

## An Indication That ITC Remedies For SEPs May Not Fit

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In a recent Law360 guest article titled “[ITC Standard-Essential Patent Remedies Shouldn't Be Curbed](#),” former U.S. International Trade Commission chair Deanna Tanner Okun opined that “ITC remedies provide a powerful tool to stop infringement” of standard-essential patents.

The analysis postured that the ITC “had yet to squarely face the question of whether to issue a remedy in a case involving infringement of an SEP” at the commission level, and expressed hope that the ITC would “not hesitate to issue a remedy if it finds a violation based on infringement of an SEP.”

The ITC has, however, directly faced the question of whether to issue a remedy in a case involving infringement of an SEP.

In the 2013 decision in *Certain Electronic Devices, Including Wireless Communication Devices, Portable Music and Data Processing Devices, and Tablet Computers*, the ITC provided a 25-page analysis of whether complainant Samsung Electronics Co. Ltd.’s declaration of the asserted patents as essential to 3G standards and promise to license the SEPs on fair, reasonable and nondiscriminatory terms precluded the right to an exclusion order against respondent Apple Inc.

The ITC concluded that the FRAND commitment did not preclude relief at the ITC, over the dissent of one commissioner, Dean Pinkert, who opined that the “relief in question is not consistent with the public interest and should not issue” due to Samsung’s failure to honor its FRAND commitment.

After consideration of the FRAND issues, the U.S. Trade Representative, Michael Froman, agreed with the dissenting commissioner and vacated the exclusion order, finding it inconsistent with “public policy considerations ... as they relate to the effect on competitive conditions in the U.S. economy and the effect on U.S. consumers.” The U.S. trade representative has veto power over ITC exclusion orders.

Thus, the ITC has considered the question of whether to issue an exclusion order to protect SEPs. But that decision

ultimately did not stand.

Last week's Law360 guest article also offered that "[t]here is no reason to believe that additional rules or procedures are necessary or appropriate with respect to SEPs at the ITC." But that may be what Froman had invited when overturning the Apple exclusion order, urging the commission to review the FRAND issue "to the maximum extent possible."

Since the overturning of the Apple exclusion order, other ITC respondents accused of SEP infringement have been less successful.

In the recent *Koninklijke Philips NVV v. Thales DIS AIS Deutschland USA LLC* case, for example, the respondent moved for an injunction precluding the ITC from even hearing an investigation into infringement of SEPs, because an exclusion order would be antithetical to the obligation to license the SEPs on FRAND terms.

The U.S. Court of Appeals for the Federal Circuit disagreed, however, upholding on July 15 the district court decision to allow the ITC case to move forward.

Thus, although the U.S. trade representative warned long ago that the FRAND commitment may trigger a public interest override of an exclusion order, litigants continue asserting SEPs at the ITC, which the Federal Circuit has now explicitly allowed.

Whether an exclusion order is ultimately appropriate, however, is a case-specific inquiry that the ITC would be well within its statutory obligation to intensively consider in each one of those investigations.

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