

Section 337 Investigations: A Fast-Track Approach to Halting the Importation of Infringing Articles

With the burgeoning U.S. trade deficit, the owners of valuable intellectual property rights based in the United States are facing ever-increasing instances of infringement from articles being imported into the United States. In many cases, the owner of the right being infringed is more interested in having the importation and sale of the infringing article halted quickly than in obtaining money damages at a later date. In such a situation, the owner should consider bringing an action before the International Trade Commission (ITC) under § 337 of the Tariff Act (19 U.S.C. § 1337). Under this act, the ITC can hear infringement claims related to instances of importation, sale for importation, and sale within the United States after importation of infringing articles as long as an industry relating to the protected articles either exists in the United States or is in the process of being established in the United States. Moreover, even though the infringement must relate to imports, the fact that an importer also conducts domestic operations in the United States does not shield the importer from the reach of the ITC.¹

While the ITC's subject matter jurisdiction is much more limited than a U.S. district court's jurisdiction, the ITC enjoys a large advantage over the courts in the arena of personal jurisdiction. In fact, the Court of Appeals for the Federal Circuit has held that "Congress' plenary constitutional power to regulate commerce" allows the ITC to impose restrictions on imports without any regard to personal jurisdiction over the importer.² Rather, the ITC hears claims based on in rem jurisdiction over the articles themselves.

One of the main attractions of a Section 337 investigation by the ITC to the owner of a U.S. patent or trademark being infringed by the importation of an article is the speed of most such investigations. When a party files a complaint, which must be more detailed than a complaint filed in federal district court, the ITC will typi-

cally decide whether or not to institute an investigation within 30 days (35 days if a motion for temporary relief accompanies the complaint). Once the ITC elects to institute an investigation, it proceeds under Administrative Procedure Act, 5 U.S.C. §§ 551 et seq., and pursuant to Commission Rules published at 19 C.F.R. Part 210, which are similar in many respects to the Federal Rules of Civil Procedure. In addition, an administrative law judge, who is charged with making a determination "at the earliest practicable time" under § 337, is assigned to manage the proceeding; the ALJ will typically issue a set of ground rules that include a time line for the investigation. Generally, the ITC and the ALJ target a resolution to be reached within 12–15 months, but the number of current investigations and the complexity of a given investigation may result in a longer target date.

An investigation typically culminates in a hearing before the ALJ that is similar to a bench trial in federal court. Many patent owners in particular find this step a particularly valuable aspect of bringing an action under § 337. This hearing allows the patent owner to present its case to an ALJ experienced in dealing with complex patent infringement issues rather than to a jury of laypersons. Following the hearing, the ALJ will issue a written initial determination detailing the ALJ's findings of fact and conclusions of law. The ITC can then elect—sua sponte or on a motion made by either party—to conduct a de novo review of the ALJ's initial determination.

Following its review of the ALJ's initial determination, the ITC issues its own determination, which may include one or more remedial orders. The remedies that the ITC can order include exclusion from entry into the United States, cease-and-desist orders, and seizure and forfeit of infringing articles. The ITC cannot, however, order payment of money damages; for this the complainant must bring an action in a federal district court.

Before the ITC's determination becomes final, it is submitted to the President for review, and the President has 60 days to disapprove the ITC's determination on policy grounds, but such disapprovals are rare. During this review period, activities prohibited by the ITC can continue as long as the respondent posts a bond with the ITC. Upon expiration of the review period, the ITC's order becomes final, and the complainant can seek to have the bonds forfeited. In addition, after the review period has expired, either



party may appeal the ITC's determination to the Federal Circuit within 60 days.

As one can see, there are both advantages and disadvantages in seeking relief from the ITC via a § 337 investigation rather than from a federal district court. The process is very useful to those seeking a speedy, effective means to stop imported infringing articles from being sold in the United States. With technology—and consequently patent law—growing ever more complicated, a patent holder in particular can benefit greatly from having an ALJ experienced in such matters preside over its claim. The ITC therefore provides a wonderful opportunity for the owners of valuable U.S. intellectual property rights to protect those rights in the increasingly global economy in which we live today. **TFL**

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LLP, where he counsels clients and litigates cases involving patents, trademarks, unfair competition, and trade secrets. He is based in the firm's Louisville office and can be reached at mwilliams@wyattfirm.com. Everett S. Nelson is a second-year law student at the University of Kentucky and a summer associate at Wyatt, Tarrant & Combs LLP in 2007. He has an undergraduate degree in electrical engineering and plans to sit for the patent bar.

Endnotes

¹*Texas Instruments Inc. v. Int'l Trade Comm'n*, 988 F.2d 1165, 1168 (Fed. Cir. 1993).

²*Sealed Air Corp. v. ITC*, 645 F.2d 976, 985–986 (C.C.P.A. 1981).

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Figot, who provided historical remembrances from the chapter's earlier days. The following past presidents were introduced and assembled for a group photograph (and some spontaneous singing): Richard T. Tarnas; Christine M. Dowhan-Bailey; Hon. Fred M. Mester, Oakland County Circuit Court; Brian D. Figot; Grant P. Gilezan; Dennis J. Clark; Wallace D. Riley; Hon. Ralph B. Guy Jr., U.S. Court of Appeals for the Sixth Circuit; John P. Mayer; Alan C. Harnisch; Thomas M. Cranmer; Joseph F. Dillon; Charlie R. Rutherford; Russell M. Paquette; Daniel P. Malone; John R. Runyan Jr.; Magistrate Judge Virginia M. Morgan, U.S. District Court for the Eastern District of Michigan; Lawrence G. Campbell; Michael C. Leibson; Richard A. Rossman; and Edward M. Kronk.

The evening concluded with a performance by the musical parody troupe, A (Habeas) Chorus Line.

EIGHTH CIRCUIT

Minnesota

The 33rd Annual Federal Court Practice Seminar was held on June 6 at the Hyatt Regency Hotel in Minneapolis. Various judges, government attorneys, in-house counsel, and private practitioners presented a wide

range of presentations on the state of the district court, new developments at the Supreme Court, government investigations of corporations and individuals, recent developments in federal civil procedure, settlement from the perspective of judicial and in-house counsel, the amendments related to e-discovery, patent litigation, recent developments in employment law, the law of e-discovery, and increased diversity in the legal profession. In addition, former Vice President Walter Mondale delivered the Mason Memorial Luncheon speech on the law and public trust and a reception was given to honor Senior U.S. Circuit Judge Gerald W. Heaney and the late Senior U.S. Circuit Judge Donald P. Lay of the U.S. Court of Appeals for the Eighth Circuit. Nearly 200 attorneys attended the event and had a unique opportunity to question several of the judges during the panel presentations.

TENTH CIRCUIT

Utah

The Utah Chapter hosted its first full-day CLE program specifically designed for federal practitioners specializing in criminal law. More than 80 local practitioners attended the event—an exceptional turnout given Utah's small criminal federal bar. Featured

speakers included U.S. District Judges Dale A. Kimball and Paul G. Cassell and U.S. Magistrate Judges Paul M. Warner and Brooke C. Wells of the U.S. District Court for the District of Utah. The event was highlighted by special luncheon speaker Kirk Noble Bloodsworth, the first death-row inmate exonerated as a result of new DNA evidence. Bloodsworth shared the fascinating and harrowing tale of his experiences with the criminal justice system as he fought for his exoneration. Other speakers included Scott Wilson, appellate chief, Federal Public Defender's Office; Diana Hagen, appellate chief, U.S. Attorney's Office; Richard G. MacDougall, Federal Public Defender's Office; Stewart C. Walz, senior litigation counsel, U.S. Attorney's Office; and Joy Walters, U.S. Bureau of Prisons. **TFL**

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