

November 23, 2015

Lisa Barton, Secretary
United States International Trade Commission
Room 112
500 E Street, SW
Washington, DC 20436
Attn: Meghan M. Valentine
Office of the General Counsel

Via email: megan.valentine@usitc.gov

Re: Docket No. MISC-045; Comments on Proposed Amendments to the Commission's Rules of General Application, Adjudication and Enforcement, 80 Fed. Reg. 57553 (Sept. 24, 2015)

Dear Secretary Barton:

The American Intellectual Property Law Association ("AIPLA") appreciates the opportunity to comment on the revisions proposed by the United States International Trade Commission (hereinafter "Commission") to the Rules of General Application, Adjudication and Enforcement. AIPLA applauds the Commission for making these efforts to clarify and harmonize the Commission's Rules and to improve the administration of proceedings initiated pursuant to Section 337 of the Tariff Act of 1930.

AIPLA is a national bar association of approximately 14,000 members who are primarily lawyers engaged in private or corporate practice, in government service, and in the academic community. AIPLA members represent a wide and diverse spectrum of individuals, companies, and institutions involved directly or indirectly in the practice of patent, trademark, copyright, trade secret, and unfair competition law, as well as other fields of law affecting intellectual property. Our members represent both owners and users of intellectual property. Our mission includes helping establish and maintain fair and effective laws and policies that stimulate and reward invention while balancing the public's interest in healthy competition, reasonable costs, and basic fairness.

AIPLA's comments are directed to those proposed amendments and revisions that we believe will impact Intellectual Property-Based Import Investigations under Section 337 of the Tariff Act of 1930. AIPLA provides these comments and suggestions with specifics discussed below.

* * *

Proposed Rule 201.16

The Commission proposes to amend 19 C.F.R. §§ 201.16(a)(1) and (4) to provide that the Commission may effect service through electronic means.

While AIPLA does not oppose the Proposed Rule, the Commission should clarify and specify the procedures that will be followed by the Commission to effect electronic service in a Section 337 Investigation.

For example, at the beginning of an investigation, it is unclear whether the Commission intends or will be able to serve the public version of the Complaint and Notice of Investigation on proposed respondents, and how it will determine the appropriate e-mail addresses. In many instances, the Commission will have only one or more generic e-mail addresses and will not know with certainty which, if any, would be suitable for legal service.

Currently, Rule 210.12 requires a Complainant to provide addresses of the proposed Respondents in the Complaint. It could be problematic if a similar requirement is imposed on Complainants for e-mail addresses. Complainants would face significant challenges not only in locating email addresses for all proposed respondents, but also in ensuring that the e-mail address is for the proper representatives who would need to be made aware of service. Moreover, the Commission will only be able to determine which e-mail addresses may appropriately receive notification that confidential documents have been placed in an appropriate repository for retrieval after counsel have entered appearances. The Commission will also have to monitor which e-mails should no longer receive such notifications as an Investigation proceeds.

The Commission further proposes to amend 19 C.F.R. § 201.16(f) to require parties serving documents by electronic means to ensure that any such document containing confidential business information subject to an administrative protective order be securely transmitted, in addition to being securely stored, to prevent unauthorized access and/or receipt by individuals or organizations not authorized to view the specified confidential business information.

AIPLA does not oppose the Proposed Rule. However the Commission should clarify what is meant by “securely stored and transmitted.” There are many types of secure transmission, including the use of password protection of confidential documents attached to an e-mail or the use of a secure repository such as an FTP site. The question is whether any of the available options is acceptable or is there a minimum level of security required. In addition, the Commission should clarify whether the parties can agree to a waiver or limited waiver of the requirements of the Rule.

Proposed Rule 210.10

The Commission proposes to amend 19 C.F.R. § 210.10(a) to clarify that the Commission may institute multiple investigations based on a single complaint where necessary to limit the number of technologies and/or unrelated patents asserted in a single investigation.

Although AIPLA does not oppose this proposed amendment to 19 C.F.R. § 210.10(a) in principle, AIPLA has reservations and believes that there are issues that should be addressed. Most importantly, there are no criteria set forth by which the Commission will determine that multiple investigations should be instituted based on a single complaint. An enumeration of the factors to be used in determining whether to institute multiple investigations could be set forth in the Preamble to provide some guidance on this issue. Such considerations might include how different the technologies or asserted patents must be to warrant severance, how many different technologies, patents, and claims are involved, whether the accused products are the same, how many different types of products are accused, the degree to which the allegations involve the same underlying body of facts, and so forth.

The Commission might also consider the extent to which institution of multiple investigations might create difficulties in coordinating discovery and evidence across multiple investigations, increase the burden on complainants and respondents, and possibly create protective order issues. It is also unclear whether the severed investigations would remain with the same administrative law judge (ALJ) or whether one would be transferred to another ALJ. As written, the amendment could subject a complainant, to its detriment, to multiple investigations on generally the same procedural schedule.

Further, the proposed rules do not state whether the notice of institution, which defines the scope of the investigation, would be amended for each severed investigation. Finally, creating this new procedure has the potential to unnecessarily impede the progress of an investigation while the ALJ addresses a motion to sever.

The Commission proposes to add 19 C.F.R. § 210.10(b)(1) to provide that the notice of institution will specify in plain language the accused products that will be within the scope of the investigation in order to avoid disputes between the parties concerning the scope of the investigation at the outset.

AIPLA understands the rationale for this proposed amendment to 19 C.F.R. § 210.10(a), but we see potential problems. It is unclear how this Proposed Rule relates to Rule 210.12(a)(12), which already requires that the complaint “[c]ontain a clear statement in plain English of the category of products accused.” 19 C.F.R. § 210.12(a)(12).

Moreover, as written, the amendment could improperly limit the scope of the Investigation before the Commission and a complainant have had the opportunity engage in preliminary discovery. In addition, such a procedure would run the risk of limiting Investigations to specific models or model numbers identified in the Complaint, something which the Commission has consistently rejected.

The Commission proposes to add 19 C.F.R. § 210.10(b)(3) to authorize the Commission to direct the presiding administrative law judge to issue an initial determination pursuant to new subsection 210.42(a)(3), as described below, on a potentially dispositive issue as set forth in the notice of investigation.

AIPLA supports this Proposed Rule. In particular, AIPLA agrees that the opinion of the ALJ, at the completion of a 100-day proceeding, should be in the form of an initial determination.

Proposed Rule 210.11

The Commission proposes to amend 19 C.F.R. § 210.11(a)(2)(i) to clarify that the Commission will serve on each respondent a copy of the nonconfidential version of the motion for temporary relief, in addition to the nonconfidential version of the complaint and the notice of investigation.

AIPLA supports this Proposed Rule.

Proposed Rule 210.12

The Commission proposes to amend 19 C.F.R. § 210.12(a)(9) by adding the requirement that complaints include the expiration date of each asserted patent.

AIPLA supports this Proposed Rule. However, AIPLA suggests that the Commission allow a complainant to correct a mistaken expiration date upon a showing of good cause.

Proposed Rule 210.14

The Commission proposes to amend 19 C.F.R. § 210.14 to add subsection 210.14(h), allowing the administrative law judge to sever an investigation into two or more investigations at any time prior to or upon issuance of the procedural schedule, based upon either a motion or upon the administrative law judge's judgment that severance is necessary to allow efficient adjudication.

AIPLA opposes the proposed amendment to 19 C.F.R. § 210.14(h) based upon several significant reservations, although we would support the proposed amendment if those reservations are adequately addressed.

Most importantly, the Proposal does not set forth any criteria by which the Commission will determine that multiple investigations should be instituted based on a single complaint. Since, as a practical matter, a determination to sever an investigation will not be appealable, under the proposed rule the ALJs will have essentially unfettered discretion to sever an investigation. An enumeration of the factors to be used in determining whether to institute multiple investigations could be set forth in the regulation or Preamble to provide some guidance on this issue. For example, as noted above, such considerations might include how different the technologies or asserted patents must be to warrant severance, how many different technologies, patents, and claims are involved, whether the accused products are the same, how many different types of products are accused, the degree to which the allegations involve the same underlying body of facts, and so forth. The Commission might also consider the extent to which institution of multiple investigations might create difficulties in coordinating discovery across multiple investigations, increase the burden on complainants and respondents, and possibly create protective order issues.

It is also unclear whether the severed investigations would remain with the same ALJ or whether one would be transferred to another ALJ. As written, the amendment could subject a complainant and respondent, to their detriment, to multiple investigations on generally the same procedural schedule, with significant potential difficulty in coordinating discovery and

admission of evidence. Further, the proposed rules do not state whether the notice of institution, which defines the scope of the investigation, would be amended for each severed investigation. Finally, creating this new procedure has the potential to slow the progress of an investigation while the ALJ addresses a motion to sever.

The Commission proposes to amend 19 C.F.R. § 210.14(i), authorizing the administrative law judge to issue an order designating a potentially dispositive issue for an early ruling and to provide authority for the presiding administrative law judge to hold expedited hearings on such dispositive issues in accordance with section 210.36.

AIPLA supports this Proposed Rule; however, the Proposed Rule should make clear that 210.14(i) gives the ALJ the authority to act *sua sponte* and clarify how this Proposed Rule and the deadline therein relate, if at all, to Proposed Rule 210.22. AIPLA suggests that the Proposed Rule also make clear that an ALJ cannot issue an order *sua sponte* under 210.14(i) following a motion by a party under Proposed Rule 210.22.

Proposed Rule 210.15

The Commission proposes to amend 19 C.F.R. § 210.15(a)(2) to clarify that this provision does not allow for motions, other than motions for temporary relief, to be filed with the Commission prior to institution of an investigation.

AIPLA supports this Proposed Rule.

Proposed Rule 210.19

The Commission proposes to amend 19 C.F.R. § 210.19 to clarify that motions to intervene may be filed only after institution of an investigation or a related proceeding.

AIPLA supports this Proposed Rule.

Proposed Rule 210.21

The Commission proposes to amend 19 C.F.R. § 210.21(b)(2) and (c)(2) to clarify that the Commission need not specifically notify the U.S. Department of Health and Human Services, the U.S. Department of Justice, the Federal Trade Commission, the U.S. Customs Service (now U.S. Customs and Border Protection), or any other departments and agencies as the Commission deems appropriate regarding any such initial determination and related settlement agreements or consent orders.

AIPLA does not oppose this Proposed Rule.

The Commission proposes to amend 19 C.F.R. § 210.21(c)(3)(ii)(A) to conform to subsection 210.21(c)(4)(x), which requires that the consent order stipulation and consent order contain a statement that a consent order shall not apply to any intellectual property right that has been held invalid or unenforceable or to any adjudicated article found not to infringe the asserted right or no longer in violation by the Commission or a court or agency of competent jurisdiction in a final, nonreviewable decision. The Commission further

proposes to amend 19 C.F.R. § 210.21(c)(4)(viii) to add “any asserted patent claims,” delete “the claims of the asserted patent,” delete the second occurrence of the word “claims,” and add the word “claim” after “unfair trade practice” in the phrase “validity or enforceability of the claims of the asserted patent claims ... unfair trade practice in any administrative or judicial proceeding to enforce the Consent Order and to amend 19 C.F.R. § 210.21(c)(4)(x) to add “asserted” before “claim of the patent...” and to add “claim” after “or unfair trade practice...” The Commission proposes to add 19 C.F.R. § 210.21(c)(4)(xi) to require in the consent order an admission of all jurisdictional facts, similar to the provision requiring such a statement in the consent order stipulation (210.21(c)(3)(i)(A)).

AIPLA supports this Proposed Rule. In their current form, the requirements for a consent order stipulation and a consent order are inconsistent. Conforming the requirements for these documents should reduce the number of proposed consent orders and consent order stipulations that are rejected by the Commission for failure to adhere closely enough to the Rule’s requirement.

Proposed Rule 210.22

The Commission proposes to add 19 C.F.R. § 210.22 to allow parties to file a motion within 30 days of institution of the investigation requesting the presiding administrative law judge to issue an order designating a potentially dispositive issue for an early ruling and to provide authority for the presiding administrative law judge to hold expedited hearings on such issues in accordance with section 210.36.

AIPLA does not oppose this Proposed Rule, but suggests that clarification as to the time in which the ALJ must rule on a motion pursuant to this Proposed Rule. If the ALJ must rule on such a motion within the 30-day time limit of Proposed Rule 210.14(i), the deadline should be sufficiently early to allow the other party to respond and the ALJ to rule within that timeframe.

If not, the time limit for filing a motion for an expedited proceeding under Proposed Rule 210.22 should be changed to a time sufficient to give the opposing party an opportunity to respond and to give the ALJ an opportunity to rule on the motion in a timely manner. Under this scenario, to ensure that any motion practice related to Proposed Rule 210.22 does not disrupt the schedule of the Investigation, AIPLA suggests that the Proposed Rule require a moving party to file its motion for an expedited hearing within 20 days of institution of an Investigation, which would allow any responses to be received within 30 days of institution. AIPLA suggests that the ALJ be given 14 days to rule on the motion.

Proposed Rule 210.25

The Commission proposes to amend 19 C.F.R. § 210.25(a)(1) to clarify that a motion for sanctions may be filed for abuse of discovery under subsection 210.27(g)(3). The Commission further proposes to amend 19 C.F.R. § 210.25(a)(2) to clarify that the subsection regarding sanctions for abuse of discovery is subsection 210.27(g)(3).

AIPLA supports this Proposed Rule.

Proposed Rule 210.27

The Commission proposes to amend 19 C.F.R. § 210.27(e)(5) to add language consistent with Federal Rule of Civil Procedure 26 concerning the preservation of privilege between counsel and expert witnesses.

AIPLA supports this Proposed Rule. This amendment brings the Commission Rules into conformance with the Federal Rules of Civil Procedure as well as actual practice in Section 337 investigations.

The Commission proposes to amend 19 C.F.R. § 210.27(g)(3) to clarify that a presiding administrative law judge or the Commission may impose sanctions if, without substantial justification, a party certifies a discovery request, response, or objection in violation of subsection 210.27(g)(2).

AIPLA supports this Proposed Rule.

Proposed Rule 210.28

The Commission proposes to add 19 C.F.R. § 210.28(h)(3)(vi) to allow, within the discretion of the presiding administrative law judge, the use of agreed-upon designated deposition testimony in lieu of live witness testimony absent the circumstances enumerated in subsection 210.28(h)(3).

AIPLA supports this Proposed Rule. This amendment brings the Commission Rules into conformance with actual practice in Section 337 investigations.

Proposed Rule 210.32

The Commission proposes to amend 19 C.F.R. § 210.32(d) to clarify that a party upon which a subpoena has been served may file an objection to the subpoena within ten days of receipt of the subpoena, with the possibility of requesting an extension of time for filing objections for good cause shown and to clarify that any motion to quash must be filed within ten days of receipt of the subpoena, with the possibility of requesting an extension of time for good cause shown.

AIPLA supports the Proposed Rule's ten-day period to object to or move to "limit" or quash subpoenas ("limit" was removed from former 210.32(d) but is added back for clarity). While the Federal Rules allow a fourteen-day period for similar objections, ten days is consistent with current Commission practice and its accelerated discovery deadlines.

AIPLA also supports the Proposed Rule 210.32(d)(2) allowing an extension to file motions to limit or quash only by motion to the ALJ, consistent with Fed. R. Civ. P. 45(c)(3)(a). However, AIPLA recommends that Proposed Rule 210.32(d)(1) be modified to allow extensions to the deadline to serve objections by agreement of the parties to the subpoena, as long as any extensions do not interfere with the hearing schedule, rather than by motion to the ALJ. This would be consistent with current practice in federal courts and would serve to reduce the burdens associated with subpoena practice for both the ALJs and for third parties.

Finally, AIPLA notes that there has been confusion among practitioners regarding the need for filing a notice of appearance in order to respond to a subpoena. AIPLA proposes adding Rule 210.32(d)(3) stating: “The lead attorney or representative of a party subject to a subpoena need only file a notice of limited appearance if that party files a motion before the Commission or the ALJ, such as a motion to limit or quash the subpoena.”

The Commission proposes to amend 19 C.F.R. § 210.32(f)(1) to clarify that such deponents and witnesses are entitled to receive both fees and mileage in conformance with Federal Rule of Civil Procedure 45(b)(1) and to correct the antecedent basis for “fees and mileage” as recited in subsection 210.32(f)(2).

AIPLA supports this Proposed Rule.

Proposed Rule 210.34

The Commission proposes to amend 19 C.F.R. § 210.34(c)(1) to remove the mandatory provision requiring the Commission or the administrative law judge to allow the parties to make written submissions or present oral arguments bearing on the issue of violation of a protective order and the appropriate sanctions therefor.

AIPLA supports this Proposed Rule.

Proposed Rule 210.42

The Commission proposes to add 19 C.F.R. § 210.42(a)(3) authorizing the presiding administrative law judge to issue an initial determination ruling on a potentially dispositive issue in accordance with a Commission order under new subsection 210.10(b)(3) or the administrative law judge’s order issued pursuant to new section 210.22 and to require the administrative law judge to certify the record to the Commission and issue the initial determination within 100 days of when the issue is designated by the Commission pursuant to 210.10(b)(3) or by the administrative law judge pursuant to 210.14(i) or 210.22.

AIPLA supports this Proposed Rule.

The Commission proposes to add 19 C.F.R. § 210.42(c)(3), authorizing the presiding administrative law judge to issue an initial determination severing an investigation into two or more investigations pursuant to new subsection 210.14(h).

As discussed above, AIPLA has reservations concerning this Proposed Rule. See our comments above regarding the proposed amendments to 19 C.F.R. §§ 210.10(a) and 210.14(h). However, AIPLA would support the rule if those reservations are addressed.

Most importantly, there are no criteria set forth by which the Commission will determine that multiple investigations should be instituted based on a single complaint. As discussed above, an enumeration of the factors to be used in determining whether to institute multiple investigations, should be set forth in the Preamble to provide some guidance on this issue. It is also unclear whether the severed investigations would remain with the same ALJ or whether

one would be transferred to another ALJ. As written, the amendment could subject a complainant and/or respondent, to its detriment, to multiple investigations on generally the same procedural schedule.

Further, the proposed rules do not state whether the notice of institution, which defines the scope of the investigation, would be amended for each severed investigation. Finally, creating this new procedure has the potential to unnecessarily impede the progress of an investigation while the ALJ addresses a motion to sever. AIPLA agrees that a decision by the ALJ to sever an investigation should be by initial determination.

The Commission proposes to amend 19 C.F.R. § 210.42(e) to remove the explicit requirement that the Commission provide any specific notice of or directly serve any initial determinations concerning terminations under section 210.21 on certain agencies.

AIPLA does not oppose this Proposed Rule.

Proposed Rule 210.43

The Commission proposes to amend 19 C.F.R. § 210.43(a)(1) to specify when parties must file petitions for review of an initial determination ruling on a potentially dispositive issue pursuant to new subsection 210.42(a)(3) and to specify when the parties must file responses to any such petitions for review.

AIPLA supports this Proposed Rule.

The Commission proposes to amend 19 C.F.R. § 210.43(d)(1) to specify that the Commission determine whether to review initial determinations on early dispositive issues pursuant to new subsection 210.42(a)(3).

AIPLA supports this Proposed Rule.

The Commission proposes to amend 19 C.F.R. § 210.43(d)(3) to remove the explicit requirement that the Commission provide by way of direct service any such notice to certain agencies, thus conserving Commission resources.

AIPLA does not oppose the Proposed Rule.

Proposed Rule 210.47

The Commission proposes to amend 19 C.F.R. § 210.47 to make explicit the Commission's authority to reconsider a determination on its own initiative.

AIPLA supports this Proposed Rule.

Proposed Rule 210.50

The Commission proposes to amend 19 C.F.R. § 210.50(a)(4) to clarify that the rule concerns post-recommended determination submissions from the parties and that, post-recommended determination submissions from the public are solicited via a notice published in the Federal Register specifying the due date for such public comments.

AIPLA supports this Proposed Rule.

Proposed Rule 210.75

The Commission proposes to delete 19 C.F.R. § 210.75(a), which provides for informal enforcement proceedings, to bring the Rules into compliance with *Vastfame Camera, Ltd. v. Int'l Trade Comm'n*, 386 F.3d 1108, 1113 (Fed. Cir. 2004).

AIPLA supports this Proposed Rule.

Subsection 210.75(b) currently provides that the Commission may institute a formal enforcement proceeding upon the filing of a complaint setting forth alleged violations of any exclusion order, cease and desist order, or consent order. The Commission proposes to amend 19 C.F.R. § 210.75(b)(1), redesignated as 210.75(a)(1), to provide that the Commission shall determine whether to institute the requested enforcement proceeding within 30 days of the filing of the enforcement complaint, similar to the provisions recited in section 210.10(a), barring exceptional circumstances, a request for postponement of institution, or withdrawal of the enforcement complaint.

AIPLA supports this Proposed Rule.

The Commission proposes to amend 19 C.F.R. § 210.75(b)(4), redesignated as 210.75(a)(4), to explicitly provide that the Commission may issue cease and desist orders pursuant to section 337(f) at the conclusion of a formal enforcement proceeding and also amend 19 C.F.R. § 210.75(b)(5), redesignated as 210.75(a)(5), to include issuance of new cease and desist orders pursuant to new subsection 210.75(a)(4).

AIPLA supports this Proposed Rule.

Proposed Rule 210.76

The Commission proposes to amend 19 C.F.R. § 210.76(a) to clarify that this section is in accordance with section 337(k)(1) and allows any person to request the Commission to make a determination that the conditions which led to the issuance of a remedial or consent order no longer exist.

AIPLA supports this Proposed Rule.

The Commission proposes to amend 19 C.F.R. § 210.76(a)(3) to require that, when the requested modification or rescission is due to a settlement agreement, the petition must include copies of the agreements, any supplemental agreements, any documents referenced

in the petition or attached agreements, and a statement that there are no other agreements, consistent with rule 210.21(b)(1).

AIPLA supports this Proposed Rule.

The Commission proposes to amend 19 C.F.R. § 210.76(b) to provide that the Commission shall determine whether to institute the requested modification or rescission proceeding within 30 days of receiving the request, similar to the provisions recited in section 210.10(a), barring exceptional circumstances, a request for postponement of institution, or withdrawal of the petition for modification or rescission and that the notice of institution may be amended by leave of the Commission.

AIPLA supports this Proposed Rule.

Proposed Rule 210.77

The Commission proposes to delete 19 C.F.R. § 210.77, which provides for temporary emergency action pending a formal enforcement proceeding under subsection 210.75(b) by immediately and without hearing or notice modify or revoke the remedial order under review and, if revoked, to replace the order with an appropriate exclusion order, to bring the Rules into compliance with *Vastfame Camera, Ltd. v. Int'l Trade Comm'n*, 386 F.3d 1108, 1113 (Fed. Cir. 2004).

AIPLA supports this Proposed Rule.

Proposed Rule 210.79

The Commission proposes to amend 19 C.F.R. § 210.79(a) to provide that any responses to requests for advisory opinions shall be filed within 10 days of service and to provide that the Commission shall institute the advisory proceeding by notice, which may be amended by leave of the Commission, and shall determine whether to institute within 30 days of receiving the request barring exceptional circumstances, a request for postponement of institution, or withdrawal of the request for an advisory opinion.

AIPLA supports this Proposed Rule.

We appreciate the opportunity to provide these comments on the proposed changes to the Rules and would be happy to answer any questions that our comments may raise. We look forward to participating in the continuing development of the Commission's rules and procedures.

Sincerely,



Denise W. DeFranco
President
American Intellectual Property Law Association