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

OCEAN SEMICONDUCTOR LLC,	§	Civil Action No.: 6:20-cv-1211
	§	
Plaintiff	§	
	§	
v.	§	JURY TRIAL DEMANDED
	§	
NVIDIA CORPORATION,	§	
	§	
Defendant	§	PATENT CASE

NVIDIA'S REPLY IN SUPPORT OF ITS 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)

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I. INTRODUCTION

Plaintiff's opposition rests on a mistaken interpretation of 35 U.S.C. § 271(g). Plaintiff argues that processes merely "implicating" manufacturing or related to "commercial viability" are enough to meet the "made by" requirement of section 271(g). To the contrary, a patented process must be "used directly" in the manufacture of a physical product to be "made by" a process within the scope of 35 U.S.C. § 271(g). *Bayer AG v. Housey Pharm., Inc.*, 340 F.3d 1367, 1378 (Fed. Cir. 2003).

Dismissal is required, because no wafers or other products are "made by" the methods recited in the '538, '305, or '248 patent claims. The recited processes for "performing . . . a fault detection" and "scheduling" are not "used directly" to manufacture any products. Instead, they are the same kinds of processes that have been rejected in prior cases for failing to create the product or affect its properties, as required for any liability under § 271(g). Because no amendment by Plaintiff can cure this deficiency, dismissal with prejudice should be granted.

II. ARGUMENT

A. 35 U.SC. § 271(g) requires that a process be "used directly" to manufacture a physical product.

Under *Bayer*, "the process must be *used directly* in the manufacture of the product" to satisfy 35 U.SC. § 271(g). *Bayer,* 340 F.3d at 1378 (emphasis added). Contrary to Plaintiff's representations, processes that "implicate" (Opp. at 4), "relate[]" (Opp. at 6), or are "remote" (Opp. at 7) to the manufacturing of a product are not

enough. The processes must be "used directly" in the manufacture of a physical product.

Nor is "commercial viability" relevant to the "made by" requirement of 35 U.SC. § 271(g). The cases cited by Plaintiff that deal with this commercial viability inquiry are relevant only to a different part of the test for section 271(g): the statutory exception that applies to products found to be made by a patented process. The statutory language of § 271(g) states that where a product is otherwise "made by a patented process . . ., for purposes of this title," such a product is exempted after "it is materially changed by subsequent processes." 35 U.S.C. § 271(g)(1). Here, the question is not whether a product has been "materially changed by subsequent processes," but is instead whether the product was "made by" the patented process.

The question at issue here—whether a product is manufactured by a process within the meaning of § 271(g)—is a question of law properly adjudicated at this stage, as it has been treated by other courts, including the Federal Circuit. *See Bayer*, 340 F.3d 1367, 1368, 1378 (affirming district court's dismissal for failure to state a claim); *Anticancer, Inc. v. Pfizer, Inc.*, No. 11-cv-107-JLS, 2012 WL 13180611, at *2-3 (S.D. Cal. June 1, 2012) (granting motion for judgment on the pleadings against § 271(g) claim). There are no factual issues that preclude the Court from dismissing the infringement claims regarding the '538, '305, and '248 patents under § 271(g).

Similarly, Plaintiff's arguments regarding the scope and interpretation of § 271(g) are either contrary to the plain language of § 271(g) or the Federal Circuit's holdings in *Bayer* and *Momenta*, and should be rejected. Plaintiff misconstrues *Bayer*

when they argue that "whether a product is 'made by' a patent should be interpreted expansively to include products made through the 'agency,' 'efficacy,' 'work,' 'participation,' 'means or instrumentality,' 'medium,' or 'operation' of a process." Opp. at 3 (quoting *Bayer AG v. Housey Pharm., Inc.,* 340 F.3d 1367, 1368, 1373 (Fed. Cir. 2003) (citing *Webster's* and *Random House* dictionaries)). The Court found that these dictionary definitions recited by Plaintiff support the requirement that the process must be "used directly in the manufacture of the product" to be "made by" a patented process within the scope of § 271(g). *Bayer*, 340 F.3d 1367, 1378 & fn. 12. Contrary to Plaintiff's assertion of broad applicability of § 271(g), as the Court in *Bayer* held, "the statute clearly contemplates that 'made' means 'manufactured.'" *Id.* at 1372. And *Bayer* further held that when the claimed process-at-issue is not "***used directly***" to manufacture the accused product, § 271(g) is inapplicable. *Id.* at 1378.

Plaintiff is also wrong in its argument that *Bayer* applies narrowly to just the question of "whether information developed using a patented process is a 'product' within the scope of § 271(g)." Opp. at 5. But as just shown, *Bayer* is not that limited. While, as Plaintiff notes, the *Bayer* court recognized that "it is beyond dispute that a drug is a physical product that has been manufactured," (Opp. At 6 (quoting *Bayer*, 340 F.3d at 1377)), the court further held that the physical drug product at issue "is not used in the actual synthesis of the drug product." *Bayer*, 340 F.3d at 1377. Therefore, the physical drug was not manufactured ***by*** the process because "***the process must be used directly in the manufacture of the product***." *Id.* at 1378 (emphasis added). As explained in Defendant's Motion, none of the claimed

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