

<http://www.action-intell.com/2016/08/01/static-gets-favorable-ruling-request-from-customs-on-toner-cartridges-using-safedrive-technology/>

## **Static Gets Favorable Ruling Request from Customs on Toner Cartridges Using SafeDrive Technology**

On July 29, Static Control Components announced it has received a ruling from U.S. Customs and Border Protection (CBP) that declares that products using SafeDrive technology do not infringe Canon's "dongle gear" patents.

In August 2015, the U.S. International Trade Commission (ITC) awarded Canon a general exclusion order (GEO) that bars the importation of products that infringe Canon's U.S. patents 8,280,278, 8,630,564, 8,682,215, 8,676,090, and 8,688,008, which cover a dongle gear used in various Canon and HP all-in-one toner cartridges (see "ITC Awards Canon GEO in Dongle Gear Investigation"). Companies that have developed various design workarounds to avoid infringing patents protected by an exclusion order typically request rulings from CBP's Intellectual Property Rights Branch declaring that the workarounds do not infringe. This enables the products to move smoothly through Customs at various U.S. ports of entry.

Static Control says that its patented SafeDrive alternative to Canon's dongle gear "center[s] on a retractable mechanism that works with the interior geometry of the printer to engage and disengage." The firm adds, "Both lever and button designs are patented and covered by this ruling."

According to Static, its ruling letter, signed by Charles R. Steuart, chief of the Intellectual Property Division, states: "The redesigned toner cartridges and drum units to be imported by Static Control, do not infringe upon the '278, '564, '215, '008 and '009 patents. As such, the instant cartridges and drum units are not subject to exclusion from entry for consumption into the United States, entry for consumption from a foreign-trade zone, or withdrawal from a warehouse for consumption."

Static Control provided a list of products impacted by this decision, which include the Odyssey Drum with SafeDrive Gear for use in the HP LaserJet P2055 series, Odyssey Drum with SafeDrive Gear for use in the HP LaserJet P3015 series, and non-OEM compatible replacement toner cartridges for the CF280A, CF280X, CE505A, CE505X, CE255A, and CE255X. The CF280A (80A) and CF280X (80X) are used in the LaserJet Pro 400 M401 series and HP LaserJet Pro 400 MFP M425dn, which were introduced in 2012 (see "HP Launches Several New LaserJet Devices for Businesses at Global Influencer Summit"). The CE505A (05A) and CE505X (05X) toner cartridges are used in various HP monochrome laser devices, including the HP LaserJet P2035/2054/2055/2056/2057 series from several years ago. The CE255A (55A) and CE255X (55X) are used in the HP LaserJet P3015 series from 2009, the LaserJet Pro MFP M521 series from 2013 (see "HP Announces a Handful of New MFPs Aimed at SMBs and Enterprises"), and the LaserJet Enterprise 500 MFP M525 series from 2012 (see "HP Launches Several New LaserJet Devices for Businesses at Global Influencer Summit"). Static notes that its alternatives to the 55A and 55X will be available late in the third quarter of 2016. The other products are available now.

## **New Ownership, Same Commitment to Respect IP**

That Static applied for a ruling request signified that the products in question are not being manufactured domestically. Thus, we wondered if the products in question were a result of Static's new ownership by Apex. In May 2015, Apex Microelectronics Company of Zhuhai, China, and Static Control Components of Sanford, NC, jointly announced that they would merge (see "Apex Weds Static Control and the Reman Chip Industry Gets a Lot Smaller"). Apex, of course, was founded to supply aftermarket cartridge manufacturer Ninestar (also known as Zhuhai Seine Technology Co., Ltd.) with chips. Seine Technology remains the largest stakeholder in Apex, holding about 70 percent of the voting shares.

According to the ruling letter, Ninestar and Apex are indeed the manufacturers of the products in question. This is not surprising. In fact, we would find it more surprising nearly a year after the acquisition if there weren't some products that Static offered that came from the Apex/Ninestar organization. But the ruling letters makes it clear that the products that have now been cleared for importation into the United States originate from Apex and Ninestar.

Ninestar was one of many firms named as a respondent/defendant in Canon's U.S. and overseas litigation over the dongle gear patents, but Canon and Ninestar ultimately settled Canon (see "Déjà Vu All Over Again: Ninestar and Others Settle with Canon, ITC Hearing Suspended").

According to the ruling letter, there are three basic types of products that Static wanted a ruling on: a "level gear cartridge," a "button drum cartridge," and a "button gear in a drum gear unit." Static described the level gear cartridge to Customs as "[it] does not possess a coupling member on a separate axis from either the rotary member or developer roller, rather it uses a coupling member that does not incline but moves along the same axis as the drum roller perpendicular from the drum end flange and moves away from the drum when compressed." The button drum cartridge "also does not possess a coupling member on a separate axis from the rotary member or developer roller/drum, rather it uses a coupling member that does not incline or pivot but moves along the same axis as the drum roller (parallel to the drum axis) perpendicular to the end of the drum and toward the drum when compressed." Finally, there is a separate drum unit using the button gear mechanism. Static said, "The flange on the drum unit does not have projections that extend inwardly toward the drum to create a space to hold a coupling member and enable it to pivot. Rather, the projections in the flange of the redesigned drum extend outwardly away from the drum and do not interact with the coupling member."

Static informed CBP that during the investigation Canon and Ninestar jointly stipulated that the lever gear cartridge type and products with the lever gear coupling were outside the scope of any GEO that might be issued in the investigation.

The key issue Static was asking CBP's Intellectual Property Rights Branch to determine was "Whether Static Control's redesigned cartridges and drum units are subject to exclusion from entry for consumption into the United States." And, as Static Control announced on July 29, on CBP determined that these products are outside the scope of the GEO and thus would not be subject to exclusion.

This is good news for Static, Apex, Ninestar, and their customers. Static Control is well aware of the problems infringing products can pose for customers and that CBP has been stepping up enforcement of the ITC's exclusion orders. A result of this has been an uptick in the number of seizure and

forfeiture orders issued by the ITC after firms are found trying to import products that violate a GEO. By Actionable Intelligence's count, we are now up to 58 seizure and forfeiture orders issued by the ITC for violations of ink and toner cartridge GEOs in 2016 (see "Yet Another Company Issued Seizure Order for Violating Lexmark GEO" for the most up-to-date list of firms issued seizure orders this year).

That Static has requested and received a ruling letter ensuring that it can safely import these particular cartridges and drums shows that the company is continuing to uphold its vow to respect the intellectual property rights of others, even as it is sourcing more products from Apex and Ninestar in Asia.