IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

OCEAN SEMICONDUCTOR LLC,

               Plaintiff,

v.

HUAWEI DEVICE USA, INC.,
HUAWEI DEVICE CO., LTD.; and
HISILICON TECHNOLOGIES CO., LTD.,

               Defendants.

No. 4:20-cv-991

Jury Trial Demanded

DEFENDANTS' MOTION TO DISMISS
FOR FAILURE TO STATE A CLAIM UNDER 35 U.S.C. § 271(g)

Defendants Huawei Device USA, Inc., Huawei Device Co., Ltd., and HiSilicon Technologies Co., Ltd. (collectively "Huawei") move to dismiss four of Plaintiff Ocean Semiconductor LLC's ("Ocean" or "Plaintiff") infringement claims arising under 35 U.S.C. § 271(g) for failure to state a claim. Infringement under Section 271(g) is limited to importation of "a product which is made by a process patented in the United States." This provision applies only to process claims that result in a manufactured good. Section 271(g) does not encompass method claims that result in the mere generation of information, or the testing of products or intermediaries. In its Complaint, Plaintiff asserts that the importation of certain Huawei semiconductor chips infringes Plaintiff's patents under 271(g). The asserted claims from four[1] of the patents-in-suit, however, relate to methods of controlling the fabrication tools that may be used in making semiconductor chips, not processes of making the chips themselves. Indeed, the claimed methods generate only information and do not create a manufactured good. Thus, the Court should dismiss Plaintiff's 271(g) claims as to these four patents.[2]

I.   LEGAL STANDARD

35 U.S.C. § 271(g) creates a cause of action for infringement for the importation, sale, or use of a product manufactured according to a patented method, but only where (1) there is no

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[1] Defendants reserve the right to challenge Plaintiff's Section 271(g) claims as to other asserted patents as the case progresses.

[2] This issue is currently pending before Judge Albright in the Western District of Texas, as other defendants accused of infringing some or all of the same patents filed similar motions in their respective cases: *Ocean Semiconductor LLC v. NVIDIA Corp.*, No. 6:20-cv-1211-ADA, Dkt. 13 (W.D. Tex. Mar. 12, 2021); *Ocean Semiconductor LLC v. NXP Semiconductors N.V.*, No. 6:20-cv-1212-ADA, Dkt. 15 (W.D. Tex. Mar. 12, 2021); *Ocean Semiconductor LLC v. Silicon Labs Inc.*, No. 6:20-cv-1214-ADA, Dkt. 14 (W.D. Tex. Mar. 11, 2021); *Ocean Semicondcutor LLC v. STMicroelectronics Inc.*, No. 6:20-cv-1215-ADA, Dkt. 18 (W.D. Tex. Mar. 12, 2021); *Ocean Semiconductor LLC v. Western Digital Techs., Inc.*, No. 6:20-cv-1216-ADA, Dkt. 12 (W.D. Tex. Mar. 12, 2021).

infringement under Section 271(a); (2) the product produced by the claimed method is not substantially changed before importation; and (3) the product produced according to a claimed process is not a trivial component of something else. *See* 35 U.S.C. 271(g).

Infringement under § 271(g) is "limited to physical goods that were manufactured and does not include information generated by a patented process." *Bayer AG et al. v. Housey Pharmaceuticals, Inc.*, 340 F.3d 1367, 1368 (Fed. Cir. 2003). More specifically, the claimed process "must be used directly in the manufacture of the product, and not merely as a predicate process." *Id.* at 1378. Deficient Section 271(g) claims may be dismissed at the Rule 12(b) stage. *Id.* (affirming dismissal at the Rule 12(b) stage where the asserted claim covered the generation of information, not the manufacture of a product).

Further, § 271(g) claims do not extend "to methods of testing a final product or an intermediate substance to ensure that the intended product or substance has in fact been made." *Momenta Pharms., Inc. v. Teva Pharms. USA Inc.*, 809 F.3d 610, 615 (Fed. Cir. 2015) (alteration in original). A product is "made by" a process when that process "create[s] or give[s] new properties" to the product. *Id*. at 616–17. Further, Section 271(g) will not apply when the claimed process is too far removed from the making of the product. *Id.* at 617.

II.   ARGUMENT

Plaintiff asserts that Huawei infringes U.S. Pat. Nos. 6,725,402 (Count II); 8,676,538 (Count VII); 6,907,305 (Count III); and 6,968,248 (Count IV) under 271(g). Dkt. 1 (Complaint). As discussed below, all the asserted claims from these patents are directed to processes for generating information to be used by tools in an assembly line, rather than methods to manufacture semiconductor chips, which are the accused products in this case.

A.   Ocean's fault detection patents generate information, not a physical article.

1.   '402 Patent, Claim 1

Plaintiff alleges that Huawei infringes claim 1 of the '402 patent under Section 271(g).

Dkt. 1 ¶ 94. Claim 1 of the '402 patent reads:

1.   A method comprising:

> receiving at a first interface operational state data of a processing tool related to the manufacture of a processing piece;
>
> sending the state data from the first interface to a fault detection unit, wherein the act of sending comprises:
>
>> sending the state data from the first interface to a data collection unit;
>>
>> accumulating the state data at the data collection unit;
>>
>> translating the state data from a first communications protocol to a second communications protocol compatible with the fault detection unit; and
>>
>> sending the translated state data from the data collection unit to the fault detection unit;
>
> determining if a fault condition exists with the processing tool based upon the state data received by the fault detection unit;
>
> performing a predetermined action on the processing tool in response to the presence of a fault condition; and
>
> sending an alarm signal indicative of the fault condition to an advanced process control framework from the fault detection unit providing that a fault condition of the processing tool was determined by the fault detection unit,
>
> wherein performing a predetermined action further comprises sending a signal by the framework to the first interface reflective of the predetermined action.

As the claim language shows, claim 1 of the '402 patent covers "receiving...operational state data of a processing tool"; "sending the state data...to a fault detection unit"; using the state data to "determine[e] if a fault condition exists"; and if so, "performing a predetermined action on the processing tool," including "sending a signal...reflective of the predetermined action," and sending an alarm signal indicative of the fault condition." In other words, claim 1 produces only information – notification of the existence of a fault condition. It does not claim a method to

manufacture a semiconductor chip. Accordingly, allegations of Section 271(g) infringement of

the '402 patent are not legally cognizable and should be dismissed.

2.   '538 Patent, Claim 1

Plaintiff alleges that Huawei infringes claim 1 of the '538 patent under § 271(g). Dkt. 1 ¶

195. Claim 1 of the '538 patent reads:

A method, comprising:

> performing in a computer a fault detection analysis relating to processing of a
> workpiece;

> determining in a said computer a relationship of a parameter relating to said fault
> detection analysis to a detected fault;

> adjusting in said computer a weighting of said parameter based upon said
> relationship of said parameter to said detected fault; and

> performing in said computer the fault detection analysis relating to processing of
> a subsequent workpiece using said adjusted weighting.

As the claim language shows, claim 1 of the '538 patent covers "performing . . . a fault

detection analysis"; "determining...a relationship of a parameter relating to said fault detection

analysis to a detected fault"; "adjusting...a weighting of said parameter"; and "performing...the

fault detection analysis...using said adjusted weighting." Claim 1 covers adjusting a parameter

used for fault detection to perform fault detection using the adjusted parameter – all of which is

informational. No physical article is made by performing the claimed method, and § 271(g)

cannot apply. Accordingly, Plaintiff's allegations of infringement of the '538 patent under

§ 271(g) should be dismissed.

B.   Ocean's scheduling patents output information, not a physical article.

1.   '305 Patent, Claim 1

Plaintiff alleges that Huawei infringes claim 1 of the '305 patent under Section 271(g).

Dkt. 1 ¶ 114. Claim 1 of the '305 patent reads:

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