

The Future of Method Claims after *Suprema v. ITC*

by G. Brian Busey, Tihua Huang, and Kirk Sigmon³⁴

The International Trade Commission (“ITC” or “Commission”) once provided relief for complainants with potentially infringing method claims. After the United States Court of Appeals for the Federal Circuit (the “Federal Circuit” or the “Court”)’s recent decision in *Suprema v. ITC*,³⁵ however, the ITC’s Section 337 authority to find a Section 337 violation based on method claims may be significantly limited because such a claim now requires infringement of the method at the time of importation of the accused articles. *Suprema* also appears to undermine the viability of indirect infringement claims involving method patents, potentially rendering the ITC an unfriendly forum for method claims generally.

Pursuant to Section 337 of the Tariff Act of 1930 (as amended), the ITC is charged with conducting investigations into allegations of unfair trade practices, including the importation of infringing products.³⁶ Particularly, 19 U.S.C. § 1337(a)(1)(B)(i) (“Subsection (i)”) specifies that unlawful practices include “[t]he importation into the United States, the sale for importation, or the sale within the United States after importation by the owner, importer, or consignee, of articles that . . . infringe a valid and enforceable United States patent.”³⁷ (emphasis added) Subsection (i)’s sister provision, 19 U.S.C. § 1337(a)(1)(B)(ii) (“Subsection (ii)”), adds that unlawful practices also include “[t]he importation into the United States, the sale for importation, or the sale within the United States after importation by the owner,

importer, or consignee, of articles that . . . are made, produced, processed, or mined under, or by means of, a process covered by the claims of a valid and enforceable United States patent.” If either provision is violated, the Commission may issue an exclusion order barring the infringing goods from entry into the United States.³⁸

An important issue for a complainant asserting method claims at the ITC is whether a violation of Section 337 may be predicated on the alleged infringement of a method claim where accused articles do not infringe at the time of importation but rather only infringe after importation. In the past, the Commission has in numerous investigations found a violation of Section 337 where direct infringement of a method claim occurred only after importation. But this avenue of proving infringement is no longer viable due to a new definition of the statutory phrase “articles that . . . infringe.” In *Suprema v. ITC*,³⁹ the Federal Circuit interpreted § 1337(a)(1)(B)(i) as requiring the imported article to infringe “at the time of importation.”⁴⁰ This redefinition follows the Commission’s 2011 holding in *Certain Electronic Devices With Image Processing Systems, Components Thereof, and Associated Software* (“*Electronic Devices*”),⁴¹ which rejected the long-standing nexus test for a Section 337 violation as “obsolete”⁴² and found that a Section 337 violation could not be premised on allegations of the direct infringement of method claims under § 271(a) where patented methods were not infringed until use in the United States occurred.⁴³

This article first discusses prior Commission decisions involving the assertion of a method claim where a method claim was only completely infringed after importation. This article then analyzes the Federal Circuit’s recent ruling in *Suprema v. ITC*, exploring the practical ramifications of that ruling in terms of Subsection (i) and (ii) as well as with respect to indirect

³⁴ Mr. Busey is a partner and Ms. Huang and Mr. Sigmon are associates in Morrison & Foerster’s Washington, D.C. office where they practice regularly before the ITC. The views expressed are their personal views and do not represent the views of their firm or its clients.

³⁵ *Suprema, Inc. v. Int’l Trade Comm’n*, No. 2012-1170, --- F.3d ---, 2013 WL 6510929 (Fed. Cir. Dec. 13, 2013).

³⁶ See 19 U.S.C. § 1337.

³⁷ 19 U.S.C. § 1337(a)(1)(B).

³⁸ See 19 U.S.C. § 1337(d)(1).

³⁹ No. 2012-1170, --- F.3d ---, 2013 WL 6510929 (Fed. Cir. Dec. 13, 2013).

⁴⁰ *Id.* at 24.

⁴¹ Inv. No. 337-TA-724, 2012 WL 3246515 (Dec. 21, 2011).

⁴² *Id.* at 16.

⁴³ *Id.* at 23.

infringement claims under 35 U.S.C. § 271(b) and (c) in the ITC.

I. Decisions Prior to *Suprema*

Historically, when an article was not directly infringing at the time of importation, the Commission took the view that its remedial authority was not limited to acts which occurred at the time of importation. In other words, the Commission considered that its jurisdiction extended to unfair acts or methods that occurred *within* the United States in connection with an imported product if the domestic acts bore a sufficient nexus to importation.⁴⁴

Numerous investigations followed this approach to the Commission's remedial authority. For example, in *Certain Hardware Logic Emulation Systems*,⁴⁵ the Commission found a Section 337 violation by direct infringement of method claims where the respondent imported components of a system, combined the imported components with other components manufactured in the United States, and thereby created an infringing combination that performed a patented method when tested in the United States.⁴⁶

The Commission abandoned the nexus approach in connection with method claims in *Electronic Devices*. In that case, the complainant alleged

that the respondent's importation of computers violated Section 337 because the computers could be used to infringe a method claim for encoding an image file.⁴⁷ Though the Commission recognized that the accused computers would infringe after importation by performing each step of the patented encoding method when tested domestically, the Commission determined that infringement at the time of importation was a prerequisite to a Section 337 violation, reasoning that, pursuant to the "articles that . . . infringe" language of Section 337, "infringement, direct or indirect, must be based on the articles *as imported* to satisfy the requirements of Section 337."⁴⁸ Because the accused computers did not practice all steps of the asserted method claim at the time of importation, the Commission found that the respondent computer manufacturer did not violate Section 337 when it imported the accused computers.⁴⁹ Likewise, the Commission found that the respondent did not violate Section 337 by subsequently selling the computers in the United States because direct infringement of a method requires performance of the process itself.⁵⁰

The ITC in *Electronic Devices* thus rejected the idea that it could issue exclusion orders where there was only a nexus between domestic infringement and the importation of then-noninfringing goods. But the Commission's emphasis on the text of Section 337 in *Electronic Devices* highlighted a pernicious problem: Section 337 does not expressly define the phrase "articles that . . . infringe." Moreover, Section 337 does not specify *when* articles must infringe.

⁴⁴ See, e.g., *Certain Sputtered Carbon Coated Computer Discs and Products Containing Same, Including Disk Drives*, Inv. No. 337-TA-350, 1993 WL 854336, Comm'n Op. at 13 (Nov. 1993) ("The Commission has long held that there must be a nexus between unfair activities such as patent infringement on the one hand, and importation . . . on the other.").

⁴⁵ Inv. No. 337-TA-383 (1998).

⁴⁶ See also *Certain Printing and Imaging Devices and Components Thereof*, Inv. No. 337-TA-690, 2010 WL 4789992 at *179, *182, *186, *214, *217 (Sept. 23, 2010) (finding violation based on direct infringement of method claims and prohibiting testing after importation); *Certain Inkjet Ink Supplies and Components Thereof*, Inv. No. 337-TA-691, Initial Determination at 23-24 (Aug. 30, 2010) (not reviewed by Commission) (finding violation based on direct infringement of a method claim); *Certain Liquid Crystal Display Modules, Products Containing Same, and Methods for Using the Same*, Inv. No. 337-TA-634, Initial Determination at 129 (June 12, 2009) (same); *Certain Voltage Regulators, Components Thereof and Products Containing Same*, Inv. No. 337-TA-564, Comm'n Op. at 8, 10-11, 53 (Oct. 19, 2007) (same).

⁴⁷ *Electronic Devices*, Inv. No. 337-TA-724, 2012 WL 3246515 at 7-8 (Dec. 21, 2011).

⁴⁸ *Id.* at 14, 23 (emphasis added). The Commission also found that the complainant had not shown that respondent's testing of devices in the U.S. was an infringement of a claim that was directed to a data format for storing compressed image files. Although the Commission recognized that the respondent infringed the asserted data format claim by testing the device in the U.S. and thereby creating infringing data, it noted that the data that the complainant relied upon for infringement of the claim was created in the U.S. and thus was not imported. Based on the infringement "at the time of importation" principle, the Commission concluded that respondent's creation of allegedly infringing data in the U.S. did not constitute a violation of Section 337. *Id.* at 14.

⁴⁹ *Id.* at 14, 23.

⁵⁰ *Id.*

The legislative history of Section 337 is likewise devoid of clear congressional intent defining the phrase. In *Electronic Devices*, the Commission consulted 35 U.S.C. § 271 for the meaning of the term “infringe” as it is used in Section 337. But, by its terms, Section 271 addresses acts and actors who infringe, not articles,⁵¹ meaning that it was not clear if Section 337 exclusively referred to § 271 infringement. More puzzlingly, though the Commission stated that violations of Section 337 could result from indirect infringement, it was unclear how an article could indirectly infringe “as imported.” After all, infringement by inducement requires both inducement and direct infringement, and if inducement of domestic infringement alone was insufficient after *Electronic Devices*, then it appeared that only direct infringement at the time of importation would suffice under Section 337, thereby obviating any motivation to assert indirect infringement at the ITC.

Despite the questions left unanswered by the Commission, numerous cases were impacted by *Electronic Devices*. For example, in *Certain Mobile Devices and Related Software Thereof*,⁵² the Commission affirmed an ALJ’s finding of direct infringement of certain method claims, but found that “the analysis of infringement is incomplete in the ID because the ID’s analysis does not address the Commission’s decision in [*Electronic Devices*].”⁵³ Similarly, in *Certain Gaming and Entertainment Consoles, Related Software, and Components Thereof*,⁵⁴ the Commission remanded the investigation to the ALJ to “apply the Commission’s opinion in [*Electronic Devices*].”⁵⁵ ALJ Shaw subsequently issued a Remand Initial Determination (RID), which stated that “in view of the Commission’s

opinion in *Electronic Devices*, it is now apparent that Microsoft does not directly infringe.”⁵⁶

II. *Suprema*: a New Interpretation of “articles that . . . infringe”

The Federal Circuit’s ruling in *Suprema v. ITC* reiterated the *Electronic Devices* approach to “articles that . . . infringe” and clarified some of the issues posed by *Electronic Devices*, especially those in regard to indirect infringement claims in the ITC.

Suprema started in the ITC as *Certain Biometric Scanning Devices, Components Thereof, Associated Software, and Products Containing Same* (“*Biometric Scanning Devices*”),⁵⁷ in which complainant Cross Match Technologies (“Cross Match”) alleged that respondents *Suprema, Inc.* and *Mentalix, Inc.* infringed a method patent relating to fingerprint scanning. Cross Match claimed that one of its method patents, U.S. Pat. No. 7,203,344, was infringed where *Suprema*’s fingerprint scanning devices were imported into the United States and subsequently combined with *Mentalix*’s proprietary software. Critically, *Suprema*’s fingerprint scanners were not infringing as imported – it was only in combination with software provided by *Mentalix* that the scanners became infringing. Accordingly, Cross Match’s argued that *Suprema* induced *Mentalix* to infringe Cross Match’s method patent by importing noninfringing scanners and by assisting *Mentalix* in the installation of the fingerprint scanning software which, in combination, practiced all steps of Cross Match’s patent. The Commission in *Biometric Scanning Devices* found this argument persuasive, holding that *Suprema* violated Section 337 – a ruling which was appealed by *Suprema* to the Federal Circuit.

On appeal, the Federal Circuit held for *Suprema*, holding that Section 337 was not violated where direct infringement occurred post-importation. The Court first confirmed that the phrase “articles

⁵¹ See 35 U.S.C. § 271.

⁵² Inv. No. 337-TA-750 (Mar. 16, 2012) (“*Mobile Devices*”).

⁵³ *Id.* (notice of commission determination to review in part and on review to affirm a final determination finding no violation of Section 337; termination of investigation).

⁵⁴ Inv. No. 337-TA-752 (“*Gaming and Entertainment Consoles*”).

⁵⁵ *Id.* at 3 (June 29, 2012) (notice of commission determination to review a final initial determination finding a violation of section 337; remand of the investigation to the administrative law judge).

⁵⁶ *Gaming and Entertainment Consoles*, Remand Initial Determination, at 8 (March 22, 2013). The Commission determined not to review this RID.

⁵⁷ Inv. No. 337-TA-720.

that . . . infringe” in Section 337 refers to infringement as defined by 35 U.S.C. § 271 and thereby includes both direct and indirect infringement.⁵⁸ Turning to infringement by inducement as defined by § 271(b), the Court reiterated Federal Circuit precedent holding that infringement by inducement requires not only inducement, but predicate direct infringement as well.⁵⁹ Such direct infringement, according to the Federal Circuit, must exist at the time of importation.⁶⁰ Thus, the Court held that the ITC had no authority to premise an exclusion order on indirect infringement where *Suprema*’s scanners did not directly infringe at the time of importation.⁶¹

The Court’s holding in *Suprema* appears to be consistent with *Electronic Devices*, where the Commission explicitly stated that Section 337 “covers imported articles that . . . indirectly infringe,” though it noted that the articles must infringe “at the time of importation.”⁶² According to Cross Match, however, *Electronic Devices* still permitted indirect infringement claims, as the Commission explicitly stated that Section 337 “covers imported articles that . . . indirectly infringe,” and by its explicit language Subsection (i) could be violated by indirect infringement “at the time of importation.”⁶³ Noting that the Commission’s discussion of its authority to predicate a Section 337 violation on inducement of infringement was only dicta, the Court in *Suprema* was not persuaded by Cross Match’s argument, stating that the “at the time of importation” language was consistent with its holding and that indirect infringement could be met, albeit where the articles were directly infringing at the time of importation.⁶⁴

A vigorous dissent by Judge Reyna explored problematic ramifications of the panel majority’s

⁵⁸ *Suprema, Inc. v. Int’l Trade Comm’n*, No. 2012-1170, --- F.3d ---, 2013 WL 6510929 at 18-19 (Fed. Cir. Dec. 13, 2013).

⁵⁹ *Id.* at 20.

⁶⁰ *Id.*

⁶¹ *Id.* at 26.

⁶² *Electronic Devices*, Inv. No. 337-TA-724, Comm’n Op. at 14 (Dec. 21, 2011).

⁶³ *Id.*

⁶⁴ *Suprema, Inc. v. Int’l Trade Comm’n*, No. 2012-1170, --- F.3d ---, 2013 WL 6510929 at 25 (Fed. Cir. Dec. 13, 2013).

holding. According to Judge Reyna, because Section 337 is a “trade statute designed to provide relief from specific acts of unfair trade,” negating the power of the Commission to provide relief in certain circumstances “create[s] a fissure in the dam of the U.S. border through which circumvention of Section 337 will ensue.”⁶⁵ For example, Judge Reyna argued, “an importer could import disassembled components of a patented machine, or import an article capable of performing almost all of the steps of a patented method, but reserve final assembly of the last part or performance of the last step for the end user in the United States and . . . fall outside the Commission’s statutory reach.”⁶⁶

The panel majority in *Suprema* expressly only dealt with inducement of infringement of method claims under § 271(b) and not contributory infringement claims under § 271(c). Judge Reyna’s dissent, however, questioned “[w]hether obtaining a remedy for this form of method patent infringement continues to be viable at the Commission remains to be seen” given the majority’s requirement that articles must infringe at importation.⁶⁷ The panel majority argued in a footnote that the dissent’s concern about material impact on the ITC’s ability to carry out its mandate is overblown, noting that § 271(c) contributory infringement claims are still available.⁶⁸

III. Impact of *Suprema*: Does It Sound the Death Knell for 337 Violations Based on Infringement of Method Claims?

1. Limited Application of *Suprema*?

Though *Suprema* bars ITC jurisdiction under Subsection (i) where an article is not directly infringing at the time of importation, it is not clear that *Suprema* limits ITC jurisdiction over such yet-to-infringe articles under Subsection (ii).

⁶⁵ *Suprema, Inc. v. Int’l Trade Comm’n*, No. 2012-1170, --- F.3d ---, 2013 WL 6510929, Dissent at 5 (Fed. Cir. 2013) (Reyna, J. concurring-in-part and dissenting-in-part).

⁶⁶ *Id.* at 11.

⁶⁷ *Id.* at 13.

⁶⁸ *Suprema, Inc. v. Int’l Trade Comm’n*, No. 2012-1170, --- F.3d ---, 2013 WL 6510929 at 21 fn. 4 (Fed. Cir. Dec. 13, 2013).

Subsection (ii) prohibits importation and sale of “articles that are made . . . under, or by means of, a *process* covered by the claims of a valid and enforceable United States patent.”⁶⁹ In contrast with Subsection (i), Subsection (ii) does not use the prefatory word “infringe,” such that it arguably does not consider whether or not an article infringes at the time of importation. In fact, in his dissent in *Suprema*, Judge Reyna explicitly stated in a footnote that articles produced “according to a patented process” as codified in Subsection (ii) were “not at issue [in the case].”⁷⁰ Thus, *Suprema* may not be controlling in cases where the alleged unfair acts can be properly brought by means of a product by process claim under Subsection (ii).

It is possible that the ITC will limit the reach of *Suprema* to Subsection (i), as the ITC treats Subsection (i) and (ii) quite differently. In *Certain Digital Models, Digital Data, and Treatment Plans for Use, in Making Incremental Dental Positioning Adjustment Appliances Made Therefrom, and Methods of Making the Same*,⁷¹ the asserted patents were directed to orthodontic appliances and methods for making incremental dental positioning adjustment appliances. Despite the parties’ extensive analysis of *Electronic Devices* and its implication for the case in regard to Subsection (i), the ALJ found that “[n]othing in *Electronic Devices* touches on the specific facts of the case before me.”⁷² The ALJ pointed out that, although the scope of the investigation included both Subsection (i) and (ii), “the case at bar is one that involves patents-in-suit that protect processes,” and that “importation of articles that are made or produced pursuant to claimed processes are properly treated under 19 U.S.C. § 1337(a)(1)(B)(ii).”⁷³

But this dichotomy between Subsections (i) and (ii) may not be so clear: the Commission has recently struggled with the scope of the application of Subsections (i) and (ii), especially

in regard to method claims. In a recent investigation before *Suprema, Semiconductor Chips*,⁷⁴ the Commission issued a Notice indicating that complainant Elpida’s complaint included allegations of a violation of Subsection (i) based on the alleged infringement of the asserted “method of forming” claims by the sale, importation, and use of Respondent Nanya’s semiconductors.⁷⁵ In its Notice to review the ALJ’s Initial Determination, the Commission posed several questions regarding the legal support for the proposition that “the use of an article infringes a claim to a ‘method of forming’ the article,” and whether a cause of action under Subsection (i) is mutually exclusive to a cause of action under Subsection (ii).⁷⁶ In response, Elpida argued that Subsections (i) and (ii) are “partially overlapping, but distinct provisions”⁷⁷ and that “articles made according to a claimed *process* are ‘articles that infringe’ under 19 U.S.C. § 1337(a)(1)(B)(ii).”⁷⁸ Elpida further argued that *Electronic Devices* was “inapposite” because it addressed “products that are capable of performing a claimed method,” not “products that are formed according to a claimed method.”⁷⁹ The parties ultimately moved to terminate the investigation on the basis of settlement, and thus the precise relationship between Subsections (i) and (ii) and method claims remains unanswered.

2. Practical Effects of *Suprema*

Suprema, in conjunction with *Electronic Devices*, has radically changed the scope of the ITC’s authority over both method patent claims generally as well as in regard to indirect infringement allegations of such claims in the ITC.

Now that an article must infringe at the time of importation, complainants with method claims have a harder time obtaining relief at the ITC. Prior to *Electronic Devices* and *Suprema*, it was fairly common for complainants in the ITC to

⁶⁹ 19 U.S.C. § 1337(a)(1)(B)(ii) (emphasis added).

⁷⁰ *Suprema, Inc. v. Int’l Trade Comm’n*, No. 2012-1170, --- F.3d ---, 2013 WL 6510929, Dissent at 12 (Fed. Cir. 2013) (Reyna, J. concurring-in-part and dissenting-in-part).

⁷¹ Inv. No. 337-TA-833, 2013 WL 3167893 (May 6, 2013).

⁷² *Id.* at *295.

⁷³ *Id.*

⁷⁴ *Certain Semiconductor Chips with Dram Circuitry, and Modules and Products Containing Same*, Inv. No. 337-TA-819 (“*Semiconductor Chips*”).

⁷⁵ 78 Fed. Reg. 41079 (June 9, 2013).

⁷⁶ *Id.*

⁷⁷ *Semiconductor Chips*, Complainant’s Submission at 25.

⁷⁸ *Semiconductor Chips*, Complainant’s Submission at 20.

⁷⁹ *Id.*

prove a Section 337 violation by showing infringement occurring within the United States subsequent to importation, such as by showing that a respondent domestically tested an imported article in a manner that infringed a method patent. This was generally because the ITC refuses to entertain allegations regarding the direct infringement of method claims under § 271(a), meaning that complainants with method claims by necessity often asserted indirect infringement allegations. This avenue of proving a Section 337 violation may no longer be available. After *Electronic Devices*, commentators noted that proving a Section 337 violation based on direct infringement of a method claim became more difficult,⁸⁰ and it is likely that this difficulty will only increase in the wake of *Suprema*.

Moreover, as noted in Judge Reyna's dissent, clever importers may side-step Section 337 violations by not completing the steps of a method patent until after importation. Thus, many method patent infringement cases that would have once been brought in the ITC may shift to district courts⁸¹ or may not be initiated at all.

The ITC may be especially inhospitable to method patent holders alleging infringement by inducement because, even assuming direct infringement at the time of importation is proven, recent Supreme Court and Federal Circuit decisions make proving inducement very difficult.⁸² For example, in *Electronic Devices*,

⁸⁰ See generally Gavin Liu & Amanda Frye, *Method Claims at the ITC*, 337 REPORTER, 2012 Summer Associate Edition.

⁸¹ As the panel majority in *Suprema* stated, "whether *Suprema* induces that infringement are issues to be addressed by the *only* tribunal with authority to do so – the applicable federal court forum." *Suprema, Inc. v. Int'l Trade Comm'n*, No. 2012-1170, --- F.3d ---, 2013 WL 6510929, at *26 (Fed. Cir. 2013).

⁸² See *Global-Tech v. SEB*, 131 S. Ct. 2060, 2065, 2068 (2011) (holding that inducement of infringement requires that the accused inducer intended by its actions to cause infringement, and that the accused inducer knew that its action caused infringement, but that willful blindness also satisfies the knowledge requirement); *Kyocera Wireless Corp. v. Qualcomm Inc.*, 545 F.3d 1340 (Fed. Cir. 2008) ("*Kyocera*"); *DSU Med. Corp. v. JMS Co.*, 471 F.3d 1293, 1305-06 (Fed. Cir. 2006) (requiring "an affirmative intent to cause direct infringement").

the complainant argued that the respondent induced third-party developers to directly infringe the asserted encoding method claims by providing support to the developers.⁸³ The respondent, quoting from *Kyocera*, argued that "providing customers with the system determination software, training them on implementation of their mobile devices, providing software and firmware updates, offering customer support, furnishing promotional and technical documents for the accused . . . chipsets, and recommending that its customers implement battery saving features . . . falls short of the necessary intent for showing inducement."⁸⁴ The ALJ agreed with respondent and stated that "[complainant] does not clearly enunciate how the respondent induces third parties to [infringe]."⁸⁵ Thus, simply providing customer support may not be sufficient to show the requisite specific intent for inducement, and some higher degree of involvement may be necessary.

Suprema may have broadly limited the viability of both infringement by inducement as well as contributory infringement in the ITC. The panel majority in *Suprema* only addressed § 271(b) infringement by inducement, noting in response to Judge Reyna's dissent that "mischief" by importers could be addressed by § 271(a) direct infringement and § 271(c) contributory infringement.⁸⁶ As noted by Judge Reyna in his dissent, however, like § 271(b), § 271(c) requires predicate direct infringement.⁸⁷ Specifically, the Federal Circuit has held that a complainant alleging contributory infringement must show *inter alia*: (1) there is an act of direct infringement in violation of Section 337; (2) the accused device has no substantial non-infringing uses; and (3) the accused infringer imported, sold for importation, or sold after importation within the United States, the accused components that contributed to another's direct infringement.⁸⁸ Thus, the same problems that *Suprema* poses for

⁸³ See *Electronic Devices*, Initial Determination, at 102-106.

⁸⁴ *Id.* at 106.

⁸⁵ *Id.* at 108.

⁸⁶ *Suprema, Inc. v. Int'l Trade Comm'n*, No. 2012-1170, --- F.3d ---, 2013 WL 6510929 at 21 fn. 4 (Fed. Cir. 2013).

⁸⁷ *Id.* at 21.

⁸⁸ *Spansion, Inc. v. Int'l Trade Comm'n*, 629 F.3d 1331, 53 (Fed. Cir. 2010).

§ 271(b) may apply equally to § 271(c) claims, and proving § 271(a) direct infringement at the time of importation may be the only realistic avenue for most ITC complainants asserting method patents.

IV. Conclusion

Depending on how it is applied in the ITC, *Suprema* may have raised the bar high for complainants wishing to argue indirect infringement of method claims in the ITC. As indirect infringement is frequently utilized by method patent holders, *Suprema* may prevent many method patent holders from bringing claims in the ITC. In equal part, *Suprema* may enable certain manufacturers and importers to circumvent a violation of Section 337 by avoiding practicing the “last step” of a method patent until after importation, thereby shifting potential infringement suits from the ITC to district courts.

UPDATE ON RECENT ALJ ORDERS

Dispositive Importation Issues

Certain Products Containing Interactive Program Guide and Parental Control Technology, Inv. No. 337-TA-845, Initial Determination (Pub. Version) (July 2, 2013) (Shaw, A.L.J.)

Complainant Rovi accused Netflix and manufacturers of Netflix-compatible devices, LG, Mitsubishi and Roku, of infringing three method patents through the use of Netflix user interfaces.

The ALJ found the Netflix-compatible devices were not pre-loaded with the user interfaces at the time of importation. Only when a consumer used a compatible device to access the Netflix service via internet was the Netflix user interface loaded and the claimed method performed.

Citing the Commission Opinion in *Electronic Devices*, Inv. No. 337-TA-724, the ALJ found no violation of Section 337 as the claimed method was performed post-importation. Focusing on the status of the accused products at importation, the



337 REPORTER

The 337 REPORTER is published by the ITC Trial Lawyers Association. Statements and opinions contained herein do not necessarily reflect those of the Association. For questions or comments concerning this issue, to obtain recent back issues, or to submit articles for future issues, please contact:

Co-Editors

Eric S. Namrow

Morgan, Lewis & Bockius, LLP

Jeffrey M. Telep

King & Spalding

Features Editors

P. Andrew Riley and Anthony D. Del Monaco
Finnegan, Henderson, Farabow, Garrett & Dunner, LLP

Administrative Law Judge Orders Editor

Michael L. Doane and Asha Allam
Adduci, Mastriani & Schaumberg, LLP

Commission Decisions Editor

Goutam Patnaik and Gwen Tawresey
Pepper Hamilton, LLP

Federal Circuit Decisions Editor

Jamie D. Underwood
Alston & Bird, LLP

ALJ found Rovi had identified no article that was infringing at the time of importation. Moreover, the ALJ determined that the product combination required to perform Rovi's claimed methods distinguished the Respondents' articles from those that indirectly infringed the method patents asserted in *Chemiluminescent Compositions*, Inv. No. 337-TA-285.