1	QUINN EMANUEL URQUHART & SULLIVA	N, LLP
2	Robert W. Stone (Bar No. 163513) robertstone@quinnemanuel.com	
3	Brice C. Lynch (Bar No. 288567) bricelynch@quinnemanuel.com	
4	555 Twin Dolphin Drive, 5 <sup>th</sup> Floor Redwood Shores, California 94065	
5	Telephone: (650) 801-5000 Facsimile: (650) 801-5100	
6	QUINN EMANUEL URQUHART & SULLIVA	N, LLP
7	Michael D. Powell (Bar No. 202850) mikepowell@quinnemanuel.com	
8	Michelle A. Clark (Bar No. 243777) michelleclark@quinnemanuel.com	
9	50 California Street, 22 <sup>nd</sup> Floor San Francisco, California 94111	
10	Telephone: (415) 875-6600 Facsimile: (415) 875-6700	
11	Attorneys for Defendants ASM	
12	INTERNATIONAL, N.V. AND ASM AMERICA, INC.	
13		
14	NORTHERN DISTRI	DISTRICT COURT
15	NOKI HEKIN DISI KI	CI OF CALIFORNIA
16	HITACHI KOKUSAI ELECTRIC INC.,	Civil Action No. 5:17-cv-6880
17	Plaintiff,	MOTION TO DISMISS
18	v.	Hon. Beth Labson Freeman
19	ASM INTERNATIONAL, N.V. AND ASM AMERICA, INC.,	Date: March 29, 2018 Time: 9:00 a.m.
20	Defendants.	Courtroom: 3
21		Complaint Filed: December 1, 2017
22		
23		
24		
25		
26		
27		
28		
		Case No. 5:17-cv-6880
		MOTION TO DISMISS

1			TABLE OF CONTENTS	
2			TABLE OF CONTENTS	Page
3	NOTIO	CE OF I	MOTION & MOTION	1
4	TO AI	LL PAR	RTIES AND THEIR ATTORNEYS OF RECORD:	1
5	I.	INTRO	ODUCTION	1
6	II.	STAT	EMENT OF FACTS	2
7		A.	Genesis Of The Parties' Dispute	2
8		B.	HiKE's Complaint Lacks Specific Factual Allegations	2
9			1. The Complaint Lacks Factual Support for Claims of Direc Infringement	
10 11			2. The Complaint Lacks Factual Support for Claims of Indire Infringement	ect 4
12	III.	APPL	ICABLE LEGAL STANDARDS	6
13	IV.	ARGU	UMENT	7
14		A.	The Complaint Fails To State A Claim For Direct Infringement	7
15		B.	The Complaint Fails To State A Claim For Indirect Infringement	8
16	V.	CONC	CLUSION	11
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
			i-	Case No. 5:17-cv-6880 MOTION TO DISMISS

1	TABLE OF AUTHORITIES
2	Page
3	Cases
4	<i>Anza Tech, Inc. v. Hawking Tech., Inc.,</i> 3:16-cv-1264, 2016 WL 8732648,(S.D. Cal. Nov. 4, 2016)
5 6	Asetek Holdings, Inc. v. Coolit Sys., Inc., No. C-12-4498, 2013 WL 256522 (N.D. Cal. Jan. 23, 2013)
7	Ashcroft v. Iqbal, 556 U.S. 662, 129 S. Ct. 1937 (2009) 1, 6, 7, 8, 10
8 9	Atlas IP LLC v. Exelon Corp., 189 F. Supp. 3d 768 (N.D. Ill. 2016), aff'd, 686 Fed. Appx. 921 (Fed. Cir. 2017)
10	<i>Bascom Research LLC v. Facebook, Inc.,</i> No. C 12-6293, 2013 WL 968210 (N.D. Cal. Mar. 12, 2013)
11 12	Atlas IP LLC v. Pac. Gas & Elec. Co., No. 15-cv-05469, 2016 WL 1719545 (N.D. Cal. Mar. 9, 2016)
13	<i>Bell Atlantic v. Twombly,</i> 550 U.S. 433 (2007)
14 15	<i>Bender v. LG Elecs. USA, Inc.,</i> No. C09-2114-JF(PVT), 2010 WL 889541 (N.D. Cal. Mar. 11, 2010)7
16	<i>Chavez v. United States</i> , 683 F.3d 1102 (9th Cir. 2012)
17 18	<i>Emblaze Ltd v. Apple Inc.,</i> No. C 11-01709, 2012 WL 5940782 (N.D. Cal. Nov. 27, 2012)
19	<i>eDigital Corp. v. iBaby Labs, Inc.,</i> No. 15-cv-05790, 2016 WL 4427209 (N.D. Cal. Aug. 22, 2016)7
20 21	<i>In re Gilead Scis. Sec. Litig.,</i> 536 F.3d 1049 (9th Cir. 2008)
22	Intellicheck Mobilisa, Inc. v. Honeywell Int'l Inc., No. C16-0341 JLR, 2017 WL 5634131 (W.D. Wash. Nov. 21, 2017)
23 24	<i>Logic Devices Inc. v. Apple Inc.</i> , No. C 13-02943, 2014 WL 60056 (N.D. Cal. Jan. 7, 2014)
25	<i>Memory Integrity, LLC v. Intel Corp.,</i> 144 F. Supp. 3d 1185 (D. Or. 2015)
26 27	Mendiondo v. Centinela Hosp. Med. Ctr., 521 F.3d 1097 (9th Cir. 2008)
28	North Star Innovations, Inc. v. Micron Tech., Inc., No. 17-506-LPS, 2017 WL 5501489 (D. Del. Nov. 16, 2017)
	-ii- Case No. 5:17-cv-6880
	MOTION TO DISMISS

1	Novatel Wireless, Inc. v. Franklin Wireless Corp., No. 10cv2530, 2012 WL 12845614 (S.D. Cal. Mar. 29, 2012)
2 3	Scripps Research Institute v. Illumina, Inc., No. 16-cv-661, 2016 WL 6834024
4 5	Varian Med. Sys., Inc. v. Elekta AB, No. CV 15-871-LPS, 2016 WL 3748772 (D. Del. July 12, 2016)
6	Rules and Regulations
7	Fed. R. Civ. P. 8(a)(2)
, 8	Fed. R. Civ. P. 12(b)(6)
9	Additional Authorities
10	U.S. Patent No. 7,033,937
11	0.5. Tuton 1(0. 7,055,757
12	
12	
13	
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	
26	
27	
28	
-	
	-iii- Case No. 5:17-cv-6880 MOTION TO DISMISS
	MOTION TO DISM

1	<b>NOTICE OF MOTION &amp; MOTION</b>
2	TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:
3	Please take notice that on March 29, 2018, at 9:00 a.m., the undersigned shall appear
4	before the Honorable Beth Labson Freeman in Courtroom 3 on the 5th Floor of the United States
5	District Court for the Northern District of California, San Jose Courthouse, 280 South 1st Street,
6	San Jose, CA 95113 and shall present Defendants ASM America, Inc. and ASM International,
7	N.V.'s Motion to Dismiss. This Motion is based on this Notice of Motion and Motion, the other
8	records and papers provided to the Court herewith, any oral argument, and all other evidence the
9	Court may consider in hearing this Motion.
10	Pursuant to L.R. 7-2(b)(3), Defendants ASM America, Inc. and ASM International, N.V.
11	respectfully request that the Court grant its Motion to Dismiss and dismiss the Complaint filed by
12	Plaintiff Hitachi Kokusai Electric Inc. ("HiKE") in this Action for failure to state a claim.
13	STATEMENT OF ISSUES TO BE DECIDED (L.R. 7-3(a)(3)
14	Whether HiKE's Complaint is deficient pursuant to Federal Rule of Civil Procedure
15	12(b)(6) because it lacks sufficient factual allegations to state a cognizable claim for relief.
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	
26	
27	
28	
	Case No. 5:17-cv-6880
	MOTION TO DISMISS

## 1 I. INTRODUCTION

2 The Complaint filed by Hitachi Kokusai Electric Inc. ("HiKE" or "Plaintiff") in this patent 3 case against ASM International, N.V. and its U.S.-based subsidiary ASM America, Inc. is a relic 4 of pleading standards long ago abandoned—namely, it is devoid of *any* of the factual allegations 5 now required by U.S. Supreme Court precedent in view of the 2015 Amendments to the Federal Rules of Civil Procedure. Following the abrogation of Rule 84 and its corresponding Appendix of 6 7 Forms in the 2015 Amendments, district courts (including this Court) have routinely held that 8 merely parroting back the language of asserted claim elements combined with a conclusory 9 statement that the accused product is comprised of such elements renders a patent complaint 10 deficient as a matter of law. Nevertheless, that is precisely what HiKE has done – strongly suggesting that HiKE lacks evidentiary support for its infringement claims. Accordingly, HiKE's 11 allegations of direct infringement fail as a matter of law. 12

13 HiKE's allegations of indirect infringement are likewise deficient—relying exclusively on 14 recitation of the legal standards applicable to induced and contributory infringement without 15 including any factual allegations tailored to either defendant's conduct or their customers. 16 Pursuant to the framework established by *Iqbal* and *Twombly*, however, such legal conclusions are 17 *disregarded* when evaluating the sufficiency of pleadings. Because HiKE's Complaint fails to 18 identify facts demonstrating how any of the asserted claim elements are practiced by the accused 19 products or performed by either defendant or any third party within the United States, its claims of 20 indirect infringement must also fail as there can be no indirect infringement without a 21 corresponding direct infringement. Additionally, HiKE's Complaint fails to identify a single U.S.-22 based installation or use of any of the accused products or identify any domestic third-party 23 infringer, much less any affirmative acts Defendants have undertaken to induce or contribute to 24 such unspecified third-party infringement. Consequently, each of HiKE's allegations of indirect 25 infringement also fail as a matter of law, and HiKE's Complaint should be dismissed. 26 27 28

1

II.

A.

## STATEMENT OF FACTS

2

# Genesis Of The Parties' Dispute

3 ASM International NV ("ASMI") is a foreign corporation founded, organized, and operated in the Netherlands. ASM America, Inc. ("ASMA") is a United States subsidiary of 4 5 ASMI incorporated in Delaware with its principal place of business in Arizona. ASMI, ASMA, and their corporate affiliates (collectively "ASM" or "Defendants") are leading innovators in the 6 7 semiconductor industry and suppliers of semiconductor processing equipment. Specifically, ASM 8 designs and develops reactors used in the deposition of thin films on semiconductor substrates 9 during the fabrication of complex integrated circuits (*i.e.*, microchips) for use in computers and 10 other electronic devices. Techniques and technologies developed by ASM have helped drive the miniaturization of microchips used in consumer and industrial computing devices, an area of 11 12 innovation known as nanotechnology. ASM's products include complex reactors designed to 13 perform atomic layer deposition, chemical vapor deposition, and other thin film processing 14 techniques used globally in the fabrication of microprocessors and memory chips. ASM also 15 makes substantial R&D investments in identifying the appropriate chemical reactants used in these 16 thin film processes.

17 HiKE is also a supplier of semiconductor manufacturing equipment. Like ASM, HiKE 18 develops and sells thin film processing equipment for use in semiconductor fabrication globally. 19 Dkt. 1., ¶ 12. For years, ASM and HiKE coexisted (and even competed) peacefully under the 20 terms of a patent license agreement whereby ASM licensed certain patents to HiKE in certain 21 fields of use. Efforts to negotiate a renewal of the license were unsuccessful and ASM affiliate 22 ASM IP Holding BV initiated a patent infringement action against HiKE on December 1, 2017. 23 ASM IP Holding BV v. Hitachi Kokusai Electric, Inc., Case No. 3:17-cv-6879, Dkt. 1 (N.D. Cal. 24 Dec. 1, 2017). Immediately thereafter, HiKE filed the present action against ASMI and ASMA.

25

B.

# HiKE's Complaint Lacks Specific Factual Allegations

261.The Complaint Lacks Factual Support for Claims of Direct Infringement27HiKE's Complaint in this action asserts patent infringement of seven (7) patents. HiKE28did not attach copies of the asserted patents to its Complaint. Aside from the title of the Patent,

HiKE's Complaint provides no description of its claimed inventions or what it considers to be the
 subject matter of its claims. Dkt. 1, ¶¶ 15-21. HiKE's pleading regarding U.S. Patent No.
 7,033,937 is illustrative:

The Patents-in-Suit

5 15. On April 25, 2006, the United States Patent and Trademark Office ("USPTO")
6 duly and legally issued the '937 patent, which is titled "Apparatus and Method for Use in
7 Manufacturing a Semiconductor Device." The '937 patent has been assigned to HiKE. HiKE
8 holds all right, title, and interest in the '937 patent, including the right to collect and receive
9 damages for past, present, and future infringement of the '937 patent.

10 Following identification of the Patents-in-Suit, the Complaint includes seven (7) counts for 11 infringement of U.S. Patent Nos. 7,033,937 ("the '937 patent"), 6,576,063 ("the '063 patent"), 12 7,808,396 ("the '396 patent"), RE43,023 ("the '023 patent"), 6,744,018 ("the '018 patent"), 13 8,409,988 ("the '988 patent"), and 9,318,316 ("the '316 patent") (collectively, "the Asserted 14 Patents"). The allegations in each count are virtually identical. For each, HiKE asserts that "[b]y 15 making, using, importing, selling, and/or offering for sale one or more of the Accused Products, 16 including but not limited to [an exemplary system], Defendants have infringed and continue to 17 infringe the [] patent in this District and throughout the United States." HiKE identifies the 18

<sup>18</sup> following exemplary accused "systems" in its Complaint:

4

10			
19	Asserted Patent	Exemplary Accused System	Dkt. 1
20	U.S. Patent No. 7,033,937	Pulsar XP ALD System	¶ 24
20	U.S. Patent No. 6,576,063	Pulsar XP ALD system	¶ 34
21	U.S. Patent No. 7,808,396	Intrepid XP epitaxy system	¶ 44
	U.S. Patent No. RE43,023	A412 batch vertical furnace system	¶ 54
22	U.S. Patent No. 6,744,018	XP8 system	¶ 64
23	U.S. Patent No. 8,409,988	XP8 system	¶ 74
23	U.S. Patent No. 9,318,316	XP8 system	¶ 84
24			
25			
26	//		
20	<i>''</i>		
27	//		
28			
		-3-	Case No. 5:17-cv-6880
			MOTION TO DISMISS

Thereafter, HiKE's Complaint identifies an exemplary asserted claim and recites the bare
 claim elements. HiKE's allegations relating to the '937 Patent are representative:

3 25. For example, the Pulsar XP ALD system infringes at least claim 10 of the '937 4 patent because it practices a semiconductor device manufacturing method that includes the steps 5 of (a) generating a plasma in at least one plasma source arranged outside a reaction chamber 6 where the reaction chamber has at least one substrate to be processed; and (b) supplying and 7 removing active species generated by the plasma source into and from the reaction chamber 8 through a supply port arranged at a side of the reaction chamber and an exhaust port arranged at a 9 substantially opposite side to the supply port where the supply port and the exhaust port are positioned substantially at a same level, and the active species flows in a substantially horizontal 10 direction from the supply port to the exhaust port. 11

Though HiKE's Complaint recites the elements of asserted claims, it fails to provide any factual
allegations regarding how, if at all, the accused products meet the claim requirements. *See* Dkt. 1,
25, 35, 45, 55, 65, 75. Moreover, many of the Asserted Patents, like Claim 10 of the '937
Patent identified above, involve method – not apparatus – claims. For its asserted method claims,
HiKE does not identify any accused processes nor does it explain how, if at all, the identified
systems may be used to perform the claimed methods.

18 19

20

21

22

23

24

25

26

27

28

2. <u>The Complaint Lacks Factual Support for Claims of Indirect Infringement</u> HiKE's Complaint further alleges "on information and belief" that "Defendants have also induced and/or are inducing the infringement" of the asserted patents but fails to identify any allegedly inducing activities. Dkt. 1, ¶¶ 27, 37, 47, 57, 67, 77. HiKE's inducement allegations relating to the '937 Patent, reproduced in full below, are exemplary of the conclusory language used for all of its Counts of indirect infringement:

1	27. On information and belief, Defendants have also induced and/or are inducing the
2	infringement of the '937 patent by making, using, importing, offering for sale, and/or selling one
3	or more of the Accused Products, including but not limited to the Pulsar XP ALD system. At
4	least this product, as provided by Defendants to their customers and used as intended and
5	instructed, infringes the '937 patent. Defendants sold and/or offered for sale one or more of the
6	Accused Products, including but not limited to the Pulsar XP ALD system, and are continuing to
7	do so, to customers with the specific intent to actively encourage them to use one or more of the
8	Accused Products, including but not limited to the Pulsar XP ALD system in the United States in
9	a manner that Defendants know to be infringing.
10	Similarly, HiKE alleges "on information and belief" that "Defendants have also
11	
12	contributed to and/or are contributing to the infringement of the" asserted patents, but fail to
13	provide any factual allegations in support of its contributory infringement claims. Id., ¶¶ 28, 38,
14	48, 58, 68, 78. As with its inducement claims, HiKE uses the same language for each of its
15	counts, which is reproduced below:
16	28. On information and belief, Defendants have also contributed to and/or are
17	contributing to the infringement of the '937 patent by making, using, importing, offering for sale,
18	and/or selling one or more of the Accused Products, including but not limited to the Pulsar XP
19	ALD system. Defendants have made and/or sold such products with knowledge that they are
20	especially designed for use in a patented system and/or apparatus for use in a patented process
21	
22	and are not a staple article of commerce suitable for substantial non-infringing use. For example,
23	among other things, on information and belief, Defendants actively and knowingly sell such
24	products and provide customer support, installation and instruction material, and other
25	documentation to customers for such products' use as a component of a patented system and/or
26	apparatus for use in a patented process. On information and belief, Defendants' customers have
20	used and continue to use such products in the United States in this manner and infringed the '937
	patent.
28	
	-5- Case No. 5:17-cv-6880

# 1

## III. <u>APPLICABLE LEGAL STANDARDS</u>

2 Under Federal Rule of Civil Procedure 12(b)(6), dismissal of a complaint is required if 3 "the complaint lacks a cognizable legal theory or sufficient facts to support a cognizable legal 4 theory." Bascom Research LLC v. Facebook, Inc., No. C 12-6293, 2013 WL 968210, at \*3 (N.D. 5 Cal. Mar. 12, 2013) (quoting Mendiondo v. Centinela Hosp. Med. Ctr., 521 F.3d 1097, 1104 (9th 6 Cir. 2008)). "Notice pleading requires only a 'short and plain statement of the claim showing that 7 the pleader is entitled to relief." Id. (quoting Fed. R. Civ. P. 8(a)(2)). However, "such a showing 8 requires more than labels and conclusions, and a formulaic recitation of the elements of a cause of 9 action will not do." Id. (quoting Bell Atlantic v. Twombly, 550 U.S. 433, 444 (2007)). "Rather, 10 the plaintiff must allege 'enough facts to state a claim to relief that is plausible on its face." *Id.* (quoting Twombly, 550 U.S. at 570). "Legal conclusions may 'provide the framework of a 11 complaint, but they must be supported by factual allegations." Id. (quoting Ashcroft v. Iqbal, 556 12 13 U.S. 662, 679, 129 S. Ct. 1937, 1950 (2009)).

14 In assessing the factual support proffered by the plaintiff's Complaint, the Court should not 15 "accept allegations that are merely conclusory, unwarranted deductions of fact or unreasonable 16 inferences." Bascom, 2013 WL 968210 at \*3 (citing In re Gilead Scis. Sec. Litig., 536 F.3d 1049, 1055 (9th Cir. 2008)); see also Intellicheck Mobilisa, Inc. v. Honeywell Int'l Inc., No. C16-0341 17 18 JLR, 2017 WL 5634131, at \*5 (W.D. Wash. Nov. 21, 2017) ("'Mere conclusory statements' or 19 'formulaic recitations of the elements of a cause of action' . . . 'are not entitled to the presumption of truth."") (quoting Chavez v. United States, 683 F.3d 1102, 1108 (9th Cir. 2012)). "Thus, a 20 21 reviewing court may begin 'by identifying pleadings that, because they are no more than 22 conclusions, are not entitled to the assumption of truth." Atlas IP LLC v. Pac. Gas & Elec. Co., 23 No. 15-cv-05469, 2016 WL 1719545, at \*2 (N.D. Cal. Mar. 9, 2016) (quoting Iqbal, 129 S. Ct. at 24 1950). Disregarding such unsupported conclusions, the "Court must then determine whether the 25 factual allegations in the complaint 'plausibly give rise to an entitlement of relief.'" *Id.* (quoting Iqbal, 129 S. Ct. at 1950). 26

27 "In the patent context, it is not enough to merely name a product and provide a conclusory
28 statement that it infringes a patent." *Intellicheck*, 2017 WL 5634131 at \*6 (internal quotations

omitted). Similarly, "a patentee cannot meet its obligation to assert a plausible claim of 1 2 infringement under the *Twombly/Iqbal* standard by merely copying the language of a claim 3 element, and then baldly stating (without more) that an accused product has such an element." North Star Innovations, Inc. v. Micron Tech., Inc., No. 17-506-LPS, 2017 WL 5501489, at \*2 (D. 4 5 Del. Nov. 16, 2017). "Sufficient allegations would include, at a minimum, a brief description of what the patent at issue does and an allegation that certain named and specifically identified 6 7 products or product components also do what the patent does thereby raising a plausible claim that the named products are infringing." Id. (quoting Bender v. LG Elecs. USA, Inc., No. C09-2114-8 9 JF (PVT), 2010 WL 889541, at \*6 (N.D. Cal. Mar. 11, 2010)). "In that vein," the Complaint must include "factual allegations that . . . permit a court to infer that the accused product infringes each 10 element of at least one claim." Atlas IP LLC v. Exelon Corp., 189 F. Supp. 3d 768, 775 (N.D. Ill. 11 2016) (dismissing complaint for direct infringement that failed to plausibly identify how the 12 13 accused product met each claim limitation), aff'd 686 Fed. Appx. 921 (Fed. Cir. 2017); eDigital Corp. v. iBaby Labs, Inc., No. 15-cv-05790, 2016 WL 4427209, at \*3 (N.D. Cal. Aug. 22, 2016). 14

#### 15 IV. ARGUMENT

Stripping away its purely legal allegations and conclusory statements, HiKE's Complaint
is devoid of any meaningful factual assertions. Because HiKE provides no factual allegations that
would support a finding of infringement, it fails to adequately put Defendants on notice of its
asserted claims for relief. HiKE did not even bother to append the asserted patents to its
Complaint much less describe the claimed inventions or tether them in any meaningful way to
ASM's products or to ASM's customers' use of those products in the fabrication of
semiconductors.

23

#### A. The Complaint Fails To State A Claim For Direct Infringement

This Court has dismissed patent infringement actions where the operative complaint fails
to identify how, in the exemplary accused products, *even a single asserted claim limitation* is met.
Here, HiKE's Complaint does not specify how *any of the asserted claim limitations* are met by
the accused products. *eDigital*, 2016 WL 4427209 at \*5; *Atlas IP*, 2016 WL 1719545 at \*2; *see also Bascom*, 2013 WL 968210 at \*5 ("Here the complaints only list the titles and dates of

issuance of the patents-in-suit and contain no allegations regarding what those patents claim. 1 2 While the complaints do contain allegations regarding the Defendants' products, there are no 3 allegations setting forth the similarities between the claims of the patents in suit ...."). HiKE's 4 failure to "plead facts that say something about . . . what the accused product contains that meets 5 the claim limitations . . . and that helps the Court *understand* why it is plausible that this is so" renders it deficient as a matter of law. North Star, 2017 WL 5501489 at \*2 (dismissing Complaint 6 7 for direct infringement "that does little more than parrot back the language of these claim elements 8 and then states that the accused product is comprised of such elements") (emphasis original).

9 Instead of pleading facts, HiKE's Complaint includes a bare recitation of claim elements
10 that without more Courts have universally rejected under the *Iqbal/Twombly* standard. *See, e.g.*,

11 Atlas IP, 2016 WL 1719545 at \*2; North Star, 2017 WL 5501489 at \*2-3; Scripps Research

12 Institute v. Illumina, Inc., No. 16-cv-661, 2016 WL 6834024, at \* 6 ("[A] Plaintiff must simply

13 provide sufficient factual allegations concerning how each limitation of the asserted claims is

14 *plausibly* met by the accused products."). Because HiKE fails to "address all [or any] of the claim

15 requirements" in its Complaint, each of its allegations of direct infringement must be dismissed.

16 Atlas IP, 2016 WL 1719545 at \*2.1

17

# **B.** The Complaint Fails To State A Claim For Indirect Infringement

Having failed to plead a claim for direct infringement, HiKE's indirect infringement claims
necessarily fail because direct infringement is a predicate element. *See, e.g., Memory Integrity,*

20

Moreover, three of the seven asserted patents in HiKE's Complaint involve method claims 21 for which no allegedly infringing process is even identified. Instead, HiKE merely identifies an 22 accused product (comprising a complex chemical reactor used for performing many different types of customer-specific chemical deposition processes) that it claims "practices a semiconductor 23 device manufacturing method that includes [the parroted claim limitations]." See, e.g., Dkt. 1, ¶¶ 25, 75. This is not adequate under *Iqbal/Twombly* as HiKE failed to allege essential facts such as: 24 (i) what the allegedly infringing process is; (ii) the circumstances (*e.g.*, where, how or when) in which either a defendant or its customers perform this unspecified process within the United 25 States; or (iii) which of Defendants' customers might be utilizing the claimed method in the 26 United States. *Id.* Where patent claims are directed to a method, rather than an apparatus, merely identifying an accused product without sufficiently describing its accused operations is 27 insufficient. See, e.g., Anza Tech, Inc. v. Hawking Tech., Inc., 3:16-cv-1264, 2016 WL 8732648,

<sup>28</sup> at \*4-5 (S.D. Cal. Nov. 4, 2016).

1	LLC v. Intel Corp., 144 F. Supp. 3d 1185, 1196 (D. Or. 2015); Bascom, 2013 WL 968210 at *3;
2	see also Emblaze Ltd v. Apple Inc., No. C 11-01709, 2012 WL 5940782, at *6 (N.D. Cal. Nov. 27,
3	2012). Moreover, HiKE's indirect infringement claims fail for the additional reason that its
4	Complaint provides no factual allegations concerning the additional elements of induced or
5	contributory infringement. For example, HiKE asserts that each defendant has knowledge of the
6	Asserted Patents but provides no factual allegations regarding <i>how</i> such knowledge was acquired.
7	Bascom, 2013 WL 968210 at *4-5. And despite indirect infringement requiring proof of direct
8	infringement by a third party, HiKE's Complaint fails to identify a single U.Sbased installation
9	of any of the accused products or specify any alleged domestic third-party infringer. See Varian
10	Med. Sys., Inc. v. Elekta AB, No. CV 15-871-LPS, 2016 WL 3748772, at *4 (D. Del. July 12,
11	2016), report and recommendation adopted, No. CV 15-871-LPS, 2016 WL 9307500 (D. Del.
12	Dec. 22, 2016) (dismissing complaint because it "does not adequately allege that <i>any third party</i>
13	actually used the accused device" as required by the claims) (emphasis original); Asetek Holdings,
14	Inc. v. Coolit Sys., Inc., No. C-12-4498, 2013 WL 256522 (N.D. Cal. Jan. 23, 2013) (dismissing
15	Complaint on the basis that the plaintiff failed to identify any plausible direct infringer).
16	Furthermore, with respect to induced infringement, HiKE's Complaint includes no factual
17	allegations "plausibly showing that defendants specifically intended their customers to infringe the
18	patents and knew that their customers' acts constituted infringement." Bascom, 2013 WL. 968210
19	at *4-5. To meet this requirement, HiKE was required to provide some evidence of <i>affirmative</i>
20	acts by each defendant to induce direct infringement by a third party. Id.; Logic Devices Inc. v.
21	Apple Inc., No. C 13-02943, 2014 WL 60056, at *2 (N.D. Cal. Jan. 7, 2014); see also Novatel
22	Wireless, Inc. v. Franklin Wireless Corp., No. 10cv2530, 2012 WL 12845614, at *5 (S.D. Cal.
23	Mar. 29, 2012). It did not. Instead, HiKE alleges that "Defendants have also induced and/or are
24	inducing the infringement of the [Asserted] patent by making, using, importing, offering for sale,
25	and/or selling one or more of the Accused Products At least this product, as provided by
26	Defendants to their customers and used as intended and instructed, infringes the [asserted] patent."
27	Dkt. 1, ¶¶ 27, 37, 47, 57, 67, 77. But neither a defendant's use, sale, importation or manufacture
28	
20	of the accused products nor the use of accused products by a defendant's customers, alone, can

plausibly give rise to inducement liability. Bascom, 2013 WL 968210 at \*4-5; see also Memory 1 2 Integrity, 144 F. Supp. 3d at 1196 ("When a product can be used both in an infringing way and a 3 non-infringing way the allegation that its purveyor specifically *teaches* the infringing use is sufficient factual support for the element of specific intent . . . . But the mere allegation that a user 4 5 following the instructions may end up using the device in an infringing way is not sufficient factual support" for a claim of inducement."). Here, unlike in complaints deemed sufficient 6 7 under *Iqbal/Twombly*, HiKE has identified no advertisements, product literature, or other material 8 wherein any ASM affiliate (let alone either of the Defendants) has touted the accused features of 9 its products or directed its customers to use the accused products in an infringing manner. Bascom, 2013 WL 968210 at \*4-5 ("Courts have found inducement allegations sufficient when, 10 for example, the complaints contain factual allegations setting forth the similarities between the 11 12 patent claims and the advertised features of the defendants products . . . .") (quoting Infineon Tech 13 AG, 2012 WL 3939353 at \*4). Moreover, there are no allegations in the Complaint that either 14 defendant induced or was even aware of a single customer that implements the claimed methods in the United States. Id. For these reasons, HiKE's allegations of induced infringement claims fail 15 16 as a matter of law.

17 HiKE similarly provides no facts to support its claims for contributory infringement. 18 HiKE's Complaint does not include "facts plausibly showing direct infringement by any third 19 party" in the United States, facts to support a finding that the accused products "that practice the patented method lack substantial non-infringing uses," or allegations demonstrating that the 20 21 accused components "constitute a material part of the invention." *Emblaze*, 2012 WL 5940782 at 22 \*6. Instead, HiKE's claims "parrot the [judicially] required elements of a § 271(c) action without 23 providing any factual setting." Novatel Wireless, Inc. v. Franklin Wireless Corp., 10cv2530, 2012 WL 12845614, at \*6 (S.D. Cal. Mar. 29, 2012). "In short, the allegations in support of 24 25 [Plaintiff's] indirect infringement claims provide nothing more than 'naked assertions devoid of further factual enhancement." Emblaze, 2012 WL 5940782 at \*6 (quoting Iqbal, 129 S. Ct. at 26 27 1949). Consequently, HiKE's allegations of contributory infringement also fail as a matter of law, 28 rendering the Complaint subject to dismissal.

#### 1 **CONCLUSION** V.

2	2 For all the foregoing reasons, Defen	dants respectfully request that the G	Court grant their
3	3 Motion to Dismiss and dismiss HiKE's Cor	nplaint for failure to state a claim.	
4	4		
5	-	QUINN EMANUEL URQUHART	`&
6		SULLIVAN, LLP	
7	7		
8	8	By <u>/s/ Michael D. Powell</u>	
9	9	Michael D. Powell	
10	10	Michael D. Powell (Bar No. 20 mikepowell@quinnemanuel.co	
11	1	Michelle A. Clark (Bar No. 24 michelleclark@quinnemanuel.	3777)
12	2	QUINN EMANUEL URQUH SULLIVAN, LLP	
13		50 California Street, 22 <sup>nd</sup> Floor San Francisco, California 9411	r   1
14		Telephone: (415) 875-6600 Facsimile: (415) 875-6700	
15			510
16		Robert W. Stone (Bar No. 163 robertstone@quinnemanuel.co	m
17		Brice C. Lynch (Bar No. 2885) bricelynch@quinnemanuel.com	n
18		QUINN EMANUEL URQUH SULLIVAN, LLP	
19		555 Twin Dolphin Drive, 5 <sup>th</sup> F Redwood Shores, California 94	100r 4065
20		Telephone: (650) 801-5000 Facsimile: (650) 801-5100	
21		Attorneys for Defendants ASN	1
22		INTERNATIONAL, N.V. AN ASM AMERICA, INC.	D
23			
24			
25			
26			
27			
28			
_0			
		-11-	Case No. 5:17-cv-6880
			MOTION TO DISMISS

1	CERTIFICATE OF SERVICE
2	I hereby certify that a true and correct copy of the above and foregoing document has been
3	served on February 2, 2018 to all counsel of record who are deemed to have consented to
4	electronic service via the Court's CM/ECF system.
5	Executed on February 2, 2018.
6	
7	/s/ Michael D. Powell
8	
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	
26	
27	
28	
	-12- Case No. 5:17-cv-6880
28	-12- Case No. 5:17-cv MOTION TO DIS