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August 29, 2016

*VIA HAND DELIVERY*

Honorable Lisa R. Barton  
Secretary  
U.S. International Trade Commission  
500 E Street SW  
Washington, DC 20436



**Re: Certain Industrial Control System Software, Systems Using Same, and Components Thereof, Inv. No. 337-TA- (Docket 3165)**

Dear Secretary Barton:

I write on behalf of Complainant Rockwell Automation, Inc. (“Rockwell”) in response to the August 25 and 26, 2016, letters from proposed Respondent 3S-Smart Software Solutions (“3S”) requesting that the above captioned investigation be placed into the Commission’s Pilot Program for Early Disposition of Certain Section 337 Investigations (“Pilot Program”).

It is well settled that the purpose of the Pilot Program is to have the Administrative Law Judges address a “potentially dispositive issue” before the expenditure of public and private resources, “saving time and costs for all parties involved.”<sup>1</sup> As set forth below, 3S’s Request should be denied because none of the issues raised by 3S could dispose of this Investigation and use of the “Early Disposition Program here would unduly delay resolution of the entire investigation.”<sup>2</sup>

**I. Respondent 3S Imports the Accused Products into the United States; The Pilot Program, Therefore, is Not Appropriate to Determine the Non-Dispositive, Sub-Issue of Whether 3S also Sells the Accused Products for Importation into the United States**

On August 25, 2016, 3S erroneously represented that it “does not import the Accused CoDeSys v3.x Software into the United States...”<sup>3</sup> Subsequently, after conducting a preliminary investigation, counsel for Respondent 3S admitted that 3S has, in fact, “shipped various physical

<sup>1</sup> *Pilot Program Will Test for Early Disposition of Certain Section 337 Investigations*, ITC Press Release, [https://www.usitc.gov/press\\_room/featured\\_news/pilot\\_program\\_will\\_test\\_early\\_disposition\\_certain.htm](https://www.usitc.gov/press_room/featured_news/pilot_program_will_test_early_disposition_certain.htm).

<sup>2</sup> *Certain Quartz Slabs and Portions Thereof II*, Inv. No. 337-TA-1017, Order Denying Request for Entry into Early Disposition Pilot Program (Aug. 11, 2016).

<sup>3</sup> Respondent 3S correspondence to Secretary Barton, filed August 25, 2016, at pages 2-3.

items to U.S. customers, including CDs” that carry the infringing CoDeSys v3.x Software.<sup>4</sup> It is well settled that importation of a single article, for any purpose, satisfies the importation requirement of Section 337(a)(1)(B).<sup>5</sup> Thus, as stated in the Complaint (Paragraphs 122 and 124) and now admitted by 3S, Respondent 3S imports the accused software and hardware running its infringing software, into the United States.<sup>6</sup>

Although 3S now admits that it imports the Accused Products into the United States, nonetheless it asks the Commission to place this Investigation into the Early Disposition Pilot Program to determine whether 3S also sells the Accused Products for importation into the United States. This new Request, however, does not raise a dispositive issue. Moreover, the Request would actually *increase* the costs for all parties and the Commission, and unnecessarily further delay<sup>7</sup> the Investigation as to violation of Section 337 as to *all* Respondents (Respondent 3S *and* the Advantech Respondents). Indeed, regardless of whether the Commission ultimately determines that 3S also sells for importation the infringing products, the Commission must still investigate whether Respondents 3S’s *and* Advantech’s importation of infringing articles constitutes a violation of Section 337.<sup>8</sup>

Accordingly, 3S’s request to place this Investigation into the Early Disposition Pilot Program to determine whether Respondent 3S has also sold for importation the infringing software should be denied.

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<sup>4</sup> Respondent 3S correspondence to Secretary Barton, filed August 26, 2016, at page 1; *see also* Exhibits B and C (shipping and packing documents for physical samples of the Accused Products).

<sup>5</sup> *See, Certain Integrated Circuits, Processes for Making Same, and Products Containing Same*, Inv. No. 337-TA-450, Order No. 15 (Nov. 2, 2001) (“importation by a respondent without regard to purpose” covered by Section 337); *Certain Display Controllers with Upscaling Functionality and Products Containing Same*, Inv. No. 337-TA-491, Order No. 30 (June 19, 2003) (“[C]omplainant need only establish the importation of a single accused product to satisfy the [importation] requirement.”).

<sup>6</sup> Rockwell submits that confidential discovery from the district court litigation also contradicts other representations made by 3S in its correspondence.

<sup>7</sup> Institution of this Investigation has already been delayed at least one (1) week based on Respondent 3S’s correspondence of August 25, 2016.

<sup>8</sup> Respondent 3S’s interpretation of “sale for importation” and *Certain Products Containing Interactive Program Guide & Parental Control Technology* (“*Program Guides*”), Inv. No. 337-TA-845 (Dec. 11, 2013) is legally and factually incorrect. There, although heavily redacted, the Commission analyzed the licenses at issue in that Investigation, and concluded that those licenses did not constitute a sale *and* that the complainant failed to prove that the accused software was imported into the United States in a downstream device. *Program Guides* at 9-12. The Commission, however, did not pronounce a general rule stating that the sale of software to companies that import such software on physical articles can never constitute a sale for importation. In any event, because Respondent 3S directly imports into the United States the Accused Products on physical devices, it is not necessary or appropriate to determine under the Pilot Program the non-dispositive question of whether Respondent 3S’s sale of software to companies that import devices running such software into the United States (*e.g.*, the Advantech Respondents) also satisfies the “sale for importation” requirement of Section 337(a)(1)(B). This issue can be determined during the course of investigation after full discovery.

**II. The Asserted Patents are not Standard Essential Patents; The Pilot Program is Not Appropriate to Determine Whether the Asserted Patents Are Standard Essential Patents and, if any are Deemed Standard Essential, Whether Relief Can Issue as to Those Patents**

3S asks the Commission to delay institution of its investigation until the OPC Foundation, a standard setting organization (“SSO”), completes an investigation to determine whether or not it believes any of the asserted patents may be standard essential. Alternatively, 3S requests the Commission to use the Pilot Program to have the designated Administrative Law Judge determine whether any of the Asserted Patents are standard essential and, if any are deemed essential, to determine whether or not such patents are encumbered by mandatory licensing obligations.<sup>9</sup> To support its request, 3S cites *Wireless Communication Devices*, Inv. No. 337-TA-794 for the proposition that essentiality determinations, if made early, can potentially conserve resources. However, *Wireless Communication Devices* does not permit a proposed respondent to indefinitely delay institution of an investigation simply because some of the asserted patents may be standard essential. As Judge Essex has subsequently stated, “[w]e need not be stampeded into abandoning the rule of law, or burden of proof simply because the respondents shout ‘FRAND.’”<sup>10</sup>

Shouting “FRAND” without offering proof is precisely what 3S is doing here. First, Rockwell has not offered or declared that any of its patents are essential to the OPC Foundation. Second, at 3S’s request, the OPC Foundation has undertaken a review of certain Rockwell patents, but the review is ongoing (it began more than five months ago) and the OPC Foundation has yet to finally determine whether or not it believes that any of the Asserted Patents are standard essential. Third, even if the OPC Foundation were to conclude that one of the asserted patents is essential pursuant to the OPC Foundation’s IP Policy, the Policy permits Rockwell to challenge the OPC Foundation’s findings, which would take many months, or even years to resolve. Finally, and perhaps most importantly, nothing in the OPC Foundation’s IP Policy forces Rockwell to license *any* of its patents, even those declared to be essential, under royalty-free or FRAND terms as 3S erroneously claims. Accordingly, even if the OPC Foundation could promptly issue a binding determination of essentiality, which it cannot, the OPC Foundation’s conclusion would still not obviate the need for an ITC investigation since Rockwell could simply withdraw from the OPC Foundation and continue to assert its patents against 3S (and the Advantech Respondents) rather than offering a royalty-free or FRAND license.

3S’s request to postpone institution of this Investigation is nothing more than a delay tactic which, if granted, will prejudice Rockwell. Likewise, 3S’s alternative request to issue an early determination under the Pilot Program is unnecessary for the reasons stated above. Moreover, it will cause further delay and waste resources since 3S will inevitably assert, in serial fashion, that Rockwell’s patents are essential to other SSOs if the Commission concludes that Rockwell is not obligated to offer royalty-free licenses pursuant to the OPC Foundation IP Policy. The delay that

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<sup>9</sup> 3S correspondence to Secretary Barton, filed August 25, 2016, at page 3-4.

<sup>10</sup> See *Certain 3G Mobile Handsets and Components Thereof*, Inv. No. 337-TA-613 (Remand), Initial Determination at 40 (May 8, 2015).

3S seeks is unwarranted and unnecessary because the Commission can resolve all essentiality issues at the same time during the course of an investigation. Accordingly, Rockwell requests that the Commission institute an investigation without waiting for the OPC Foundation's non-binding analysis regarding essentiality.

### III. Conclusion

In light of the foregoing, utilizing the Commission's Early Disposition Pilot Program to address importation and/or whether any of the patents are standard essential would be inappropriate and an inefficient use of the Commission's and Parties' resources. Indeed, not all of the proposed respondents have even requested the expedited Pilot Program. Rather, use of the Pilot Program would not resolve of any dispositive issue in this Investigation, would unduly burden the ALJ, and would and unfairly delay investigation into Respondents' violation of Section 337. Accordingly, Rockwell respectfully requests that the Commission deny 3S's request to place this Investigation into the Commission's Pilot Program.

Respectfully submitted,



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*Counsel to Complainant Rockwell Automation, Inc.*

**CERTIFICATE OF SERVICE**

I, D. B. "Brandy" Swanson hereby certify that on August 30, 2016, a copy of the foregoing **PUBLIC VERSION OF LETTER TO HONORABLE LISA R. BARTON (PUBLIC)** was served upon the following parties as indicated:

<p>The Honorable Lisa R. Barton Acting Secretary U.S. International Trade Commission 500 E Street, SW, Room Washington, DC 20436</p>	<p><input type="checkbox"/> Via hand delivery <input type="checkbox"/> Via courier (FedEx) <input type="checkbox"/> Via facsimile <input type="checkbox"/> Via first class mail <input checked="" type="checkbox"/> Via EDIS</p>
<p>Anne Goalwin Office of Unfair Import Investigations 500 E Street, SW, Washington, DC 20436 Email: <a href="mailto:Anne.Goalwin@usitc.gov">Anne.Goalwin@usitc.gov</a></p>	<p><input type="checkbox"/> Via hand delivery <input type="checkbox"/> Via courier (FedEx) <input type="checkbox"/> Via facsimile <input type="checkbox"/> Via first class mail <input checked="" type="checkbox"/> Via electronic mail</p>
<p><b><i>Counsel for Proposed Respondent 3S-Smart Software Solutions:</i></b> Paul M. Bartkowski Adduci, Mastriani, &amp; Schaumberg LLP 1133 Connecticut Avenue, NW Washington, DC 20036 <a href="mailto:bartkowski@adduci.com">bartkowski@adduci.com</a></p>	<p><input type="checkbox"/> Via hand delivery <input type="checkbox"/> Via courier (FedEx) <input type="checkbox"/> Via facsimile <input type="checkbox"/> Via first class mail <input checked="" type="checkbox"/> Via electronic mail</p>

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