

PUBLIC

**UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.**

In the Matter of

**CERTAIN AUDIOVISUAL
COMPONENTS AND PRODUCTS
CONTAINING THE SAME**

Inv. No. 337-TA-837

Order No. 42

Respondent Realtek Semiconductor Corporation (“Realtek”) filed a motion for an order compelling complainants LSI Corporation and Agere Systems LLC (collectively, “complainants” or “LSI”) to provide discovery regarding complainants’ activities in standards-setting organizations (“SSO’s”); complainants’ historical organizational structure; products covered by the patents-in-suit;¹ and financial information regarding licensing of those patents-in-suit. Motion Docket No. 837-42. Complainants filed an opposition.

SSO’s

Realtek requests that complainants provide additional information regarding “LSI’s activities in [SSO’s] related to the subject matter described or claimed in the patents-in-suit.”

Mot. at 2. Specifically, Realtek’s Interrogatory No. 25 asks that complainants:

Describe with particularity Complainants’ contributions to, involvement with, agreements with, presentations to, and/or any other activities with respect to any standards setting organizations, consortiums, or forums related to the subject matter described or claimed in any of the Patents-in-Suit, including but not limited to

¹ The patents asserted against Realtek are U.S. Patent Nos. 6,452,958 (“the ‘958 patent”) and 6,707,867 (“the ‘867 patent”).

the IEEE 802.11 and 802.11(b) standards, and including but not limited to a detailed description of such activities (including the identity of the standards setting organizations, consortiums, or forums), the person(s) involved with such activities (including but not limited to directors, officers, employees, named inventors of a Patent-in-Suit, and consultants), the date(s) of such activities, the specific subject matter related to such activities, any communications with any party referring or relating to such activities, and/or any documents related to such activities.

Mot. Ex. 1 at 14. In addition, Deposition Topic No. 69 asks complainants to provide a witness to testify:

For each standard identified in topic 65, all facts and circumstances regarding LSI's knowledge of and familiarity with said standard during prosecution of any of the patents-in-suit or related patents.

Mot. Ex. 2 at 18.

Realtek contends that complainants only agree to provide information regarding their activities with the IEEE 802.11 standards, [

] as well. Mot. at 7-8; Mot. Ex. 8 at 2-5. Realtek argues that, as a member of one of the other SSO's, "LSI may have designated the patents-in-suit as standard-essential, agreed to certain obligations or restrictions of its rights in the patents-in-suit, made admissions as to what the patent claims cover, or made promises on members' or the public's ability to use its asserted patents with or without paying a certain royalty." Mot. at 8. Realtek argues that these commitments and agreements are also relevant to issues regarding domestic industry and bond because they are indicative of the patents' value. *Id.*

Complainants argue that this discovery request is unduly burdensome because they belong to [] SSO's and most of them are completely unrelated to the patents-in-suit. Opp'n at 3. Complainants argue that they have told Realtek that "[i]f Realtek believes LSI's activities with respect to one of these organizations other than the IEEE 802.11 is in some

way relevant to Realtek in this action, Complainants will consider a request by Realtek that Complainants respond to Interrogatory No. 25 with respect to that organization.” Mot. Ex. 8 at 2-3.

The undersigned finds that complainants’ participation in the SSO’s is relevant because it may reveal how complainants interpreted the scope of the patents-in-suit, what information the inventors or complainants may have obtained from those activities before and during prosecution of the patents-in-suit, and whether the claimed subject matter was disclosed in those activities prior to the filing of the patents-in-suit. However, complainants belong to [] SSO’s, and they have agreed to cooperate with Realtek should Realtek provide them with a reasonable number of relevant SSO’s.

Accordingly, Realtek is to provide complainants with a list of no more than [] SSO’s by October 3, 2012, and complainants are to answer Interrogatory No. 25 by October 5, 2012, and provide a witness for Deposition Topic No. 69 with respect to the selected SSO’s by October 12, 2012. Discovery as to additional SSOs, if any, may be taken after negotiation between Realtek and complainants – or, if need be, by motion.

Historical Organizational Structure

Realtek requests that complainants provide additional information regarding “LSI’s organizational structure related to intellectual property (“IP”), licensing, and patents for the time period between 1993 and 2004.” Mot. at 2. Specifically, Realtek’s Interrogatory No. 27 asks that complainants:

For the period from 1993 to the present, generally describe Complainants’ organizational structure(s), including without limitation their organizational structure as it relates to:

(a) the Alleged Technical Domestic Industry Products;

(b) the products of Complainants and their licensees that practice any of the Patents-in-Suit; and
(c) the subject matter of the Patents-in-Suit, with respect to the following functions:

- (i) research and development;
- (ii) engineering and design;
- (iii) manufacture;
- (iv) testing;
- (v) quality control;
- (vi) assembly and packaging;
- (vii) distribution;
- (viii) transportation, delivery and importation;
- (ix) marketing;
- (x) sales; and
- (xi) strategic planning.

Mot. Ex. 1 at 14-15. Similarly, Realtek's Deposition Topic No. 52 asks complainants to provide a witness to testify regarding:

The organizational structure of LSI and LSI's predecessors, predecessors-in-interest, and past and present subsidiaries, parents, affiliates, and related entities as it pertains to any product or prototype covered by any asserted claim of a patent-in-suit, including but not limited to identification and description of the roles and functions of the corporate entities involved, and the pertinent business units, divisions, and organizational structures within each of those entities.

Mot. Ex. 2 at 16.

Realtek contends that complainants will only provide this information as it relates to IP, IP licensing, and patents dating back to 2004, and it should receive such information dating back to 1993, the year in which the parent application of the '867 patent was filed. Mot. at 10.

Realtek argues that this information is relevant to Realtek's invalidity defense because filing and prosecution of the patents-in-suit are core issues for Realtek's invalidity defense. *Id.* Realtek

argues that this information is also relevant to Realtek's RAND defense because it relates to complainants' licensing efforts, which preceded 2004.² *Id.*

Complainants argue that this discovery request is unduly burdensome, and that Realtek has not provided a clear reason why such information is relevant. Opp'n at 4. Complainants argue that this burden outweighs any benefit that Realtek would receive. *Id.*

The undersigned finds that this request is reasonably calculated to lead to admissible evidence related to Realtek's defenses. Complainants are to answer Interrogatory No. 27 by October 5, 2012, and provide a witness for Deposition Topic No. 52 by October 12, 2012.

Covered Products

Realtek requests that complainants provide additional information regarding "the identity, design, operation, development, implementation, and testing of products covered by any asserted claim of the patents-in-suit." Mot. at 2. Specifically, Realtek's Deposition Topic No. 26 asks complainants to provide a witness to testify regarding:

Any research, design, development, implementation, and testing of any product and/or technology (including but not limited to LSI products) covered by any asserted claim of a patent-in-suit, including but not limited to the identity of each person who participated in or has knowledge of the research, design, development, implementation, and testing, and documents relating to any of the foregoing.

Mot. Ex. 2 at 12. Realtek's Deposition Topic No. 34 asks complainants to provide a witness to testify regarding:

The identity, name, design, features, function, structure, and operation of any products, including but not limited to LSI products (including, without limitation, any product, apparatus,

² LSI sent a letter regarding a license for the '958 patent to Realtek in 2003. Realtek Resp. to Am. Compl., Affirmative Defenses, ¶ 6.

method, invention, system, service, prototype, drawing, design, schematic, invention, embodiment or item), covered by any asserted claim of a patent-in-suit.

Id. at 13-14.

Realtek contends that complainants have only agreed to provide information regarding products they intend to rely on for establishing domestic industry. *Id.* at 11. Realtek argues that information on all products practicing the claims of the patents-in-suit is relevant to Realtek's noninfringement, invalidity, and RAND defenses. *Id.* Realtek argues that "information on covered products that were offered for sale prior to the filing of the patents-in-suit is relevant to invalidity." *Id.* Realtek asserts that "[i]dentification of third-party covered products could also lead to discovery from those third parties about LSI's offers to license, which may be probative of whether LSI's licensing offers to Realtek are reasonable in accordance with LSI's admitted RAND obligations to the IEEE." *Id.* at 11-12.

Complainants contend that they have already agreed to provide discovery regarding prior art, as well as discovery regarding sales and licensing. Opp'n at 5. Complainants argue that these topics are overbroad on their face because they have no date restrictions. *Id.*

The requested information on covered products is relevant to Realtek's defenses, despite the fact that complainants are not relying on older covered products to establish domestic industry. Realtek is entitled to the information on covered products in complainants' possession, custody, or control. Complainants are to produce witnesses with respect to Deposition Topic Nos. 26 and 34 by October 12, 2012.

Licensing Activities

Realtek requests that complainants provide additional information regarding "financial information on all licensing activities involving the patents-in-suit and related patents." Mot. at

2. Specifically, Realtek's Deposition Topic No. 40 asks complainants to provide a witness to testify regarding:

Financial information relating to LSI's licensing activities related to each of the patents-in-suit, any related patent, and any portfolio of patents that includes any of the patents-in suit or any related patent, including, without limitation, products licensed, sales volume, dates of sales, revenue, gross margin, net profit, expenditures, or loss.

Mot. Ex. 2 at 14-5.

Realtek contends that complainants will provide information on licensing activities only from January 1, 2011, to the present, and only relating to products that complainants intend to rely on for purposes of establishing domestic industry.³ Mot. at 12. Realtek argues that it needs the extent of complainants' financial information for its RAND defense because Realtek must determine what RAND terms are and "whether LSI breached its promise to the IEEE and others by not offering Realtek a license to the patents-in-suit on RAND terms." *Id.* at 13.

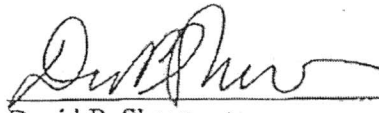
Complainants argue that they have already agreed to provide substantial information regarding this topic, including their licensing revenues. Opp'n at 6. Complainants argue that much of this topic is covered by Topic No. 37, which covers "[a]ny and all facts related to LSI's licensing activities" regarding the patents-in-suit. Mot. Ex. 2 at 14.

The requested financial information is relevant to Realtek's defenses. Complainants' response has been too narrow. Complainants are to produce a witness with respect to Deposition Topic No. 40 by October 12, 2012.

³ LSI has also agreed to produce a witness to testify regarding complainants' licensing revenues from license agreements related to the patents-in-suit and related patents without a time limitation. Mot. Ex. 7 at 3.

Within seven days of the date of this document, each party shall file with the Commission Secretary a statement as to whether or not it seeks to have any portion of the document redacted from the public version. Any party seeking to have a portion of this document redacted from the public version must submit to this office a copy of this document with red brackets indicating the portion, or portions, asserted to contain confidential business information.

So ordered.

A handwritten signature in black ink, appearing to read "D. P. Shaw", written over a horizontal line.

David P. Shaw
Administrative Law Judge

Issued: October 1, 2012

PUBLIC CERTIFICATE OF SERVICE

I, Lisa R. Barton, hereby certify that the attached **ORDER NO. 42** was served upon the following parties as indicated, on JAN 17 2013.



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**CERTAIN AUDIOVISUAL COMPONENTS
AND PRODUCTS CONTAINING THE SAME**

Inv. No. 337-TA-837

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