

# United States Court of Appeals for the Federal Circuit

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ROKU, INC.,  
Appellant,

v.

INTERNATIONAL TRADE COMMISSION,  
Appellee,

and

UNIVERSAL ELECTRONICS, INC.  
Intervenor.

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Appeal from the United States International Trade Commission in  
Investigation No. 337-TA-1200.

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## **APPELLANT ROKU, INC.'S COMBINED PETITION FOR PANEL REHEARING AND REHEARING EN BANC**

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**UNITED STATES COURT OF APPEALS  
FOR THE FEDERAL CIRCUIT**

**CERTIFICATE OF INTEREST**

**Case Number** 22-1386

**Short Case Caption** Roku, Inc. v. ITC

**Filing Party/Entity** Roku, Inc.

**Instructions:** Complete each section of the form. In answering items 2 and 3, be specific as to which represented entities the answers apply; lack of specificity may result in non-compliance. **Please enter only one item per box; attach additional pages as needed and check the relevant box.** Counsel must immediately file an amended Certificate of Interest if information changes. Fed. Cir. R. 47.4(b).

I certify the following information and any attached sheets are accurate and complete to the best of my knowledge.

Date: 03/04/2024

Signature: /s/ Matthew J. Rizzolo

Name: Matthew J. Rizzolo

<p><b>1. Represented Entities.</b> Fed. Cir. R. 47.4(a)(1).</p>	<p><b>2. Real Party in Interest.</b> Fed. Cir. R. 47.4(a)(2).</p>	<p><b>3. Parent Corporations and Stockholders.</b> Fed. Cir. R. 47.4(a)(3).</p>
<p>Provide the full names of all entities represented by undersigned counsel in this case.</p>	<p>Provide the full names of all real parties in interest for the entities. Do not list the real parties if they are the same as the entities.</p> <p><input checked="" type="checkbox"/> None/Not Applicable</p>	<p>Provide the full names of all parent corporations for the entities and all publicly held companies that own 10% or more stock in the entities.</p> <p><input checked="" type="checkbox"/> None/Not Applicable</p>
<p>Roku, Inc.</p>		

Additional pages attached

**4. Legal Representatives.** List all law firms, partners, and associates that (a) appeared for the entities in the originating court or agency or (b) are expected to appear in this court for the entities. Do not include those who have already entered an appearance in this court. Fed. Cir. R. 47.4(a)(4).

None/Not Applicable  Additional pages attached

Franklin M. Smith, Dickinson Wright PLLC	Steven R. Daniels, Dickinson Wright PLLC	Craig Y. Allison, Dickinson Wright PLLC
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**5. Related Cases.** Provide the case titles and numbers of any case known to be pending in this court or any other court or agency that will directly affect or be directly affected by this court's decision in the pending appeal. Do not include the originating case number(s) for this case. Fed. Cir. R. 47.4(a)(5). See also Fed. Cir. R. 47.5(b).

None/Not Applicable  Additional pages attached

Universal Electronics, Inc. v. Roku, Inc.	8:20-cv-00701	C.D. Cal.
In re reexam of U.S. Patent No. 10,593,196 to Arling	90/019,073	PTO

**6. Organizational Victims and Bankruptcy Cases.** Provide any information required under Fed. R. App. P. 26.1(b) (organizational victims in criminal cases) and 26.1(c) (bankruptcy case debtors and trustees). Fed. Cir. R. 47.4(a)(6).

None/Not Applicable  Additional pages attached


**Certificate of Interest - Additional Page**

**4. Legal Representatives, continued:**

Kenneth J. Dyer, Dickinson Wright PLLC		
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## STATEMENT OF COUNSEL

Based on my professional judgment, I believe the panel decision is contrary to the following precedents of this court: *InterDigital Communications, LLC v. ITC*, 707 F.3d 1295 (Fed. Cir. 2013); *Lelo Inc. v. ITC*, 786 F.3d 879 (Fed. Cir. 2015); *Alloc, Inc. v. ITC*, 342 F.3d 1361 (Fed. Cir. 2003); *Motorola Mobility, LLC v. ITC*, 737 F.3d 1345 (Fed. Cir. 2013); and *ClearCorrect Operating, LLC v. ITC*, 810 F.3d 1283 (Fed. Cir. 2015).

Date: March 4, 2024

/s/ Matthew J. Rizzolo

Matthew J. Rizzolo

*Counsel for Roku, Inc.*

## POINTS OVERLOOKED OR MISAPPREHENDED BY THE PANEL

The panel overlooked or misapprehended the following points of law or fact:

1. In affirming the U.S. International Trade Commission's (ITC) determination that Universal Electronics, Inc. (UEI) satisfied the economic prong of the domestic industry requirement, the panel misapprehended that, under the correct facts, the only "articles protected by" the '196 patent are televisions made abroad by a third party, Samsung. As explained in Roku's briefing and further below, Section 337 and this Court's precedent required UEI to (1) quantify its alleged domestic industry investments through an allocation to the Samsung televisions, and (2) demonstrate that any such investments are "substantial" when considered in the

context of those televisions. Because UEI did not do so—and neither the Commission nor the panel evaluated any domestic industry investments in the context of the “articles protected by the patent” as required by Section 337—rehearing and reversal is warranted.

2. The panel incorrectly found that “there is no dispute that the ‘intellectual property’ at issue”—the ’196 patent—is practiced by UEI’s QuickSet software. The panel overlooked that the claims of the ’196 patent, which are directed to a “first media device” and recite additional physical elements such as a processing device, HDMI port, transmitter, and memory, *cannot* be practiced by software alone. Indeed, neither the Commission nor UEI has *ever* contended that the intangible QuickSet software practices any claim of the ’196 patent. To the extent the panel misapprehended the parties’ arguments and evidence of record and found that QuickSet alone practices each limitation of the patent, that manifest error warrants panel rehearing and correction. Once corrected, reversal is warranted because neither the ALJ, the Commission, nor the panel’s analysis of the domestic industry requirement comports with Section 337 and this Court’s precedent.

## INTRODUCTION

Section 337’s “domestic industry” requirement is the gatekeeper to the ITC’s unique remedy of an exclusion order. For a complainant in a Section 337 proceeding to establish a domestic industry, the plain language of the statute and this Court’s precedents require a showing of certain “significant” or “substantial” domestic investments in “articles protected by” the patent that is the subject of the proceeding.

In *InterDigital Communications, LLC v. ITC*, this Court held that to satisfy the economic prong via subsection (C) of Section 337’s domestic industry requirement—the subsection at issue here—“[t]he ‘substantial investment in [the patent’s] exploitation, including engineering, research and development, or licensing’ must be *‘with respect to the articles protected by the patent.’*” 707 F.3d 1295, 1297 (Fed. Cir. 2013) (quoting 19 U.S.C. § 1337).<sup>1</sup> The Court further explained that the relied-upon “engineering, research and development, or licensing activities *must pertain to products that are covered by the patent that is being asserted.*” *Id.* at 1297-98. A few years later, in *Lelo Inc. v. ITC*, this Court explained that Section 337’s plain text requires a “quantitative analysis” of the “relative importance” of the complainant’s proffered domestic industry investments to *the patent-practicing articles*. 786 F.3d 879, 883-84 (Fed. Cir. 2015).

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<sup>1</sup> Emphasis added. All emphasis herein is added unless otherwise indicated.

The panel’s decision here violated these precedents by evaluating investments in only *unprotected, intangible* software (QuickSet)—not the articles protected by the patent at issue (the Samsung televisions). The panel went so far as to state that analyzing investments with respect to the patent-practicing Samsung televisions “is not the appropriate inquiry”—in the panel’s (incorrect) view, UEI’s investments in its QuickSet software were all that need be examined. Op. 11-12. But *InterDigital, Lelo*, and the text of Section 337 all mandate that to satisfy the economic prong of the domestic industry requirement, UEI *must* quantify its investments and demonstrate their substantiality in the context of the products that are “protected by” the patent—*i.e.*, the Samsung televisions.

The ’196 patent at issue in this appeal is directed to an apparatus (a “first media device”) comprising both hardware (*i.e.*, a processing device, an HDMI port, a transmitter, and a memory device) and software (*i.e.*, instructions stored on the memory device) that by the very language of the claims cannot be practiced by software alone. Indeed, *neither the Commission nor UEI has ever asserted*—either before this Court or during the underlying Section 337 proceeding—that UEI’s QuickSet software by itself is an “article protected by” the ’196 patent. The reality is that there is no dispute that *the Samsung televisions*—not UEI’s QuickSet software—are the “articles protected by” the ’196 patent, because those televisions are the products that practice the patent. Therefore, the televisions, not the software,

are the proper focus of the domestic industry inquiry. At most, the QuickSet software has been argued and found to satisfy *a single limitation of the '196 patent*—the claimed “instructions” that are stored on a memory device. The panel’s decision to allow investments in unprotected, intangible software to satisfy the domestic industry requirement warrants en banc review, and must be reversed.

In the alternative, to the extent that the panel opinion erroneously concluded that UEI’s intangible QuickSet software alone practices the claims of the ’196 patent, *see* Op. 12, panel rehearing is warranted to correct this clear factual error. And because both Section 337 and this Court’s precedents in *InterDigital* and *Lelo* require that a complainant’s domestic industry investments be quantified and analyzed in the context of the “articles protected by the patent”—and here there was no such quantification or analysis—once the panel’s error is corrected, the Commission’s determination that UEI satisfied the domestic industry requirement must be reversed.

## **BACKGROUND**

### **A. The Patent at Issue and UEI’s QuickSet Software**

The ’196 patent is a utility patent directed to improving the remote control of consumer electronics devices in a home entertainment system, and is entitled “System and Method for Optimized Appliance Control.” Appx649, Appx666 (1:66-2:6).

Claim 1 is exemplary, and is directed to a “first media device” comprising a processing device, an HDMI port, a transmitter, and a memory device containing stored instructions that represents software—dubbed a “Universal Control Engine (UCE)”—to identify the appropriate communication protocol for controlling each device. Appx649, Appx666 (2:2-45); Appx10 (citing Appx653 (Fig. 2), Appx667-669 (4:39-44, 6:62-7:4)).

UEI contends that its universal remote control software product QuickSet contains the “instructions” claimed in the ’196 patent and may be used to practice those “instruction” limitations of the ’196 patent. *See* Appx157-158.

#### **B. Proceedings before the International Trade Commission**

In the underlying investigation, the ALJ found that Roku violated Section 337 with respect to the ’196 patent for some products but did not violate Section 337 for certain redesigned products that did not infringe the ’196 patent. The Commission subsequently affirmed that ALJ’s decision.

Recognizing that QuickSet alone does not practice all of the limitations of the ’196 patent, UEI did not and could not rely upon QuickSet as an article “protected by” the ’196 patent to satisfy the technical prong of the domestic industry requirement. 19 U.S.C. § 1337(a)(3). Instead, UEI alleged that the articles “protected by” claims 1 and 2 of the ’196 patent were certain televisions made by a third party, Samsung, which included QuickSet as component software. Appx8.

UEI contended that its QuickSet software met only the “instructions” limitations of claims 1 and 2 of the ’196 patent and that other components of the Samsung televisions met the hardware limitations of those claims. *Id.*; *see also* Appx157-158.

Despite relying on patent-practicing Samsung televisions for the technical prong, UEI did not procure, produce, or evaluate domestic investments in Samsung televisions for purposes of the economic prong. Instead, UEI relied upon certain of its own—not Samsung’s—engineering and research and development activities and investments concerning QuickSet, even though QuickSet was alleged to practice only the “instructions” limitation of the ’196 patent. Appx187-188.

Relevant to this rehearing petition, the ALJ found that the Samsung televisions—not QuickSet—practice claims 1 and 2 of the ’196 patent, satisfying the technical prong. Appx155-159; *see also* Appx185-186 (“QuickSet alone fails to practice all the elements of any claim of the [ ] 196 patent[ ],” but “the Samsung DI Products do practice the claims when implementing QuickSet.”). The ALJ also found that UEI satisfied the economic prong based on UEI’s QuickSet-related R&D and engineering expenses, finding no need for UEI to allocate its QuickSet-related investments to the patent-practicing Samsung televisions, or for him to consider whether UEI’s QuickSet-related investments were “substantial” in the context of the Samsung televisions. Appx187-188. The Commission adopted the ALJ’s findings that UEI satisfied the economic prong as to subsection (C). Appx36-37.

### C. Proceedings Before the Federal Circuit

Roku appealed and challenged the ITC’s Final Determination with respect to, among other things, whether the Commission correctly determined UEI satisfied the economic prong of the domestic industry requirement. In the parties’ appellate briefing, no party—not Roku, UEI, or the Commission—argued that that ’196 patent was practiced by QuickSet alone, with all parties acknowledging that the “articles protected by” the ’196 patent for purposes of the domestic industry inquiry were Samsung televisions running QuickSet software. *See, e.g.*, ITC Br. 14, 39; UEI Br. 14, 30-32; Roku Corrected Br. 9-10, 39; Roku RBr. 12, 15-16.

On January 19, 2024, the Federal Circuit issued a precedential panel opinion affirming the ITC’s Final Determination. The panel rejected Roku’s argument that the domestic industry analysis should focus on UEI’s investments in the “articles protected by the patent”—*i.e.*, the actual patent-practicing products, the Samsung televisions—concluding “that is not the appropriate inquiry.” Op. 12. Instead, the panel stated that here, “there is no dispute that the ‘intellectual property’ at issue is practiced by QuickSet and the related QuickSet technologies, a subset of the entire television” and that “Roku does not dispute that QuickSet embodies the teachings of the ’196 patent.” *Id.* Based on those findings and conclusions, the panel affirmed the ITC’s determination that UEI satisfied the economic prong of the domestic industry requirement.



## ARGUMENT

### **A. En Banc Rehearing is Warranted Because the Panel’s Decision Conflicts with this Court’s Precedents and the Plain Language of Section 337 Requiring Domestic Industry Investments to Be Tied to Tangible, Patent-Practicing Articles—Not Unpatented Components or Intangible Software**

The import of the panel’s decision is that (1) a party may satisfy the domestic industry requirement by relying only on investments in a component used in the practice of a patent, or (2) that QuickSet software is an “article protected by” the ’196 patent. Either way, the panel’s decision conflicts with this Court’s precedents, and en banc review and reversal is warranted.

#### **1. UEI Did Not Quantify or Establish the Substantiality of Its Domestic Industry Investments “With Respect To” the Articles Protected By The Patent**

As this Court explained in *Lelo*, Section 337’s plain text requires a “quantitative analysis” of the “relative importance” of the complainant’s proffered domestic industry investments *to the patent-practicing articles*. 786 F.3d at 883-84. And in *InterDigital*, this Court held that to satisfy the economic prong via subsection (C) of Section 337’s domestic industry requirement, “the substantial investment in [the patent’s] exploitation, including engineering, research and development, or licensing must be *with respect to the articles protected by the patent*.” 707 F.3d at 1297. The Court reiterated that the relied-upon “engineering, research and development, or licensing activities must pertain to products that are *covered by the patent that is being asserted*.” *Id.* at 1297-98. Echoing *InterDigital*, *Lelo* also

explained that the “relative importance” of an investment is “relative to [the] overall investment with respect to the articles at issue.” 786 F.3d at 883-84 (citing *In re Certain Concealed Cabinet Hinges & Mounting Plates*, Inv. No. 337-TA-289, 1990 WL 10608981, at \*11-12 (USITC Jan. 8, 1990)).

Thus, UEI was required to quantify, and the Commission was required to analyze, any economic prong investments in the context of the products on which the complainant relies for technical prong purposes—here, the Samsung televisions.

Yet the panel rejected the notion that the domestic industry analysis should focus on investments in the “articles protected by the patent”—*i.e.*, the Samsung televisions—concluding “that is not the appropriate inquiry.” Op. 12. This clear violation of this Court’s precedents in *Lelo* and *InterDigital* warrants en banc review and reversal.

There is no dispute that UEI did not quantify—*i.e.*, allocate—its alleged domestic industry expenses to the patent-practicing Samsung televisions. Instead, it merely allocated expenses to an unpatented software component, QuickSet, which makes up a very small portion of the Samsung televisions and satisfies at most *one* of many limitations of the claims of the ’196 patent. And there is no dispute that in the underlying investigation, UEI did not produce information allowing for the evaluation of the relative importance of UEI’s domestic QuickSet investments to the

overall investments in Samsung televisions. *See* Roku Corrected Br. 37; Roku RBr. 18; Appx 26880.

Neither the ALJ, the Commission, nor the panel made any findings about the substantiality or “relative importance” of UEI’s QuickSet-related investments to the Samsung televisions. Because such findings were required by binding precedent in *InterDigital* and *Lelo*, rehearing and reversal is warranted.

## **2. The Intangible QuickSet Software Cannot Be An “Article” Protected By The ’196 Patent**

Furthermore, to the extent that the panel’s holding that UEI’s investments in QuickSet were cognizable under the statute rested on an implicit finding that QuickSet is an “article protected by” the ’196 patent, such a finding runs afoul of this Court’s precedential decisions in *ClearCorrect Operating, LLC v. ITC*, 810 F.3d 1283 (Fed. Cir. 2015) and *Alloc, Inc. v. ITC*, 342 F.3d 1361 (Fed. Cir. 2003).

Section 337 requires that the domestic industry investments “relat[e] to” and are made “with respect to” the “articles protected by” the intellectual property at issue in a given investigation. 19 U.S.C. § 1337(a)(2)-(3). In *ClearCorrect*, this Court held that the term “articles” in Section 337 refers to “material things,” not to intangibles such as digital data. *Id.* at 1286, 1289-94. The QuickSet software, like digital data, is intangible. *Cf. Microsoft Corp. v. AT & T Corp.*, 550 U.S. 437 (2007) (distinguishing physical copies of software from software in the abstract). The QuickSet software therefore cannot be an “article” for purposes of Section 337.

Moreover, the test for satisfying the “technical prong” of the domestic industry requirement—*i.e.*, determining what is an “article protected by” a patent—is “essentially same as that for infringement, *i.e.*, a comparison of domestic products to the asserted claims.” *Alloc*, 342 F.3d at 1375. And to prove an accused product infringes, the product must contain each and every limitation of the asserted claim(s). *See, e.g., Cheese Sys., Inc. v. Tetra Pak Cheese & Powder Sys., Inc.*, 725 F.3d 1341, 1348 (Fed. Cir. 2013). Because there is no dispute that QuickSet does not practice or contain each and every limitation of the ’196 patent, it cannot be a protected article.

### **3. The Mere Fact that QuickSet Was Found to Satisfy A *Single* Limitation Of The ’196 Patent Does Not Suffice**

Finally, if the Commission or UEI argues that the panel’s decision should stand because a Section 337 complainant may in certain circumstances properly rely on investments in components of an “article protected by” a patent for purposes of the domestic industry requirement, any such argument would fail in light of this Court’s precedent in *Motorola Mobility, LLC v. ITC*, 737 F.3d 1345 (Fed. Cir. 2013).

In *Motorola Mobility*, the complainant relied on its investments in the Windows Mobile Operating System (OS) for economic prong purposes, while arguing that mobile phones running the Windows Mobile OS were the “articles protected by” the patent for purposes of the technical prong. *Id.* at 1351. In affirming the Commission’s finding of a domestic industry, this Court

acknowledged the Commission’s finding that “the operating systems are specifically tailored to meet the specifications and demands of each mobile device that utilizes it ... [I]t is clear that the operating system is ‘significant’ to the mobile device.” *Id.* The Court further explained that “nothing in § 337 precludes a complainant from relying on investments or employment directed to significant components, specifically tailored for use in an article protected by the patent” and that “[a]n investment directed to a specifically tailored, significant aspect of the article is still directed to the article.” *Id.*

*Motorola Mobility* is strikingly different from the facts here, and further reinforces that en banc review and reversal is required. Unlike the Windows Mobile OS and mobile phones at issue in *Motorola Mobility*, UEI’s QuickSet software was not developed for or specifically tailored for use in the Samsung televisions. *See* Roku RBr. 15-16. And there was no finding by the Commission or the panel—let alone evidence put forth by UEI—that QuickSet is in any way “significant” to the Samsung televisions or “specifically tailored” to be used with them. In fact, the record shows that the QuickSet software is a comparatively *insignificant* and insubstantial component that adds little value to the complex Samsung televisions—with Samsung paying a miniscule per-television licensing fee to UEI. Roku Corrected Br. 41 n.13. Both the panel and the Commission therefore legally erred

by allowing UEI to rely solely on its investments in unprotected QuickSet software to satisfy the economic prong. En banc review and reversal is therefore warranted.<sup>2</sup>

**B. In the Alternative, Panel Rehearing is Warranted Because the Panel Overlooked Undisputed Evidence and Arguments Concerning UEI’s Domestic Industry and the ’196 Patent**

**1. The QuickSet Software Does Not and Cannot Practice The ’196 Patent**

As explained above, at no point in this appeal or the underlying investigation has UEI contended that its QuickSet software is an “article protected by” the ’196 patent. Nor has UEI contended that QuickSet practices or embodies each of the limitations of claims 1-2 of the ’196 patent. This is because UEI could not do so, given that the claims are directed to a “first media device” comprising physical elements such as a processing device, an HDMI port, a transmitter, and a memory device.

The ALJ’s Final Initial Determination could not be more clear—“QuickSet alone fails to practice all the elements of any claim of the [] 196 patent[],” but “the Samsung DI Products do practice the claims *when implementing* QuickSet.” Appx185-186. The FID even includes a table showing that the only claim limitation

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<sup>2</sup> Roku contends that because UEI failed to carry its burden of proving domestic industry, reversal—not remand—is appropriate. But at a minimum, the Final Determination should be vacated and the case remanded to the Commission for a finding of whether the QuickSet software is a “significant” and “specifically tailored” component of the patent-practicing Samsung televisions.

satisfied by QuickSet is the “instructions” stored in the claimed memory. Appx156-158. The ALJ explained that “[t]he elements covering ‘executable instructions’ involve QuickSet, a UEI software product integrated into the Samsung DI Products.” Appx106 (citing Appx40009 (Barnett) at 35:13-17). The Commission adopted that portion of the FID. Appx9-10.

On appeal, UEI has continued to acknowledge that the Samsung televisions—not QuickSet software—practice the ’196 patent. In its responsive brief to this Court, UEI noted that “[t]he ID found (and the Commission adopted, Appx37) that the DI products (*the Samsung TVs and their corresponding remotes*) practice claims 1 and 2 of the ’196 patent. Appx155–159.” UEI Br. 14. *See also* UEI Br. 30-31 (“The ID found that UEI satisfied the economic prong under at least 19 U.S.C. § 1337(a)(3)(C) (‘subsection (C)’) via UEI’s substantial investments in engineering and R&D for the ’196 patent and UEI’s QuickSet technologies, *which are incorporated into the patent-practicing Samsung DI products*. Appx187–190. The Commission adopted those findings in full. Appx9.”); UEI Br. at 34-35 (“the Commission found that UEI’s ‘QuickSet involves software and ‘software updates’ that result in practice of the asserted claims *when implemented on the Samsung DI Products*.”).”).

Yet despite these outright admissions by UEI and the clear statements by the ALJ and the Commission, the panel stated that “there is no dispute that the

‘intellectual property’ at issue is practiced by QuickSet and the related QuickSet technologies, a subset of the entire television” and that “Roku does not dispute that QuickSet embodies the teachings of the ’196 patent.” Op. 12. Thus, to the extent the panel misapprehended the parties’ arguments and evidence of record and found that QuickSet alone practices each limitation of the patent, that manifest error warrants panel rehearing and correction.

## **2. Once the Panel’s Error Regarding QuickSet is Corrected, Reversal is Required**

Section 337 explicitly requires that the relevant domestic industry investments in question are made “with respect to” the “articles protected by” the patent at issue, not to an unprotected component. Once the panel’s error is corrected and the Court clarifies that the ’196 patent is practiced by the Samsung televisions—not UEI’s QuickSet software—this Court’s precedents in *InterDigital* and *Lelo* provide two independent reasons for rehearing of the panel’s decision and reversal of the Commission’s Final Determination.

First, as explained above, Section 337’s plain text requires a “quantitative analysis” of the “relative importance” of the complainant’s proffered domestic industry investments to the patent-practicing articles. *Lelo*, 786 F.3d at 883-84. Given that there is no dispute that UEI did not quantify its alleged domestic industry expenses to the Samsung televisions, and instead relied on expenses solely relating



to QuickSet, its proffered domestic industry expenses cannot withstand scrutiny under *Lelo*.

Second, both *InterDigital* and *Lelo* stand for the proposition that domestic industry investments must be evaluated in the context of the “articles protected by” the patent, not just with reference to individual components. *InterDigital*, 707 F.3d at 1297; *Lelo*, 786 F.3d at 883-84 (the “relative importance” of an investment is “relative to [the] overall investment with respect to the articles at issue.” (citing *In re Certain Concealed Cabinet Hinges*, 1990 WL 10608981, at \*11-12)). Thus, the Commission was required to analyze any economic prong investments in the context of the products on which the complainant relies for technical prong purposes—here, the Samsung televisions. Yet there is no dispute that in the underlying investigation, UEI did not produce information allowing for the evaluation of the relative importance of UEI’s domestic QuickSet investments to the “overall investment” in Samsung televisions. *See Lelo*, 786 F.3d at 883-84. And there is similarly no dispute that neither the ALJ, the Commission, nor the panel made any findings about the substantiality or “relative importance” of UEI’s QuickSet-related investments to the Samsung televisions.

Because such findings were required by *InterDigital* and *Lelo*, rehearing and reversal is warranted.

## CONCLUSION

Roku respectfully requests the Court grant rehearing or rehearing *en banc*, and reverse the Commission's determination that UEI satisfied the domestic industry requirement.

Respectfully submitted,

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*Counsel for Roku, Inc.*

Dated: March 4, 2024

### **CERTIFICATE OF SERVICE**

On March 4, 2024, the undersigned caused the foregoing document to be filed electronically by using the Court's CM/ECF system. All parties are represented by registered CM/ECF users and will be served by the appellate CM/ECF system.

*/s/ Matthew J. Rizzolo*

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Matthew J. Rizzolo

*Counsel for Roku, Inc.*

**ADDENDUM**

United States Court of Appeals  
for the Federal Circuit

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ROKU, INC.,  
*Appellant*

v.

INTERNATIONAL TRADE COMMISSION,  
*Appellee*

UNIVERSAL ELECTRONICS, INC.,  
*Intervenor*

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2022-1386

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Appeal from the United States International Trade  
Commission in Investigation No. 337-TA-1200.

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Decided: January 19, 2024

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CARL PAUL BRETSCHER, Office of the General Counsel, United States International Trade Commission, Washington, DC, argued for appellee. Also represented by WAYNE W. HERRINGTON, SIDNEY A. ROSENZWEIG.

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Before DYK, HUGHES, and STOLL, *Circuit Judges*.

HUGHES, *Circuit Judge*.

Appellant Roku, Inc. appeals a final determination from the International Trade Commission, finding that (1) Intervenor Universal Electronics, Inc. had ownership rights to assert U.S. Patent No. 10,593,196 in the investigation; (2) Universal satisfied the economic prong of the domestic industry requirement under subparagraph (a)(3)(C) of 19 U.S.C. § 1337 (Section 337); and (3) Roku failed to present clear and convincing evidence that the '196 patent was obvious over the prior art. Because the Commission did not err in making any of these findings, we affirm.

I

A

Different television and video devices (such as smart TVs and DVD or Blu-ray players) use different communication protocols. There are two broad categories of communication protocols: wired communication protocols, such as HDMI connections; and wireless communication protocols, such as Wi-Fi or Bluetooth connections. Many of these communication protocols are incompatible with each other, but consumers might have multiple devices they want to use together, such as a wireless smart TV connected to a DVD player. The '196 patent purports to address this incompatibility with a “universal control

engine,” referred to in the claims as a “first media device,” that can connect to and scan various target devices (called “second media devices” in the patent) to determine which kind of communication protocols they use. The first media device essentially translates between the different types of devices. Figure 2 of the ’196 patent shows how a “first media device” can help connect multiple other types of devices:

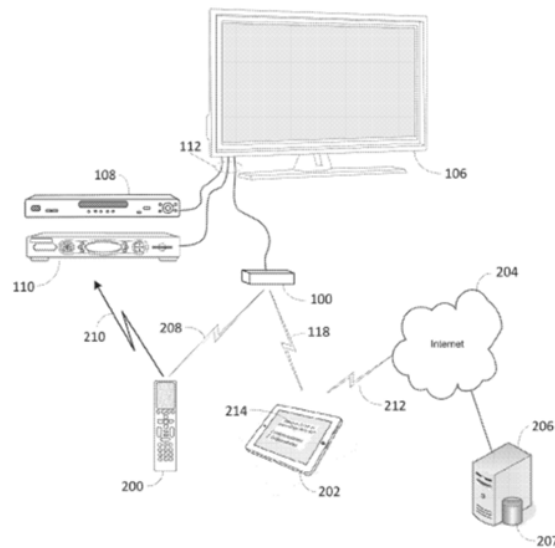


Figure 2

The first media device (labeled “100” in Figure 2) is able to receive wireless signals from either a remote control (200) or an app on a tablet computer (202). The first media device then issues commands, using either wired or infrared (IR) signals, to various controllable appliances, such as a television (106), a digital video recorder (110), or a DVD player (108).

Representative claim 1 is as follows:

1. [p] A first media device, comprising:
  - [a] a processing device;
  - [b] a high-definition multimedia interface communications port, coupled to the processing device, for communicatively connecting the first media device to a second media device;
  - [c] a transmitter, coupled to the processing device, for communicatively coupling the first media device to a remote control device; and
  - [d] a memory device, coupled to the processing device, having stored thereon processor executable instruction;
  - [e] wherein the instructions, when executed by the processing device,
    - [i] cause the first media device to be configured to transmit a first command directly to the second media device, via use of the high-definition multimedia communications port, to control an operational function of the second media device when a first data provided to the first media device indicates that the second media device will be responsive to the first command, and
    - [ii] cause the first media device to be configured to transmit a second data to a remote control device, via use of the transmitter, for use in configuring the remote control device to transmit a second command directly to the second media device, via use of a



communicative connection between the remote control device and the second media device, to control the operational function of the second media device when the first data provided to the first media device indicates that the second media device will be unresponsive to the first command.

'196 patent, cl. 1 (annotated by the parties).

## B

Universal Electronics, Inc. owns the '196 patent. Universal developed a set of technologies called "QuickSet," which is incorporated into multiple smart TVs. Universal relied on QuickSet to satisfy the economic prong of the domestic industry requirement<sup>1</sup> in this investigation and claimed that QuickSet practices the teachings of the '196 patent.

Roku creates various TV streaming technologies, such as the Roku streaming channel and the Roku stick. Roku also works with third parties to create Roku-branded TVs and licenses its operating system to other parties.

Universal filed a complaint with the International Trade Commission against Roku for importing certain TV products that infringe the '196 patent. The Commission instituted an investigation, and the administrative law judge

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<sup>1</sup> For a party to file a complaint under Section 337, they must show that they have an economic domestic industry in the United States, as laid out in 19 U.S.C. § 1337(a)(3)(A)–(C). Parties need only satisfy one of paragraphs (A) through (C). As discussed *infra*, Universal claimed that it satisfied subparagraph (a)(3)(C) based on its substantial investment in engineering and research and development (R&D) related to QuickSet in the United States.

found that Roku violated Section 337 by importing infringing articles. The Commission affirmed the administrative judge's finding and found in relevant part that (1) Universal had ownership rights to assert the '196 patent; (2) Universal satisfied the economic prong of the domestic industry requirement; and (3) the asserted claims were not invalid as obvious.

1

Earlier in the investigation, Roku filed a motion for summary determination that Universal lacked standing to assert the '196 patent because, at the time Universal filed its complaint, it did not own all rights to the '196 patent. Roku argued that Universal filed a petition for correction of inventorship to add one of its employees as an inventor to the patent *after* it filed its complaint with the Commission and that the agreements between this employee (Mr. Barnett) and Universal did not constitute an assignment of rights.

Initially, the administrative judge granted Roku's motion, finding that a 2004 agreement between Mr. Barnett and Universal was a "mere promise to assign rights in the future, not an immediate transfer of expectant rights." J.A. 26177 (quoting *Abraxis Bioscience, Inc. v. Navinta LLC*, 625 F.3d 1359, 1365 (Fed. Cir. 2010)). Thus, "the 2004 Barnett Agreement did not automatically assign to [Universal] any of Mr. Barnett's rights to the Provisional Applications or the '196 patent that eventually issued from the priority chain." J.A. 26177. The Commission reversed, finding instead that in a separate 2012 agreement, Mr. Barnett assigned all his rights to a series of provisional applications, including the one to which the '196 patent claims priority. The Commission also found that Mr. Barnett did not contribute any new or inventive matter to the '196 patent after filing the provisional applications. Based on those two facts, the Commission found that the 2012 agreement constituted a "present conveyance" of Mr. Barnett's rights in

the '196 patent, and thus Universal could assert the '196 patent. From this, the Commission found that the issue involving the 2004 agreement was moot.

2

The Commission found that Universal satisfied the economic prong of the domestic industry requirement by proving a substantial investment in engineering and research and development to exploit the '196 patent pursuant to subparagraph (a)(3)(C) of Section 337. Subparagraph (a)(3) of Section 337 requires a party filing suit with the Commission to possess a domestic industry in the United States, which can be satisfied by showing “substantial investment in [a patent’s] exploitation, including engineering, research and development, or licensing.” 19 U.S.C. § 1337(a)(3)(C). Specifically, the Commission found that Universal had made substantial investments in domestic engineering and R&D related to the QuickSet platform. The Commission also found that Universal’s investments in domestic R&D accounted for a substantial portion of its total investments in engineering and R&D. The Commission also found that Universal demonstrated a nexus between its engineering and R&D investments, the '196 patent, and the Samsung TVs that constituted Universal’s domestic industry products. Accordingly, the Commission found that Universal’s investments constituted exploitation of the asserted patent as required for investments under subparagraph (a)(3)(C).

3

The administrative judge initially found that Roku made a “marginal prima facie case” that claim 1 of the '196 patent was obvious over two prior art references, Chardon<sup>2</sup>

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<sup>2</sup> U.S. Patent Pub. No. 2012/0249890, which discloses a multi-media gateway, such as a set-top box, that

and Mishra.<sup>3</sup> J.A. 169–71. The parties did not dispute that Chardon disclosed all limitations of claim 1 other than 1[e][ii]. The administrative judge found that Mishra disclosed limitation 1[e][ii], which requires the “first media device” to transmit a signal to configure the remote control device to directly control a target device via IR or other wireless pathway when that device is unresponsive to an HDMI signal. However, the administrative judge said that “a certain amount of cherry-picking is required” to find all claim limitations disclosed in the combination of Chardon and Mishra and that Roku’s case was at best “marginal.” J.A. 167. Furthermore, the administrative judge found that Universal’s evidence of secondary considerations, which showed that QuickSet satisfied a long-felt but unmet need, outweighed Roku’s obviousness case.

The Commission affirmed this finding and modified the administrative judge’s other findings. The Commission found that the combination of Chardon and Mishra was not even “marginal” and simply did not disclose a system that automatically configures two different control devices to transmit commands over different pathways. The Commission also found that Roku failed to present clear and convincing evidence of a motivation to combine. Thereafter, the Commission affirmed the administrative judge’s finding that the asserted claims were non-obvious.

Roku now appeals. We have jurisdiction under 28 U.S.C. § 1295(a)(6).

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acts as a “messenger” of sorts between a remote control and an “HDMI appliance” (such as a TV); the remote control does not directly communicate with the HDMI appliance.

<sup>3</sup> U.S. Patent Pub. No. 2001/0005197, which discloses communication pathways for telephones, and discloses a method for answering a telephone call remotely using a remote control unit that can also control a VCR.

## II

To bring a complaint before the International Trade Commission, “at least one complainant [must be] the owner or exclusive licensee of the subject intellectual property.” 19 C.F.R. § 210.12(a)(7); *see also IpVenture, Inc. v. ProStar Comput., Inc.*, 503 F.3d 1324, 1325 (Fed. Cir. 2007). Interpretation of an agreement for patent ownership is a legal question of contract interpretation, reviewed de novo. *See Omni MedSci, Inc. v. Apple Inc.*, 7 F.4th 1148, 1151–52 (Fed. Cir. 2021). This Court reviews for substantial evidence underlying factual determinations upon which a conclusion of standing is based. *SiRF Tech., Inc. v. ITC*, 601 F.3d 1319, 1325 (Fed. Cir. 2010); *see also Finnigan Corp. v. ITC*, 180 F.3d 1354, 1361–62 (Fed. Cir. 1999). Whether a complainant has satisfied the domestic industry requirement generally involves mixed questions of law and fact, reviewed de novo and for substantial evidence, respectively. *Motorola Mobility, LLC v. ITC*, 737 F.3d 1345, 1348 (Fed. Cir. 2013).

Obviousness is a legal question based on underlying fact findings. *Purdue Pharma L.P. v. Epic Pharma, LLC*, 811 F.3d 1345, 1351 (Fed. Cir. 2016). This Court reviews legal determinations de novo and underlying factual determinations for substantial evidence. *Rambus Inc. v. Rea*, 731 F.3d 1248, 1251 (Fed. Cir. 2013).

## III

Roku challenges three aspects of the Commission’s final determination: (1) the Commission’s determination that Universal had ownership rights to assert the ’196 patent in this investigation; (2) the Commission’s determination that Universal’s QuickSet technology satisfied the economic prong of the domestic industry requirement; and (3) the Commission’s determination that Roku failed to establish that claim 1 of the ’196 patent is obvious over the combination of Chardon and Mishra. We address each argument in turn.

## A

Roku contends that Universal did not have ownership rights to assert the '196 patent in this investigation.<sup>4</sup> Roku argues that the Commission erred in finding that Universal had ownership rights based on the 2004 agreement Mr. Barnett signed because that agreement did not constitute a *present* conveyance of his intellectual property rights—it only said that inventions created by Mr. Barnett “shall be” the property of Universal. Roku argues that the 2004 agreement was merely a promise to assign his rights in the future, not an actual conveyance of those rights.

We are not persuaded. Roku disregards the actual basis of the Commission’s determination, which was a separate 2012 agreement that constituted a present conveyance of Mr. Barnett’s rights in the provisional application associated with the '196 patent—the Commission’s decision did not rely on the 2004 agreement Roku references. Whether the agreement includes an automatic assignment or is merely a promise to assign depends on the contract language. *See Abraxis*, 625 F.3d at 1364. The language of each assignment states that Mr. Barnett “hereby sell[s] and assign[s] . . . [his] entire right, title, and interest in and to the invention,” including “all divisions and continuations thereof, including the subject-matter of any and all claims which may be obtained in every such patent.” J.A. 23339–42. On its face, the agreement language constitutes a present conveyance. *See FilmTec Corp. v. Allied-Signal Inc.*, 939 F.2d 1568, 1573 (Fed. Cir. 1991) (explaining that an agreement to “hereby grant” title to the patent “expressly granted . . . rights in any future invention”);

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<sup>4</sup> Throughout its briefs, Roku refers to this argument as a “standing” challenge. We agree with the Commission that “standing” is not the right term. Rather, Roku is actually challenging whether Universal had rights to the '196 patent when it filed its complaint against Roku.

*Speedplay, Inc. v. Bebop, Inc.*, 211 F.3d 1245, 1253 (Fed. Cir. 2000) (finding that an agreement that “hereby conveys, transfers and assigns . . . all right, title and interest in and to Inventions” operated as an automatic assignment). Thus, we agree with the Commission that “Mr. Barnett assigned his entire rights to the invention . . . through the 2012 Barnett Agreements.” J.A. 26186. Accordingly, we affirm.

## B

Next, Roku argues that the Commission erred in determining that Universal had satisfied the economic prong of the domestic industry requirement because it did not require Universal to allocate its domestic industry expenses to a specific domestic industry product. The administrative judge found, and the Commission affirmed, that “because QuickSet involves software and ‘software updates’ that result in practice of the asserted claims when implemented on the Samsung DI products,” Universal’s asserted expenditures are attributable to its domestic investments in R&D and engineering. J.A. 190. Furthermore, the administrative judge found, and the Commission affirmed, that “[Universal’s] investments go directly to the functionality necessary to practice many claimed elements of” the ’196 patent. J.A. 189. Both findings are supported by substantial evidence, such as data regarding Universal’s specific domestic investments in QuickSet and the amount of Universal’s domestic R&D investments relative to its total R&D expenditures.<sup>5</sup>

Roku instead focuses on Universal’s investments in certain smart TVs, rather than the QuickSet technology

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<sup>5</sup> The specific amounts and percentages of these investments have been designated confidential business information subject to a protective order, and as such, are not recited in this opinion.

that is installed on those TVs. But that is not the appropriate inquiry. Our precedent does not require expenditures in whole products themselves, but rather, “sufficiently substantial investment in the exploitation of the intellectual property.” *InterDigital Commc’ns, LLC v. ITC*, 707 F.3d 1295, 1303–04 (Fed. Cir. 2013). In other words, a complainant can satisfy the economic prong of the domestic industry requirement based on expenditures related to a subset of a product, if the patent(s) at issue only involve that subset. Here, there is no dispute that the “intellectual property” at issue is practiced by QuickSet and the related QuickSet technologies, a subset of the entire television. Roku does not dispute that QuickSet embodies the teachings of the ’196 patent, nor does Roku explain why Universal’s domestic investments into QuickSet are not “substantial.” Accordingly, we affirm the Commission’s determination that Universal has satisfied the economic prong of the domestic industry requirement in subparagraph (a)(3)(C) of Section 337.

### C

Roku’s final argument on appeal is that the Commission erred in finding that it failed to prove that the combination of Chardon and Mishra discloses limitation 1[e] of the ’196 patent, and also erred by accepting Universal’s evidence of secondary considerations of non-obviousness. But Roku does not directly challenge the Commission’s actual findings. For example, the Commission noted that limitation 1[e] allows a first media device to choose between two different control devices, depending on whether the second media device is responsive to commands from the first media device. But the Commission determined that neither Chardon nor Mishra—or even the combination of both—allow for a choice between different second media devices, and cited to several portions of the references in support of this finding.



Regarding secondary considerations, Roku's only argument is that the Commission erred in finding a nexus between the secondary considerations of non-obviousness because some of the news articles Universal presented discuss features in addition to QuickSet. But that argument is meritless. Roku does not dispute that the Commission's determination regarding secondary considerations of non-obviousness is supported by substantial evidence, nor does Roku dispute that QuickSet is discussed in the references the Commission relied on.

Because Roku does not directly address or dispute any of the Commission's findings on obviousness, we affirm.

#### IV

We have considered the rest of Roku's arguments and find them unpersuasive. We therefore affirm the Commission's final determinations that (1) Universal had ownership rights in the '196 patent and had the right to assert it in this investigation; (2) Universal satisfied the economic prong of the domestic industry requirement under subparagraph (a)(3)(C) of Section 337; and (3) Roku failed to establish a prima facie case that the challenged claims were unpatentable as obvious.

**AFFIRMED**

## CERTIFICATE OF COMPLIANCE

The undersigned certifies that this petition complies with the type-volume limitation of Federal Rules of Appellate Procedure 35(b)(2)(A) and 40(b)(1). The petition contains 3,759 words, excluding the parts of the petition exempted by Federal Rule of Appellate Procedure 32(f) and Federal Circuit Rule 32(b)(2). This petition complies with the typeface requirements of Federal Rule of Appellate Procedure 32(a)(5) and the type style requirements of Federal Rule of Appellate Procedure 32(a)(6). The petition has been prepared in a proportionally spaced typeface using Microsoft Word 365 in Times New Roman 14-point font.

*/s/ Matthew J. Rizzolo*  
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