customs, NOT binding on the ITC
  - If Customs ruling unfavorable, appealable to Court of International Trade (CIT)
  - Opposing party can participate in appeal. 28 U.S.C. § 1581(h)
  - CIT decision appealable to Federal Circuit

# ITC Post-Remedy Proceedings

---

- **Enforcement Action**

- Initiated if complainant believes respondent is not complying with remedial orders
- Binding on ITC and Customs
- Appealable to Federal Circuit

- **Modification Proceeding**

- Typically initiated prospectively by party with design around
- Binding on ITC and Customs
- Appealable to Federal Circuit

- **Advisory Opinion**

- Initiated prospectively by party with design around
- Binding on ITC and Customs
- Not appealable

# Enforcement Action

---

- **Scope**

- Initiated to enforce existing exclusion and/or cease & desist order when infringing imports continue to enter the United States or when a Commission order is violated



- **Procedure**

- Action will be assigned to an ALJ and proceed like a violation phase investigation, involving all parties involved in the underlying investigation

- **Results**

- Such proceedings may lead to modification of an existing exclusion order or other action
- ITC may assess civil penalties “for each day on which an importation of articles, or their sale, occurs in violation of the order of not more than the greater of \$100,000 or twice the domestic value of the articles entered or sold on such day in violation of the order.”  
19 CFR §§ 210.76(a), 210.79(a)

- **Enforcement determinations are appealable to the Federal Circuit**

- <https://www.law.cornell.edu/cfr/text/19/210.75>

# Modification Proceeding

---

- **Scope**

- Determines whether the scope of an existing remedial order should be modified
- Based on changed circumstances of fact or law
- E.g., redesign was not available during violation phase

- **Procedure**

- Proceedings allow participation by all parties involved in the underlying investigation
- Result in an evidence-based determination based on a record

- **Effects**

- ITC can determine whether a redesigned product is covered by existing exclusion or cease & desist orders and whether the orders should provide a “carve-out” for the redesigned product
- If successful, the redesigned product is carved out from the existing remedial orders

- **Appealable to the Federal Circuit**

<https://www.law.cornell.edu/cfr/text/19/210.76>

# Advisory Opinions

---

- **Scope**
  - Any would-be importer can seek an advisory opinion
- **Procedure**
  - As with modification proceeding, these proceedings involve all parties involved in the underlying investigation and result in an evidence-based determination based on a record
- **Effects**
  - Results in an advisory opinion from the Commission as to whether importation of a redesigned product will violate an existing exclusion or cease & desist order
- **Advisory opinions are not appealable**

<https://www.law.cornell.edu/cfr/text/19/210.79>





## **Post-remedial Order Proceedings in Other Venues**

# Parallel District Court Action

---

- 28 U.S.C. § 1659(a) – Stay of civil actions pending Section 337 investigation
- 28 U.S.C. § 1659(b) – subsequent use of Commission record after final determination
  - **(b) Use of Commission record.**--Notwithstanding section 337(n)(1) of the Tariff Act of 1930, after dissolution of a stay under subsection (a), the record of the proceeding before the United States International Trade Commission shall be transmitted to the district court and shall be admissible in the civil action, subject to such protective order as the district court determines necessary, to the extent permitted under the Federal Rules of Evidence and the Federal Rules of Civil Procedure.
- District Court must request record from the Commission – 19 C.F.R. § 210.39(b)
- Preclusion applies for non-patent determinations, but not patent-based determinations

# Appeals to the Federal Circuit

---

- 19 U.S.C. § 1337(c) – party has 60 days to appeal
- All issues related to a patent must be resolved prior to appeal
- In other words, the Commission must provide a final determination as to the entire patent
- Issues that the Commission took no position on are not appealable
- Motions to stay remedial orders are granted rarely
- Commission has a strong record on appeal



Daniel Tishman  
Principal  
tishman@fr.com



John Thuermer  
Associate  
thuermer@fr.com

# Thank You!

Please send your NY/NJ CLE forms to [mcleteam@fr.com](mailto:mcleteam@fr.com)

Any questions about the webinar, contact Michelle Zazzero at [zazzero@fr.com](mailto:zazzero@fr.com)

A replay of the webinar will be available for viewing at <http://www.fr.com/webinars>

© Copyright 2022 Fish & Richardson P.C. The opinions expressed are those of the authors and do not necessarily reflect the views of Fish & Richardson P.C., any other of its lawyers, its clients, or any of its or their respective affiliates. This presentation is for general information purposes and is not intended to be and should not be taken as legal advice and does not establish an attorney-client relationship.

These materials may be considered advertising for legal services under the laws and rules of professional conduct of the jurisdictions in which we practice.. Legal advice of any nature should be sought from legal counsel. Unsolicited e-mails and information sent to Fish & Richardson P.C. will not be considered confidential and do not create an attorney-client relationship with Fish & Richardson P.C. or any of our attorneys. Furthermore, these communications and materials may be disclosed to others and may not receive a response. If you are not already a client of Fish & Richardson P.C., do not include any confidential information in this message. For more information about Fish & Richardson P.C. and our practices, please visit [www.fr.com](http://www.fr.com).

**FISH.**  
FISH & RICHARDSON