

PUBLIC VERSION

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

In the Matter of

CERTAIN BIOMETRIC SCANNING
DEVICES, COMPONENTS THEREOF,
ASSOCIATED SOFTWARE, AND
PRODUCTS CONTAINING THE SAME

Inv. No. 337-TA-720

Order No. 12: Initial Determination Granting Complainant's Motion
To Amend The Complaint

On September 27, 2010, pursuant to Commission rule 210.14 and ground rule 1, complainant Cross Match Technologies, Inc. (Cross Match) moved to amend the complaint, "consistent with the notice of investigation," to add allegations of infringement by respondent Suprema, Inc. and respondent Mentalix, Inc. (respondents) of claims 5, 6, 12, and 30 of asserted U.S. Patent No. 7,277,562 ('562 patent) and claims 7, 15, 19, and 45 of currently asserted U.S. Patent No. 7,203,344 ('344 patent) (the Proposed Claims). (Motion Docket No. 720-6).

Respondents, in a response dated October 5, 2010, argued that Motion No. 720-6 should be denied in its entirety and in the alternative should the administrative law judge grant the pending motion a thirty-day extension of all deadlines related to invalidity should be granted.

The staff, in a response dated October 5, 2010 argued that Motion No. 720-6 should be granted.¹

On October 7, 2010, complainant moved for leave to file an attached reply to

¹ As the staff noted although the pending motion is entitled as a motion to amend the complaint, the notice of investigation must also be amended because the new claims are not listed in said notice, citing 75 Fed. Reg. 34482 (June 17, 2010).

respondents' opposition because respondents "for the first time" have identified the substantive bases for opposing Cross Match's Motion to Amend. (Motion Docket No. 720-7.) Respondents in a filing dated October 7 opposed the filing of Motion No. 720-7. Respondents in a filing dated October 13, 2010 responded to complainant's reply. Motion No. 720-7 is granted.

Commission rule 210.14(b) provides that a complaint or notice of investigation may be amended "for good cause shown and upon such conditions as are necessary to avoid prejudicing the public interest and the rights of the parties to the investigation." 19 C.F.R. § 210.14(b)(1). "Timely motions to amend the complaint to . . . assert new claims from the patent[s] at issue are routinely granted." Certain NOR and NAND Flash Memory Devices and Products Containing Same, Inv. No. 337-TA-560, Order No. 4, at 3 (Apr. 25, 2006). Ground Rule 1(I) in this investigation specifies that any motion for amendment made "within sixty days of the date set for discovery cut-off has a heavy burden" to establish why such amendment was not made at an earlier date. The cut-off date for completion of expert discovery is not until December 17, 2010. (Order No. 7) and Cross Match has filed its motion to amend more than sixty days before the December 17, 2010 date.

Cross Match alleges that between July 22 and September 17, respondents produced approximately 8.3 million lines of source code. (Compl. Mem. at 6). Complainant also contends that it has diligently analyzed the source code since then and promptly notified respondents of its intent to assert additional claims based on that analysis. (Compl. Br. at 8-9). Complainant has further attached claim charts for the new independent claims, citing to the source code. (Compl. Mem., Ex. 2, Conf. Amended Exhs. 18, 19, 20, 21, 42, 43).

Facts obtained or confirmed during discovery can support a finding of good cause. See Certain DC-DC Controllers and Products Containing the Same, Inv. No. 337-TA-698, Order No. 19, at 6-7 (April 22, 2010) (DC-DC Controllers) (granting leave to amend based on information obtained during discovery). In particular reference is made to Certain Electronic Devices, Including Handheld Wireless Communication Devices, Inv. No. 337-TA-667, Order No. 26, at 3-4 (Apr. 23, 2009) (motion granted where plaintiff confirmed facts known prior to filing of complaint through discovery), See also Certain Engines, Components Thereof, and Products Containing the Same, Inv. No. 337-TA-585, Order No. 6, at 2-3 (Jan. 24, 2007) (good cause found based on documents produced during discovery); Certain Data Storage Systems, Inv. No. 337-TA-471, Order No. 21, at 4 (Oct. 8 2002) (“Data Storage Systems”) (permitting amendment to add allegations of infringement of additional claims based upon new information obtained during discovery).

The administrative law judge finds further that Cross Match’s motion for leave to amend the complaint and notice of investigation will not unduly prejudice the public interest or the rights of the parties to the investigation, given that discovery or the target date can be extended if respondents make an adequate showing that any extensions are necessary to prepare their case. See DC-DC Controllers, Order No. 19, at 7 (noting that any party may move for an extension, should the need arise). Moreover, the addition of claims from patents already at issue, where said claims “relate to the same general technology as claims that have been asserted since the original complaint was filed,” should not result in undue prejudice. Data Storage Systems, Order No. 21, at 4. It is uncontroverted that the claims in issue are from patents specified in the notice of investigation. Thus while any addition of claims necessarily expands the scope of the

investigation, the investigation will still pertain to the same patents, inventors and field of knowledge.

Respondents argued that given that Cross Match has noticed 28 depositions for the final month of fact discovery, and respondents will have to conduct their own defensive discovery regarding the already-asserted claims, respondents face an already over-loaded schedule, and trying to add discovery regarding eight new claims into the remaining time is not practicable (citing Ex. J (Woo Decl.) at ¶ 4); that additional time is necessary to respond to the assertion of additional claims; that underlying the “prejudicial” nature of Cross Match’s late motion to amend, respondents’ search for prior art regarding the claims already cost { } and respondents anticipate that conducting a new, separate search for the newly identified claims will bear similar costs. (Citing Ex. J (Woo Decl.) at ¶ 5); and that those costs could have been mitigated had respondents been able to launch a single, comprehensive search at the outset. It is not denied that the addition of claims are from patents already at issue. Thus based on the present record the administrative law judge rejects respondents’ request for a thirty-day extension of “all deadlines” related to invalidity. In addition the date for identification of prior art, i.e. October 20, 2010 (see Order No. 7) has yet to occur. However, respondents have the opportunity to move for an extension of the discovery cut-off dates and to supplement their identification of prior art should the record support said extension and/or supplement. It is noted that pursuant to Order No. 7, which issued on July 19, 2010, the hearing will not commence until March 7, 2011.²

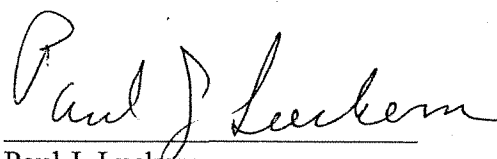
This initial determination, pursuant to Commission rule 210.42(c), is hereby CERTIFIED

² Respondents have referred to complainant’s “improper use of investigation as leverage against Suprema’s customers” (Opposition at 15-16, sur-reply at 3). However, no motion for sanctions has been filed by respondents.

to the Commission. Pursuant to Commission rule 210.42(h)(3), this initial determination shall become the determination of the Commission within thirty (30) days after the date of service hereof unless the Commission grants a petition for review of this initial determination pursuant to Commission rule 210.43, or orders on its own motion a review of the initial determination or certain issues therein pursuant to Commission rule 210.44.

This order will be made public unless a confidential bracketed version is received no later than the close of business on October 22, 2010.

On October 14, 2010, each of the parties received a copy of this order.

A handwritten signature in cursive script that reads "Paul J. Luckern". The signature is written in dark ink and is positioned above a horizontal line.

Paul J. Luckern
Chief Administrative Law Judge

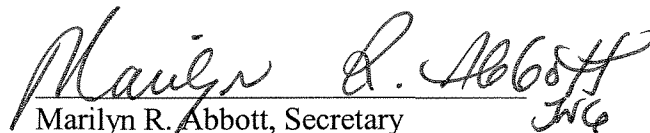
Issued: October 14, 2010

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337-TA-720

CERTIFICATE OF SERVICE

I, Marilyn R. Abbott, hereby certify that the attached **Public Version Order** has been served by hand upon the Commission Investigative Attorney, David O. Lloyd, Esq., and the following parties as indicated, on OCT 23 2010.


Marilyn R. Abbott, Secretary
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