September 21, 2012

via e-filing to: https://edis.usitc.gov

The Honorable Lisa Barton
Acting Secretary
U.S. International Trade Commission
500 E Street, S.W.
Washington, D.C. 20436

Re: Comments on July 12, 2012 Federal Register Notice,
77 Fed. Reg. 41120-32 (MISC-040)

Dear Acting Secretary Barton:

I am writing on behalf of the American Bar Association Section of Intellectual Property (the “Section”) to provide comments in response to the United States International Trade Commission’s (“the Commission”) invitation for public comment on the Notice of Proposed Rulemaking, 77 Fed. Reg. 41120-32 (MISC-040). These comments have not been approved by the American Bar Association’s House of Delegates or Board of Governors and should not be considered as views of the American Bar Association.

The members of the Section are lawyers that practice in and are interested in intellectual property law and in the International Trade Commission. Many members of the Section regularly practice before the International Trade Commission and/or are clients that are involved in investigations at the International Trade Commission. Therefore, the members of the Section have an interest in proposed rules of the International Trade Commission.

In general, the Section supports the Commission’s efforts to implement electronic filing. The Section’s specific recommendations with respect to the Notices are attached to this letter.

The Section supports the Commission’s rule changes and appreciates the opportunity to provide comments and clarifications as outlined above.

Sincerely,

Joseph M. Potenza, Chair
American Bar Association
Section of Intellectual Property Law
ABA Section of Intellectual Property Law (ABA-IPL)
International Trade Commission Committee
Comments on Notice of Proposed Rulemaking (July 2, 2012)

A. Proposed Amendments to Commission Rule § 201.16

1. Addition of New Paragraphs (a)(3) and (4) § 201.16 Service of process and other documents.

(a) By the Commission. Except when service by another method shall be specifically ordered by the Commission, the service of a process or other document of the Commission shall be served by anyone duly authorized by the Commission and be effected.

   (1) By mailing or delivering a copy of the document to the person to be served, to a member of the partnership to be served, to the president, secretary, other executive officer, or member of the board of directors of the corporation, association, or other organization to be served, or, if an attorney represents any of the above before the Commission, by mailing or delivering a copy to such attorney; or

   (2) By leaving a copy thereof at the principal office of such person, partnership, corporation, association, or other organization, or, if an attorney represents any of the above before the Commission, by leaving a copy at the office of such attorney.

   (3) By using an overnight delivery service to send a copy of the document to the principal office of such person, partnership, corporation, association, or other organization, or, if an attorney represents any of the above before the Commission, by leaving a copy at the office of such attorney.

   (4) When service is by mail, it is complete upon mailing of the document. When service is by an overnight delivery service, service is complete upon submitting the document to the overnight delivery service or depositing it in the appropriate container for pick-up by the overnight delivery service.

Response by ABA-IPL:

ABA-IPL (the “Section”) suggests that, to make the existing rules consistent with the new additions, it may be most effective to modify the last phrase of Commission Rule 201.16(a)(3) to read that “if an attorney represents any of the above before the Commission, by serving the attorney by overnight delivery.”

Additionally, the Section suggests that proposed Commission Rule 201.16(a)(4)’s addition of the phrase “submitting the document to the overnight delivery service or depositing it in the appropriate container for pick-up by the overnight delivery service” isague and potentially ambiguous. The Section suggests that it may be most clear to state that “service is complete upon
submitting the document to the overnight delivery service or depositing it in the appropriate container for pick-up by the overnight delivery service, such that delivery can be accomplished by the next business day.” With the new proposed additions, it is clear that as long as overnight delivery can be accomplished by the overnight delivery service, then service is complete. However, if the document is deposited in the appropriate container for pick-up by the delivery service after the deadline for pick-up established by the overnight delivery service, such that service cannot be accomplished by the next business day, then service is not complete until the next day.

2. Revision to the Third Sentence of Commission Rule 201.16(f)

(f) Electronic Service. Parties may serve documents by electronic means in all matters before the Commission. Parties may effect such service on any party, unless that party has, upon notice to the Secretary and to all parties, stated that it does not consent to electronic service. If electronic service is used, [paragraphs (b), (d), and (e) of this section shall not apply] no additional time is added to the prescribed period after the service of the document to respond or take action. However, any dispute that arises among parties regarding electronic service must be resolved by the parties themselves, without the Commission's involvement.

Response by ABA-IPL:

The Section suggests that the phrase “after the service of the document” in the new proposed language does not add anything to the proposed revision. Therefore, the Section suggests that the phrase “after the service of the document” be deleted.

B. Amend Commission Rule 210.5 by Adding a Paragraph (f)

(f) When the Commission or the administrative law judge issues a confidential version of an order, initial determination, opinion, or other document, the Commission, or the presiding administrative law judge if the administrative law judge has issued the confidential version, shall issue a public version of the document within 30 days, unless good cause exists to extend the deadline. An administrative law judge or the Commission may extend this time by order.

Response by ABA-IPL:

The Section favors the Commission’s proposal of a deadline for public versions of Commission or Administrative Law Judge rulings as this serves an important notice function to both the public and the real parties in interest. The Section notes however that proposed Rule 210.50(a)(4) requires submissions relating to public interest be filed within 30 days of service of a recommended determination on remedy. Taken together, these two proposed rules would require submissions relating to public interest to be filed on the same day as the public version of a recommended determination on remedy. To allow 30 days for publication of a public version, the Section suggests that proposed Rule 210.50(a)(4) be modified to allow 45 days from service of a recommended determination on remedy for submissions relating to public interest. This would allow 15 days for public comment and would not impact the Commission’s consideration of public interest under Rules 210.42(a)(1)(ii) and 210.50(a).
C. Proposed Amendments to Commission Rule 210.12

1. Revising Paragraph (a)(6)(ii):

(ii) If the complaint alleges a violation of section 337 of the Tariff Act of 1930 based on unfair methods of competition and unfair acts in the importation or sale of articles in the United States that have the threat or effect of destroying or substantially injuring an industry in the United States or preventing the establishment of such an industry under section 337(a)(1)(A) (i) or (ii), include a detailed statement as to whether an alleged domestic industry exists or is in the process of being established (i.e., for the latter, facts showing that there is a significant likelihood that an industry will be established in the future), and include a description of the domestic industry affected, including the relevant operations of any licensees; or

Response by ABA-IPL:

The Section finds the proposed language to be confusing. Since a complaint based on this section requires (i) destruction/substantial injury to an existing industry or prevention of the establishment of an industry and (ii) a description of the domestic industry affected, the additional language appears superfluous. The Section suggests that the proposed amended language be omitted and replaced as follows:

(ii) If the complaint alleges a violation of section 337 of the Tariff Act of 1930 based on unfair methods of competition and unfair acts in the importation or sale of articles in the United States that have the threat or effect of destroying or substantially injuring an industry in the United States or preventing the establishment of such an industry under section 337(a)(1)(A) (i) or (ii), and include a detailed description of the domestic industry affected, including the relevant operations of any licensees; or

The requirement for a detailed description of the domestic industry affected should necessarily include the information requested in the proposed amended language.

2. Adding a Paragraph (a)(12):

(12) Contain a clear statement in plain English of the category of products accused. For example, the caption of the investigation might refer to “certain electronic devices,” but the complaint would provide a further statement to identify the type of products involved in plain English as mobile devices, tablets, or computers.

Response by ABA-IPL:

The Section supports the Commission’s efforts to provide a notice function, for both proposed respondents and the public at large, with respect to the products subject to a potential exclusion order. This is particularly important when the Commission is requesting pre-institution public interest comments regarding the potential impact of any exclusion order. Moreover, the Section has noticed an increasing trend toward vague and generic captions for investigations e.g., “certain electronic devices.” This leads to confusion on the part of the public, potential respondents and other interested parties as well as motions practice over the proper scope of discovery during the investigation.
The Section suggests that the Commission make clear that, absent an amendment to the complaint and notice of investigation, the statement of the types of products involved published in the Federal Register will limit the scope of the investigation for purposes of discovery and ultimate remedy. Otherwise, the proposed rule fails to provide proper public notice function and the additional detail may create a false impression of the scope of the investigation upon which interested parties may rely.

D. Proposed Amendment to Commission Rule 210.17

§ 210.17 [Failures] Other Failure to Act [other than the statutory forms of] and Default.

Failures to act other than the defaults listed in §210.16 may provide a basis for the presiding administrative law judge or the Commission to draw adverse inferences and to issue findings of fact, conclusions of law, determinations (including a determination on violation of section 337 of the Tariff Act of 1930), and orders that are adverse to the party who fails to act. Such failures include, but are not limited to:

* * *

(f) Failure to respond to a petition for review of an initial determination, a petition for reconsideration of an initial determination, or an application for interlocutory review of an administrative law judge’s order; and

[(g) Failure to file a brief or other written submission requested by the administrative law judge or the Commission; and]

[(h)] (g) Failure to participate in temporary relief bond forfeiture proceedings under §210.70.

(h) Default by notice. A respondent may at any time before the filing of the final initial determination file a notice of intent to default with the presiding administrative law judge. Such default will be treated in the same manner as any failure to act under this section.

The presiding administrative law judge or the Commission may take action under this rule sua sponte or in response to the motion of a party.

Response by ABA-IPL:

In view of Commission Rule 210.16 and proposed paragraph (h) to Commission Rule 210.17, it is unclear how a notice of default would be treated if filed by a respondent who has not yet responded to the complaint and notice of investigation. Depending on whether this scenario falls under Commission Rule 210.16(a) or proposed Rule 210.17(h), would affect the rights of the defaulting respondent. Moreover, if a respondent appears and then files a notice of intent to default under proposed Rule 210.17(h), it is unclear whether the complainant would be required to follow the two-step process in Commission Rule 210.16(b) for finding a respondent in default. Because the issuance of a show cause order would serve no purpose, the Section proposes that new paragraph (h) to Commission Rule 210.17 indicate that (i) after the filing of a notice of intent to default, the administrative law judge shall issue an initial determination finding the
respondent in default and (ii) such a default should also be treated as if under Commission Rule 210.16.

In this regard, the Section suggests that proposed paragraph (h) be revised to read as follows:

(h) Default by notice. [A respondent may at any time] After a respondent has responded to the complaint and notice of investigation, but before the filing of the final initial determination, a respondent may file a notice of intent to default with the presiding administrative law judge. After the filing of such a notice, the administrative law judge shall issue an initial determination finding the respondent in default. Such default will be treated in the same manner as any failure to act under this section and as a default found by the administrative law judge under § 210.16(b) and shall constitute a failure to show cause why the respondent should not be found in default.

To make clear that a respondent may file a notice of intent to default without having to respond to the complaint and notice of investigation, the Section proposes new paragraph (d) to Commission Rule 210.16:

(d) Default by notice. Before responding to the complaint and notice of investigation, a respondent may file a notice of intent to default with the presiding administrative law judge which shall constitute a failure to show because why the respondent should not be found in default. After the filing of such a notice, the administrative law judge shall issue an initial determination finding the respondent in default.

E. Proposed Amendment to Commission Rule 210.28 by Adding Two Sentences at the End of Paragraph (a):

(a) When depositions may be taken. Following publication in the Federal Register of a Commission notice instituting the investigation, any party may take the testimony of any person, including a party, by deposition upon oral examination or written questions. The presiding administrative law judge will determine the permissible dates or deadlines for taking such depositions. Without stipulation of the parties, the complainants as a group may take a maximum of 5 fact depositions per respondent or no more than 20 fact depositions whichever is greater, the respondents as a group may take a maximum of 20 fact depositions total, and if the Commission investigative attorney is a party, he or she may take a maximum of 10 fact depositions and is permitted to participate in all depositions taken by any parties in the investigation. The presiding administrative law judge may increase the number of depositions on written motion for good cause shown.

Response by ABA-IPL:

The Section has the following comments and proposed clarifications to the above proposed amendment:

The language “the complainants as a group may take a maximum of 5 fact depositions per respondent or no more than 20 fact depositions whichever is greater” is confusing. The Commission may mean that the complainants as a group may take a maximum of 5 fact depositions per respondent or 20 fact depositions, whichever is greater; or the Commission may mean that the complainants as a group may take a maximum of 5 fact depositions per respondent
or no more than 20 fact depositions. However, the current language is unclear as to what the intention of the Commission is. If the Commission intends the former, the Section suggests that the Commission delete the words “no more than” in front of “20 fact depositions.” If the Commission intends the latter, the Section suggests that the Commission delete the words “whichever is greater” after “20 fact depositions.”

Additionally, the Section proposes that the current rule’s contemplation of “per respondent” fails to take into account that often many related respondents are involved in the same investigation. The Section would propose that the word “respondent” in the proposed amendment be replaced with the phrase “per related respondent group.” The parties in investigations typically treat related respondents as one respondent group. This clarification would conform to current practice.

Moreover, the current proposed addition does not address how 30(b)(6) notices should be counted. It is unclear from the current proposed addition whether each person deposed would be counted as one deposition or whether one 30(b)(6) notice would be counted as one deposition. In order to help alleviate this confusion, the Section proposes that each 30(b)(6) notice be counted as one deposition, but that the Commission add into the proposed addition that each party be limited to 2 (two) 30(b)(6) depositions of each other party. Each 30(b)(6) notice would be counted as one deposition under the limits proposed by the Commission. By adding this limitation, each party would be permitted two 30(b)(6) notices of each other party, which will allow all parties to get the required information from the other parties and allow for certain other depositions, if necessary.

Additionally, the Section proposes that the ITC adopt language similar to Federal Rule of Civil Procedure 30(b)(6) in order to conform the ITC rules to current practice.

Finally, the Section proposes that the Commission add a requirement that each person being deposed be subject to the seven hour, one-day limitation present in the Federal Rules, unless permission of the Administrative Law Judge is received for additional time.