

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

SAMSUNG ELECTRONICS CO., LTD.)	
AND SAMSUNG SEMICONDUCTOR,)	
INC.,)	
)	
Plaintiffs,)	C.A. No. 21-1453 (RGA)
)	
v.)	
)	DEMAND FOR JURY TRIAL
NETLIST, INC.,)	
)	
Defendant.)	

**FIRST AMENDED COMPLAINT FOR DECLARATORY JUDGMENT OF
NON-INFRINGEMENT AND UNENFORCEABILITY; BREACH OF CONTRACT**

Plaintiffs Samsung Electronics Co., Ltd. (“SEC”) and Samsung Semiconductor, Inc. (“SSI” and together with SEC, “Samsung”) seek a declaration that Samsung does not directly or indirectly infringe United States Patent Nos. 10,217,523 (the “523 patent”), 10,474,595 (the “595 patent”), 9,858,218 (the “218 patent”), 7,619,912 (the “912 patent”), 10,860,506 (the “506 patent”), 10,949,339 (the “339 patent”), and 11,016,918 (the “918 patent”) (collectively, the “Patents-in-Suit”) (Exhibits 1–7), either literally or under the doctrine of equivalents; a declaration that certain of the Patents-in-Suit are unenforceable due to inequitable conduct and unclean hands; and, alternatively, a ruling that Defendant Netlist, Inc. (“Netlist”) has breached contractual obligations owed to Samsung, including obligations to license its allegedly essential patents and patent applications to Samsung and its affiliates on reasonable and non-discriminatory (“RAND”) terms and conditions, as follows:

NATURE OF THE ACTION

1. This is an action for a declaratory judgment and breach of contract arising under the patent laws of the United States, Title 35 of the United States Code, the Declaratory Judgment Act, 28 U.S.C. § 2201 *et seq.*, and state contract law.

2. Samsung requests this relief because Netlist has, without justification, unilaterally attempted to terminate a November 2015 Joint Development and License Agreement (“Agreement”) in which Netlist granted Samsung a perpetual, paid-up, worldwide license to, among others, the Patents-in-Suit. Samsung believes that it is licensed to the Patents-in-Suit under the Agreement. Netlist, however, claims it has terminated the Agreement, and Netlist asserts that Samsung infringes the Patents-in-Suit, including in litigation against a user of Samsung products, in license demands made to Samsung, and in litigation against Samsung. Thus, Samsung seeks a declaration that it does not infringe the Patents-in-Suit and that certain of the Patents-in-Suit are unenforceable. In the alternative, Netlist has breached its commitment to license on RAND terms and conditions, as Netlist insists the Patents-in-Suit are necessarily infringed by the practice of certain standards promulgated by the Joint Electron Device Engineering Council (“JEDEC”) and implemented by the accused Samsung memory modules.

3. Accordingly, for the reasons set forth herein, Samsung seeks a declaratory judgment that it does not infringe the Patents-in-Suit, a declaratory judgment that certain of the Patents-in-Suit are unenforceable due to inequitable conduct and unclean hands, and, alternatively, relief for Netlist’s breaches of contractual obligations owed to Samsung, including obligations to license its allegedly essential patents and patent applications to Samsung and its affiliates on RAND terms and conditions.

THE PARTIES

4. Samsung Electronics Co., Ltd. (“SEC”) is a corporation organized and existing under the laws of the Republic of Korea, with its principal place of business at 129, Samsung-ro, Yeongtong-gu, Suwon-si, Gyeonggi-do, 443-742, Republic of Korea.

5. Samsung Semiconductor, Inc. (“SSI”) is a corporation organized and existing under the laws of the State of California, with its principal place of business at 3655 North First Street, San Jose, California 95134.

6. On information and belief, Netlist is a corporation organized and existing under the laws of the State of Delaware, with its principal place of business at 175 Technology Drive, Suite 150, Irvine, California 92618.

JURISDICTION AND VENUE

7. This Court has subject matter jurisdiction over the claims for declaratory judgments of non-infringement and unenforceability (Counts I–XI) under 28 U.S.C. §§ 1331, 1338(a), and 2201(a).

8. This Court has subject matter jurisdiction over the breach of contract claim (Count XII) pursuant to 28 U.S.C. § 1367. The breach of contract claim forms part of the same case or controversy as the claims for declaratory judgment of non-infringement and unenforceability asserted by Samsung in this action.

9. This Court has personal jurisdiction over Netlist, a corporation organized and existing under the laws of the State of Delaware.

10. Venue is proper in this District under 28 U.S.C. § 1391(b)–(c) because Netlist is subject to personal jurisdiction in this District.

11. An immediate, real, and justiciable controversy exists between Samsung and Netlist as to whether Samsung has infringed the Patents-in-Suit and whether certain of the Patents-in-Suit are unenforceable.

12. For example, and as discussed more fully below, shortly after Netlist unilaterally declared that Samsung was no longer licensed to Netlist's patent portfolio, Netlist issued a "Notice of Infringement" letter to SEC and SSI, in which Netlist asserted that certain Samsung memory modules infringe Netlist's patents, including the '523, '595, and '218 patents. Netlist sent this letter after filing a lawsuit against Samsung seeking a judicial declaration that Samsung's license has been terminated.

13. Moreover, Netlist previously asserted the '523, '595, and '218 patents in litigation against SK hynix, and in doing so served claim charts that purport to demonstrate infringement based on compliance with certain JEDEC memory standards. The Samsung memory modules at issue in this action implement those same standards.

14. In an ongoing patent infringement lawsuit against Google, Netlist recently amended its infringement contentions to allege that Google's servers (which include Samsung's standard-compliant memory modules) infringe the '912 patent. Netlist first provided notice to Google on May 19, 2021, in the form of a claim chart, that Netlist would assert that JEDEC standard-compliant DDR4 LRDIMM and RDIMM memory modules incorporated in Google's servers infringe claim 16 of the '912 patent. Netlist's amended infringement contentions, served on June 18, 2021, formally alleged that certain JEDEC standard-compliant DDR4 LRDIMM and RDIMM memory modules—including memory modules supplied by SSI—practice each and every limitation in claim 16. As a direct and proximate result of Netlist's patent enforcement

activities with respect to the '912 patent, Samsung has received demands for indemnification, including from Google and Lenovo.

15. In addition, Netlist previously asserted the '912 patent in litigation against Inphi Corporation, and in doing so served claim charts that purport to demonstrate infringement based on compliance with certain JEDEC memory standards.

16. Netlist has also accused SEC, SSI, and one of their affiliates, in a case Netlist filed on December 20, 2021, of infringing the '506, '339, and '918 patents in connection with the making, sale, use, and/or importation of certain Samsung memory modules.

17. Netlist has also recently asserted patents, including patents related to the Patents-in-Suit, in multiple litigations against Micron Technology, Inc. and its affiliates (collectively, "Micron"), which are competitors of Samsung with respect to at least certain of the memory products at issue. *Netlist, Inc. v. Micron Technology, Inc. et al.*, Case No. 6:21-cv-430 (W.D. Tex.) (the "Micron -430 Litigation"); *Netlist, Inc. v. Micron Technology, Inc. et al.*, Case No. 6:21-cv-431 (W.D. Tex.) (the "Micron -431 Litigation"). In the Micron -431 Litigation, Netlist alleges that Micron's JEDEC standard-compliant memory modules infringe three patents, two of which are related to the '506 patent at issue in the present case. *See* Micron -431 Litigation, D.I. 1, ¶ 2. Specifically, the '506 patent is a continuation of Application No. 15/820,076, now U.S. Patent No. 10,268,608 (the "'608 patent"), which is a continuation of Application No. 15/426,064, now U.S. Patent No. 9,824,035 (the "'035 patent"). Netlist has accused Samsung of infringement with respect to memory modules implementing the same standards to which the '608 and '035 patents are allegedly essential.

18. In the Micron -430 Litigation, Netlist alleges that certain Micron memory products infringe U.S. Patent No. 8,301,833 (the "'833 patent"). The '833 patent is a parent of the

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