

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN JOSE DIVISION**

LAM RESEARCH CORPORATION,

Plaintiff,

v.

DANIEL L. FLAMM, et al.,

Defendants.

---

DANIEL L. FLAMM,

Plaintiff,

v.

GLOBAL FOUNDRIES U.S. INC.,

Defendant.

---

DANIEL L. FLAMM,

Plaintiff,

v.

INTEL CORPORATION,

Defendant.

---

DANIEL L. FLAMM,

Plaintiff,

v.

MAXIM INTEGRATED PRODUCTS,  
INC.,

Defendant.

---

Case No. [15-cv-01277-BLF](#)  
Related Case Nos. [16-cv-01578-BLF](#); [16-cv-01579-BLF](#); [16-cv-01580-BLF](#); [16-cv-01581-BLF](#); [16-cv-02252-BLF](#)

**ORDER (1) CONDITIONALLY  
GRANTING JOINT MOTION TO STAY  
PROCEEDINGS (2) DENYING  
WITHOUT PREJUDICE MOTION TO  
DISMISS**

[RE: ECF 134]

United States District Court  
Northern District of California

1 DANIEL L. FLAMM,  
2 Plaintiff,  
3 v.  
4 MICRON TECHNOLOGY, INC.,  
5 Defendant.

6 DANIEL L. FLAMM,  
7 Plaintiff,  
8 v.  
9 SAMSUNG ELECTRONICS CO LTD, et  
10 al.,  
11 Defendants.

12  
13 The above-captioned patent infringement actions involve the patent holder, Dr. Daniel L.  
14 Dr. Flamm (“Dr. Flamm”) who owns patents relating to methods used in the fabrication of  
15 semiconductors; the manufacturer, Lam Research Corporation (“Lam”) who makes and sells  
16 semiconductor fabrication equipment; and a number of Lam’s customers including,  
17 GLOBALFOUNDRIES U.S. Inc. (“GLOBALFOUNDRIES”), Intel Corporation (“Intel”), Maxim  
18 Integrated Products, Inc. (“Maxim”), Micron Technology, Inc. (“Micron”), and Samsung  
19 Electronics Co., Ltd., Samsung Electronics America, Inc., Samsung Semiconductor, Inc., and  
20 Samsung Austin Semiconductor, LLC (collectively, “Samsung”) (collectively together,  
21 “customers”) who use Lam’s products. The Court refers to Lam and its customers, collectively as  
22 “chipmakers.” Case No. 15-1277 is a declaratory judgment action filed by Lam against Dr.  
23 Flamm asserting non-infringement of Dr. Flamm’s U.S. Patent Nos. 5,711,849 (“the ’849 patent”),  
24 6,017,221 (“the ’221 patent”), and RE 40,264 (“the ’264 patent”) (collectively, the “asserted  
25 patents”). The remaining cases are Dr. Flamm’s actions claiming infringement of the asserted  
26 patents against each of the customers.

27 Pending before the Court are Dr. Flamm’s motion to dismiss Lam’s declaratory judgment  
28 action and a joint motion to stay by the chipmakers in all of the cases. For the reasons stated

United States District Court  
Northern District of California

1 below, the Court CONDITIONALLY GRANTS the joint motion to stay. As a result, the Court  
2 DENIES without prejudice Dr. Flamm's motion to dismiss. When the stay is lifted, Dr. Flamm  
3 may re-notice its motion to dismiss or file a new motion to dismiss.

#### 4 **I. BACKGROUND<sup>1</sup>**

5 Dr. Flamm is the owner and inventor of the '849, '221, and '264 patents, which claim  
6 methods used in manufacturing semiconductors. Exhs. A-C to SAC, ECF 52-4-52-6. Lam  
7 designs, manufactures, and sells semiconductor processing tools that are used to fabricate  
8 semiconductors. SAC ¶ 2, ECF 52-8; Ans. to SAC ¶ 2, ECF 66.

9 Around September 2014, Dr. Flamm's attorneys sent letters to some of Lam's  
10 customers accusing them of infringing the patents-in-suit. SAC ¶¶ 29-30, Ans. to SAC ¶¶ 29-  
11 30. Lam, alleging that it may be required to indemnify its customers, SAC ¶ 47, filed Case No.  
12 15-1277 seeking declaratory judgment of non-infringement on its own part and in regards to its  
13 customers. Dr. Flamm responded by filing a Third-Party Complaint against the customers  
14 GLOBALFOUNDRIES, Intel, Maxim, and Micron. Third-Party Complaint, ECF 50-4. Dr.  
15 Flamm also filed a complaint in the Western District of Texas against Lam's customer  
16 Samsung. Case No. 1:15-cv-00613 (W.D. Tx.) at ECF 1. The Court severed Dr. Flamm's claims  
17 against GLOBALFOUNDRIES, Intel, Maxim, and Micron, ECF 120, and Dr. Flamm filed new  
18 complaints against each of those entities, Case No. 15-1578, 15-1579, 15-1580, 15-1581. On  
19 April 22, 2016, the court in the Western District of Texas granted Samsung's motion to transfer  
20 the case to the Northern District of California. Case No. 15-2252, ECF 53.

21 At the same time the parties were engaging in litigation in the district courts, in August  
22 2015, Lam filed five petitions for *inter partes* review directed to all claims of the '221 and '264  
23 patents. In January 2016, Lam filed four additional IPR petitions that are directed towards the  
24 '849 and '264 patents. The status of each of the IPR petitions is summarized in the chart below:  
25  
26  
27  
28

Patent	IPR Request Covering Asserted Claim	Instituted?	Anticipated Date of Final Written Decision
'849	2016-00466	No	
'221	2015-01767	Yes	February 24, 2017
'264	2015-01759	No	
	2015-01764	Yes	February 24, 2017
	2015-01766	No	
	2015-01768	Yes	February 24, 2017
	2016-00468	No	
	2016-00469	No	
	2016-00470	No	

Although the customers did not request any of the instituted IPRs or file motions to join them, they have represented that they are willing to agree not to reargue invalidity grounds in the above-captioned cases that the PTAB considers and overrules in final written decisions on the instituted IPR petitions. Reply 1, 3, ECF 138.

## II. LEGAL STANDARD

A district court has inherent power to manage its own docket and stay proceedings, “including the authority to order a stay pending conclusion of a PTO reexamination.” *Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1427 (Fed. Cir. 1988). A court is under no obligation to stay proceedings pending parallel litigation in the PTAB. *See Aylus Networks, Inc. v. Apple, Inc.*, No. C-13-4700 EMC, 2014 WL 5809053, at \*1 (N.D. Cal. Nov. 6, 2014). The factors that courts in this district consider when determining whether to stay litigation are: “(1) whether discovery is complete and whether a trial date has been set; (2) whether a stay will simplify the issues in question and trial of the case; and (3) whether a stay would unduly prejudice or present a clear tactical disadvantage to the nonmoving party.” *PersonalWeb Techs., LLC v. Apple, Inc.*, 69 F. Supp. 3d 1022, 1025 (N.D. Cal. 2014).

## III. DISCUSSION

The parties dispute whether the Court should defer ruling on the motion to stay until Dr. Flamm’s motion to dismiss Lam’s Second Amended Complaint is resolved. Dr. Flamm argues

1 whether federal subject matter jurisdiction has been established especially since the motion to  
2 dismiss was filed first. Opp. 2-3, ECF 137. The chipmakers argue that Dr. Flamm’s argument  
3 overlooks the fact that Dr. Flamm has admitted that regardless of the outcome of the motion to  
4 dismiss, subject matter jurisdiction will still exist over Lam’s declaratory judgment action. Reply  
5 1, ECF 138 (citing Mot. to Dismiss 4, ECF 64 (noting that “Lam successfully alleges the existence  
6 of a case or controversy regarding claim 10 of the ’849 Patent....”). As a result, the chipmakers  
7 argue that in the interests of conserving judicial and party resources, the motion to stay should be  
8 resolved first

9 The Court agrees with the chipmakers and finds that in the interests of judicial economy,  
10 the motion to stay should be decided before the motion to dismiss. First, contrary to Dr. Flamm’s  
11 argument, the Court does not need to resolve the motion to dismiss to determine whether federal  
12 subject matter jurisdiction has been established. By Dr. Flamm’s own admission, this Court has  
13 subject matter jurisdiction regardless of the outcome of the motion to dismiss. Mot. to Dismiss 4,  
14 ECF 64 (“Lam successfully alleges the existence of a case or controversy regarding claim 10 of  
15 the ’849 Patent....”). Second, the Court notes that Dr. Flamm also filed a prior motion to stay in  
16 Case No. 15-1277 that was pending at the same time as his motion to dismiss. Yet, Dr. Flamm  
17 never argued that the Court should first rule on his motion to dismiss and defer ruling on his  
18 motion to stay; Dr. Flamm’s new-found concern about ruling on a motion to dismiss before a  
19 motion to stay rings hollow. Accordingly, in the interest of conserving resources and given the  
20 fact that Dr. Flamm has admitted subject matter jurisdiction exists, the Court will first rule on the  
21 motion to stay.

#### 22 A. Stage of Litigation

23 First, the Court looks to the question of whether the litigation has progressed significantly  
24 enough for a stay to be disfavored. *See PersonalWeb Techs., LLC*, 69 F. Supp. 3d at 1025. The  
25 chipmakers argue that this case is in its early stages because no significant activities have taken  
26 place in this case. Mot. 4-5, ECF 134. For example, the chipmakers note that no case schedule  
27 has been set yet including dates for (1) claim construction briefing and a hearing, (2) Patent Local

# Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

## Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

## Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

## Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

## API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

## LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

## FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

## E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.