

**UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, D.C.**

**In the Matter of**

**CERTAIN SILICON MICROPHONE  
PACKAGES AND PRODUCTS  
CONTAINING THE SAME**

**Investigation No. 337-TA-629**

**COMMISSION OPINION**

**I. INTRODUCTION**

On August 9, 2011, respondent MEMS Technology Berhad (“MemsTech”) petitioned the Commission to modify a limited exclusion order previously entered against MemsTech products in the above-captioned investigation on June 12, 2009 (“the 629 exclusion order”). MemsTech contends that in a subsequent investigation, *Certain Silicon Microphone Packages and Products Containing the Same*, Inv. No. 337-TA-695 (“the 695 investigation”), the Commission determined that some of the patent claims at issue in the 629 exclusion order are invalid. MemsTech argues that the Commission should rescind all directives in the 629 exclusion order that are based on patent claims the Commission has determined to be invalid.

On August 22, 2011, complainant Knowles Electronics LLC (“Knowles”) filed an opposition to MemsTech’s petition. Knowles contends that the 695 investigation did not address the validity of all of the claims at issue in the 629 exclusion order, and at least one claim from each asserted patent still retains the presumption of validity. Therefore, Knowles argues, MemsTech should continue to be precluded from importing and selling its products based on at least the patent claims that have not been adjudicated in the 695 investigation.

## II. BACKGROUND

### A. Investigation No. 337-TA-629

On December 6, 2007, Knowles filed a complaint against Memstech alleging a violation of section 337 of the Tariff Act of 1930 (19 U.S.C. § 1337) by reason of infringement of claims 1 and 2 of U.S. Patent No. 6,781,231 (“the ’231 patent”) and claims 1, 2, 9, 10, 15, 17, 20, 28, and 29 of U.S. Patent No. 7,242,089 (“the ’089 patent”). On January 14, 2008, the Commission instituted an investigation based on Knowles’ complaint, *Certain Silicon Microphone Packages and Products Containing the Same*, Inv. No. 337-TA-629.

On January 12, 2009, the Administrative Law Judge (“ALJ”) issued an initial determination (“the 629 ID”), finding a violation of section 337. Among other things, the ALJ found that claims 1 and 2 of the ’231 patent and claims 1, 2, 9, 15, 17, 20, 28, and 29 of the ’089 patent were infringed and were not invalid. The ALJ considered the following art when considering the validity of the asserted patents:

- U.S. Patent No. 6,522,762 to Mullenborn et al.
- U.S. Patent No. 5,459,368 to Onishi et al.
- U.S. Patent No. 4,533,795 to Baumhauer, Jr. et al.
- U.S. Patent No. 4,277,814 to Giachino et al.
- A master’s thesis by Arnold entitled “A MEMS-Based Directional Acoustic Array for Aeroacoustic Measurements”
- An article by Kress et al. entitled “Integrated Silicon Pressure Sensor for Automotive Applications with Electronic Trimming”
- The 1977 National Semiconductor Pressure Transducer Handbook

629 ID at 59-157) The ALJ also found that claim 10 of the '089 patent was invalid under 35 U.S.C. § 112, ¶ 1. 629 ID at 172.

All of the parties to the investigation petitioned the Commission for review of the 629 ID. On March 13, 2009, the Commission issued a notice determining to review various portions of the 629 ID, including some of the ALJ's validity determinations based on prior art. On June 12, 2009, the Commission determined that claims 1 and 2 of the '231 patent and claims 1, 2, 9, 10, 15, 17, 20, 28, and 29 of the '089 patent were not invalid over the prior art considered by the ALJ. The Commission also found a violation of section 337 due to infringement by Memstech of the claims listed above. Accordingly, the Commission issued a limited exclusion order prohibiting the unlicensed entry into the United States of Memstech silicon microphone packages that infringe claims 1 and 2 of the '231 patent and claims 1, 2, 9, 10, 15, 17, 20, 28, and 29 of the '089 patent. On August 12, 2009, the Commission's determination became final.<sup>1</sup>

On October 13, 2009, Memstech appealed the Commission's determination to the U.S. Court of Appeals for the Federal Circuit. On June 3, 2011, the Federal Circuit affirmed the Commission's final determination. *MEMS Technology Berhad v. Int'l Trade Comm'n*, No. 2010-1018, 2011 WL 2214091 (Fed. Cir. June 3, 2011) (unpublished).

#### **B. Investigation No. 337-TA-695**

On December 16, 2009, the Commission instituted another investigation, *Certain Silicon Microphone Packages and Products Containing Same*, Inv. No. 337-TA-695. Like the 629 investigation discussed above, the 695 investigation was instituted in response to a complaint

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<sup>1</sup> On August 18, 2009, the Commission made minor modifications to its determination and to the exclusion order. Among other things, the modifications eliminated erroneous references to a violation based on claim 10 of the '089 patent because the Commission had previously declined to review (and therefore adopted) the ALJ's determination that claim 10 is invalid under 35 U.S.C. § 112, ¶ 1.

filed by Knowles alleging a violation of section 337 based on infringement of the '231 and '089 patents. However, the set of claims Knowles asserted in the 695 investigation was not identical to the set of claims it asserted in the 629 investigation. In the 695 investigation, Knowles asserted claim 1 of the '231 patent and claims 1, 2, 7, 16, 17, 18, and 20 of the '089 patent. The only respondent named in the 695 investigation was Analog Devices Inc. ("Analog").

Analog presented the ALJ with prior art and prior art combinations not considered in the 629 investigation, including the following references:

- U.S. Patent No. 6,324,907 to Halteren et al. ("Halteren")
- U.S. Patent No. 6,594,369 to Une ("Une")
- U.S. Patent No. 7,003,127 to Sjursen et al. ("Sjursen")
- U.S. Patent No. 7,080,442 Kawamura et al. ("Kawamura")

On November 22, 2010, the ALJ issued a final ID ("the 695 ID") finding that all of the claims asserted in the 695 investigation are invalid under 35 U.S.C. §§ 102 and 103. With respect to the '231 patent, the ALJ found that Halteren anticipates claim 1 and that Halteren in view of Sjursen renders claim 1 obvious. 695 ID at 95, 120. The ALJ further found that the combination of Sjursen and U.S. Patent No. 4,533,795 to Baumhauer, Jr. et al. (a patent considered in the 629 investigation) renders claim 1 of the '231 patent obvious. 695 ID at 124.<sup>2</sup> With respect to the '089 patent, the ALJ found that Halteren viewed in light of Une or Kawamura renders obvious claims 1, 2, 7, 16, 17, 18 and 20. 695 ID at 213-221.

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<sup>2</sup> In the 629 investigation, the Commission found that the Baumhauer patent did not render the asserted claims invalid. See Inv. No. 337-TA-629, Comm. Op. at 8, *passim* (June 12, 2009). However, no party raised the Sjursen patent during the violation phase of the 629 investigation. Thus, the Commission did not consider the Baumhauer patent in view of the Sjursen patent in the 629 investigation.

On January 21, 2011, the Commission issued a notice determining not to review a majority of the ALJ's determinations on validity, which resulted in a final determination that claim 1 of the '231 patent and claims 1, 2, 7, 16, 17, 18, and 20 of the '089 patent are invalid. Knowles appealed the Commission's final determination to the Federal Circuit (Appeal No. 2011-1260), but later withdrew its appeal before the appeal was decided.

### **C. The Parties' Arguments**

MemsTech argues that under 19 U.S.C. § 1337(a)(1)(B)(i), the Commission only has power to prevent the importation and sale of articles that “infringe *a valid and enforceable United States patent . . .*” Pet. at 3 (emphasis by Memstech). Memstech contends that because the Commission has entered a final determination in the 695 investigation invalidating claim 1 of the '231 patent and claims 1, 2, 17, and 20 of the '089 patent, the Commission no longer has authority to exclude products in the 629 investigation based upon infringement of those five invalid claims. Pet. at 4. Memstech asserts that the Commission has the authority to modify or rescind the exclusion order in the 629 investigation in response to Memstech's petition. *Id.* at 3 (citing 19 U.S.C. § 1337(k)(2)).

Although Memstech titles its petition as one to “rescind” the 629 exclusion order, in the body of its memorandum Memstech expressly states that it seeks no relief with respect to patent claims that were not addressed in the 695 investigation. *Id.* In other words, Memstech does not seek to modify the portions of the 629 exclusion order that exclude devices that infringe claim 2 of the '231 patent and claims 9, 15, 28, and 29 of the '089 patent.

Knowles' opposition focuses on language in Memstech's petition that might be construed as seeking complete rescission of the 629 exclusion order. Knowles argues that notwithstanding the invalidity findings in the 695 investigation, Memstech “still stands having

been found to infringe valid and enforceable claims not implicated in any other investigation.” Opp. at 1. Knowles asserts that because “at least one claim” from each patent addressed in the 629 order is still presumed valid, Memstech should still be precluded from importing and selling infringing products. *Id.* at 2. In the event that Commission modifies the 629 exclusion order, Knowles asks that the Commission “clearly state and reaffirm that Memstech’s products as outlined in the original June 12, 2009 order remain barred.” *Id.*

### III. ANALYSIS

The Commission has the authority to find “that the conditions which led to [an exclusion order] no longer exist.” 19 U.S.C. § 1337(k)(1). Accordingly, the Commission Rules allow “any person” to file a petition to modify or set aside an exclusion order based on “changed conditions of fact or law, or the public interest.” 19 C.F.R. § 210.76(a)(1). The Commission may also consider changed conditions upon its own initiative. *Id.*

Section 337 and the Commission Rules also state that a party subject to an exclusion order may petition the Commission for modification or rescission of the order. 19 U.S.C. § 1337(k)(2); *see also* 19 C.F.R. § 210.76(a)(2). The petitioning party has the burden. *Id.* Relief to the petitioner may be granted

(i) on the basis of new evidence or evidence that could not have been presented at the prior proceeding, or

(ii) on grounds which would permit relief from a judgment or order under the Federal Rules of Civil Procedure.

19 U.S.C. § 1337(k)(2)(B); *see also* 19 C.F.R. § 210.76(a)(2).

Further to subparagraph (ii) above, the Second Restatement of Judgments states that a judgment may be set aside or modified if:

- (1) The judgment was subject to modification by its own terms or by applicable law, and events have occurred subsequent to the judgment that warrant modification of the contemplated kind; or
- (2) There has been such a substantial change in the circumstances that giving continued effect to the judgment is unjust.

RESTATEMENT (SECOND) OF JUDGMENTS § 73 CHANGED CONDITIONS.

As demonstrated above, the Commission has authority to modify an exclusion order when the Commission determines that the circumstances supporting the remedial order have changed. Because valid patent claims are a predicate to an exclusion order based on patent infringement, a determination that the claims at issue are no longer valid can justify a determination “that the conditions which led to [the exclusion order] no longer exist.” *See* 19 U.S.C. § 1337(k)(1).

The Commission has addressed subsequent invalidity determinations in at least two prior investigations. In *Certain Large Video Matrix Display Systems*, Inv. No. 337-TA-75 (“*Video Matrix Displays*”), the Commission entered an exclusion order based on the infringement of three patents. *Video Matrix Displays*, USITC Pub. No. 1158 (1981); 46 Fed. Reg. 32694 (June 24, 1981). During the presidential review period, a Michigan district court declared two of the three patents invalid. *Video Matrix Displays*, Comm’n Action and Order, 2 (Aug. 10, 1981). As a result, the Commission modified the exclusion order by suspending the portions of the exclusion order referring to the two invalidated patents, pending appeal of the district court’s invalidity ruling. *Id.* The Federal Circuit found the Commission’s modification to be proper. *See SSIH Equip. S.A. v. Int’l Trade Comm’n*, 718 F.2d 365, 370 (Fed. Cir. 1983). Specifically, the court stated that the Commission’s modification “could properly be premised” on the district court’s invalidity decision. *Id.*

Similarly, in *Certain Composite Wear Components and Products Containing Same*, Inv. No. 337-TA-644, Comm. Op. (Feb. 10, 2011) (“*Composite Wear Components*”), the Commission had entered an exclusion order based on infringement of patent claims that were later found invalid by a Tennessee district court. A respondent moved for rescission of the exclusion order based on the district court’s determination of invalidity. In its analysis, the Commission relied upon 19 U.S.C. § 1337(k)(2)(B), which allows modification based on “grounds which would permit relief from a judgment or order under the Federal Rules of Civil Procedure.” *Composite Wear Components* at 8. The Commission cited the Second Restatement of Judgments, which states that a judgment may be set aside or modified when there has been “a substantial change in the circumstances.” *Id.* at 8-9 (citing RESTATEMENT (SECOND) OF JUDGMENTS § 73 CHANGED CONDITIONS). The Commission determined that the district court’s invalidity ruling had substantially changed the circumstances under which the exclusion order was issued. *Id.* Accordingly, the Commission rescinded its remedial orders in the 644 investigation pending resolution of the district court litigation at the Federal Circuit.<sup>3</sup> *Id.* at 9.

As in *Video Matrix Displays* and *Composite Wear Components*, the Commission has determined that the circumstances supporting the exclusion order entered in this investigation on June 12, 2009, have changed.<sup>4</sup> At the time the exclusion order was entered, the Commission had not considered the validity of the ’231 and ’089 patent claims in light of certain prior art,


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<sup>3</sup> The Federal Circuit later reversed the invalidity judgment of the district court that led the Commission to temporarily rescind the exclusion order in *Composite Wear Components* and the Commission reinstated its exclusion order. See *Composite Wear Components*, Notice of Pending Reinstatement of an Exclusion Order and a Cease and Desist Order Upon Resolution of Federal Circuit Appeal (Sept. 22, 2011).

<sup>4</sup> We note that the exclusion order modifications in the two investigations discussed above were based on subsequent district court judgments of invalidity, whereas the present petition to modify is based on a subsequent Commission determination of invalidity. A subsequent determination by the Commission that a patent claim is invalid, based on prior art not previously considered by the Commission, is no less a changed circumstance than a subsequent invalidity judgment by a district court.

including Halteren, Halteren in view of Sjursen, Halteren in view of Une, Halteren in view of Kawamura, and Baumhauer in view of Sjursen. However, the Commission has subsequently considered these references in the 695 investigation and has determined that claim 1 of the '231 patent and claims 1, 2, 17, and 20 of the '089 patent are invalid. Based on that change in circumstance, the Commission now determines that claim 1 of the '231 patent and claims 1, 2, 17, and 20 of the '089 patent will not support a violation of section 337 in the present investigation. Accordingly, the Commission has determined to rescind the portions of the 629 exclusion order that refer to those claims.

By order of the Commission.

A handwritten signature in black ink, appearing to read "J. R. Holbein". The signature is fluid and cursive, with a long horizontal stroke at the end.

James R. Holbein  
Secretary to the Commission

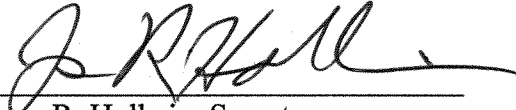
Issued: October 28, 2011

**CERTAIN SILICON MICROPHONE PACKAGES AND  
PRODUCTS CONTAINING THE SAME**

**337-TA-629**

**PUBLIC CERTIFICATE OF SERVICE**

I, James R. Holbein, hereby certify that the attached has been served by hand upon the Commission Investigative Attorney, Mareesa Frederick, Esq., and the following parties as indicated, on **October 31, 2011**.



James R. Holbein, Secretary  
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