

PUBLIC VERSION

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, D.C.

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In the Matter of )  
)  
CERTAIN COMPUTER SYSTEMS, ) Investigation No. 337-TA-618  
PRINTERS AND SCANNERS )  
)  

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Order No. 9: Granting In Part HP's Motion No. 618-11 To Compel

On March 26, 2008, respondent Hewlett-Packard Company (HP) moved to compel complainant Acer, Inc. (Acer) to answer HP's Interrogatory Nos. 5, 7, 8, 14, 21, 50-52, and 86, to produce documents in response to HP's Requests for Production Nos. 6, 8, 14-16, 18, 30-33, 34, 37, 39-40, 44-45, and 49-54, to make Messrs. Ho and Lin (inventors on U.S. Patent No. 5,581,122 ('122 patent) in issue) available for deposition and to obtain cooperation of Industrial Technology Research Institute (ITRI) in making a corporate witness available for deposition from ITRI pursuant to the agreement between Acer and ITRI.. (Motion Docket No. 618-11.)<sup>1</sup>

Complainant Acer, in a response dated March 28, 2008, opposed Motion No. 618-11

The staff, in a response dated March 31, 2008, supported in part and opposed in part Motion No. 618-11.

HP, in support of Motion No. 618-11, argued that Acer is withholding critical

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<sup>1</sup> Said motion was preceded by a March 24 letter from respondent to the administrative law judge and a telephone conference on March 25. Said letter made it clear that only the '122 patent was involved. Moreover no specific discovery requests were identified in said letter. Said letter stated that the requested information which HP has been unable to obtain "included information related to the conception and reduction to practice of the claimed invention, the invention process and prior art. . . . HP also asked Acer to cooperate in making two named inventors, Mr. Ho and Mr. Lin, available for deposition . . ." The administrative law judge is thus limiting Motion No. 618-11 to what was specifically identified in said letter of March 24.

information from discovery in this investigation that relates to the allegedly inventive origins and validity and enforceability of the '122 patent; that Acer has control of this information by virtue of its contractual relationship with the ITRI; that because ITRI is a Taiwanese entity and not a direct party to this investigation, it is very difficult for HP to obtain information concerning the alleged invention of the '122 patent directly from ITRI within the timeliness imposed by the procedural schedule; and that the requested evidence is highly relevant to HP's defenses that the '122 patents is invalid and unenforceable due to "inequitable conduct" by ITRI employees, including Messrs. Ho and Lin.

Complainant, in opposition, argued that HP admits that it never even attempted to serve a subpoena on ITRI, an independent third party entity, despite the fact that ITRI has United States offices located in San Jose, California; that HP has known since November 1, 2007 (nearly five months ago) that Acer acquired the '122 patent from ITRI; that as of "today," HP has served no fewer than forty (40) third-party subpoenas in this case, including subpoenas for the lead inventor of the '122 patent and all of the '122 patent's prosecuting attorneys; that Messrs. Ho and Lin are two Taiwanese nationals and never worked for Acer; that the documents and information HP seeks from Acer are indisputably not in Acer's possession and cannot be deemed to be within Acer's possession, custody or control; that as the legal authority that Acer supplied to HP establishes, because the '122 patent was filed prior to Taiwan becoming a member of the WTO, Acer cannot point to inventive activity in Taiwan to establish a conception or reduction to practice dates prior to the filing date of the patent;<sup>2</sup> and that the contractual provision between

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<sup>2</sup> HP does not dispute that the information in issue is unlikely to provide Acer any assistance in proving a priority date that precedes the '122 patent's filing date of October 25, 1994. It does dispute that this ends the inquiry. Thus it argued that the same information that

Acer and ITRI only obligates ITRI to respond to “reasonable discovery requests” served upon it, and Acer’s only obligation is to reimburse ITRI for its costs and expenses associated with complying with discovery requests.

In Section 337 investigations, “the scope of discovery . . . is broad.” In the Matter of Certain Optical Disk Controller Chips and Chipsets and Products Containing Same, Including DVD Players and PC Optical Storage Devices, USITC Inv. No. 337-TA-506, Order No. 32, 2004 ITC LEXIS 985, \*4 (Dec. 22,2004). Commission Rule 210.27, which governs the scope of discovery of a 337 investigation, states in relevant part:

(b) Scope of discovery. ... For the permanent relief phase of an investigation, unless otherwise ordered by the administrative law judge, a party may obtain discovery regarding any matter, not privileged, that is relevant to the following:

(1) The claim or defense of the party seeking discovery or to the claim or defense of any other party . . . .

19 C.F.R. 210.27(b)(1) (“Rule 210.27(b)”). Commission rule 210.27(b) further states that “[i]t is not grounds for objection that the information sought will be inadmissible at the hearing if the information sought appears reasonably calculated to lead to the discovery of admissible evidence.” Id. Also the “burden of providing that an issue is beyond discovery rests squarely with the party resisting discovery.” In the Matter of Certain Electric Robots and Component Parts Thereof USITC Inv. No. 337-TA-530, Order No. 5,2005 ITC LEXIS 276, \*4 (Apr. 5,2005).

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could demonstrate an earlier invention date is also relevant to HP’s invalidity defense; that HP is maintaining invalidity and unenforceability arguments based on alleged ITRI’s misrepresentation of prior art and concealment of prior art that was in the inventors’ possession before they filed for the ‘122 patent and was never “properly” disclosed to the PTO which defenses are said to be described in HP’s response to Acer’s complaint and are further explained in HP’s responses to Acer’s discovery requests.

It is undisputed that ITRI was the original assignee of the '122 patent. It also appears undisputed that an inventor on the '122 patent<sup>3</sup>, C. Chao, who is now located in the United States, provided sworn testimony that detailed the existence of documents related to the '122 patent that he printed while an employee of ITRI (Exhibit 4, Chao deposition transcript (Chao, Tr. at p. 82-88); that Chao testified that he was assigned to the project involving the '122 patent approximately six months after he joined a packaging layout section at ITRI (Chao, Tr. at p. 17-22); that prior to joining the layout section, Chao had no experience with chip packaging (Chao, Tr. at 65, lines 3-7); that upon being assigned to the project related to the '122 patent, the first thing Chao did was print out periodicals, essays, patents, and standards (Chao, Tr. at p. 82, lines 20-22); that even though the "project" took less than a year (Chao, Tr. at p. 92, lines 1-20), Chao kept those documents while employed at ITRI; that when he left, ITRI, the portions of the documents that he had kept were "transferred to others" (Chao, Tr. at p. 88, lines 18-24); and that on direct examination by Acer's counsel, Chao testified that relevant print-outs would have been turned over to ITRI patent department (Chao, Tr. at p. 258, lines 1 1-1 7.)<sup>4</sup> Also Acer admits that the contractual provision between Acer and ITRI obligates ITRI to respond to "reasonable discovery requests" and that Acer will reimburse ITRI for its costs and expense associated with

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<sup>3</sup> The named inventors on the '122 patent are Chien-Chi Chao, Ming Hane Line and Ted C. Ho.

<sup>4</sup> Complainant made reference to ITRI offices located in California. However the record is void of any indication that the claimed invention originated in California. As the parties well know from a telephone conference on March 31, 2008, time is of the essence in this investigation.

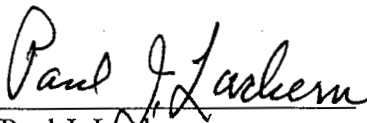
complying with said requests.<sup>5</sup>

Based on the foregoing, Acer is ordered to submit a written request,<sup>6</sup> no later than the close of business on April 4 to ITRI in Taiwan that, pursuant to the agreement between Acer and ITRI, ITRI (1) provide, to Acer (who will provide it to the other parties) all information ITRI in Taiwan has related to the conception and reduction to practice of the claimed invention of the '122 patent and filing and prosecution for said patent and (2) make Mr. Ho available for deposition by HP at a place and time convenient to Ho.<sup>7</sup>

Motion No. 618-11 is granted to the extent indicated.

This order will be made public unless a confidential version is received no later than the close of business on April 11, 2008.

On April 1, each of the private parties and the staff received a copy of this order.

  
Paul J. Luckern  
Administrative Law Judge

Issued: April 1, 2008

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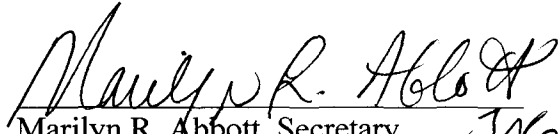
<sup>5</sup> On this point see Uniden America Corporation v. Ericsson Inc., 81 F.R.D. 302, 306 n.7 (M.D.N.C. 1998), Golden Trade, S.r.L. v. Lee Apparel Co., 13 F.R.D. 514, 525 (S.D.N.Y. 1992) (Golden Trade), Certain Safety Eyewear and Components Thereof, USITC Inv. No. 337-TA-433, Order No. 12 at 3, 2000 WL 1140696 (August 7, 2000), and Scott v. Arex, Inc. 124 F.R.D. 39, 41 (D. Com. 1989) and Manildra Milling Corp. V. Ogilvie Mills, Inc., 19 U.S.P.Q.2d 1196, 1200-01 (D.Kan. 1991) cited by the staff in its response.

<sup>6</sup> Said written request should be served not only on all parties but also the administrative law judge.

<sup>7</sup> The staff has represented that Lin is no longer employed by ITRI. The administrative law judge finds nothing in the record that contradicts that representation.

**CERTIFICATE OF SERVICE**

I, Marilyn R. Abbott, hereby certify that the attached **Public Version Order** was served upon Aarti Shah, Esq., Commission Investigative Attorney, and the following parties via first class mail and air mail where necessary on June 23, 2008.

  
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**IN THE MATTER OF CERTAIN COMPUTER  
SYSTEMS, PRINTERS AND SCANNERS**

**Inv. No. 337-TA-618**

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