

CORRECTED PUBLIC VERSION

**UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C. 20436**

In the Matter of

**CERTAIN MULTIMEDIA DISPLAY AND
NAVIGATION DEVICES AND SYSTEMS,
COMPONENTS THEREOF, AND
PRODUCTS CONTAINING SAME**

Investigation No. 337-TA-694

COMMISSION OPINION

On December 16, 2010, the presiding administrative law judge (“ALJ”) issued a final initial determination (“ID”) finding no violation of section 337 of the Tariff Act of 1930, 19 U.S.C. § 1337, in the above-captioned investigation by respondents Garmin International, Inc. of Olathe, Kansas and Garmin Corporation of Taiwan (collectively, “Garmin”). On February 23, 2011, we determined to review the ALJ’s ID in part. Having reviewed the record of this investigation, we affirm, on modified grounds, the ALJ’s finding that Garmin has not violated section 337. In particular, we affirm the ALJ’s finding that Garmin’s products do not infringe U.S. Patent No. 6,122,592 (“the ‘592 patent”), but reverse his finding that Garmin’s products do not infringe U.S. Patent No. 5,424,951 (“the ‘951 patent”). We reverse the ALJ’s finding that the economic prong of the domestic industry requirement is satisfied for the asserted patents. Finally, we find the asserted claims of the ‘592 patent are invalid for lack of written description under 35 U.S.C. § 112, ¶ 1. This opinion sets forth our reasoning for this final determination. We adopt all findings and conclusions in the ID that are not inconsistent with this opinion.

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I. BACKGROUND

A. Procedural History

The Commission instituted this investigation on December 16, 2009, based on a complaint filed by Pioneer Corporation of Tokyo, Japan and Pioneer Electronics (USA) Inc. of Long Beach, California (collectively, "Pioneer"). 74 *Fed. Reg.* 66676 (Dec. 16, 2009). The complaint alleges violations of section 337 in the importation into the United States, the sale for importation, and the sale within the United States after importation of certain multimedia display and navigation devices and systems, components thereof, and products containing the same by reason of infringement of claims 1 and 2 of U.S. Patent No. 5,365,448 ("the '448 patent"), claims 1 and 2 of the '951 patent, and claims 1 and 2 of the '592 patent. The complaint named Honeywell International Inc. of Morristown, New Jersey ("Honeywell") and Garmin as respondents. On February 16, 2010, Honeywell was terminated from the investigation based on a settlement agreement.

The ALJ held an evidentiary hearing from September 13, 2010, through September 21, 2010, and received post-hearing briefs from the parties thereafter. On December 16, 2010, the ALJ issued a final ID finding no violation of section 337 by Garmin. On January 5, 2011, Pioneer, Garmin, and the Commission investigative attorney ("IA") each filed petitions for review. On January 13, 2011, Pioneer, Garmin, and the IA each filed responses to each other's petitions. On February 23, 2011, the Commission determined to review the ALJ's ID in part. In particular, the Commission determined to review: (1) the ALJ's construction and related infringement findings for "second memory means" of the '951 patent; (2) the ALJ's construction and related infringement findings for "extracting means" of the '592 patent; (3) the ALJ's findings relating to the validity of the '592 patent under the written description requirement of 35 U.S.C. § 112; and (4) the ALJ's finding that the economic prong of the domestic industry

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requirement is satisfied. On March 9, 2011, Pioneer, Garmin, and the IA filed their initial submissions addressing the issues that the Commission determined to review. On March 21, 2011, Pioneer, Garmin, and the IA each filed their reply submissions. On April 18, 2011, the Commission extended the target date and requested supplemental briefing from the parties and the public. The Commission's supplemental briefing questions were directed to the domestic industry requirement of section 337(a)(3)(C). On May 17, 2011, Pioneer, Garmin, and the IA each filed their initial submissions and, on May 23 and 24, 2011, these parties filed their reply submissions. On May 24, 2011, the Commission also received submissions from various members of the public.¹

B. Patents and Products at Issue²

Pioneer asserts infringement of claims 1 and 2 of the '951 patent by Garmin's Nuvi and Zumo product lines in combination with its map update cards. Joint Statement Regarding Identification of Accused Products (Aug. 9, 2010), ¶ 2. Pioneer accuses Garmin's Nuvi 3750, 3760T, and 3790T model devices of infringing claims 1 and 2 of the '592 patent. *Id.* at ¶ 3-4.

The '951 patent, entitled "On-Board Navigation Apparatus Having User Registering Function," issued on June 13, 1995, to Kenichi Nobe and Morio Araki. The patent is directed to an on-vehicle navigation system having a simplified way for users to "register" locations of interest. '951 patent (JX-2), Abstract. In the context of the patent, "registration" refers to saving a particular location selected by the user as a favored location so that an icon representing that

¹ Public comments were received from Tessera, Inc.; nVidia Corp.; Qualcomm Incorporated; Greenberg Traurig, LLP; Washington Legal Foundation; Rovi Corporation; Google Inc., Hewlett-Packard Co., and Cisco Systems, Inc.; and Colleen Chien of Santa Clara University Law School.

² Pioneer has abandoned its claim of a violation of section 337 with respect to the '448 patent by failing to petition for review of the ID's findings of non-infringement. *See* 19 C.F.R. § 210.43(b). Thus, only the '951 and '592 patents are before the Commission on review.

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location will be displayed on the navigation map whenever the vehicle approaches the location's vicinity. *Id.* at col. 1, ll. 26-45.

According to the '951 patent, in early navigation systems, users had to perform complicated manual operations to "register" a location. *Id.* at col. 1, ll. 46-55. The solution offered by the '951 patent simplifies the number of user operations for registering a particular location by providing a "registration" key when the user is presented with a list of selectable service facilities (e.g., a restaurant). '951 patent, col. 4, ll. 4-10. When the user selects a location from the list of service facilities and presses the registration key, position coordinate data (*i.e.*, longitude and latitude data) of the selected location, along with icon data representing that location, are accessed from a read-only memory (ROM) and stored into a "position registration data table" in a random-access memory (RAM). '951 patent, col. 5, ll. 1-15, Figures 2-3. Position coordinate data and icon data for the registered location can then be accessed from the position registration data table in RAM and displayed on the navigation map whenever the user approaches the location's vicinity. '951 patent, col. 6, ll. 24-28.

The '592 patent (JX-3), entitled "Navigation Apparatus With Enhanced Positional Display Function," issued on September 19, 2000, to Takeharu Arakawa, Morio Araki, Kenichi Nobe, and Kiyoshi Yamanaka. The '592 patent claims priority to a United States patent application, filed on February 11, 1993, which claims foreign priority from two Japanese applications filed on March 30, 1992 and February 18, 1992. The '592 patent has a lengthy specification with several different inventions. The claims of the '592 patent are more narrowly directed to a navigation system having an improved way of ordering and displaying various locations of interest surrounding a user destination. According to Mr. Morio Araki, a co-inventor of the '592 patent, the claimed invention allows a user to select a destination and to

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select a single category among various available categories of locations, then displays a sub-list of locations in the selected category that are in the vicinity of the destination in order of distance from the destination. Araki, Tr. at 125-126; *see also* '592 patent, col. 19-20.

II. DISCUSSION

A. Domestic Industry: Economic Prong

1. Introduction

In order to prove a violation of section 337 in a patent-based investigation, a complainant must demonstrate by a preponderance of the evidence that a domestic industry in the United States either exists or is in the process of being established. *See* 19 U.S.C. § 1337(a)(2). Although a complainant can satisfy the requirement in a variety of different ways, in this investigation, Pioneer relies exclusively on its investments in licensing the asserted patents. Complaint at ¶¶ 74-81. Among the issues presented in regard to whether Pioneer has satisfied the statutory standard are the extent to which Pioneer's investment in licensing a large portfolio of patents may be attributed to the patents-in-suit and whether Pioneer's investment in licensing the patents-in-suit is "substantial." 19 U.S.C. § 1337(a)(3)(C). We summarize the findings of the presiding ALJ before turning to our analysis.

The ALJ found under section 337(a)(3)(C) that Pioneer has made substantial investments in the United States to exploit the asserted patents through licensing. ID at 143-144. The ALJ found that Pioneer made consistent efforts to license its navigation patent portfolio beginning in 2004, including (1) employing engineers, licensing attorneys, and others to work on licensing matters, (2) traveling in support of its licensing programs, (3) purchasing products from potential licensees for evaluation and testing, and (4) consulting with outside counsel. *Id.* at 144.

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The ALJ analyzed Pioneer’s licensing efforts with respect to several target licensees, including [] Garmin, and Honeywell. *Id.* at 151-154. The ALJ found that Pioneer made a good faith effort to estimate the costs related to these licensing efforts and that, [], these efforts totaled approximately []. *Id.* at 155. The costs were broken down to approximately [] in employee salaries, [] in employee bonuses, [] in travel expenses, [] in product purchasing, and [] in outside-counsel fees. *Id.* at 157-166.

The ALJ observed that, although Pioneer’s efforts with Garmin did not bear fruit, its efforts with [] and Honeywell did. *Id.* at 165. The ALJ acknowledged that Pioneer’s license agreement with [] does not [], but nevertheless found that it relates to Pioneer’s entire navigation patent portfolio and thus to the asserted patents. *Id.* The Honeywell cross-license, on the other hand, specifically identifies [

], including the asserted ‘448, ‘592, and ‘951 patents. The ALJ concluded that Pioneer’s investment of [] was a “substantial investment” and therefore that Pioneer satisfied the domestic industry requirement of section 337(a)(3)(C). *Id.* at 156-166. The Commission determined to review.

2. Our Analysis of Section 337(a)(3)(C)

Sections 337(a)(2) and (3) set forth the domestic industry requirement in its entirety where, as here, the violation alleged is based on patent infringement:

(2) Subparagraphs (B), (C), (D), and (E) of paragraph (1) apply only if an industry in the United States, relating to the articles protected by the patent, copyright, trademark, mask work, or design concerned, exists or is in the process of being established.

(3) For purposes of paragraph (2), an industry in the United States shall be considered to exist if there is in the United States, with respect to the articles protected by the patent, copyright, trademark, mask work, or design concerned—

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- (A) significant investment in plant and equipment;
- (B) significant employment of labor or capital; or
- (C) substantial investment in its exploitation, including engineering, research and development, or licensing.

19 U.S.C. §§ 1337(a)(2) and (3). In amending section 337 in 1988 to include subsection (C), Congress intended to liberalize the domestic industry requirement so that it could be satisfied by all “holders of U.S. intellectual property rights who are engaged in activities genuinely designed to exploit their intellectual property” in the United States. *Certain Digital Processors and Digital Processing Systems, Components Thereof, and Products Containing Same*, Inv. No. 337-TA-559, Final Initial Determination at 93 (unreviewed in relevant part) (May 11, 2007) (“*Digital Processors*”) (quoting S. REP. NO. 71, 100th Cong., 1st Sess., at 130 (1987)).

Complainants who seek to satisfy the domestic industry requirement by their investments in patent licensing must establish that their asserted investment activities satisfy three requirements of section 337(a)(3)(C). First, the statute requires that the investment in licensing relate to “its exploitation,” meaning an investment in the exploitation of the asserted patent.³ 19 U.S.C. § 1337(a)(3)(C); *Semiconductor Chips with Minimized Chip Package Size and Products Containing Same*, Inv. No. 337-TA-432, Order No. 13 at 11-13 (unreviewed) (Jan. 24, 2001) (“*Semiconductor Chips I*”). *Accord Certain Coaxial Cable Connectors and Components Thereof and Products Containing Same*, Inv. No. 337-TA-650, Comm’n Op. at 44-51 (Apr. 14, 2010) (“*Coaxial Cable Connectors*”). Second, the statute requires that the investment relate to “licensing.” 19 U.S.C. § 1337(a)(3)(C); *Coaxial Cable Connectors*, at 50-51 (“A complainant

³ Several members of the public requested that the Commission revisit its interpretation of the applicability of the technical prong to a domestic industry claim based on licensing. See e.g., May 24, 2011 comments of Tessera at 13. This issue is beyond the scope of review in this investigation.

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must clearly link each activity to licensing efforts concerning the asserted patent.”). Third, any alleged investment must be domestic, *i.e.*, it must occur in the United States. 19 U.S.C. § 1337(2),(3). Investments meeting these requirements merit consideration in our evaluation of whether a complainant has satisfied the domestic industry requirement. Only after determining the extent to which the complainant’s investments fall within these statutory parameters can we evaluate whether complainant’s qualifying investments are “substantial,” as required by the statute. 19 U.S.C. § 1337(a)(3)(C). If a complainant’s activity is only partially related to licensing the asserted patent in the United States, the Commission examines the strength of the nexus between the activity and licensing the asserted patent in the United States.⁴

a. Nexus to the Asserted Patents

This case tests the extent to which a complainant may rely on licensing activities directed to an entire patent portfolio to prove the existence of a domestic industry related to the asserted patents under section 337(a)(3)(C), that is, under the section which is premised on substantial investment in exploitation. Because Pioneer’s activities are associated both with the asserted patents and unasserted patents, a key issue presented is the strength of the nexus between the activities and the asserted patents.⁵

⁴ See *Certain Plastic Encapsulated Integrated Circuits*, Inv. No. 337-TA-315, USITC Pub. 2574, Final Initial Determination at 87 (unreviewed in relevant part) (Nov. 1992) (“*Plastic Encapsulated Circuits*”) (finding the nexus to the asserted patent to be attenuated); *Certain Wireless Communications Equipment, Articles Therein, and Products Containing the Same*, Inv. No. 337-TA-577, Order No. 20 at 7 (April 19, 2007) (“*Wireless Communications Equipment*”) (denying complainant’s motion for summary determination that a section 337(a)(3)(C) domestic industry exists because it failed to prove a nexus between its alleged licensing activities and the United States); *Certain Coaxial Cable Connectors and Components Thereof and Products Containing Same*, Inv. No. 337-TA-650, Public Remand Initial Determination at 11-13 (unreviewed) (June 15, 2010) (“*Coaxial Cable Connectors Remand*”) (finding the nexus to licensing to be attenuated).

⁵ Our administrative law judges have addressed the issue of whether a nexus between the activities and the asserted patents exists in prior investigations. See *Semiconductor Chips I*, Inv.

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Section 337(a)(3)(C) requires that licensing investments be in exploitation of the “patent . . . concerned.” 19 U.S.C. § 1337(a)(3)(C). Thus, our inquiry focuses on the strength of the nexus between the licensing activity and the asserted patent. Where the complainant’s licensing activities and investments involve a group of patents or a patent portfolio, the complainant must present evidence that demonstrates the extent of the nexus between the asserted patent and the complainant’s licensing activities and investments.

Depending on the facts in each investigation, a complainant may be able to establish the strength of the nexus between the asserted patent and its licensing activities by means of evidence showing that its licensing activities are particularly focused on the asserted patent among the group of patents in the portfolio or through other evidence that demonstrates the relative importance or value of the asserted patent within the portfolio. For example, in *Coaxial Cable Connectors Remand*, at 24-25, the evidence of record showed that one of the patents was clearly more important and more valuable than the other. In our assessment of the strength of the

No. 337-TA-432; *Plastic Encapsulated Circuits*, Inv. No. 337-TA-315; *Digital Processors*, Inv. No. 337-TA-559; *Certain Semiconductor Chips Having Synchronous Dynamic Random Access Memory Controllers and Products Containing Same*, Inv. No. 337-TA-661, Order No. 21 (unreviewed) (Oct. 7, 2009) (“*Semiconductor Chips Having Synchronous DRAM Controllers*”); *Certain 3G Wideband Code Division Multiple Access (WCDMA) Handsets and Components Thereof*, Inv. No. 337-TA-601, Order No. 20 (unreviewed) (Feb. 23, 2009) (“*3G Mobile Handsets*”); *Certain NAND Flash Memory Devices & Products Containing Same*, Inv. No. 337-TA-553, Initial Determination (Nov. 20, 2006) (“*NAND Flash Memory*”) (terminated based on settlement prior to final determination); *Certain Digital Satellite System (DSS) Receivers and Components Thereof*, 337-TA-392, USITC Pub. 3418, Final Initial Determination (Apr. 2001) (“*DSS Receivers*”) (domestic industry finding not reached by the Commission); *Certain Semiconductor Chips with Minimized Chip Package Size and Products Containing Same*, Inv. No. 337-TA-605, Initial Determination at 193-202 (February 9, 2009) (unreviewed in relevant part) (“*Semiconductor Chips II*”); *Certain Computer Products Computer Components and Products Containing Same*, Inv. No. 337-TA-628, Final Initial Determination (Mar. 16, 2009) (unreviewed) (“*Computer Products*”); *Certain Nitrile Gloves and Certain Nitrile Rubber Gloves (consolidated)*, Inv. No. 337-TA-608 and 337-TA-612, Final Initial Determination (Aug. 25, 2008) (unreviewed in relevant part) (“*Nitrile Gloves*”); *Certain Short-Wavelength Light Emitting Diodes, Laser Diodes and Products Containing Same*, Inv. No. 337-TA-640, Order No. 72 (May 8, 2009) (“*Short-Wavelength LEDs*”) (terminated based on settlement prior to final determination).

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nexus between a complainant's licensing activities and an asserted patent included in a large patent portfolio, a potentially important consideration is whether the licensee's efforts relate to "an article protected by" the asserted patent under section 337(a)(2)-(3). For example, if a licensee's product is an "article protected by" the patent, then the license is by definition connected to that patent. The Commission may also consider other factors including, but not limited to, (1) the number of patents in the portfolio, (2) the relative value contributed by the asserted patent to the portfolio, (3) the prominence of the asserted patent in licensing discussions, negotiations and any resulting license agreement, and (4) the scope of technology covered by the portfolio compared to the scope of the asserted patent.

Evidence demonstrating the relative value and/or importance of an asserted patent in a portfolio may indicate the focus of complainant's investment and, in turn, may reflect the strength of the nexus between these activities and the asserted patent.⁶ For example, the asserted patent may be shown to be particularly important or valuable within the portfolio where there is evidence that (1) it was discussed during the licensing negotiation process, (2) it has been successfully litigated before by complainant, (3) it relates to a technology industry standard, (4) it is a base patent or a pioneering patent, (5) it is infringed or practiced in the United States, or

⁶ See *Semiconductor Chips II* at 116 (the ALJ found a nexus between complainant's activities and the asserted patents because the patents are "base patents" that laid the foundation for a portfolio of 150 patents for improvements in chip packaging technology); *3G Mobile Handsets* at 6-16 (in examining a large patent portfolio, the ALJ found the asserted patents, along with the other portfolio patents, were related to the "3G" communication standard); *Semiconductor Chips Having Synchronous DRAM Controllers* at 7-9 (finding a nexus where an asserted patent was part of a particular patent portfolio where complainant had different portfolios for different technologies).

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(6) the market recognizes its value in some other way.⁷ We recognize that certain facts pertaining to the importance or value of a particular patent in a portfolio may, in some instances, be difficult to establish as a result of the varying perspectives of the complainant, potential licensees, and third parties. As Pioneer points out, a patent may be important to the patentee or the potential licensee for different reasons. Complainants' Brief in Response to Request for Supplemental Briefing at 9-10 ("Pioneer Supp. Br."). Frequently, there is no evidence as to what motivated the licensee to agree to take a license. Nevertheless, this type of evidence, when present in the record, is useful in determining the focus of complainant's licensing activity. A showing that the asserted patent is relatively important within the portfolio is not required to show a nexus between that patent and the licensing activities, *see 3G Mobile Handsets* at 16, but may be one indication of the strength of the nexus.

All things being equal, the nexus between licensing activities and an asserted patent may be stronger when the asserted patent is among a relatively small group of licensed patents.⁸ The

⁷ *See Nitrile Gloves* at 117 (finding the "[asserted] Patent plays an important role in [complainant's] licensing activities thereby [sic] provides a sufficient nexus"); *DSS Receivers* at 11 (finding that complainant has litigated the patent-at-issue as "an extension of its licensing program"); *3G Mobile Handsets* at 7, 13 (finding evidence that the patents-at-issue related to certain technology standards); *Semiconductor Chips Having Synchronous DRAM Controllers* at 6-9 (finding that complainant's technology which is licensed is in fact covered by the asserted patents and noting that complainant highlighted the asserted patents during actual licensing negotiations); *Certain Integrated Circuits, Chipsets, and Products Containing Same Including Televisions, Media Players, and Cameras*, Inv. No. 337-TA-709, Order No. 33 at 7 (Jan. 5, 2011) (unreviewed) ("*Integrated Circuits*") (noting that the patent-at-issue was identified to potential licensees); *Semiconductor Chips II* at 117-18 (finding evidence that the asserted patents were of "particular import" to complainant's licensing efforts because the asserted patents had been litigated previously, and licensees had asked about licensing the asserted patents); *Computer Products* at 163 (discussing evidence of presentations involving specific patent claims).

⁸ *See Short-Wavelength LEDs* at 13 (finding "no genuine issue regarding nexus in complainant's 'portfolio' in this investigation, which consists of only two patents"); *DSS Receivers* at 10 (finding a sufficient nexus between licensing activities directed to a portfolio of six U.S. patents

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scope of the technology covered by the license and the congruence of the patents contained in the portfolio may also indicate the strength of the nexus to a particular patent. *See Certain Dynamic Sequential Gradient Compression Devices and Component Parts Thereof*, Inv. No. 337-TA-335, Final ID, USITC Pub. 2575 at 63 (Nov. 1992) (“To include activities which are in the same field of technology but which do not have the requisite nexus to the patent would be contrary to the statute.”). Evidence showing how the asserted patents fit together congruently with other patents in the portfolio covering a specific technology may demonstrate a stronger nexus to the licensing activity than evidence indicating that the patents cover a wide variety of technologies bearing only a limited relationship to one another.

Evidence that the patent-at-issue is practiced or infringed in the United States may also be relevant to the value of the patent and may suggest a high value relative to that of the other patents in the portfolio. Conversely, evidence that a patent is not practiced or infringed may indicate relatively less value. *See Coaxial Cable Connectors Remand*, at 24-25 (finding that one of the two patents at issue was less valuable based on evidence that target licensees had designed around it).

The burden is on complainant to show that there is a nexus between its alleged licensing activities and an asserted patent. A complainant cannot establish that the asserted patent is more valuable than the remainder of the patents in a portfolio merely by filing a section 337 action alleging infringement of that patent.

and the patent-at-issue where the five unasserted patents in the portfolio issued from applications related to the only asserted patent in the portfolio); *Digital Processors* at 97 (finding “a clear nexus exists between the [asserted] patent and [complainant’s] investments in the exploitation of its patents through licensing” based on “the small size of [complainant’s] portfolio”). Although the number of patents licensed may be a relevant factor, we agree with the view generally expressed by commenters that the magnitude of complainant’s investments in the asserted patents cannot be derived via a pro rata allocation of investments in the licensing of a portfolio to its constituent patents.

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Several commenters argued that the Commission should adopt a policy whereby any investment in a patent portfolio should *ipso facto* be allocated in its entirety to every individual patent in the portfolio. In support, they generally note that there may be certain cost efficiencies in portfolio licensing and that a portfolio may be especially attractive to potential licensees. We decline to adopt such a policy. Neither the statute nor the legislative history indicates that Congress intended for the Commission to credit all investments in the licensing of a portfolio to each patent of the portfolio when evaluating the extent to which complainant's activities meet the requirement that there be "substantial" investment in exploitation of the "patent...concerned."⁹ As noted above, section 337(a)(3)(C) requires a substantial investment in the exploitation of the asserted patent. *Coaxial Cable Connectors*, at 51-54. Each investigation requires a fact-focused and case-specific inquiry to determine whether this statutory requirement has been satisfied by the complainant. The Commission's case-by-case approach recognizes that the evidence in a particular case may show that the asserted patent is significant and valuable regardless of the number of patents in the portfolio.¹⁰

⁹ Section 337(a)(3)(C) was added to benefit domestic entities with limited resources like universities and start-up companies that license their inventions to manufacturers, as well as large entities that produce intellectual property through design and research and development activities in the United States, but outsource production-related activities through licensing. *See Digital Processors* at 97-98 ("[T]he licensing provision of subsection (a)(3)(C) was intended to cover businesses ranging from large Hollywood movie studios, to research and development programs at universities, to small start-up companies that are too small to manufacture any products for themselves."); H. REP. 100-40 at 157; S. REP. NO. 100-71 at 129; 132 CONG. R. H1782 (Apr. 10, 1986).

¹⁰ To demonstrate the strength of the nexus between the asserted patent and complainant's licensing activities, Chairman Okun would also consider fact-focused and case-specific evidence that licensing the asserted patent as part of a portfolio makes the asserted patent more valuable to targeted licensees, and increases the likelihood that a potential licensee would take a license to that patent. She would consider economic evidence that good faith efforts to license the portfolio are necessary in the particular industry because licensing the asserted patent individually would have little value to potential licensees who desire to obtain the rights to the universe of inventions that might benefit their products and achieve freedom to operate and innovate.

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b. Nexus to Licensing

As the Commission recently concluded in *Coaxial Cable Connectors*, section 337(a)(3)(C) also requires complainant's activities to relate to licensing. Comm'n Op at 54 (finding the link between complainant's activity and licensing to be "particularly attenuated"). Some activities are *solely* related to licensing while others can serve multiple purposes. *Id.* at 50-51 ("The mere fact, however, that a license is executed does not mean that a complainant can necessarily capture all prior expenditures to establish" a domestic industry). For example, the evidence may show that analyzing another company's product for infringement may relate to licensing, but it may also occur with an eye toward litigation seeking injunctive relief against that company. *See Coaxial Cable Connectors Remand*, at 11-13 (finding litigation expenses not related to licensing where a permanent injunction issued, but a license agreement was ultimately reached).

c. Nexus to the United States

The most obvious requirement of section 337(a)(3) is that the investment occur in the United States. 19 U.S.C. § 1337(a)(3). When a complainant's licensing activity is performed and directed within the United States, this weighs in favor of a strong nexus between the activities and the United States.¹¹ The Commission's analysis is a fact-focused and case-specific.

Evidence demonstrating that licensing activities relating to the patent portfolio considerably enhance the market value of the asserted patent and increase the likelihood of a successful licensing effort may support the existence of the required nexus between the asserted patent and the licensing activities.

¹¹ *See Computer Products* at 163 (finding that complainant's licensing employees including engineers and attorneys are located in the United States); *DSS Receivers* at 11 (finding all licensing performed by five employees in the United States); *Semiconductor Chips III* at 7 (finding that "[e]ssentially all of [complainant's] licensing activities have primarily taken place, or been directed from, the United States"); *Nitrile Gloves* at 117 (finding licensing activities performed at complainant's headquarters in U.S); *Semiconductor Chips* at 8 (noting that all of complainant's patent exploitation activities occur in the United States); *Semiconductor Chips*

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inquiry that takes into account the extent to which the complainant conducts its licensing operations in the United States, including the employment of U.S. personnel and utilization of U.S. resources in its licensing activities.¹²

d. Whether the Investment is “Substantial”

Once a complainant’s investment in licensing the asserted patent in the United States has been assessed in the above manner, the next inquiry is whether the investment is substantial. 19 U.S.C. § 1337(a)(3)(C). In performing our analysis, we adopt a flexible approach whereby a complainant whose showing on one or more of the three section 337(a)(3)(C) requirements is relatively weak may nevertheless establish that its investment is “substantial” by demonstrating that its activities and/or expenses are of a large magnitude.¹³ The Commission has indicated that whether an investment is substantial may depend on the industry and the size of the complainant. *Stringed Instruments*, at 25; *Short-Wavelength LEDs*, at 7 (noting that “[c]omplainant ... is not a large company with many employees; rather, she is an individual”). The type of efforts that are considered a “substantial investment” under section 337(a)(3)(C) will vary depending on the nature of the industry and the resources of the complainant.

Having Synchronous DRAM Controllers at 5, 8 (noting that complainant’s licensing activities are based out of its headquarters in the United States).

¹² Because the statute requires that investments satisfy all three of these requirements, the absence of a nexus to any one of them will defeat complainant’s attempt to satisfy the domestic industry requirement.

¹³ Compare *Short-Wavelength LEDs* at 13 (finding “no genuine issue regarding nexus in complainant’s ‘portfolio’ in this investigation, which consists of only two patents”) with *Semiconductor Chips I* at 14 n.9 (“The question is whether, without a specific allocation of [complainant’s technology] licensing investment to the ... [patents-in-suit] it can be found that a substantial investment has been made with respect to those patents-in-suit... [I]n view of the large investment made by [complainant] in ... licensing [the technology-at-issue], there is no doubt that [complainant] has made a substantial investment in the exploitation of the ... patents-in-suit”).

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Other factors that might be relevant in determining whether a complainant's investment is substantial are (1) the existence of other types of "exploitation" of the asserted patent such as research, development, or engineering, (2) the existence of license-related ancillary activities such as ensuring compliance with license agreements and providing training or technical support to its licensees, (3) whether complainant's licensing activities are continuing, and (4) whether complainant's licensing activities are those that are referenced favorably in the legislative history of section 337(a)(3)(C). The complainant's return on its licensing investment (or lack thereof) may also be circumstantial evidence of the complainant's investment.

3. Whether Pioneer Satisfies the Domestic Industry Standard

Pioneer owns hundreds of GPS and navigation patents in the United States and throughout the world. Complaint at ¶ 77 ("Pioneer's multimedia display and navigation system patent portfolio...numbers in the hundreds of issued patents"); Complaint, Ex. 19 ("The Asserted Patents are part of [Pioneer's multimedia display and navigation system patent portfolio]" which includes "several hundred patents"); CX-405 at GARM-01-5395. Pioneer identifies, targets, and engages potential licensees. *See* ID at 147-48. Pioneer estimates its investment in licensing to be []. This figure includes [] in (in-house) expenses for the licensing activities of Discovision Associates ("DVA"), a licensing entity related to Pioneer, and [] in outside counsel fees.¹⁴ After engaging Honeywell and Garmin in licensing discussions with limited success, Pioneer retained outside counsel to conduct [] related to the products accused of infringement in this investigation. *See e.g.*, JX-123C. All of these expenses were incurred before the filing of the complaint on which this investigation is based. The ALJ found the estimates given by Pioneer "are reasonable approximations... confirmed by the

¹⁴ DVA is a domestic licensing entity that was first retained by Pioneer to license its patents, but was later acquired by Pioneer.

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testimony of many individual employees,” and, for the purposes of our analysis, we adopt his summary of those figures as set forth on pages 155-164 of the ID. As an initial matter, we find that the ALJ’s conclusion that DVA activities are attributable to Pioneer is not clearly erroneous. Tr. at 399-411; Tr. 167-168; JX-105C; RX-307C.

a. Pioneer’s In-House Activities

The [] Pioneer’s in-house licensing activities were []. The [] licensing project involved the efforts of DVA personnel in the United States in conducting patent and product analysis, reverse engineering, testing, and similar activities. ID at 149. Pioneer had several meetings with [] before a license agreement was reached in []. ID at 150-51. We agree that all of these activities are related to Pioneer’s efforts to license its navigation portfolio to [].

With respect to Honeywell, the settlement and license agreement with Honeywell resulted from litigation in two ITC investigations, including the present investigation. In particular, on August 19, 2008, Honeywell asserted certain patents against Pioneer in Inv. No. 337-TA-657, *Certain Automotive Multimedia Display and Navigation Systems, Components Thereof, and Products Containing Same*. Shortly after Pioneer was named as a respondent in the 657 investigation, the record shows that Pioneer actively engaged Honeywell in an effort to [] it filed its own complaint on which this investigation is based in November 2009. Pioneer had discussions and meetings with Honeywell at least as early as [] and continued to have them until it settled with Honeywell in January 2010. JX-127; JX-132C; Traino Tr. at 457-68. Both investigations were terminated in January 2010 based on a settlement between Pioneer and Honeywell.¹⁵ Pioneer’s activities involving Honeywell

¹⁵ The settlement and license agreement between Honeywell and Pioneer [

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were also related to licensing because Pioneer could have simply sued Honeywell rather than engage in licensing talks. JX-127; JX-132C; Traino Tr. at 457-68. Thus, considering all of these circumstances, we find Pioneer's activities related to licensing.

We also agree with the ALJ that Pioneer's efforts involving Garmin are relevant to the domestic industry analysis under section 337(a)(3)(C). See CX-390C; CX-401C; CX-402; CX-403C JX-33C; Aoyama Tr. at 235-238. The fact that [

]

does not render Pioneer's efforts unrelated to licensing. JX-034C at ¶ 5.01. Pioneer could have simply sued Garmin [] rather than engage in any licensing efforts with Garmin, and the fact that no license agreement was reached with Garmin does not make Pioneer's licensing efforts any less of an investment. See *Coaxial Cable Connectors*, at 51 n.16. Thus, we agree with the ALJ that Pioneer's estimated expenses were generally related to licensing Pioneer's patents.

i. Nexus to the Asserted Patents

Pioneer's in-house activities directed to licensing [] and Garmin were, in large part, directed toward the entire navigation portfolio.¹⁶ See CX-390C; CX-401C; CX-402C; CX-403C; CX-335C; CX-355C; JX-33C; JX-55C; JX-47C. A presentation prepared for [] in [] states that Pioneer had 200 issued patents and 143 pending applications in the United States, 105 issued patents and 198 pending patent applications in Europe, 161 issued patents and

[] JX-035C at 1. Under the terms of that agreement, []]. *Id.* at 5-6.

¹⁶ Pioneer's in-house activities involving Honeywell were relatively minimal because [

] JX-132C; JX-98C.

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767 pending applications in Japan, 24 issued patents and 53 pending applications in China, and 321 international pending patent applications—a total of more than 1,600 issued patents and pending applications. CX-423C; CX-403C at GARM-01-5395. The [] license does not expressly identify the ‘951 and ‘592 [] patent. JX-34C at ¶ 1.04. Pioneer’s other in-house efforts were also directed at the entire navigation portfolio. *See* CX-390C; CX-401C; CX-402C; CX-403C; CX-355C; CX-423C; CX-429C; JX-33C.

We find an attenuated nexus between Pioneer’s in-house activities and the asserted patents. As an initial point, we agree with the ALJ that the licenses and related activities have at least some link to the ‘592 and ‘951 patents because the licenses cover those patents. The asserted patents are mentioned occasionally, among a handful of other patents, in the evidence regarding the circumstances under which Pioneer engaged its target licensees. *See* JX-55C; JX47C; CX-403C at GARM-01-5390. Pioneer’s discussion with [] mentions the ‘592 patent among 10 others, whereas Pioneer’s discussion with Garmin mentions the ‘592 and ‘951 patents among 33 others. CX-423C at PIONEER-ITC0099600.¹⁷ Other than these occasional references to the asserted patents, however, Pioneer submitted no evidence to demonstrate how its in-house licensing activities were tied to the exploitation of the asserted patents. For example, there was no showing as to the relative importance or value of the asserted patents in the portfolio.

Other evidence of record indicates that a large number (more than 1,600) of Pioneer patents were involved in its in-house activities and that the technological scope of Pioneer’s navigation portfolio, [] is broad. CX-423C; JX-34C.

¹⁷ We note here that Pioneer’s in-house activities have a particularly weak nexus to the ‘951 patent because, unlike the ‘592 patent, there is no evidence that this patent was highlighted or discussed with [] before the license was granted.

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In particular, the [] licensing agreement broadly defines the licensed “Pioneer Patents” as [

] JX-34C at 1.04. Indeed, the evidence presented by Pioneer shows that Pioneer sought to license many technologies within the field of [

] and Pioneer has presented no evidence of how the asserted patents fit together congruently with the other patents in its portfolio.

Moreover, as Garmin points out, the [] license was a worldwide license []. Pioneer’s patent portfolio underscores its focus on []. See CX-423C. In particular, only a small percentage of the patents in the portfolio are U.S. patents—[]. CX-423C. [] is a [] company with a large percentage of its activities located in []. See CX-351C. An internal email sent between DVA/Pioneer personnel summarizing a meeting between Pioneer and [] indicates that []. CX-351C.

This suggests a weaker connection between Pioneer’s in-house licensing activities and the asserted U.S. patents in Pioneer’s portfolio. On balance, the evidence in this investigation warrants the conclusion that the relationship between those activities and the asserted patents is attenuated. The evidence indicates a minimal role for the asserted patents in the activities in view of (1) the many patents that were being offered by Pioneer in its proposed license agreements and (2) the scope of the portfolio as compared to the narrow focus of the asserted patents. CX-403C at GARM-01-5390; CX-423C; JX-55C.¹⁸ Thus, we find that Pioneer’s [

¹⁸ In fact, in licensing discussions with Garmin, Pioneer contrasted the portfolio approach with a patent-by-patent approach. In presenting the alternatives, Pioneer touted as an advantage that entering into a portfolio license would obviate the need for “costly technical discussions to evaluate a large number of Pioneer navigation patents.” CX-403C at slide 3 (reproduced in Complainant’s Reply Brief in Response to Request for Supplemental Briefing at 12). Slide 3 provides as follows:

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] expense associated with in-house licensing bears a weak relationship to the asserted patents.

ii. Nexus to Licensing

The evidence presented by Pioneer shows that its in-house activities were genuinely designed to license its patents to [], Garmin, and Honeywell. *See* CX-390C; CX-401C; CX-402; CX-403C JX-33C; Aoyama Tr. at 235-238; JX-127; JX-132C; Traino Tr. at 457-68. Indeed, there is no evidence that these activities had any other purpose. Based on the foregoing, we find a strong nexus between Pioneer's [] in-house expenses and licensing.

iii. Nexus to the United States

Finally, we note that Pioneer's in-house licensing activities were performed by DVA in the United States in coordination with Pioneer Corporation of Tokyo, Japan ("Pioneer Japan"). CDX-10C; CDX-13C-18C; JX-032C; RX-414C; Aoyama Tr. at 213-219. Although Pioneer Japan was responsible for [

], in its effort to satisfy the domestic industry requirement, Pioneer claimed only the expenditures associated with DVA's licensing activities. JX-105C; Aoyama Tr. at 182:7-18, 192:12-193:16, 258:3-260:8, 292:5-7, 366:3-20, 365-370). Accordingly, we find the relationship

PIONEER offers two types of Licensing Programs for its Navigation patent portfolio:

Portfolio Licensing Program will provide a quick and reasonable solution for Garmin. It is aimed to *save both parties time and energy* for the negotiation, and decrease the risk of litigation.

Patent by Patent Licensing Program will require Garmin to use more efforts and resources. Garmin will be asked to engage in *costly technical discussions to evaluate a large number of Pioneer navigation patents*.

Id. (emphasis added). This additional evidence indicates that no particular patent could be deemed the focus of Pioneer's portfolio licensing efforts with Garmin.

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between Pioneer's in-house licensing activities through DVA (particularly, its [] in expenses) and the United States to be relatively strong.

b. Outside Counsel Activities

As to the activities of Pioneer's outside counsel, we note initially that section 337(a)(3)(C) does not support a distinction between in-house licensing employees and outside counsel. Such a distinction would place small entities, without in-house licensing, at a severe disadvantage in establishing a licensing-based domestic industry. By adding section 337(a)(3)(C) and the language "in the process of being established" to section 337(a)(2), Congress intended to encourage entities of all sizes to establish new industries. Thus, we will not assume that outside counsel activities are less related to licensing than their in-house counterparts. Instead, we focus on the considerations set forth above, namely, the nexus between the activity and licensing the asserted patent in the United States. The invoices for Pioneer's outside counsel for the months of [].

i. Nexus to the Asserted Patents

Although heavily redacted, Pioneer's invoices appear to be related to the analysis of Garmin and Honeywell products as they relate to the '951 and '592 patents. JX-119C to JX123C. We therefore find the nexus between Pioneer's outside counsel activities and the asserted patents to be relatively strong.

ii. Nexus to Licensing

We find that Pioneer's outside counsel expenses for [] are *generally* related to its efforts to license Honeywell and Garmin, because there is evidence that Pioneer approached these entities about licensing its patents before engaging in litigation. Because Pioneer's redacted bills focus on [], and there is

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some question whether they related to other matters, we give this evidence less weight. Kaplan Tr. at 1787:9-1790:23. Moreover, these activities were conducted with an eye toward this litigation where one objective is to obtain an exclusion order. Thus, the nature of these activities is such that they are not *solely* an investment in licensing Honeywell or Garmin. *See Coaxial Cable Connectors*, at 51 (“[T]he type of activity, the relationship between the activity, licensing, and the patent at issue, and the amount of the investment” is relevant to whether an investment is “substantial.”). Indeed, Pioneer did not point to any evidence that it attempted to engage Garmin in further licensing discussions after it retained outside counsel. Thus, we find Pioneer’s investment in licensing the asserted patents through outside counsel amounts to significantly less than the [] in expenses it presented.

iii. Nexus to the United States

The activities of Pioneer’s outside counsel were performed entirely in the United States. We therefore find a strong nexus to the United States.

c. *Whether Pioneer’s Activities Constitute a “Substantial Investment”*

We now examine Pioneer’s activities, as a whole, to determine whether they represent a substantial investment under our statute. In light of the generally attenuated relationship between these activities and licensing the asserted patents in the United States, we cannot credit Pioneer’s expenses in full to its investment in exploitation of the ‘951 and ‘592 patents through licensing. Pioneer’s in-house activities have a strong connection to licensing but a weak relationship to the asserted patents. Conversely, the activities of Pioneer’s outside counsel appear to be related to the asserted patents but have a weak connection to licensing. Both activities occurred in the United States, although we note that [].

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Initially, we note that this is not an instance in which the complainant is an individual, a university, or other entity with limited resources. Pioneer is a large international company with significant resources. Complaint at ¶ 9; Aoyama Tr. at 340-41; CX403C. Contrary to Pioneer's argument (Pioneer Supp. Br. at 22) that the relevant market is small, its own evidence indicates that the relevant market includes many participants as it encompasses vehicle-based navigation devices, handheld portable navigation devices, and smartphones with navigation capabilities. See CX-563C; CX-364C; CX-365C; RX-307C; JX-39C; JX-148C, Le Tr. at 53-59; JX-150C, Song Tr. at 24-28; ID at 154-155; Aoyama Tr. at 190-191; Traino Tr. 406-410, 470-471.

Pioneer admits that it has no other "exploitation" or license-related ancillary activities in the United States. See Pioneer Supp. Br. at 20. Indeed, Pioneer has not presented any evidence of engineering, development, or research activities in the United States. Nor has Pioneer presented any evidence of ancillary activities in the United States, such as license compliance, licensee design assistance, or the like.¹⁹

The significance of royalties in evaluating whether Pioneer's investment is substantial was disputed by the parties and the commenters. Although royalties received by a complainant can be circumstantial evidence that an investment was made, they do not constitute the investment itself. Pioneer's [] on its licensing investment in [], while arguably considerable, must be evaluated in the context of the broad geographical and technological scope of the license. The [] license is a worldwide license covering over 1,600 patent documents from a variety of countries in []. Moreover, of the potential licensees identified internally by Pioneer, it has licensed []

¹⁹ See *Semiconductor Chips* at 6-8 (crediting evidence of engineering, research and development, and marketing to accompany licensing); *Encapsulated Circuits* at 82-93 (finding evidence of manufacture, engineering, and research and development to accompany licensing).

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]. ID at 154-55 (citing CX-563C; Traino Tr. at 406-410, 470-71; JX-148C (Le Dep.) Tr. at 54-57; JX-150C (Song Dep.) Tr. 26; Aoyama Tr. at 190-91; JX-39C; RX-307C; CX-364C). The Honeywell license, which arose from litigation, involved [], including the '951 and '592 patents. JX-035C at Appendix B. Pioneer received [] and a cross-license for Honeywell's patents. We find that this [] and the cross-license are relatively minimal in significance.

Finally, Pioneer's activities, on the whole, reflect a revenue-driven licensing model targeting existing production rather than the industry-creating, production-driven licensing activity that Congress meant to encourage. *See Coaxial Cable Connectors*, at 49 (Congress intended to cover "licensing activities that encourage practical applications of the invention or bring the patented technology to the market.").²⁰ Although our statute requires us to consider all "licensing" activities, we give Pioneer's revenue-driven licensing activities less weight. *See Coaxial Cable Connectors*, at 51.

Consequently, taken as a whole, we find that Pioneer's activities relate only minimally to licensing the asserted patents in the United States. In light of this finding, we further find Pioneer's activities to be too limited in light of its resources and the relevant market to be a "substantial" investment under section 337(a)(3)(C). Pioneer's activities do not indicate that an industry exists or is in the process of being established under section 337(a)(2). We therefore reverse the ALJ's finding that a domestic industry exists.

²⁰ We have recognized that there are at least two types of "licensing" activities both of which are covered by the language of section 337—production-driven licensing which encourages adoption and use of the patented technology to create new products and/or industries and revenue-driven licensing which takes advantage of the patent right solely to derive revenue by targeting existing production. *Certain Video Game Systems and Controllers*, 337-TA-743, Comm'n Op. at 9 (Apr. 14, 2011).

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B. The '951 Patent: Infringement

Asserted claim 1 of the '951 patent, with the challenged term in bold, recites as follows:

1. An on-board navigation apparatus to display a map on a display, comprising:

first memory means for storing display data indicative of a plurality of service facilities, display pattern data indicative of multiple classifications of the respective service facilities, and position coordinate data indicative of existing positions of the service facilities;

means for reading said display data from said first memory means in accordance with an operator input and for displaying said plurality of service facilities onto said display in accordance with the read display data;

means for selectively designating one of said plurality of service facilities displayed on said display in accordance with an operator input;

means for reading the display pattern data and position coordinate data corresponding to the designated one service facility from said first memory means for every time a service facility is designated;

second memory means for storing the read display pattern data and position coordinate data corresponding to all of said display pattern data and said position coordinate data from said first memory means;

means for reading the stored display pattern data and position coordinate data from said second memory means when a map is displayed on said display; and

means for multiplexing the position indicated by the read position coordinate data from said second memory means onto the map by a display pattern corresponding to the read display pattern data from said second memory means in order to display on said display.

'951 patent (JX-2).

The ALJ first construed the function of the claimed "second memory means" to be:

storing the read display pattern data and position coordinate data corresponding to all of said display pattern data and said position coordinate data from said first memory means, wherein the "read display pattern data" that is stored on the second memory *cannot be different information* than the "read display pattern data" that is read from the first memory.

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ID at 82 (emphasis added). According to the ALJ, the plain language of this claim requires the display pattern data on the second memory to be the same as the display pattern data on the first memory. *Id.* (citing Davis Tr. at 1527-1529). The ALJ found this reading of the claim language to be consistent with the disclosure in the specification and the prosecution history. *Id.* at 84, 89. The ALJ found that Garmin's products do not infringe claims 1 and 2 of the '951 patent because they lack the "second memory means." ID at 100-01. In particular, the ALJ found that the [] in the [] of the accused products is not the [] as the [] that is [] on the []. The Commission determined to review.

Claim construction "begin[s] with and remain[s] centered on the language of the claims themselves." *Storage Tech. Corp. v. Cisco Sys., Inc.*, 329 F.3d 823, 830 (Fed. Cir. 2003); *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312 (Fed. Cir. 2005) (*en banc*). To help inform the court of the ordinary meaning of the words, a court may consult the intrinsic evidence, including the claims themselves, the specification, and the prosecution history, as well as extrinsic evidence, such as dictionaries, treatises, and inventor and expert testimony, when appropriate. *Phillips*, 415 F.3d at 1314. Once the claims at issue have been properly construed, they are compared to the allegedly infringing device in order to determine infringement. *Cybor Corp. v. FAS Techs., Inc.*, 138 F.3d 1448, 1454 (Fed. Cir. 1998) (*en banc*). Comparison of a claim to an accused device is a question of fact that requires that the patent holder establish that the accused device includes every claim limitation or its equivalent. *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17, 29 (1997).

Upon review, we conclude that the ALJ misconstrued the function of the "second memory means" limitation. The proper function of the "second memory means" is found in the

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express claim language, “for storing the read display pattern data and position coordinate data corresponding to all of said display pattern data and said position coordinate data from said first memory means.” Despite the reference to “said display pattern data and said position coordinate data,” the plain meaning of “corresponding to” indicates that data stored in the first and second memories need not be the same. In the context of the ‘951 patent, “corresponding to” means “relating to,” as Pioneer suggests.

The prosecution history does not show that the patentee intended to give the claim language anything other than its ordinary meaning. The statements made in the prosecution history merely emphasize that reading display pattern data from a first memory and storing display pattern data on a second memory allows storage of display pattern data for different categories of service facilities. *See* JX-4 at PIONEER_ITC0000655-659, 674. Moreover, the specification requires a construction that allows for the “display pattern data” stored on the “second memory means” to be derived from and/or convey the same conceptual information as the “display pattern data” from the “first memory means.” ‘951 patent, col. 3, ll. 25-39 and col. 4, ll. 27-50. Because the ordinary meaning of the claimed function, namely, the “corresponding to” language, allows for this interpretation, we modify the ALJ’s construction to adopt the function expressly recited in claim 1.

The accused products literally meet the language of the “second memory means” limitation. We find that the [] on the [] of the accused Garmin devices [] the [] on the []. *See* Alexander Tr. at 889-891, 1007-1008, 1010, 1023-24; Moore Tr. at 1212. When the map update card is inserted into the accused Garmin devices, the locations (sometimes referred to as “points-of-interest” or “POIs”) stored on the card become available for user selection and can be saved by

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the user as favorites in the accused devices' internal memory. In this case, the [] on the [] and the [] on the [] are [] to [] the [], *i.e.*, "display pattern data." Alexander Tr. at 1010; 1023-24. Moreover, we find that the [] memory of the accused Garmin products meets the corresponding structural limitation of the "second memory means," as identified by the ALJ. ID at 81, 90; Alexander Tr. 886:3-23, 901:17-902:2. Accordingly, we reverse the ALJ's finding that the accused products do not infringe claim 1. We find that the accused products also satisfy the language of dependent claim 2, "wherein said second memory means has a plurality of memory locations to store said position coordinate data and said position display pattern as a pair." Comp. Br. at 17; Resp. Br. at 13; IA Br. at 11. Finally, we find that Pioneer proved direct infringement by Garmin by a preponderance of the evidence. Penny Tr. 1269; Seymour Tr. 1259; JX-143C, Peters Tr. 91-92; JX-139C, Jantz Tr. at 141-42; CX-94C.

C. The '592 Patent: Infringement

Asserted claim 1 of the '592 patent, with the challenged terms in bold, recites:

1. A map display system comprising:

extracting means for extracting map data and location data representing a plurality of locations segregated into different categories and coordinate data corresponding to said plurality of locations;

a display;

a map display controller which displays a map on said display based on said map data;

an input device for inputting location information for a point of interest, said point of interest being different from a location presently occupied by a user of the map display system;

a selector device for selecting at least one category from said different

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categories;

a calculating device which calculates respective straight-line distances from said point of interest and each of said locations of said one selected category;

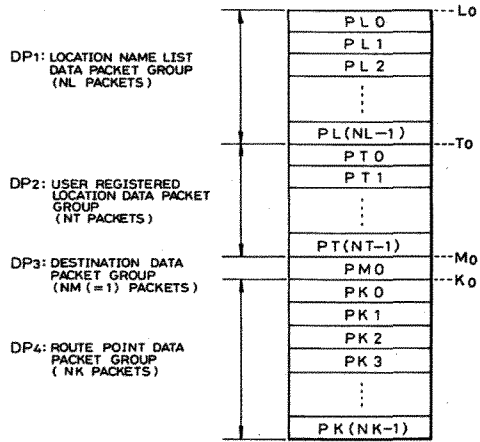
a location name display device which displays on said display the location names of said selected category in order of the respective distances between said point of interest and locations of said one selected category.

'592 patent (JX-3). The ALJ found non-infringement of independent claim 1 because the accused devices do not meet the limitations "extracting means" and "a calculating device." ID at 116-126. The ALJ found that the accused devices do not meet the "extracting means" limitation because Garmin's point-of-interest data are not "segregated into different categories" in memory as required by claim 1. ID at 118. Instead, the ALJ found that Garmin's point-of-interest data are [] where points-of-interest that are [] to [] are [] to [] on the []. *Id.* (citing Moore Tr. at 1150-1153). The Commission determined to review.

The dispute regarding the construction of "extracting means" focuses on whether location data of different categories must be physically separated in memory. We find that both the language of claim 1 and the specification indicate that data for the "plurality of locations" are physically separated by category in memory. First, the word "segregated" itself suggests physical separation in memory. *See e.g.*, WEBSTER'S THIRD NEW INTERNATIONAL DICTIONARY (2002) at 2057.²¹ As the IA points out, the specification only uses physical separation. Figure 27, for example, shows how various categories of location data are stored in memory:

²¹ There is no evidence that one of ordinary skill in the art at the time of invention in 1993, would have understood the word "segregated" to connote something other than physical separation.

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'592 patent, Fig. 27. The memory structure of Figure 27 stores four categories of location data: "LOCATION NAME LIST," "USER REGISTERED LOCATION DATA," "DESTINATION DATA," AND "ROUTE POINT DATA." *Id.* Location data belonging to each category are stored sequentially, with one location data packet stored after another, and one entire category of location data packets stored after another entire category. '592 patent, col. 16, ll. 21-24. Thus, the patent's disclosure is consistent with the ordinary meaning of "segregated." We therefore conclude that "segregated into different categories" requires physical separation of point-of-interest data in memory. Garmin's point-of-interest data is [] instead of being "segregated into different categories," as required by claim 1. Therefore, Garmin's products do not meet the "extracting means" limitation, and we affirm the ALJ's finding of non-infringement on these grounds.

The ALJ applied the ordinary meaning of the "calculating device" limitation, *i.e.*, "a calculating device which calculates respective straight-line distances from said point of interest and each of said locations of said one selected category," in his infringement analysis. *ID* at 107. The ALJ concluded that "Garmin's products cannot infringe because they [

] to [] in the []" *Id.* at

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124-125. The ALJ found, instead, that the Garmin devices [] on [] to [] to [] the [] to [] within the [].

Id. at 123. The Commission determined to review.

Upon review, we conclude that the ALJ’s application of the ordinary meaning of the “calculating device” is clearly erroneous. We agree with Pioneer that the plain language requires Garmin’s products to calculate distances to each location that is *extracted* from memory. The only antecedent basis for “each of said locations” in the “calculating device” limitation is the extracted data for “a plurality of locations” in the “extracting means” limitation. The ALJ’s infringement analysis, however, appears to have erroneously required the distances be calculated from the point-of-interest to each of the locations in the selected category. *See, e.g.*, ID at 123 (“The evidence at the hearing confirmed that the Garmin devices are [] to [] the [] to [] of the [] in the [].”)

We agree with Pioneer and the IA that the “Search Near” and “GPS Simulator” modes meet the language of the “calculating device” limitation. Moore Tr. at 1154, 1174-78. The Garmin devices use the [] to extract location data [] a [], then calculate the [] to each of these []. Thus, the accused products meet the “calculating device” limitation. We reject Garmin’s argument that infringement does not occur because of the possibility that a [] from [] may [] the []. The evidence of record shows that when the [] from [] that are [] the [], the accused device “calculates respective straight-line distances from said point of interest and each of said [extracted] locations of said one selected category,” as recited in claim 1. We therefore reverse the ALJ’s finding that the accused products do not meet the “calculating device” limitation.

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D. The '592 Patent: Written Description Requirement

The ALJ found that the asserted claims of the '592 patent are not invalid under the written description requirement of 35 U.S.C. § 112. In particular, he found that “[t]he '592 patent specification unmistakably provides support for claims directed to displaying one or more categories” and that the specification “discloses embodiments that display locations in one, two, or all of the available categories.” ID at 141 (citing Alexander Tr. at 1930-31; '592 patent, col. 17, ll. 62-65, col. 18, ll. 6-9). The Commission determined to review.

To satisfy the written description requirement, the specification must convey with reasonable clarity to those skilled in the art that, as of the filing date sought, the applicant was in possession of the claimed invention. *Ariad Pharms., Inc. v. Eli Lilly & Co.*, 598 F.3d 1336, 1351 (Fed. Cir. 2010) (*en banc*); *Hyatt v. Dudas*, 492 F.3d 1365, 1370 (Fed. Cir. 2007). The '592 patentee claims priority back to, at least, February 11, 1993, the filing date of the first United States patent application which, in turn, claims foreign priority to two different Japanese patent applications. Having reviewed the parties' submissions and the '592 patent, we find that claims 1 and 2 lack support from the written description and are therefore invalid under section 112, first paragraph. As of the invention date claimed by Pioneer, the '592 inventor had not invented the “map display system” of claim 1 because this subject matter is not disclosed in the original specification filed on February 11, 1993 or the detailed description of the issued '592 patent.

Prior art systems required a user to make numerous selections in order to display locations in a single category. Thus, the improvement of the '592 patent over the prior art is the ease with which locations from different categories nearest to a point-of-interest can be displayed for the user's selection. '592 patent, col. 17, ll. 47-55. The location data is stored by category so that “display manipulation can be simplified.” *Id.* at col. 16, ll. 61-62. Nowhere does the '592

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patent disclose selecting one or more particular categories let alone selecting a single category for display. On the contrary, the arrangement shown in Figure 27 allows locations of various categories to be retrieved and displayed together when close to a point-of-interest.

While we find a lack of support in the specification for selecting a single category for display, more fundamentally, there is no support for a “selector device” that allows for any type of category selection. The ‘592 specification describes retrieving location data irrespective of category, whereas claim 1 of the ‘592 patent recites “selecting at least one category” and “display[ing] the location names of said selected category.” See ‘592 patent, col. 17, l. 60 – col. 18, l. 58. In fact, the particular expert testimony cited by the ALJ acknowledges this disclosure of displaying locations irrespective of category, but nevertheless relies upon the disclosed prior art as support for displaying locations belonging to a single category. See Alexander Tr. at 1931 (“[T]here is a choice or a merging of data from different categories, two different categories . . . figure 5 is a different scenario where there is a condition choosing just a single category.”). The entire *invention* disclosure is at odds with the “selector device” language of claim 1 because it focuses on displaying all locations regardless of category. Indeed, the ‘592 specifically describes the shortcomings of the approach taken in Figures 5 and 6 as part of the motivation for the invention.

Finally, we reject Pioneer’s combination of incongruous parts of the prior art with the invention to arrive at the subject matter of claim 1. The heliport embodiment does not support Pioneer’s position. Indeed, Pioneer admits that “[b]ecause heliports existed in only two of the four categories... this part of the specification discloses selecting and displaying locations belonging to two of the four categories....” Comp. Rep. Br. at 29. Moreover, we agree with Garmin that the “conditions” that can be used to determine which locations to display are applied

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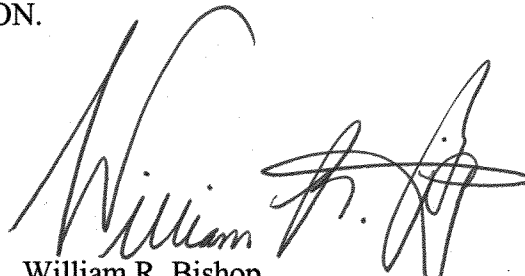
across all categories, for example, based on distance to the point-of-interest, but do not indicate that a single category can be selected and displayed.

We find that the '592 specification does not convey with reasonable clarity to those skilled in the art that the '592 inventor was in possession of the claimed invention. *See Hyatt*, 492 F.3d at 1370. It would be fundamentally unfair to allow Pioneer to expand the scope of its patent protection beyond what was disclosed in its original U.S. application in 1993. Because we find the ALJ's finding on this issue to be clearly erroneous, we reverse and find claims 1 and 2 invalid for lack of written description.

III. CONCLUSION

For the reasons set forth above, we affirm the ALJ's finding that Pioneer failed to prove that Garmin violated section 337. In particular, we reverse the ALJ's findings that Garmin does not infringe the asserted claims of the '951 patent and reverse his finding that Pioneer established a domestic industry with respect to the '951 patent. As to the '592 patent, we reverse the ALJ's finding that the asserted claims are not invalid for lack of written description and his finding that Pioneer established a domestic industry. We adopt all of the ALJ's findings and conclusions that are not inconsistent with this opinion.

BY ORDER OF THE COMMISSION.



William R. Bishop
Acting Secretary to the Commission

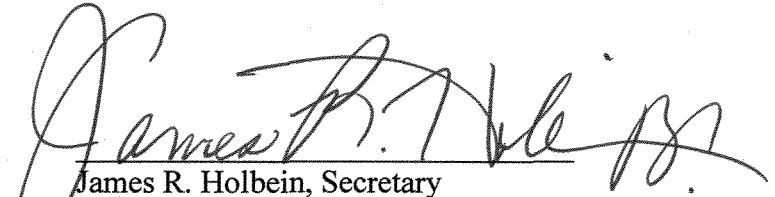
Issued: August 8, 2011

**CERTAIN MULTIMEDIA DISPLAY AND NAVIGATION
DEVICES AND SYSTEMS, COMPONENTS THEREOF, AND
PRODUCTS CONTAINING SAME**

337-TA-694

CERTIFICATE OF SERVICE

I, James R. Holbein, hereby certify that the attached **COMMISSION OPINION** has been served by hand upon the Commission Investigative Attorney, Christopher G. Paulraj, Esq., and the following parties as indicated, on August 8, 2011.


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U.S. International Trade Commission
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