

OCEAN TOMO

ITC 337 INVESTIGATIONS



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An increasing number of 337 investigations are being filed at the International Trade Commission (ITC). While the majority of those investigations involve allegations relating to patent or trademark infringement, the ITC is also becoming an effective forum for litigating disputes stemming from claims of trade secret misappropriation, false advertising, and even antitrust issues. A detailed understanding of the economic considerations underlying a 337 investigation is critical to ensuring a successful result. From establishing the threshold domestic industry requirement to examining potential remedies, bond amounts and the impact of an exclusion order on the public interest, each case requires careful evaluation of a wide variety of economic issues that can directly impact the outcome of an investigation.

Ocean Tomo's financial experts have significant experience with 337 investigations involving issues of patent infringement, trademark infringement and trade secret misappropriation. Our experts go beyond a simple accounting to gain a comprehensive understanding of industry considerations that may bear on issues such as the significance of domestic investments, the applicability of potential remedies, or the impact of an exclusion order on the public interest. We have assisted counsel in every stage of a 337 investigation, from acquiring products and evaluating domestic industry and public interest considerations prior to filing, through assisting with settlement negotiations prior to the issuance of a Final Determination.

In connection with our work in 337 investigations, our experts have gained significant experience evaluating issues relating to the economic prong of domestic industry, general exclusion orders, commercial significance of inventories, bond amounts, economic harm, commercial success, licensing issues, and public interest considerations. The scope and breadth of Ocean Tomo's experience with 337 investigations is reflected in the number of investigations it has been involved with and the variety of issues on which it has opined. Examples of 337 investigations involving Ocean Tomo's experts include:

In the Matter of Certain
Personal Transporters,
Components Thereof,
and Packaging and
Manuals Therefor

Investigation No.
337-TA-1007/1021

Patent and Trademark
Infringement Involving
Self-Balancing Electric
Scooters

Hearing and Deposition
Testimony

Ocean Tomo was retained by complainant Segway, Inc., manufacturer of the world famous Segway Personal Transporters, and Segway's parent company, Ninebot (Tianjin) Technology Co., Ltd. The respondents, which included several companies such as Razor and Swagway, were accused of importing infringing one-wheel and two-wheel self-balancing electric scooters ("hoverboards") into the United States. Ocean Tomo offered testimony relating to the existence of a domestic industry, the appropriate remedy and bond, and the commercial success of the patented and accused products. Consistent with the opinions offered by Ocean Tomo, the Commission found the existence of a domestic industry and granted a limited exclusion order and a cease and desist order against Swagway for infringement of the Segway trademark.

In the Matter of Certain Botulinum Toxin Products, Processes for Manufacturing or Relating to Same and Certain Products Containing Same

Investigation No. 337-TA-1007/1145

Trade Secret Misappropriation Involving Botulinum Toxin Products (BOTOX®)

Hearing and Deposition Testimony

Ocean Tomo was retained by complainant Allergan, an Irish domiciled pharmaceutical company and the maker of BOTOX® to determine whether a domestic industry exists in the United States for botulinum toxin products, including BOTOX®. Ocean Tomo was also asked to determine whether any such domestic industry would be harmed by the importation of Jeuveau®, a competing botulinum toxin product. Ocean Tomo opined that a domestic industry existed for the domestic industry products, due to Allergan's substantial and significant investments in the United States, and that respondents' importation and sale of the accused Jeuveau® product threatened substantial injury to that domestic industry. In the ITC's Final Initial Determination, dated July 6, 2020, the ITC determined that the domestic industry requirement had been satisfied, confirming Ocean Tomo's analysis.

In the Matter of Certain X-Ray Breast Imaging Devices and Components Thereof

Investigation No. 337-TA-1063

Patent Infringement Involving Digital Mammography Machines

Hearing and Deposition Testimony

Ocean Tomo was retained by respondent Fujifilm, a Japanese company known for innovation in healthcare, graphic arts, optical devices, highly functional materials and other high-tech areas. Ocean Tomo prepared a detailed evaluation of the public interest considerations relating to the potential exclusion of Fujifilm's digital mammography machines from the United States market. Ocean Tomo also responded to claims made by complainant's expert regarding the existence of a domestic industry, the commercial significance of Fujifilm's inventories, and the appropriateness and amount of a bond. Ocean Tomo opined on each of those topics, but the case settled before a Final Determination was entered by the Commission.

In the Matter of Certain Semiconductor Chips

Investigation No. 337-TA-630

Patent Infringement Litigation Involving the Packaging of DRAM Chips

Hearing and Deposition Testimony

Ocean Tomo was retained by respondents Acer, Nanya and Powerchip to determine the number of unlicensed chips they imported into or sold in the United States, versus remaining suppliers and licensees. Ocean Tomo opined that the majority of units sold in, or imported into, the United States by respondents were purchased from suppliers or subcontractors directly licensed by complainant, Tessera. Consistent with Ocean Tomo's testimony, the Administrative Law Judge found that all of the chips respondents purchased from Tessera licensees were authorized. Thus, Tessera's rights in those chips were subject to exhaustion so none of Tessera's patents had been infringed. The Final Determination issued by the Commission agreed with the Administrative Law Judge, finding no violation of Section 337.



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Michael Milani is a testifying expert in Ocean Tomo's Expert Services practice. He has over 25 years of litigation experience relating to intellectual property assets. Michael has significant experience with 337 investigations, having testified to issues relating to the economic prong of domestic industry, appropriate remedy and bond amounts, and commercial success and public interest considerations. He also testifies in state and federal court matters and ADR proceedings, where he predominantly addresses issues relating to the quantification of damages.



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About Ocean Tomo

Established in 2003, Ocean Tomo, LLC provides Financial Expert, Management Consulting, and Advisory services related to intellectual property (IP) and other intangible assets; corporate accounting investigations; regulatory and reporting obligations; solvency and restructuring; and contractual or competition disputes.

Practice offerings address economic damage calculations and testimony; accounting investigations and financial forensics; technology and intangible asset valuation; strategy and risk management consulting; mergers and acquisitions; debt and equity private placement; and IP brokerage.

Our services are built upon more than three decades of experience in the most rigorous venues – state, federal, and international courts. Our financial, market, and technical experts provide a unique understanding of the contributory value of proprietary innovation. This is the cornerstone of our business. This insight permeates every practice and client engagement.

Collectively, Ocean Tomo professionals have:

- Completed over 1000 engagements, including over 300 valuation and 500 financial damages expert testimony engagements;
- Consulted and provided expert testimony on some of the highest profile matters over the past decades;
- Successfully closed hundreds of IP sale transactions with a cumulative transaction value well in excess of \$1 billion; and
- Originated more successful IP monetization solutions than any other firm, including creation of the world's oldest and most successful live patent auction.

Our track record of results spans more than 150 different industry segments. Because our past success provides the best indication of our capabilities, we are proud to serve more than 80% of the AM Law 100® and encourage potential clients to seek references from past clients.

Intangible assets comprise 90 percent of business value but are also subject to significant impairment due to enterprise and regulatory compliance risk. Ocean Tomo assists clients – corporations, law firms, governments, and institutional investors – in realizing Intellectual Capital Equity® value broadly defined.

Headquartered in Chicago, Ocean Tomo has offices in Greenwich, Houston, Jacksonville, Reston (DC Metro), San Francisco, and Shanghai. Subsidiaries of Ocean Tomo include Ocean Tomo Investment Group, LLC, a licensed broker-dealer under Federal and State securities law (brokercheck.finra.org Broker Check CRD #: 172912), OTI Data Networks, LLC and Patent Marking, LLC.