

**UNITED STATES INTERNATIONAL TRADE COMMISSION**

**Washington, D.C.**

**In the Matter of**

**CERTAIN DIGITAL PHOTO FRAMES  
AND IMAGE DISPLAY DEVICES AND  
COMPONENTS THEREOF**

**Inv. No. 337-TA-807**

**ORDER NO. 33: INITIAL DETERMINATION GRANTING UNOPPOSED MOTION  
FOR TERMINATION OF RESPONDENT ACTION  
ELECTRONICS CO., LTD. BASED ON ENTRY OF CONSENT  
ORDER**

(May 21, 2012)

On May 17, 2012, respondent Action Electronics Co., Ltd. (“Action”) filed a motion for termination based on the entry of a consent order. (Motion Docket No. 807-031.) Action states that it contacted all of the remaining parties in this investigation, and that no party opposes the motion.

In accordance with Commission Rule 210.21(c), Action entered into a “Consent Order Stipulation” and a “Proposed Consent Order,” both attached hereto as Exhibits A and B, respectively. Commission Rule 210.21(c)(3) sets forth certain requirements for the contents of a consent order stipulation. 19 C.F.R. § 210.21(c)(3). I find that the Consent Order Stipulation submitted by Action complies with the requirements of Commission Rule 210.21(c)(3).

Specifically, Action agrees that upon entry of the Consent Order, Action shall not import into the United States, sell for importation, or sell after importation into the United States any digital photo frame products that infringe the asserted claims of U.S. Patent No. 7,295,443 or

U.S. Patent No. 7,522,424. (Proposed Consent Order at ¶ 1 and Consent Order Stipulation at

¶ 1.) Action agrees, pursuant to Commission Rule 210.21(c)(3)(i)(A):

- (1) to an admission of the Commission's *in rem*, *in personam*, and subject matter jurisdiction (Consent Order Stipulation at ¶ 2),
- (2) to an express waiver by Action of all rights to seek judicial review or otherwise challenge or contest the validity of the Consent Order (Consent Order Stipulation at ¶ 3),
- (3) to cooperate with and not seek to impede by litigation or other means the Commission's efforts to gather information under subpart I of part 210 of Title 19 of the Code of Federal Regulations (Consent Order Stipulation at ¶ 4), and
- (4) that the enforcement, modification, and revocation of the Consent Order will be carried out pursuant to subpart I of part 210 of Title 19 of the Code of Federal Regulations, incorporating by reference the Commission's Rules of Practice and Procedure. (Consent Order Stipulation at ¶ 5).

Because this is an intellectual property-based investigation, the Consent Order Stipulation also contains a statement, pursuant to Commission Rule 210.21(c)(3)(i)(B), that:

- (1) the Consent Order shall not apply with respect to any claim of an intellectual property right that has expired or been found or adjudicated invalid or unenforceable by the Commission or a court or agency of competent jurisdiction, provided that such finding or judgment has become final and non-reviewable (Consent Order Stipulation at ¶ 6), and

- (2) Action will not seek to challenge the validity or enforceability of U.S. Patent No. 7,295,443 or U.S. Patent No. 7,522,424 in any administrative or judicial proceeding to enforce the Consent Order (Consent Order Stipulation at ¶ 7).

In addition to the provisions required by Commission Rule 210.21(c)(3), the Consent Order Stipulation includes a statement, authorized by Commission Rule 210.21(c)(3)(i)(C), that the signing of the Consent Order Stipulation by Action does not constitute an admission by Action that an unfair act has been committed. (Consent Order Stipulation at ¶ 8.)

Commission Rule 210.50(b)(2) provides that in the case of a proposed termination by settlement agreement or consent order, the parties may file statements regarding the impact of the proposed termination on the public interest, and the administrative law judge may hear argument, although no discovery may be compelled, with respect to issues relating solely to the public interest. 19 C.F.R. § 210.50(b)(2). In any initial determination terminating an investigation by settlement agreement or consent order, the administrative law judge is directed to consider and make appropriate findings regarding the effect of the proposed settlement on the public health and welfare, competitive conditions in the United States economy, the production of like or directly competitive articles in the United States, and United States consumers. *Id.* In the moving papers, Action asserts that Commission policy, public interest and administrative economy favor granting the motion. (Mem. at 2.)

Upon review of the pleadings filed in connection with the motion to for termination, I am not aware of any information indicating that termination of this investigation on the basis of the consent order is contrary to the public health and welfare, competitive conditions in the U.S. economy, the production of like or directly competitive articles in the United States, or U.S. consumers. In addition, the termination of the investigation as to Action, such as that proposed

by the motion, is generally in the public interest, which favors settlement to avoid needless litigation and to conserve public resources. Therefore, I find that termination of this investigation is in the public interest and does not impose any undue burdens on the public health and welfare, competitive conditions in the United States economy, the production of like or directly competitive articles in the United States, and United States consumers.

Accordingly, it is my Initial Determination that the unopposed motion for termination of this investigation as to Action is hereby GRANTED. This Initial Determination, along with supporting documentation, is hereby certified to the Commission.

Pursuant to 19 C.F.R. § 210.42(h), this Initial Determination shall become the determination of the Commission unless a party files a petition for review of the Initial Determination pursuant to 19 C.F.R. § 210.43(a), or the Commission, pursuant to 19 C.F.R. § 210.44, orders, on its own motion, a review of the Initial Determination or certain issues herein.

**SO ORDERED.**



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Robert K. Rogers, Jr.  
Administrative Law Judge

# **Exhibit A**

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

**Before the Honorable Robert K. Rogers, Jr.  
Administrative Law Judge**

**In the Matter of**

**CERTAIN DIGITAL PHOTO FRAMES  
AND IMAGE DISPLAY DEVICES AND  
COMPONENTS THEREOF**

Investigation No. 337-TA-807

**CONSENT ORDER STIPULATION BY RESPONDENT ACTION ELECTRONICS CO.,  
LTD.**

WHEREAS, the United States International Trade Commission (“Commission” or “ITC”) on September 21, 2011 (76 Fed. Reg. 59737) instituted the above-captioned investigation (“Investigation”) under Section 337 of the Tariff Act of 1930, as amended (19 U.S.C. § 1337), and in section 210.10 of the Commission’s Rules of Practice and Procedure, 19 C.F.R. § 210.10 (2011) based upon allegations contained in the complaint filed by Complainant Technology Properties Limited, LLC (“TPL” or “Complainant”) on August 24, 2011, which alleged unlawful activities in the importation into the United States, the sale for importation, or the sale within the United States after importation of certain digital photo frames thereof by Respondent Action Electronics Co., Ltd (“Action”) that are alleged to infringe claims 9 and 14 of U.S. Patent No. 7,295,443 (“the ’443 patent”); and claims 25, 26, 28, and 29 of U.S. Patent No. 7,522,424 (“the ’424 patent”) (collectively, “Patents-in-Suit”);

WHEREAS, in order to terminate this Investigation and avoid the costs and inconveniences associated therewith, Action is willing to accept entry of the Consent Order submitted concurrently herewith by the Commission and agrees to all waivers and other provisions as required by 19 C.F.R. § 210.21; and

WHEREAS, Action agrees to all terms set forth in the Consent Order.

IT IS HEREBY STIPULATED by Action as follows:

1. Upon entry of the proposed Consent Order and unless the Patents-in-Suit are found invalid or unenforceable, Action will not import into the United States, sell for importation into the United States, or sell after importation into the United States, or knowingly aid, abet, encourage, participate in, or induce the importation into the United States, the sale for importation into the United States, or the sale after importation into the United States of Action's Home 7" DPF-1600018 digital photo frame products and any other digital photo frame products (either DPF has a port to interface with the electrical contacts of a corresponding one of a plurality of different types of memory media cards when inserted into said port or DPF has a multi-memory media adapter to read data from a plurality of memory media cards) which are the subject of this Investigation and/or which are alleged to infringe claims 9 and 14 of the '443 patent; and claims 25, 26, 28, and 29 of the '424 patent; except under consent or license from Complainant, its successors or assignees.
2. The Commission has *in rem* jurisdiction over the accused digital photo frames and image display devices and components thereof that are at issue in this Investigation, the Commission has *in personam* jurisdiction over Action for purposes of this Stipulation and proposed Consent Order, and the Commission has subject matter jurisdiction in this Investigation.
3. Action expressly waives all rights to seek judicial review or otherwise challenge or contest the validity of the Consent Order entered pursuant to this Stipulation.
4. Action will cooperate with and will not seek to impede by litigation or other means the Commission's efforts to gather information under subpart I of the Commission's Rules of Practice and Procedure, 19 C.F.R., Chapter II, Subchapter C, Part 210.

5. The enforcement, modification, and revocation of the Consent Order will be carried out pursuant to subpart I of 19 C.F.R., Chapter II, Subchapter C, Part 210, incorporating by reference the Commission's Rules of Practice and Procedure.

6. The Consent Order shall not apply with respect to any claim of any intellectual property right that has expired or been found or adjudicated invalid or unenforceable by the Commission or a court or agency of competent jurisdiction, provided that such finding or judgment has become final and non-reviewable.

7. Action will not seek to challenge the validity or enforceability of the Patents-in-Suit in any administrative or judicial proceeding to enforce the Consent Order.


8. The signing of this Consent Order Stipulation and the Consent Order are for settlement purposes only and does not constitute admission by Action that an unfair act has been committed.

9. There are no agreements, written or oral, express or implied, between Complainant and Action concerning the subject matter of this investigation.

10. The Consent Order Stipulation and Consent Order are in the public interest.

IN WITNESS WHEREOF duly authorized representative of Action has caused this Stipulation to be executed as of the date indicated below.

ACTION ELECTRONICS CO., LTD.

Dated: May 17, 2012 By: 

Name: Teng-Pang Chao

Title: President



## **Exhibit B**

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

**Before the Honorable Robert K. Rogers, Jr.  
Administrative Law Judge**

**In the Matter of**

**CERTAIN DIGITAL PHOTO FRAMES  
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COMPONENTS THEREOF**

Investigation No. 337-TA-807

**[PROPOSED] CONSENT ORDER**

The United States International Trade Commission (“Commission” or “ITC”) on September 21, 2011 (76 Fed. Reg. 59737) instituted the above-captioned investigation (“Investigation”) under Section 337 of the Tariff Act of 1930, as amended (19 U.S.C. § 1337), and in section 210.10 of the Commission’s Rules of Practice and Procedure, 19 C.F.R. § 210.10 (2011) based upon allegations contained in the complaint filed by Complainant Technology Properties Limited, LLC (“TPL” or “Complainant”) on August 24, 2011, which alleged unlawful activities in the importation into the United States, the sale for importation, or the sale within the United States after importation of certain digital photo frames thereof by Respondent Action Electronics Co., Ltd. (“Action” or “Respondent”) that are alleged to infringe claims 9 and 14 of U.S. Patent No. 7,295,443 (“the ’443 patent”); and claims 25, 26, 28, and 29 of U.S. Patent No. 7,522,424 (“the ’424 patent”) (collectively, “Patents-in-Suit”);

Action has executed a Consent Order Stipulation in which it agrees to the entry of this Consent Order and to all waivers and other provisions as required by Commission Rule of Practice and Procedure 210.21(c) (19 C.F.R. § 210.21(c)). Action has filed a Motion for Termination of the Investigation based upon the Consent Order Stipulation.

IT IS HEREBY ORDERED THAT:

1. Upon entry of this Consent Order and unless the Patents-in-Suit are found invalid or unenforceable, Action will not import into the United States, sell for importation into the United States, or sell after importation into the United States, or knowingly aid, abet, encourage, participate in, or induce the importation into the United States, the sale for importation into the United States, or the sale after importation into the United States of Action's AXN-9703, AXN-9702, AXN-9905, AXM-9105M, AXM-6090A, Geo-632, AXN-9800, DPF-8805, DPF-1600018, DPF-7705T, DPF-9355, DPF-9705D, DPF-8805WB, PCR-9355A, and PCR-9709AW digital photo frame products and any other digital photo frame products which are the subject of this Investigation and/or which are alleged to infringe claims 9 and 14 of the '443 patent; and claims 25, 26, 28, and 29 of the '424 patent; except under consent or license from Complainant, its successors or assignees.
2. Action shall be precluded from seeking judicial review or otherwise challenging or contesting the validity of this Consent Order.
3. Action shall cooperate with and will not seek to impede by litigation or other means the Commission's efforts to gather information under subpart I of the Commission's Rules of Practice and Procedure, 19 C.F.R., Chapter II, Subchapter C, Part 210.
4. This Consent Order shall not apply with respect to any claim of any intellectual property right that has expired or been found or adjudicated invalid or unenforceable by the Commission or a court or agency of competent jurisdiction, provided that such finding or judgment has become final and non-reviewable.
5. Action shall not seek to challenge the validity or enforceability of the Patents-in-Suit in any administrative or judicial proceeding to enforce the Consent Order.

6. The entry of this Consent Order is for settlement purposes only and does not constitute admission by Respondent that an unfair act has been committed.

7. This Investigation is hereby terminated as to Respondent Action Electronics Co., Ltd. with respect to the Patents-in-Suit; provided, however, that enforcement, modification, or revocation of the Consent Order will be carried out pursuant to subpart I of the Commission's Rules of Practice and Procedure, 19 C.F.R., Chapter II, Subchapter C, Part 210, incorporating by reference the Commission's Rules of Practice and Procedure.

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BY ORDER OF THE COMMISSION

**CERTAIN DIGITAL PHOTO FRAMES  
AND IMAGE DISPLAY DEVICES AND  
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**Inv. No. 337-TA-807**

**PUBLIC CERTIFICATE OF SERVICE**

I, Lisa R. Barton, hereby certify that the attached **ORDER** was served upon the following parties via first class mail delivery on <sup>May 21, 2012</sup> May 21, 2012



Lisa R. Barton, Acting Secretary  
U.S. International Trade Commission  
500 E Street SW, Room 112A  
Washington, D.C. 20436

**FOR COMPLAINANT TECHNOLOGY PROPERTIES LIMITED, LLC:**

James C. Otteson, Esq.  
**AGILITY IP LAW, LLC**  
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**FOR RESPONDENTS SONY CORPORATION & SONY CORPORATION OF AMERICA:**

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**FOR RESPONDENT TRANSCEND INFORMATION, INC.:**

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**CERTAIN DIGITAL PHOTO FRAMES  
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**Inv. No. 337-TA-807**

**PUBLIC CERTIFICATE OF SERVICE PAGE 2**

**FOR RESPONDENT DIGITAL SPECTRUM SOLUTIONS, INC.:**

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**PUBLIC CERTIFICATE OF SERVICE PAGE 3**

**PUBLIC MAILING LIST**

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