FARNAN LLP

May 13, 2020

VIA E-FILING
The Honorable Leonard P. Stark
J. Caleb Boggs Federal Building
844 N. King Street
Room 6124, Unit 26
Wilmington, DE 19801-3556

RE: ***Elm 3DS Innovations, LLC v. Samsung Electronics Co., Ltd. et al.*,** **(C.A. No. 14-cv-1430-LPS)**
***Elm 3DS Innovations, LLC v. Micron Technology, Inc., et al.*,** **(C.A. No. 14-cv-1431-LPS)**
Elm 3DS Innovations, LLC v. SK hynix Inc. et al. **(C.A. No. 14-cv-1432-LPS)**

Dear Chief Judge Stark,

Pursuant to Federal Rule of Civil Procedure 15(a)(2) and Paragraph 1 of the Amended Scheduling Order (D.I. 176 (1:14-cv-1430).), Plaintiff Elm 3DS Innovations, LLC respectfully requests leave to amend its complaints in these cases to add allegations of willful infringement. (*See* Exs. 1–3 (proposed amended complaints); Ex. 4 (blackline comparing proposed Second Amended Complaint against Samsung to prior pleading); Ex. 5 (blackline comparing proposed Second Amended Complaint against Micron to prior pleading); Ex. 6 (blackline comparing proposed Second Amended Complaint against SK hynix to prior pleading).) The facts and circumstances in this litigation justify the proposed, timely amendments, which do not require the addition of any new factual allegations to the complaints. Therefore, Elm 3DS respectfully requests that the Court grant it leave to amend.

I. Legal Standard

Under Federal Rule of Civil Procedure 15(a)(2), a party may amend its pleadings either with consent of the opposing party or with leave of court. The Defendants did not consent to these amendments. Absent consent, leave to amend "'shall be freely given when justice so requires.'" *Foman v. Davis*, 371 U.S. 178, 182 (1962) (quoting Fed. R. Civ. P. 16(a)). The Third Circuit has long held that "absent undue or substantial prejudice, an amendment should be allowed under Rule 15(a) unless 'denial [can] be grounded in bad faith or dilatory motive, truly undue or unexplained delay, repeated failure to cure deficiency by amendments previously allowed or futility of amendment.'" *Lundy v. Adamar of N.J., Inc.*, 34 F.3d 1173, 1196 (3d Cir. 1994) (internal citation omitted).

II. Nature of the Amendment

In these cases, Elm 3DS asserts that Defendants' three-dimensional semiconductor devices infringe twelve patents.[1] Glenn Leedy was the sole inventor on all twelve patents-in-suit. Mr. Leedy discussed his invention and its benefits with each of the Defendants before these cases were filed in 2014. Elm 3DS included factual details about those meetings in its initial Complaints and First Amended Complaints. For example, the First Supplemental Complaint against Samsung explains that "Mr. Leedy personally met with Samsung America's President in 2000 or 2001, shortly after the issuance of the '167 patent, the first in the 3DS family of patents, in 1999." (D.I. 109 (1:14-cv-1430) at ¶ 33.) "During the meeting, Mr. Leedy provided Samsung America's President with a slide presentation and a copy of the '167 patent, and explained the benefits of the patented technology." (*Id.*) Similarly, the First Amended Complaint against Micron explains that "[i]n 2000 or 2001, Mr. Leedy provided Micron with a slide presentation on the Elm 3DS technology and a copy of the 5,915,167 patent." (D.I. 17 (1:14-cv-1431) at ¶ 31.) And, the First Amended Complaint against SK hynix explains the same thing about Mr. Leedy's meeting in 2000 or 2001 with SK hynix. (D.I. 13 (1:14-cv-1432) at ¶ 32.) In fact, "Mr. Leedy was invited to Korea by" SK hynix. (*Id.*) So the Defendants have known about the factual underpinnings of Elm 3DS's willful infringement allegations for five years now.

Elm 3DS seeks leave to amend now merely to make clear that it will be pursuing the legal theory of willful infringement and potentially seeking enhanced damages under 35 U.S.C. § 284 based on that theory. Given that Elm 3DS is not adding any factual allegations to the complaints, no additional discovery will be necessary based on these amendments. And even if the Defendants believe these amendments would require additional discovery, the Defendants have not yet conducted any fact or expert witness depositions. The deadline for fact discovery is not until October 26, 2020. (D.I. 263 at 4.) So the Defendants will have time to respond to and fully investigate these allegations.

Elm 3DS only made two other substantive changes in these amended complaints (in addition to fixing some typographical errors and nits). Elm 3DS removed U.S. Patent No. 8,035,233. Although Elm 3DS initially asserted the '233 patent in these cases, the Patent Trial and Appeal Board concluded that claims 33 and 34 of that patent were invalid. Based on that decision, Elm 3DS no longer intends to assert the '233 patent in these cases.

Finally, Elm 3DS also updated some of the statements in the complaints about the sole inventor, Glenn Leedy, to reflect the fact that he passed away in 2017. Defendants have known about Mr. Leedy's passing since then and this change does not affect any of the remaining discovery.

[1] The twelve patents-in-suit are the following: U.S. Patent Nos. 7,193,239; 7,474,004; 7,504,732; 8,410,617; 8,629,542; 8,653,672; 8,791,581; 8,796,862; 8,841,778; 8,907,499; 8,928,119; and 8,933,570.

III. Elm 3DS's Motion Should Be Granted

As an initial matter, Elm 3DS's motion to amend is timely under the Court's Scheduling Order. The Scheduling Order explains that "motions to amend to include . . . allegations of willful infringement . . . may be made up to thirty days after the Court's Claim Construction Order." (D.I. 176 (1:14-cv-1430) at ¶ 1.) The Court issued its claim construction order on April 13, 2020. (D.I. 267 (1:14-cv-1430).) So Elm 3DS has until May 13 to file such a motion, making this request timely.

In addition, Elm 3DS's motion is far from futile. An amendment is futile only when "it fails to state a claim upon which relief may be granted." *Roquette Frères v. SPI Pharma, Inc.*, No. 06-540-GMS, 2009 WL 1444835, at *3 (D. Del. May 21, 2009). "[I]n order to sufficiently plead willful infringement, a plaintiff must allege facts plausibly showing that as of the time of the claim's filing, the accused infringer: (1) knew of the patent-in-suit; (2) after acquiring that knowledge, it infringed the patent; and (3) in doing so, it knew, or should have known, that its conduct amounted to infringement of the patent." *Sunoco Partners Mktg. & Terminals L.P. v. Powder Springs Logistics, LLC*, No. 17-1390-LPS-CJB, 2019 WL 8641303, at *2 (D. Del. Aug. 7, 2019). Elm 3DS's amended complaints sufficiently plead each of these elements.

First, as discussed above, the amended complaints detail how each Defendant knew of the patents-in suit based on, at least, their meetings with Mr. Leedy in 2000 and 2001. (Ex. 1 at ¶ 33; Ex. 2 at ¶¶ 31, 50; Ex. 3 at ¶ 32.) Beyond just those meetings, the amended complaints include additional detail showing that the Defendants knew of the patents-in-suit. For example, Micron cited Elm 3DS patents, including some of the patents-in-suit, in more than 40 of its own patents between 2000 and 2014. (Ex. 3 at ¶¶ 51–60.) Second, the complaints also allege that after acquiring knowledge of the patents-in-suit, the Defendants infringed Elm 3DS's patents. (*See, e.g.*, Ex. 1 at ¶¶ 34–49; Ex. 2 at ¶¶ 32–42; Ex. 3 at ¶¶ 33–43.) Third and finally, the complaints explain that for each patent-in-suit, "Defendants engaged in egregious conduct by having continued to infringe the . . . patent despite having knowledge of the patent and despite knowing that they were infringing the patent." (*See* Ex. 1 at ¶¶ 114, 119, 124, 129, 134, 139, 144, 149, 154, 159, 164, 176; Ex. 2 at ¶¶ 106, 111, 116, 121, 126, 131, 136, 141, 146, 151, 156, 161; Ex. 3 at ¶¶ 103, 108, 113, 118, 123, 128, 133, 138, 143, 148, 153, 158.)

For these reasons, Elm 3DS respectfully requests that the Court grant this motion and allow Elm 3DS to file amended complaints asserting willful infringement against the Defendants.

Respectfully submitted,

/s/ Michael J. Farnan

Michael J. Farnan

cc: Counsel of Record (via E-File)