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15 **UNITED STATES DISTRICT COURT**
16 **NORTHERN DISTRICT OF CALIFORNIA**

17 INTEL CORPORATION,)
18) CASE NO. 19-CV-2241
19 Plaintiff,) **COMPLAINT FOR DECLARATORY**
20 v.) **JUDGMENT**
21 PACT XPP SCHWEIZ AG,) **DEMAND FOR JURY TRIAL**
22 Defendant.)
23)
24)
25)
26)
27)
28)

Complaint for Declaratory Judgment

1 Plaintiff Intel Corporation (“Intel”), for its Complaint against PACT XPP Schweiz AG
2 (“Defendant”), hereby alleges as follows:

3 **NATURE OF THE ACTION**

4 1. This is an action for breach of contract and declaratory judgment that 12 United States
5 patents are not infringed, and are covered by a covenant not to sue and/or exhausted pursuant to the
6 Declaratory Judgment Act, 28 U.S.C. §§ 2201-02, and the Patent Laws of the United States, 35 U.S.C.
7 § 100 *et seq.*, and for such other relief as the Court deems just and proper.

8 **THE PARTIES**

9 2. Plaintiff Intel is a corporation organized and existing under the laws of the State of
10 Delaware having its principal place of business at 2200 Mission College Boulevard, Santa Clara,
11 California, 95054. Intel does business in this District.

12 3. Upon information and belief, Defendant PACT XPP Schweiz AG is a Swiss
13 corporation, with its principal place of business in Switzerland.

14 4. Defendant alleges that PACT XPP Schweiz AG’s predecessor and assignor PACT XPP
15 TECHNOLOGIES AG (Lichtenstein) (hereinafter, collectively with PACT XPP Schweiz AG,
16 referred to as “PACT”) was founded in 1996 in Germany by Martin Vorbach.

17 5. PACT alleges that it is the assignee and owner of the patents at issue in this action:
18 U.S. Patent Nos. 7,928,763, 8,301,872, 8,312,301, 8,471,593, 8,686,549, 8,819,505, 9,037,807,
19 9,075,605, 9,170,812, 9,250,908, 9,436,631, and 9,552,047.

20 **JURISDICTION AND VENUE**

21 6. This Court has exclusive subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331,
22 1338(a), 2201, and 2202, and the Patent Laws of the United States, 35 U.S.C. § 1 *et seq.* The Court
23 has supplemental jurisdiction over Intel’s breach of contract claim under 28 U.S.C. § 1367.

24 7. Venue is proper in this judicial district pursuant to 28 U.S.C. §§ 1391.

25 8. This Court has personal jurisdiction over PACT by virtue of PACT’s sufficient
26 minimum contacts with this forum.

27

28

1 9. Upon information and belief, Martin Vorbach is the founder and Chief Technology
2 Officer of PACT. Upon information and belief, Mr. Vorbach resides and does business in the San
3 Francisco Bay Area. *See* Ex. 1 (LinkedIn).

4 10. On or about October 15, 2007, PACT and Intel entered into a letter agreement
5 containing a covenant not to sue (the “Covenant Not To Sue”). As described in more detail below,
6 the Covenant Not To Sue precludes PACT from asserting the patents at issue in this Complaint.
7 PACT’s former CEO, Peter Weber and Intel’s Kirk Skaugen executed the agreement. The Covenant
8 Not To Sue lists Intel’s address as 2200 Mission College Blvd., Santa Clara, CA 95052. The Covenant
9 Not To Sue lists PACT’s address as 103 Altura Vista, Los Gatos, CA 95032.

10 11. Upon information and belief, Martin Vorbach is also the founder and Chief Technology
11 Officer of Hyperion-Core, Inc. Upon information and belief, Hyperion-Core, Inc.’s headquarters is
12 also currently located at 103 Altura Vista, Los Gatos, CA 95032, as stated on its website.¹

13 12. Upon information and belief, during approximately 2003-2011, PACT had meetings
14 within this District with Intel regarding the Covenant Not To Sue and other agreements entered into
15 between the companies, identifying PACT’s address in Los Gatos California.

16 13. Upon information and belief, PACT has previously consented to personal jurisdiction
17 in this District. More specifically, upon information and belief, Altera Corporation filed a declaratory
18 judgment action against PACT in this district on or around June 20, 2014. *See* Altera Corp. v. PACT
19 XPP Technologies, AG, Case No. 3:14-cv-02868-JD. Upon information and belief, PACT consented
20 to personal jurisdiction in that case. *See* Ex. 2 at ¶ 5 (“PACT consents to the personal jurisdiction in
21 this Court.”)

22 14. This Court has subject matter jurisdiction over this action based on a real and
23 immediate controversy between PACT and Intel regarding whether various of Intel’s processors
24 (“CPUs”) infringe certain PACT patents, and further whether those PACT patents are covered by a
25 covenant not to sue and/or exhausted. As described in more detail below, this controversy arises out
26 of PACT’s and Mr. Vorbach’s infringement allegations and licensing demands to Intel in which PACT

27
28 ¹ <http://hyperion-core.com/contact-us>;
<http://hyperion-core.com/products/availability/martin-vorbach>

1 broadly alleges its patents cover technologies implemented by Intel Core and Xeon processors with
2 Sandy Bridge and above microarchitectures, including allegedly infringing ring bus architecture,
3 Turbo Boost, and Foveros technologies. *See* Ex. 3 (Complaint, Case No. 1:19-cv-00267-RGA).

4 15. PACT purports to be the owner of a portfolio of patents that, according to PACT,
5 allegedly relate to “multi-core processing systems including how to handle more complex algorithms
6 with large amounts of data involving multiple processors on a single chip.” Ex. 3 at ¶ 8. According
7 to PACT, its alleged portfolio includes U.S. Patent Nos. 7,928,763 (“the ’763 Patent”), 8,301,872 (“the
8 ’872 Patent”), 8,312,301 (“the ’301 Patent”), 8,471,593 (“the ’593 Patent”), 8,686,549 (“the ’549
9 Patent”), 8,819,505 (“the ’505 Patent”), 9,037,807 (“the ’807 Patent”), 9,075,605 (“the ’605 Patent”),
10 9,170,812 (“the ’812 Patent”), 9,250,908 (“the ’908 Patent”), 9,436,631 (“the ’631 Patent”), and
11 9,552,047 (“the ’047 Patent”) (collectively, the “Patents-in-Suit”), as well as other U.S. Patents.

12 16. Intel has been a pioneer in the semiconductor industry since the 1970s. Intel has
13 introduced generation after generation of cutting-edge microprocessors, memory products and related
14 chips that have been the benchmark for high performance computers. Intel is currently the world’s
15 leading supplier of computer processors, and is one of the largest investors and employers in high-tech
16 manufacturing in the U.S. The processors that PACT accuses of infringement are foundational for the
17 U.S. economy. They are designed and made by Intel in the U.S., packaged and tested abroad, and sold
18 to customers worldwide. These Intel processors are used in computers across every major sector of
19 U.S. industry and in defense, government, healthcare, banking, and education. The accused processors
20 also power advanced systems, including servers supporting the Internet and the Cloud, MRIs, military
21 platforms, and supercomputers. Intel supplies over 90% of the CPUs used in personal computers and
22 servers.

23 **PROCEDURAL BACKGROUND**

24 17. On February 7, 2019, PACT filed a complaint against Intel in the United States District
25 Court for the District of Delaware (“First Filed Delaware Case”), alleging infringement of the same
26 12 patents at issue here: U.S. Patent Nos. 7,928,763 (“the ’763 Patent”), 8,301,872 (“the ’872 Patent”),
27 8,312,301 (“the ’301 Patent”), 8,471,593 (“the ’593 Patent”), 8,686,549 (“the ’549 Patent”), 8,819,505
28 (“the ’505 Patent”), 9,037,807 (“the ’807 Patent”), 9,075,605 (“the ’605 Patent”), 9,170,812 (“the ’812

1 Patent”), 9,250,908 (“the ’908 Patent”), 9,436,631 (“the ’631 Patent”), and 9,552,047 (“the ’047
2 Patent”) (collectively, the “Patents-in-Suit”). PACT alleged that Intel infringed the Patent-in-Suit
3 based on its “manufactur[ing], use (including testing), sale, offer for sale, advertisement, importation,
4 shipment and distribution, service, installation, and/or maintenance of Intel Core processors with
5 Sandy Bridge and above microarchitectures...and Intel Xeon processors with Sandy Bridge and above
6 microarchitectures” Ex. 3 at ¶ 32.

7 18. On February 11, 2019, PACT filed its Rule 7.1 Disclosure Statement in the First Filed
8 Delaware Case.

9 19. On February 20, 2019, PACT and Intel filed a stipulation to extend Intel’s time “to
10 answer, move or otherwise respond to the Complaint [to] April 15, 2019” in the First Filed Delaware
11 Case.

12 20. On March 26, 2019, PACT attempted to serve its First Set of Requests for Production
13 (Nos. 1-48) on Intel ahead of any meet and confer of the parties under Fed. R. Civ. P. Rule 26 in the
14 First Filed Delaware Case.

15 21. On April 9, 2019, Intel’s counsel met and conferred with PACT’s counsel regarding an
16 extension to Intel’s deadline to respond to PACT’s complaint in the First Filed Delaware Case.
17 PACT’s counsel agreed to stipulate that Intel be given two additional weeks to answer PACT’s
18 Complaint, given Intel’s agreement to answer the Complaint and not move to dismiss: “this email
19 confirms our agreement to stipulate to an additional 2 weeks to answer the complaint. Michael and
20 Brian [PACT’s Delaware counsel], I [PACT’s national counsel] authorized Jack [Intel’s Delaware
21 counsel] to so represent to the Court since Intel will be answering not moving in response to the
22 Complaint.” *See* Ex. 4 (4/9/19 Email F. Lorig to J. Blumenfeld). Intel agreed, and a stipulation was
23 entered, extending Intel’s time to answer PACT’s Complaint to April 29, 2019.

24 22. On April 23, 2019, as required by local rules prior to filing a motion to transfer, Intel’s
25 counsel met and conferred again with PACT’s counsel. Intel’s counsel expressed its intent to file a
26 motion to transfer the First Filed Delaware Case based on 28 U.S.C. § 1404(a). PACT’s counsel
27 responded: “Jack [Intel’s Delaware counsel], on behalf of [I]ntel you said there would be an answer
28 filed not a motion to transfer in return for last stipulation.” *See* Ex. 5 (4/23/19 Email F. Lorig to J.

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