IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

ELM 3DS INNOVATIONS, LLC, Plaintiff, v. SAMSUNG ELECTRONICS CO., LTD., et al., Defendants.	C.A. No. 14-cv-1430-LPS JURY TRIAL DEMANDED

PLAINTIFF'S RESPONSE TO DEFENDANTS' OBJECTIONS TO DECEMBER 4, 2020 ORAL ORDER OF MAGISTRATE JUDGE (D.I. 382)

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I. Introduction

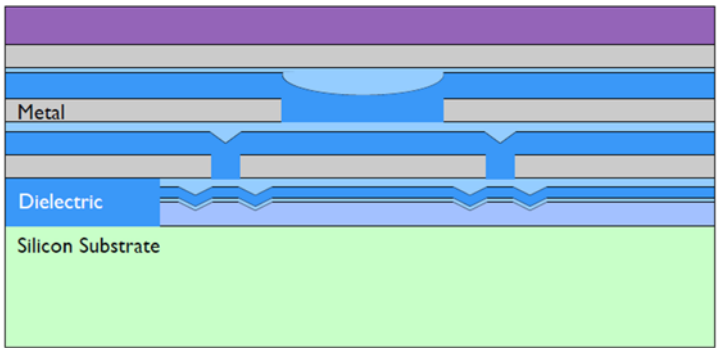
In violation of the Local Rules, Samsung's Objections to Magistrate Judge Hall's discovery order fail to specify the standard of review. *See* L.R. 7.1.5(b) & 72.1(b). The standard of review dooms Samsung's Objections. For the Court to set aside Judge Hall's order on a non-dispositive discovery matter, Samsung must show that the order is "clearly erroneous or contrary to law." 28 U.S.C. § 636(b)(1)(A); FED. R. CIV. P. 72(a). Samsung has not even attempted to show that any of Judge Hall's factual findings were wrong, let alone clearly erroneous. To the contrary, Samsung concedes "[t]he Magistrate Judge's underlying factual findings are *entirely correct*." D.I. 389 at 1 (emphasis added). And the only legal argument Samsung develops in its Objections—judicial estoppel—was not fairly presented to Judge Hall and is meritless in any event.

Judge Hall properly exercised her discretion to grant Elm's motion seeking basic sales and technical data for hundreds of accused products that undisputedly fall within the scope of Elm's asserted patents. "In discovery matters, decisions of the magistrate judge are given great deference and will be reversed only for an abuse of discretion." *Norguard Ins. Co. v. Serveon Inc.*, C.A. No. 08-900-JBS-AMD, 2011 WL 344076, at *2 (D. Del. Jan. 28, 2011). As Judge Hall correctly reasoned, depriving Elm of this discovery would cause significant prejudice. And there is time to conduct the discovery since fact discovery is still open and no trial date has been set. Indeed, the parties recently agreed to extend fact discovery through July 15, 2021—more than enough time for Samsung to produce the necessary information. The Court should overrule Samsung's Objections because Samsung has not shown that Judge Hall's order is clearly erroneous or contrary to law.

II. Background

This case is about three-dimensional stacked semiconductor chips. Each semiconductor chip within a stack contains a substrate (usually made of silicon) and materials on top of the substrate,

such as dielectric and metal, comprising the circuitry that makes the chip work. The demonstrative below, which was presented to the Magistrate Judge, illustrates this structure:



D.I. 374, Ex. G.

Elm's asserted patents cover products in which the substrate is "substantially flexible." The Federal Circuit interpreted "a substantially flexible semiconductor substrate" as used in Elm's patents to cover "a semiconductor substrate that is thinned to 50 [microns] and subsequently polished or smoothed such that it is largely able to bend without breaking." *Samsung Elecs. Co. v. Elm 3DS Innovations, LLC*, 925 F.3d 1373, 1380 (Fed. Cir. 2019). This Court followed the Federal Circuit's lead and adopted the following construction of the relevant claim terms: "A semiconductor substrate/semiconductor layer that is thinned to 50 [microns] or less and subsequently polished or smoothed such that it is largely able to bend without breaking." D.I. 266 at 6.

Following the Federal Circuit's decision, Elm informed Samsung that it intended to accuse all products that fall within the scope of the Federal Circuit's construction—*i.e.*, all products with a layer in which the substrate (but not the materials on top) is 50 microns or less. In a June 20, 2019 email, Elm told Samsung that it intends to accuse "all Samsung semiconductor products that contain more than one circuit layer, . . . and where at least one of the layers has a thickness of 50 microns or less." D.I. 374, Ex. A. When Samsung expressed "confus[ion]" about Elm's "use of terms" such as "semiconductor 'layer' instead of 'substrate,'" *id.* Ex. B, Elm clarified that it was "using the term 'circuit layer' as a broad term covering any *semiconductor layer* on which circuits are formed." *Id.* Ex. C

at 2 (emphasis added). The Court's claim construction acknowledges that "semiconductor layer" is synonymous with "semiconductor substrate." *See* D.I. 266 at 6.

Elm's discovery requests to Samsung also made clear that Elm was accusing the full scope of infringing products. For example, Elm served interrogatories on Samsung seeking information about the "Relevant Die" in Samsung's products, which Elm defined to mean "any die with a thickness of 50 microns or less." D.I. 374 at 1. The definition went on to explain that "this thickness measurement refers only to the semiconductor die itself, and not to the dielectric, metal, or other material that may be deposited on the die." *Id.*

A few months ago, Elm discovered that Samsung had been taking a much narrower view of what qualified as relevant products based on thickness. Elm examined one of Samsung's products in the lab and discovered that, while information Samsung had produced in discovery stated that the product had a "minimum thickness" of 70 microns, in reality the product had a substrate that was only 57 microns thick. *See* D.I. 374 at 2. When Elm raised this issue with Samsung, Samsung admitted that its "thickness data sets forth the target thickness of the smallest die in each product, which consists of the silicon substrate, the active layer, and the polyimide layer." D.I. 374, Ex. L. Samsung also admitted that, following the Federal Circuit's ruling, Samsung had limited its discovery to products where the *entire chip* (including the substrate and all the materials on top of the substrate) is 50 microns or less, even though Elm's patents as construed by the Federal Circuit and this Court undeniably cover products where the substrate *alone* is 50 microns or less.

By withholding discovery on products having a substrate of 50 microns or less but a total chip thickness above 50 microns, Samsung seeks to avoid liability for hundreds of potentially infringing products. Judge Hall concluded that "denying [Elm] this discovery could result in it losing out on [an] opportunity to pursue damages on billions of dollars of product." D.I. 389, Ex. B at 13:11-14. Elm has consistently sought to enforce its patent rights against the full scope of Samsung's

relevant products. Since this case was filed more than six years ago, Elm has repeatedly pressed Samsung to provide discovery about its relevant products. Samsung has often resisted, resulting in multiple discovery disputes before the Court. *See, e.g.*, D.I. 34 (June 2015 letter detailing Samsung's refusal to identify which of its products were stacked); D.I. 122 (May 2016 letter detailing Samsung's failure to provide basic technical data for its accused products); D.I. 254 (February 2020 letter detailing Samsung's failure to produce basic sales information concerning many of its accused products); D.I. 280 (May 2020 letter describing Samsung's failure to timely identify hundreds of its accused products); D.I. 314 (July 2020 letter identifying deficiencies in Samsung's identification of basic technical and sales data). Elm's submissions to the Court are merely the tip of the iceberg; the parties have exchanged hundreds of emails in the course of Elm's efforts to obtain a complete list of all Samsung products that fall within the scope of the asserted patents. In this context, Samsung's refusal to produce data on hundreds of relevant products should be viewed for what it is—an attempt to avoid liability by concealing information from discovery.

Elm brought this discovery dispute to Magistrate Judge Hall immediately upon discovering Samsung's attempt to cut out hundreds of accused products from the case. Elm asked Judge Hall to compel Samsung to produce core technical and sales information about all products with a substrate thickness of 50 microns or less. *See* D.I. 389, Ex. B at 7:22-8:3. After receiving letter briefs with voluminous exhibits (which Judge Hall noted ran to more than 1,400 pages, D.I. 389, Ex. A at 4:15), and hearing lengthy oral argument, Judge Hall granted Elm's requested discovery in an oral ruling. *See* D.I. 389, Ex. B at 7:21-15:2. "[M]ost importantly," according to Judge Hall, "there is time for this discovery to take place" because "fact discovery has not yet closed and a trial date has not been set." *Id.* at 13:17-24. Judge Hall also found that "denying [Elm] this discovery could result in it losing out on an opportunity to pursue damages on billions of dollars of product," and that it "would be prejudicial to Elm to cut out all of those products from the case." *Id.* at 13:8-16.

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