

Commission Reverses Apple Infringement Finding, Thereby Mooting the Public Interest Inquiry...For Now

Wednesday, March 27, 2019

Yesterday afternoon, the International Trade Commission issued its [Final Determination](#) in *Certain Mobile Electronic Devices and Radio Frequency and Process Components Thereof*, 337-TA-1065. The 1065 Investigation is one of several actions Qualcomm has brought against Apple both here and abroad. Reversing Administrative Law Judge Pender's Initial Determination that Apple had violated section 337 by infringing a valid claim of one of Qualcomm's asserted patents (the '490 patent), the Commission found that Apple had shown by clear and convincing evidence that the claim in question was invalid. The Commission's finding moots Judge Pender's recommendation that an exclusion order be denied on the grounds it would not have been in the public interest.

As we [noted last month](#), Judge Pender had found that Apple infringed a valid claim of the '490 patent and that all jurisdictional requirements had been met. Nevertheless, he recommended that no exclusion order be issued against Apple's accused products—Apple phones with Intel-made processor chips—on the grounds that banning the accused Apple products would effectively eliminate Intel from the U.S. smartphone market. Judge Pender reasoned that this would not only give Qualcomm monopoly power in that lucrative market, but would also harm the ability of the United States to develop emerging 5G technology, which, in turn, would harm U.S. national security and competitiveness. Such consequences were not in the public interest, Judge Pender concluded. Judge Pender found that Apple did not infringe any of the claims of the other patents asserted in the investigation.

In December, [we noted](#) the Commission issued a notice that it would review only certain findings Judge Pender made with respect to the '490 patent, but would not review any of his findings with respect to the other patents. In the same notice, the Commission asked Qualcomm and Apple to address what type of remedy should issue if it were to uphold Judge Pender's infringement and validity findings, and specifically "whether delaying implementation of a limited exclusion order or cease-and-desist order for a fixed period of time (e.g., six months or one year) would effectively balance enforcement of Qualcomm's patent rights against the adverse consequences alleged by the parties with respect to industry competition, monopolization, the alleged exit of Apple's chipset supplier from the market for 5G technology, and other concerns." "If not," the Commission said, the parties were to "explain whether any other 'carve-out' or limitation in a remedial order can accomplish this objective." The Commission also asked the parties to brief "whether national security concerns may be taken into consideration for the purpose of evaluating the public interest and, if so, whether and how such national security concerns would be implicated if a limited exclusion order were to issue covering products that infringe [the claim at issue]." And it asked whether a design around were possible and, if so, how long it would take to implement.



Article By [James Wodarski](#)
[Michael T. Renaud](#)[Sandra J. Badin](#)
[Rithika Kulathila](#)[Mintz Intellectual Property](#)

[Global](#)
[Intellectual Property](#)
[Litigation / Trial Practice](#)
[All International](#)

The Commission invited interested members of the public to comment on these issues. More than twenty parties submitted comments. They included corporations, non-profit organizations concerned with intellectual property rights, certain members of the U.S. Senate and the U.S. House of Representatives, and Hon. Paul Michel, former Chief Judge of the U.S. Court of Appeals for the Federal Circuit. It is not surprising that the Commission's request for comment elicited such a wide-ranging public response. Had the Commission adopted Judge Pender's recommendation not to issue an exclusion order on public interest grounds, it would have been only the fourth time in the history of the Commission—and the first time in over 30 years—that the Commission had denied a complainant who had established that it had suffered a violation of section 337 the statutory remedy to which it is entitled after. And it would have been the first time ever that the Commission denied an exclusion order because of a concern for competitive conditions or national security.

Now that the Commission has reversed Judge Pender's validity determination, and has concluded that there has been no violation of Section 337, an adjudication of the issues raised in the Commission's request for further briefing on the public interest questions posed by Judge Pender's Initial Determination will have to await another day. But that day may come sooner than later.

Also yesterday, Administrative Law Judge McNamara published her Notice of Issuance of Initial Determination on Violation of Section 337 in another investigation brought by Qualcomm against Apple before the Commission—*Certain Mobile Electronic Devices and Radio Frequency and Processing Components Thereof (II)*, Inv. No. 337-TA-1093. Judge McNamara's Notice of Issuance is a short summary of the factual findings and legal conclusions she has reached in the 1093 Investigation. (The public version of her Initial Determination has not yet been released.) Like Judge Pender, Judge McNamara has found that Apple violated section 337 by infringing a single valid claim of one of the patents asserted in the investigation. Unlike Judge Pender however, Judge McNamara "will be recommending that a limited exclusion order together with a cease and desist order, both with certification provisions, issue against Apple."

We anticipate that both parties will petition the Commission for review of Judge McNamara's Initial Determination, and that they will renew (and perhaps refine) their respective arguments on the public interest in due course. Whether the Commission will address those arguments this time around remains to be seen. What is clear, however, is that in light of the range of difficult questions the public interest inquiry raises—not to mention the wide disparity in views regarding how those questions should be answered—the public interest itself would be well served if the Commission were to clarify the conditions under which it is right to deny complainants who have shown that they have suffered a violation of section 337 the remedy to which they are otherwise statutorily entitled.

© 1994-2019 Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. All Rights Reserved.

Source URL: <https://www.natlawreview.com/article/commission-reverses-apple-infringement-findingthereby-mooting-public-interest>