

EXHIBIT 1

UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
WACO DIVISION

OCEAN SEMICONDUCTOR LLC,

Plaintiff

v.

NVIDIA CORPORATION,

Defendant

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Civil Action No.: 6:20-cv-1211

JURY TRIAL DEMANDED

PATENT CASE

NVIDIA'S RULE 12(b)(6) MOTION TO DISMISS CLAIMS UNDER
THE '538, '305, AND '248 PATENTS BECAUSE
THEY ARE NOT COGNIZABLE UNDER 35 U.S.C. § 271(g)

I. INTRODUCTION

35 U.S.C. § 271(g) applies only where a product is used, sold, offered for sale in, or imported into, the U.S. and was “made by” a process patented in the U.S. The “made by” element covers “the creation or transformation of a product, such as by synthesizing, combining components, or giving raw materials new properties.” *Momenta Pharms., Inc. v. Teva Pharms. USA, Inc.*, 809 F.3d 610, 616 (Fed. Cir. 2015). “Made by” does not extend to “testing to determine whether an already [manufactured product] possesses existing qualities or properties,” quality control processes, or generating data. *Id.*

Here, three of the nine patents asserted so clearly fail to satisfy the “made by” element that they cannot state a plausible claim for infringement under § 271(g): U.S. Patent Nos. 8,676,538; 6,907,305; and 6,968,248 (the “271(g) Patents”). The claimed methods do not create or transform any product and thus do not meet the “made by” requirement. There is therefore no way for Plaintiff Ocean Semiconductor LLC (“Ocean Semiconductor”) to cure these shortcomings with additional pleading, amendment, discovery, or case development. The 271(g) Patents must be dismissed with prejudice.

II. LEGAL STANDARD

In deciding a Rule 12(b)(6) motion to dismiss for failure to state a claim, the court accepts all well-pleaded facts as true, viewing them in the light most favorable to the non-movant. *In re Katrina Canal Breaches Litig.*, 495 F. 3d 191, 205 (5th Cir. 2007). A court need not, however, blindly accept each and every allegation of fact, particularly where an allegation is conclusory or comprises a legal conclusion

“masquerading as a factual conclusion.” *Taylor v. Books A Million, Inc.*, 296 F. 3d 376, 378 (5th Cir. 2002); *Bell Atlantic Corp v. Twombly*, 550 U.S. 544, 555 (2007); *Ashcroft v. Iqbal*, 56 U.S. 652, 678 (2009). To avoid dismissal, the complaint must plead enough facts to state a claim for relief that is plausible on its face, *Twombly*, 550 U.S. at 570, and the factual allegations must be enough to raise a right to relief above the level of speculation. *Id.* at 555.

III. ARGUMENT

Infringement under 35 U.S.C. § 271(g) occurs when a party sells, offers, or uses in the United States (or imports into the U.S.) “a product which is *made by* a process patented in the United States.” 35 U.S.C. § 271(g) (emphasis added). A “product” must be a physical product, and it is “made” by a patented process only when “manufactured” by that process. *Bayer AG v. Housey Pharms., Inc.*, 340 F.3d 1367, 1377 (Fed. Cir. 2003). Manufacturing covers the “creation or transformation” of the product, such as by “synthesizing, combining components, or giving raw materials new properties.” *Momenta*, 809 F.3d at 616. Making or manufacturing does not, however, “extend to testing” to determine whether an already-manufactured product possesses certain qualities. *Id.*; *Phillip M. Adams & Assocs., LLC v. Dell Comput. Corp.*, 519 F.App’x 998, 1005 (Fed. Cir. 2013) (unpublished) (“[E]ven assuming the certification testing constituted infringement ..., the motherboards where not ‘made by’ the certification testing pursuant to 35 U.S.C. § 271(g).”).

The production of information, as opposed to a physical product, is also outside the scope of § 271(g) and cannot be the basis for an infringement allegation under

that section. *Bayer*, 340 F.3d at 1372. Thus, to state a cognizable claim under § 271(g), Ocean Semiconductor must plausibly plead that the tangible NVIDIA products accused here—not *information* about them or about the process by which they were made—were “created or transformed” by the processes claimed in the 271(g) Patents.

Ocean Semiconductor must also show that the accused NVIDIA products were manufactured “by” the patented processes. To meet this requirement, “the process must be used *directly* in the manufacture of the product, and not merely as a predicate process to identify the product to be manufactured.” *Id.* at 1378 (emphasis added). Here again, “methods of *testing* a final product or an intermediate substance” are insufficient. *Momenta*, 809 F.3d at 615 (emphasis added).

In sum, a product is “made by” a patented process when that process “create[s] or give[s] new properties” to the product. *Id.* at 616–17. Here, because of the nature of the claims in 271(g) Patents, Ocean Semiconductor has not pled—and cannot plead—a plausible claim of infringement under § 271(g). The claims under those patents should therefore be dismissed with prejudice as legally implausible and infirm. Any attempt to replead would be futile.

A. The ‘538 patent cannot ground a 271(g) claim because it addresses “fault detection,” not the creation or transformation of the accused products.

Ocean Semiconductor asserts only claim 1 of the ‘538 patent, and the only theory of infringement for that claim is § 271(g). Complaint (Dkt. 1), at ¶ 77. Claim 1 reads:

1. A method, comprising:

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