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INTEL CORPORATION

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

INTEL CORPORATION,
Plaintiff,

v.

TELA INNOVATIONS, INC.,
Defendant.

CASE NO. 3:18-2848

**COMPLAINT FOR DECLARATORY
JUDGMENT OF NON-
INFRINGEMENT AND
UNENFORCEABILITY**

DEMAND FOR JURY TRIAL

1 Plaintiff INTEL CORPORATION (“Intel”), for its Complaint against Defendant TELA
2 INNOVATIONS, INC. (“Tela”) seeking declaratory judgment of non-infringement and/or
3 unenforceability as to the following patents owned by Tela: U.S. Patent Nos. 7,943,966; 7,948,012;
4 8,030,689; 8,258,552; 9,425,272; 9,443,947 (collectively, the “Patents-in-Suit”), hereby alleges as
5 follows:

6
7 **NATURE OF THE ACTION**

8 1. This is an action arising under the patent laws of the United States, 35 U.S.C. § 1 et.
9 seq. and the Declaratory Judgment Act, 28 U.S.C. §§ 2201-2202, seeking a declaratory judgment of:
10 (i) non-infringement of the Patents-in-Suit; (ii) unenforceability of certain of the Patents-in-Suit due
11 to inequitable conduct and/or patent misuse; (iii) a bar to asserting infringement of certain of the
12 Patents-in-Suit due to equitable estoppel; (iv) non-infringement of the Patents-in-Suit due to a bar
13 from asserting infringement of any Patent-in-Suit having a proper priority date within the term of
14 Intel and Tela’s covenant not to sue; and for such other relief as the Court deems just and proper.
15

16 2. Intel requests this declaratory judgment and other relief because: (i) Tela is asserting
17 its patents in bad faith because Tela knows that Intel does not infringe the Patents-in-Suit; (ii)
18 inequitable conduct during prosecution and patent misuse render certain of the Patents-in-Suit
19 unenforceable; (iii) Tela is barred from asserting infringement against Intel with respect to certain of
20 the Patents-in-Suit due to equitable estoppel; and (iv) Tela is barred from asserting infringement of
21 the Patents-in-Suit to the extent they have a proper priority date within the term of Intel and Tela’s
22 covenant not to sue.
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THE PARTIES

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2 3. Plaintiff Intel is a corporation organized and existing under the laws of the State of
3 Delaware, with its principal place of business at 2200 Mission College Boulevard, Santa Clara,
4 California 95054.

5
6 4. On information and belief, Defendant Tela is a privately held corporation organized
7 and existing under the laws of the State of Delaware, with its principal place of business at 475
8 Alberto Way, Suite 120, Los Gatos, CA 95032.

9 **JURISDICTION AND VENUE**

10 5. This Court has exclusive subject matter jurisdiction over this action pursuant to
11 federal question jurisdiction, 28 U.S.C. §§ 1331 and 1338(a), the Declaratory Judgment Act, 28
12 U.S.C. §§ 2201-2202, and the Patent Laws of the United States, 35 U.S.C. § 1 et seq.

13
14 6. An actual and justiciable controversy exists between Intel and Tela as to the alleged
15 infringement and enforceability of the claims of the Patents-in-Suit.

16 7. This Court has subject matter jurisdiction over this action based on a real and
17 immediate controversy between Intel and Tela regarding whether various Intel’s processors and/or
18 process nodes infringe certain Tela patents, whether those Tela patents are unenforceable, and
19 whether Tela is barred from asserting infringement of those Tela patents based on Intel and Tela’s
20 covenant not to sue. As described in more detail below, this controversy arises out of Tela’s
21 infringement assertions and licensing demands to Intel with respect to Intel’s 22nm and 14nm
22 FinFET-based products, in which Tela broadly alleges that its patents cover technologies
23 implemented by Intel’s products.

24
25 8. This Court has personal jurisdiction over Tela because Tela has its principal place of
26 business in this district and conducts substantial business in this district.

1 9. Venue is proper in this Court under 28 U.S.C. §§ 1391 because Tela has its principal
2 place of business in this district and is subject to personal jurisdiction in this district.

3 **FACTUAL BACKGROUND**

4 **The Patents-in-Suit**

5 10. U.S. Patent No. 7,943,966 (“the ’966 Patent”) is entitled “Integrated Circuit And
6 Associated Layout With Gate Electrode Level Portion Including At Least Two Complimentary
7 Transistor Forming Linear Conductive Segments And At Least One Non-Gate Linear Conductive
8 Segment,” and bears an issuance date of May 17, 2011. The ’966 Patent bears a filing date of
9 September 16, 2009. The ’966 Patent lists Scott T. Becker and Michael C. Smayling as the
10 inventors and Tela as the sole assignee. A true and correct copy of the ’966 Patent is attached hereto
11 as Exhibit 1.
12

13 11. U.S. Patent No. 7,948,012 (“the ’012 Patent”) is entitled “Semiconductor Device
14 Having 1965 NM Gate Electrode Level Region Including At Least Four Active Linear Conductive
15 Segments And At Least One Non-Gate Linear Conductive Segment,” and bears an issuance date of
16 May 24, 2011. The ’012 Patent bears a filing date of September 16, 2009. The ’012 Patent lists
17 Scott T. Becker and Michael C. Smayling as the inventors and Tela as the sole assignee. A true and
18 correct copy of the ’012 Patent is attached hereto as Exhibit 2.
19

20 12. U.S. Patent No. 8,030,689 (“the ’689 Patent”) is entitled “Integrated Circuit Device
21 And Associated Layout Including Separated Diffusion Regions Of Different Type Each Having Four
22 Gate Electrodes With Each Of Two Complementary Gate Electrode Pairs Formed From Respective
23 Linear Conductive Segment,” and bears an issuance date of October 4, 2011. The ’689 Patent bears
24 a filing date of September 18, 2009. The ’689 Patent lists Scott T. Becker and Michael C. Smayling
25 as the inventors and Tela as the sole assignee. A true and correct copy of the ’689 Patent is attached
26 hereto as Exhibit 3.
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1 13. U.S. Patent No. 8,258,552 (“the ’552 Patent”) is entitled “Semiconductor Device
2 Including At Least Six Transistor Forming Linear Shapes With At Least Two Transistor Forming
3 Linear Shapes Having Offset Ends,” and bears an issuance date of September 4, 2012. The ’552
4 Patent bears a filing date of October 1, 2009. The ’552 Patent lists Scott T. Becker and Michael C.
5 Smayling as the inventors and Tela as the sole assignee. A true and correct copy of the ’552 Patent
6 is attached hereto as Exhibit 4.
7

8 14. U.S. Patent No. 9,425,272 (“the ’272 Patent”) is entitled “Semiconductor Chip
9 Including Integrated Circuit Including Four Transistors Of First Transistor Type And Four
10 Transistors of Second Transistor Type With Electrical Connections Between Various Transistors and
11 Methods For Manufacturing The Same,” and bears an issuance date of August 23, 2016. The ’272
12 Patent bears a filing date of June 4, 2015. The ’272 Patent lists Scott T. Becker and Michael C.
13 Smayling as the inventors and Tela as the sole assignee. A true and correct copy of the ’272 Patent
14 is attached hereto as Exhibit 5.
15

16 15. U.S. Patent No. 9,443,947 (“the ’947 Patent”) is entitled “Semiconductor Chip
17 Including Region Having Integrated Circuit Transistor Gate Electrodes Formed By Various
18 Conductive Structure Of Specified Shape And Position And Method For Manufacturing The Same,”
19 and bears an issuance date of September 13, 2016. The ’947 Patent bears a filing date of May 13,
20 2015. The ’947 Patent lists Scott T. Becker and Michael C. Smayling as the inventors and Tela as
21 the sole assignee. A true and correct copy of the ’947 Patent is attached hereto as Exhibit 6.
22

23 16. Intel is an investor in Tela. Tela approached Intel in December 2005 regarding
24 investing in Tela. Intel finalized its investment in Tela in May 2007. As part of that investment,
25 Intel and Tela entered into a Covenant Not to Sue (“CNTS”) on May 9, 2007, that covers Tela
26 patents claiming priority during the term of the CNTS. The CNTS between Intel and Tela is still in
27 effect.
28

1 17. The Patents-in-Suit purport to claim priority to a provisional application (U.S. Patent
2 Application No. 60/781,288) filed on March 9, 2006 (“The 2006 Provisional”). Intel disagrees with
3 Tela’s purported claim of priority to The 2006 Provisional for the Patents-in-Suit. As discussed in
4 Count X below, the Patents-in-Suit are only entitled to priority dates after May 9, 2007, and thus are
5 covered by the CNTS.
6

7 18. Tela claims to be the owner of each of the Patents-in-Suit. Tela further claims to be
8 the owner of over 200 issued and pending U.S. patents. Intel reserves all rights to amend this
9 Complaint to seek a declaratory judgment of non-infringement, invalidity, and/or unenforceability of
10 these or any other U.S. patent owned by Tela.

11 **Intel Has a Long History of Innovation in the Semiconductor Industry**

12 19. Intel has been a pioneer in the semiconductor industry since the 1970s.

13 20. Intel has introduced generation after generation of cutting-edge microprocessors,
14 memory products and related chips that have been the benchmark for high performance computers.
15

16 21. A key area of Intel’s research and development has been development of fabrication
17 techniques that make its products possible, including development of gridded semiconductor layout
18 technology. This technology involves placing various features of a semiconductor device in a grid-
19 like pattern to achieve design efficiencies.
20

21 **Intel Invented the Technology of the Patents-in-Suit Before Tela**

22 22. Intel conducted extensive research and development of gridded layout techniques for
23 high resolution lithography, and documented this technology in its 45nm design rules by May 2004.

24 23. Intel’s invention and documentation of this gridded layout technology in its 45nm
25 design rules occurred almost two years before Tela filed The 2006 Provisional on March 9, 2006.

26 24. Intel’s invention and documentation of this gridded layout technology in its 45nm
27 design rules occurred over a year before Tela was founded in 2005.
28

1 25. Intel’s invention and documentation of this gridded layout technology in its 45nm
2 design rules occurred over a year before Tela approached Intel in late 2005 about investing in Tela.

3 26. Intel developed GDSII layout files for its 45nm SRAM test chip by June 2005.

4 27. Intel taped-out its 45nm SRAM test chip by August 2005.

5 28. Intel publicly announced its working 45nm SRAM test chip by January 25, 2006.

6 29. Intel’s 45nm design rules were used by Intel for implementation into products on the
7 45nm process node, and such products, including Intel’s 45nm Penryn product, were commercially
8 available by at least November 2007.

9
10 30. In March 2013, Tela brought an ITC action against several handset manufacturers
11 (Motorola, Nokia, LG, HTC, and Pantech) alleging infringement of several Tela patents, including
12 two of the Patents-in-Suit (the ’689 Patent and the ’552 Patent) and other patents in the same family
13 of patents (“ITC Action”).

14
15 31. In May 2013, the respondent handset manufacturers in the ITC Action issued a
16 subpoena to Intel requesting technical documents and a deposition relating to several Intel products,
17 including the 45nm Penryn product and 45nm SRAM test chip, for use as prior art to Tela’s patents.

18 32. In July 2013, Intel produced GDSII files and design rule documents on a standalone
19 computer for review by outside counsel and experts for the respondents and Tela in the ITC Action.

20 33. In July 2013, Intel provided in the ITC Action a 30(b)(6) deposition regarding Intel’s
21 45nm SRAM test chip and 45nm Penryn product.

22 34. A hearing in the ITC Action was held between February 24 and March 7, 2014.

23 35. Intel’s 30(b)(6) deponent testified at the hearing in the ITC Action on March 4, 2014
24 regarding Intel’s 45nm SRAM test chip and 45nm Penryn product.
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1 36. The respondents in the ITC Action argued that Tela's patents were invalid under 35
2 U.S.C. § 102(g) because of Intel's earlier development of gridded layout technology via its 45nm
3 process technology.

4 37. In response to the respondents' 102(g) argument, Tela took the position in the ITC
5 Action that Intel's 45nm products have two-dimensional conductive structures in the gate layer. Tela
6 also took the position that Tela's patents were valid over Intel's 45nm prior art because Tela's
7 patents required strictly one-dimensional conductive structures in the gate layer and were different
8 from Intel's gridded layout technology with two-dimensional conductive structures.

9
10 38. Tela settled the ITC Action with a subset of the handset manufacturers in May 2014
11 and with the remainder of the handset manufacturers in July 2014. The ITC Action was terminated
12 before the Administrative Law Judge issued an Initial Determination on the merits of the case.
13

14
15 **Intel's Response to Tela's Accusations of Infringement**

16 39. In July 2014, Tela notified Intel that certain Tela patents purportedly not covered by
17 the CNTS read on Intel's products. Tela indicated that it wanted to discuss with Intel the licensing
18 of Tela's patents. In August 2014, Tela sent Intel lists of the Tela patents and applications in
19 question, which included the Patents-in-Suit, and offered to schedule a meeting for Tela to present
20 claim charts to Intel.
21

22 40. In October 2014, Tela informed Intel via telephone conversation that Tela was
23 reverse engineering Intel products to establish evidence of Intel's alleged use of technology covered
24 by Tela's patents.

25 41. In January 2015, Tela informed Intel that it was working on claim charts and would
26 be ready to meet to provide and discuss the claim charts in the next few weeks. Tela also stated that
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1 its analysis purportedly determined alleged infringement by Intel’s 22nm and 14nm FinFET-based
2 products.

3 42. Intel was surprised when Tela informed Intel of its belief that Intel products practice
4 Tela’s patents. Intel immediately investigated in detail Tela’s beliefs when Tela first raised them
5 with Intel. Intel confirmed the dates and specifics of Intel’s designs and production runs in Intel
6 design rules documents, chip layout files, semiconductor fabrication process flow, and in the design
7 and manufacture of Intel’s 45nm SRAM test chip through to the 45nm Penryn CPU.
8

9 43. Intel verified the design, development and production dates for its 45nm process and
10 products as part of its investigation in response to Tela coming forward in 2014 with its belief that
11 Intel products practice Tela’s patents. Intel determined that it independently developed the specific
12 “gridded” semiconductor layout technology at issue long before Tela applied for its patents.
13

14 44. Intel was also surprised that Tela attempted to apply its one-dimensional layout
15 patents to Intel’s earlier-developed structures that Tela previously claimed in the ITC Action were
16 two-dimensional and thus do not infringe Tela’s patents. Regardless, because Intel’s technology
17 used in its commercial products since at least 2007 was developed by Intel well before any of Tela’s
18 patents were conceived, and before Tela was even created, Intel’s products cannot be covered by
19 Tela’s patents. And Tela’s attempts to apply those patents to Intel’s products would render Tela’s
20 patents invalid because Intel’s technology was developed by Intel first.
21

22 45. Tela and Intel scheduled a meeting for February 24, 2015, for Tela to provide and
23 present its claim charts to Intel.

24 46. On February 10, 2015, Tela notified Intel that it had to postpone the meeting for the
25 time being due to internal circumstances. Tela did not provide any claim charts to Intel at this time.

26 47. In March 2016, Tela informed Intel that it wanted to resume discussions and
27 apologized to Intel for the large gap in communication.
28

COUNT III

(Declaratory Judgment of Non-Infringement of U.S. Patent No. 8,030,689)

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3 57. Intel incorporates by reference the allegations in Paragraphs 1 through 48 above as
4 though fully set forth herein.

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6 58. An actual and justiciable controversy exists between Intel and Tela concerning the
7 non-infringement of the '689 Patent.

8
9 59. Intel's products, including at least the accused 22nm and 14nm products, have not
10 infringed, and do not infringe, directly or indirectly, any valid and enforceable claim of the '689
11 Patent, either literally or under the doctrine of equivalents.

12
13 60. Intel is entitled to a judgment from this Court that Intel has not infringed, and does
14 not infringe, any valid and enforceable claim of the '689 Patent.

COUNT IV

(Declaratory Judgment of Non-Infringement of U.S. Patent No. 8,258,552)

15
16 61. Intel incorporates by reference the allegations in Paragraphs 1 through 48 above as
17 though fully set forth herein.

18
19 62. An actual and justiciable controversy exists between Intel and Tela concerning the
20 non-infringement of the '552 Patent.

21
22 63. Intel's products, including at least the accused 22nm and 14nm products, have not
23 infringed, and do not infringe, directly or indirectly, any valid and enforceable claim of the '552
24 Patent, either literally or under the doctrine of equivalents.

25
26 64. Intel is entitled to a judgment from this Court that Intel has not infringed, and does
27 not infringe, any valid and enforceable claim of the '552 Patent.
28

COUNT V

(Declaratory Judgment of Non-Infringement of U.S. Patent No. 9,425,272)

65. Intel incorporates by reference the allegations in Paragraphs 1 through 48 above as though fully set forth herein.

66. An actual and justiciable controversy exists between Intel and Tela concerning the non-infringement of the '272 Patent.

67. Intel's products, including at least the accused 22nm and 14nm products, have not infringed, and do not infringe, directly or indirectly, any valid and enforceable claim of the '272 Patent, either literally or under the doctrine of equivalents.

68. Intel is entitled to a judgment from this Court that Intel has not infringed, and does not infringe, any valid and enforceable claim of the '272 Patent.

COUNT VI

(Declaratory Judgment of Non-Infringement of U.S. Patent No. 9,443,947)

69. Intel incorporates by reference the allegations in Paragraphs 1 through 48 above as though fully set forth herein.

70. An actual and justiciable controversy exists between Intel and Tela concerning the non-infringement of the '947 Patent.

71. Intel's products, including at least the accused 22nm and 14nm products, have not infringed, and do not infringe, directly or indirectly, any valid and enforceable claim of the '947 Patent, either literally or under the doctrine of equivalents.

72. Intel is entitled to a judgment from this Court that Intel has not infringed, and does not infringe, any valid and enforceable claim of the '947 Patent.

COUNT VII

**(Declaratory Judgment of Unenforceability of U.S. Patent Nos. 9,425,272 and 9,443,947
Due to Inequitable Conduct)**

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4 73. Intel incorporates by reference the allegations in Paragraphs 1 through 48 above as
5 though fully set forth herein.

6 74. An actual and justiciable controversy exists between Intel and Tela concerning the
7 '272 and '947 Patents.

8 75. The '272 and '947 Patents, which Tela has asserted against Intel, are unenforceable
9 due to inequitable conduct that occurred during the prosecution of the respective applications
10 resulting in the issuance of the '272 and '947 Patents.

11 76. Scott T. Becker ("Becker") and Michael C. Smayling ("Smayling") are named as
12 alleged inventors on the face of each of the '272 and '947 Patents.

13 77. Upon information and belief, Becker is the President and CEO of Tela, and served in
14 this role at Tela while the '272 and '947 Patents were being prosecuted.

15 78. Upon information and belief, Smayling was Senior Vice President of Product
16 Technology at Tela while the '272 and '947 Patents were being prosecuted.

17 79. Kenneth D. Wright ("Wright") of the law firm Martine Penilla Group, LLP, on behalf
18 of Tela, prosecuted the applications that issued as the '272 and '947 Patents.

19 80. In connection with prosecution of the '272 and '947 Patents, Becker and Smayling
20 signed declarations in which they acknowledged their duty to disclose to the Patent Office
21 information known to them to be material to patentability of the claims of the '272 and '947 Patents
22 in accordance with 37 C.F.R. § 1.56.

23 81. Upon information and belief, Wright understood his duty to disclose to the Patent
24 Office information known to him to be material to patentability of the claims of the '272 and '947
25 Patents in accordance with 37 C.F.R. § 1.56.
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1 82. Upon information and belief, Wright also informed Becker and Smayling of their
2 duty of disclosure to the Patent Office.

3 83. The application that resulted in the issuance of the '272 Patent is U.S. Patent
4 Application No. 14/731,316 (“the '316 Application”).

5 84. The '316 Application was filed on June 4, 2015, and issued on August 23, 2016, as
6 the '272 Patent.

7
8 85. The '316 Application claims to be a continuation of U.S. Patent Application No.
9 13/774,919 (filed on February 22, 2013), which claims to be a continuation of U.S. Patent
10 Application No. 12/572,225 (filed on October 1, 2009, and issued as U.S. Patent No 8,436,400),
11 which claims to be a continuation of U.S. Patent Application No. 12/212,562 (filed on September 17,
12 2008, and issued as U.S. Patent No. 7,842,975), which claims to be a continuation of U.S. Patent
13 Application No. 11/683,402 (filed on March 7, 2007, and issued as U.S. Patent No. 7,446,352).

14
15 86. The '272 Patent, and each application in its chain, claim priority to The 2006
16 Provisional application filed on March 9, 2006.

17 87. Becker, Smayling, and Wright added new subject matter to the specification of the
18 '316 Application on June 4, 2015, when they filed that application (“June 2015 Specification”). That
19 new subject matter includes the description of an embodiment contained in paragraph 0013 of the
20 June 2015 Specification. A true and correct copy of the June 2015 Specification is attached hereto
21 as Exhibit 7. The new subject matter added to the June 2015 Specification corresponds to columns
22 5:22-7:30 of the '272 Patent.

23
24 88. The new subject matter described in paragraph 0013 of the June 2015 Specification,
25 and the corresponding columns 5:22-7:30 of the '272 Patent, is incorporated into limitations of
26 independent claims 1 and 29 of the '272 Patent, which are the only independent claims of the '272
27 Patent. The new subject matter includes, among other things, the following limitations: (i) “wherein
28

1 the width of each of the at least eight conductive structures is less than 45 nanometers;” and (ii) “a
2 first pitch that is less than or equal to about 193 nanometers.”

3 89. The new subject matter that is incorporated into limitations of the independent claims
4 of the '272 Patent (as noted in Paragraph 88 of this Complaint) was not described or disclosed in The
5 2006 Provisional to which the '272 Patent claims priority. A true and correct copy of The 2006
6 Provisional is attached hereto as Exhibit 8.

7
8 90. The new subject matter that is incorporated into limitations of the independent claims
9 of the '272 Patent (as noted in Paragraph 88 of this Complaint) was disclosed for the first time on
10 June 4, 2015, in the June 2015 Specification.

11 91. Because all independent (and thus all dependent) claims of the '272 Patent contain
12 limitations that were disclosed in the specification for the first time on June 4, 2015, the '272 Patent
13 is not entitled to claim a priority date earlier than June 4, 2015.

14
15 92. Despite knowingly adding new subject matter to the June 2015 Specification, Becker,
16 Smayling, and Wright filed the '316 Application as a direct continuation of a chain of prior
17 applications (which does not allow new matter), instead of filing it as a continuation-in-part (which
18 allows new matter). A true and correct copy of the Application Data Sheet for the '316 Application
19 is attached hereto as Exhibit 9. (*See* Ex. 9 at 3, section entitled “Domestic Benefit/National Stage
20 Information.”)

21
22 93. Becker, Smayling, and Wright did not disclose to the Patent Office during
23 prosecution of the '272 Patent that they added new subject matter to the June 2015 Specification.

24 94. Upon information and belief, Becker, Smayling, and Wright filed the '316
25 Application as a direct continuation of a chain of prior applications in order to attempt to claim the
26 benefit of the priority date of The 2006 Provisional and avoid prior art.

1 95. Upon information and belief, Becker, Smayling, and Wright knowingly and
2 deliberately failed to disclose to the Patent Office that they added new subject matter to the June
3 2015 Specification, and knowingly and deliberately misrepresented to the Patent Office that the '316
4 Application was a continuation of prior applications, rather than a continuation-in-part.

5 96. Becker, Smayling, and Wright's wrongdoing is material to the patentability of the
6 '272 Patent because it impacts the priority date of the '272 Patent, which in turn impacts the prior art
7 that can be considered by the Patent Office in assessing the validity of the '272 Patent.
8

9 97. Upon information and belief, Becker, Smayling, and Wright acted with specific intent
10 to deceive the Patent Office because they: (i) knowingly and deliberately added new subject matter
11 to the June 2015 Specification; (ii) knowingly and deliberately failed to disclose to the Patent Office
12 that they added new subject matter to the June 2015 Specification; and (iii) knowingly and
13 deliberately filed the '316 Application as a continuation of prior applications, rather than a
14 continuation-in-part — all in order to allow Tela to improperly claim priority for the '272 Patent all
15 the way back to The 2006 Provisional and avoid prior art.
16

17 98. The '272 Patent is unenforceable due to inequitable conduct during the prosecution of
18 the '272 Patent.

19 99. The application that resulted in the issuance of the '947 Patent is U.S. Patent
20 Application No. 14/711,731 ("the '731 Application").
21

22 100. The '731 Application was filed on May 13, 2105, and issued on September 13, 2016,
23 as the '947 Patent.

24 101. The '731 Application claims to be a continuation of U.S. Patent Application No.
25 13/774,919 (filed on February 22, 2013), which claims to be a continuation of U.S. Patent
26 Application No. 12/572,225 (filed on October 1, 2009, and issued as U.S. Patent No 8,436,400),
27 which claims to be a continuation of U.S. Patent Application No. 12/212,562 (filed on September 17,
28

1 2008, and issued as U.S. Patent No. 7,842,975), which claims to be a continuation of U.S. Patent
2 Application No. 11/683,402 (filed on March 7, 2007, and issued as U.S. Patent No. 7,446,352).

3 102. The '947 Patent, and each application in its chain, claim priority to The 2006
4 Provisional filed on March 9, 2006.

5 103. Becker, Smayling, and Wright added new subject matter to the specification of the
6 '731 Application on May 13, 2015, when they filed that application ("May 2015 Specification").
7 That new subject matter includes the description of an embodiment contained in paragraph 0013 of
8 the May 2015 Specification. A true and correct copy of the May 2015 Specification is attached
9 hereto as Exhibit 10. The new subject matter added to the May 2015 Specification corresponds to
10 columns 5:24-6:67 of the '947 Patent.
11

12 104. The new subject matter described in paragraph 0013 of the May 2015 Specification,
13 and the corresponding columns 5:24-6:67 of the '947 Patent, is incorporated into limitations of
14 independent claims 1 and 29 of the '947 Patent, which are the only independent claims of the '947
15 Patent. The new subject matter includes, among other things, the following limitations: (i) "wherein
16 the width of each of the at least eight conductive structures is less than 45 nanometers;" and (ii) "a
17 first pitch that is less than or equal to about 193 nanometers."
18

19 105. The new subject matter that is incorporated into limitations of the independent claims
20 of the '947 Patent (as noted in Paragraph 104 of this Complaint) was not described or disclosed in
21 The 2006 Provisional to which the '947 Patent claims priority.
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23 106. The new subject matter that is incorporated into limitations of the independent claims
24 of the '947 Patent (as noted in Paragraph 104 of this Complaint) was disclosed for the first time on
25 May 13, 2015, in the May 2015 Specification.
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1 107. Because all independent (and thus all dependent) claims of the '947 Patent contain
2 limitations that were disclosed in the specification for the first time on May 13, 2015, the '947 Patent
3 is not entitled to claim a priority date earlier than May 13, 2015.

4 108. Despite knowingly adding new subject matter to the May 2015 Specification, Becker,
5 Smayling, and Wright filed the '731 Application as a direct continuation of a chain of prior
6 applications (which does not allow new matter), instead of filing it as a continuation-in-part (which
7 allows new matter). A true and correct copy of the Application Data Sheet for the '731 Application
8 is attached hereto as Exhibit 11. (*See* Ex. 11 at 3, section entitled "Domestic Benefit/National Stage
9 Information.")
10

11 109. Becker, Smayling, and Wright did not disclose to the Patent Office during
12 prosecution of the '947 Patent that they added new subject matter to the May 2015 Specification.
13

14 110. Upon information and belief, Becker, Smayling, and Wright filed the '731
15 Application as a direct continuation of a chain of prior applications in order to attempt to claim the
16 benefit of the priority date of The 2006 Provisional and avoid prior art.

17 111. Upon information and belief, Becker, Smayling, and Wright knowingly and
18 deliberately failed to disclose to the Patent Office that they added new subject matter to the May
19 2015 Specification, and knowingly and deliberately misrepresented to the Patent Office that the '731
20 Application was a continuation of prior applications, rather than a continuation-in-part.
21

22 112. Becker, Smayling, and Wright's wrongdoing is material to the patentability of the
23 '947 Patent because it impacts the priority date of the '947 Patent, which in turn impacts the prior art
24 that can be considered by the Patent Office in assessing the validity of the '947 Patent.

25 113. Upon information and belief, Becker, Smayling, and Wright acted with specific intent
26 to deceive the Patent Office because they: (i) knowingly and deliberately added new subject matter
27 to the May 2015 Specification; (ii) knowingly and deliberately failed to disclose to the Patent Office
28

1 that they added new subject matter to the May 2015 Specification; and (iii) knowingly and
2 deliberately filed the '731 Application as a continuation of prior applications, rather than a
3 continuation-in-part — all in order to allow Tela to improperly claim priority for the '947 Patent all
4 the way back to The 2006 Provisional and avoid prior art.

5
6 114. The '947 Patent is unenforceable due to inequitable conduct during the prosecution of
7 the '947 Patent.

8
9 115. Intel is entitled to a judgment from this Court that the '272 and '947 Patents are
10 unenforceable due to inequitable conduct that occurred during the prosecution of the '272 and '947
11 Patents.

12 **COUNT VIII**

13 **(Declaratory Judgment of Unenforceability of U.S. Patent Nos. 9,425,272 and 9,443,947 Due to
14 Patent Misuse)**

15 116. Intel incorporates by reference the allegations in Paragraphs 1 through 48 above as
16 though fully set forth herein.

17 117. An actual and justiciable controversy exists between Intel and Tela concerning the
18 '272 and '947 Patents.

19 118. The '272 and '947 Patents, which Tela has asserted against Intel, are unenforceable
20 due to Tela's patent misuse.

21 119. As discussed above in Paragraphs 73 through 115, Becker, Smayling, and Wright, on
22 behalf of Tela, made material misrepresentations to the Patent Office with the specific intent to
23 deceive the Patent Office with respect to the '272 and '947 Patents. Intel incorporates by reference
24 the allegations in Paragraphs 73 through 115 above as though fully set forth herein.

25
26 120. Based on the true priority dates of no earlier than June 4, 2015, for the '272 Patent
27 and no earlier than May 13, 2015, for the '947 Patent, Tela knew that the '272 and '947 Patents were
28 invalid based on at least Intel products that were publicly available before 2015, including at least

1 the 22nm and 14nm Intel products Tela has accused of infringing its patents. Intel released its 22nm
2 products by April 2012, and released its 14nm products by September 2014.

3 121. Based on the true priority dates of no earlier than June 4, 2015, for the '272 Patent
4 and no earlier than May 13, 2015, for the '947 Patent, Tela also knew that the '272 and '947 Patents
5 were covered under the May 9, 2007, CNTS between Intel and Tela.
6

7 122. Despite knowing that the '272 and '947 Patents were invalid and/or covered by the
8 May 9, 2007, CNTS, and, thus, that the '272 and '947 Patents could not properly be asserted against
9 Intel, Tela continued to assert these patents against Intel in bad faith. Tela's bad faith assertion of
10 these patents impermissibly broaden the scope of its patent grant with anticompetitive effect by
11 asserting patents against Intel that Tela knew were covered by its non-assertion agreement (CNTS)
12 with Intel and/or invalid based on Intel's own products, in an attempt to negatively impact Intel's
13 role in the market.
14

15 123. Intel is entitled to a judgment from this Court that the '272 and '947 Patents are
16 unenforceable due to Tela's patent misuse.

17 **COUNT IX**

18 **(Declaratory Judgment of No Infringement Due to Equitable Estoppel)**

19 124. Intel incorporates by reference the allegations in Paragraphs 1 through 48 above as
20 though fully set forth herein.
21

22 125. An actual and justiciable controversy exists between Intel and Tela concerning the
23 Patents-in-Suit.

24 126. Tela should be barred from asserting infringement against Intel with respect to the
25 '966, '012, '689, and '552 Patents due to equitable estoppel.

26 127. Tela and Intel began talks regarding Intel's business investment in Tela by December
27 2005. Those interactions culminated in Intel's investment in Tela in May 2007.
28

1 128. Intel publicly announced its working 45nm SRAM test chip by January 25, 2006.
2 Intel also publicly discussed its 45nm process in various articles and technical conferences, including
3 presentation of an Intel paper by Clair Webb entitled “Layout Rule Trends and Affect Upon CPU
4 Design” at a February 19, 2006, SPIE conference in San Jose, California. Intel’s 45nm Penryn
5 product was commercially released by November 2007.
6

7 129. Tela’s first patent in the patent family to which the Patents-in-Suit belong, U.S. Patent
8 No. 7,446,352 (“the ’352 Patent”) issued on November 4, 2008. Tela’s second patent in the patent
9 family to which the Patents-in-Suit belong, U.S. Patent No. 7,842,975 (“the ’975 Patent”) issued on
10 November 30, 2010.

11 130. Three of the Patents-in-Suit, namely the ’966, ’012, and ’689 Patents, issued in 2011.

12 131. One of the Patents-in-Suit, namely the ’552 Patent, issued in 2012.

13 132. Intel’s 22nm products, which Tela has accused of infringing the Patents-in-Suit, were
14 released by April 2012.
15

16 133. Intel’s work on each of its process nodes and corresponding products is well-
17 publicized.

18 134. Tela approached Intel in July 2014 about licensing patents Tela claimed were not
19 covered by the CNTS.
20

21 135. Despite Tela having an investment relationship with Intel, and having issued patents
22 in the patent family to which the Patents-in-Suit belong since November 2008, Tela remained silent
23 and took no action to approach Intel until almost six years after the ’352 patent issued in 2008, three
24 years after the ’966, ’012, and ’689 Patents issued in 2011, and two years after the ’552 Patent issued
25 in 2012.

26 136. Tela’s misleading conduct, through silence and inaction with respect to Intel, led Intel
27 to reasonably believe that Tela did not intend to enforce the Patents-in-Suit against Intel.
28

1 137. Intel relied on Tela's misleading conduct with respect to the Patents-in-Suit and
2 continued to develop its technology.

3 138. Based on its reliance, Intel would be materially prejudiced if Tela were permitted to
4 proceed with its allegation of infringement after years of silence and inaction. The prejudice to Intel
5 includes, but is not limited to, Intel's investment (in terms of expense, time, and resources) in the
6 research, development, and marketing of its technology.

7
8 139. Intel is entitled to a judgment from this Court that Tela should be barred from
9 asserting infringement against Intel with respect to the '966, '012, '689, and '552 Patents due to
10 equitable estoppel.

11 **COUNT X**

12 **(Declaratory Judgment of No Infringement Based on Covenant Not To Sue)**

13 140. Intel incorporates by reference the allegations in Paragraphs 1 through 48 above as
14 though fully set forth herein.

15
16 141. An actual and justiciable controversy exists between Intel and Tela concerning the
17 Patents-in-Suit.

18 142. The CNTS between Intel and Tela, which was signed on May 9, 2007, covers Tela
19 patents that claim priority during the term of the CNTS. The CNTS is still in effect.

20
21 143. The correct priority dates for the Patents-in-Suit are after May 9, 2007, because none
22 of Tela's patent applications filed prior to May 9, 2007, provides adequate written description for the
23 claims of the Patents-in-Suit in order to support Tela's claim of priority before May 9, 2007.
24 Accordingly, such patents are covered by the CNTS and Tela cannot assert infringement of such
25 patents against Intel with respect to products, processes or methods covered by the CNTS.
26
27
28

1 144. Intel is entitled to a judgment from this Court that Tela is barred from asserting
2 against Intel infringement of any Patents-in-Suit that have priority dates after May 9, 2007, and,
3 thus, are covered by the CNTS with respect to products, processes or methods covered by the CNTS.
4

5 **PRAYER FOR RELIEF**

6 WHEREFORE, Intel prays for the following judgment and relief:

7 A. A declaration that Intel has not infringed, and does not infringe, either directly or
8 indirectly, any valid and enforceable claim of the Patents-in-Suit, either literally or under the
9 doctrine of equivalents;

10 B. A declaration that the '272 and '947 Patents are unenforceable;

11 C. A declaration that Tela is barred from asserting infringement against Intel with
12 respect to the '966, '012, '689, and '552 Patents due to equitable estoppel;

13 D. A declaration that Intel has not infringed, and does not infringe, the Patents-in-Suit
14 because such patents have priority dates after May 9, 2007, and are covered by the CNTS with
15 respect to products, processes or methods covered by the CNTS.

16 E. An order declaring that Intel is the prevailing party and that this case is an exceptional
17 case under 35 U.S.C. § 285, and awarding Intel its costs, expenses, and reasonable attorneys' fees
18 under 35 U.S.C. § 285 and all other applicable statutes, rules and common law, including this
19 Court's inherent authority; and

20 F. Any other equitable and/or legal relief that this Court may deem just and proper.
21
22
23

24 **JURY TRIAL DEMAND**

25 Pursuant to Federal Rule of Civil Procedure 38, Intel hereby demands a trial by jury on all
26 issues and claims so triable.
27
28

1
2 DATED: May 15, 2018

Respectfully submitted,

3 /s/ Adam R. Alper

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