

ITC Shoots Down Canon's Patent Fight Over Toner Imports

By Dani Kass

Law360 (May 21, 2019, 7:53 PM EDT) -- The U.S. International Trade Commission has ended an investigation into whether several companies infringed seven Canon Inc. toner patents with their imports, agreeing with a judge that there were no Tariff Act violations.

Administrative Law Judge Dee Lord correctly granted summary determinations to Ninestar Corp., Print-Rite NA and Aster Graphics Inc. and their subsidiaries, the ITC said Monday. The case had hinged on claim construction, with Canon admitting it wouldn't win under the construction adopted by the judge.

More specifically, the companies were arguing over whether the claims in the cartridge patents required a "pivotable coupling member." Canon said there was no need for a pivot or incline, and Ninestar, Print-Rite and Aster said otherwise.

Judge Lord on Feb. 28 said the claims require the pivot, which led to her conclusion on March 13 that there was no infringement. Canon asked the ITC to reconsider that construction and modify Judge Lord's order, but the ITC refused to do so, affirming the judge's ruling Monday without further analysis.

Canon's initial complaint had named two additional patents, which it withdrew, and more than 35 more respondents, most of whom never responded to the allegations.

The ITC terminated the case for all parties, including those found in default. According to the commission, Canon had also said it won't seek relief from those defaulting companies if the claim construction stayed in place.

The ITC launched its investigation on March 29, 2018.

"Canon believes that the commission's decision is based upon an overly narrow and legally erroneous claim construction and will be appealing the decision to the Federal Circuit," an attorney for Canon, Michael P. Sandonato of Venable LLP, said in an email.

Barbara A. Murphy of Foster Murphy Altman & Nickel PC, an attorney for Aster, said they're "very pleased with the no violation ruling" but declined to comment further.

On behalf of Ninestar, Bryan Nese of Mayer Brown LLP said "we're extremely pleased with this result, which we see as an important victory for preserving lawful competition in the secondary market for toner cartridges."

"Print-Rite is very pleased with this result by the ITC that affirms Print-Rite's view of the patents at issue," Steven E. Adkins of McGuireWoods LLP, said in an email. "Print-Rite is glad to know that it can continue to support its U.S. customers with quality, noninfringing product. As an owner of IP rights around the world, Print-Rite values and respects IP and encourages others in this industry to do so."

Counsel for Print-Rite didn't immediately respond to a request for comment late Tuesday.

The patents-in-suit are U.S. Patent Nos. 9,746,826; 9,836,026; 9,841,729; 9,857,764; 9,857,765; 9,869,960 and 9,874,846.

Canon is represented by Michael P. Sandonato, Edmund J. Haughey, Dennis J. McMahon, Seth E. Boeshore and Andrew J. Kutas of Venable LLP.

Ninestar is represented by Gary M. Hnath, Bryan Nese, Michael Lindinger and Clark Bakewell of Mayer Brown LLP and Lei Mei, P. Andrew Riley, Robert A. Hall and Jiwei Zhang of Mei & Mark LLP.

Aster is represented by Barbara A. Murphy, James B. Altman, Susan Koegel and Kandis C. Gibson of Foster Murphy Altman & Nickel PC and Michael N. Rader, Nicole D. Amar, Turhan F. Sarwar and Ethan W. Marks of Wolf Greenfield & Sacks PC.

Print-Rite is represented by Steven E. Adkins, Tyler VanHoutan, Ericka Sowers and Lyle Kossis of McGuireWoods LLP.

The case is In the Matter of Certain Toner Cartridges and Components Thereof, investigation number 337-TA-1106, before the International Trade Commission.

--Editing by Haylee Pearl.

Update: This story has been updated to include statements from attorneys for Canon and Print-Rite, along with additional counsel information for Print-Rite.