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13
14 **UNITED STATES DISTRICT COURT**
15 **FOR THE NORTHERN DISTRICT OF CALIFORNIA**

16 POWER DENSITY SOLUTIONS LLC, a
17 Delaware limited liability company,

18 *Plaintiff,*

19 v.

20 IBM CORPORATION, a New York
21 Corporation, and DOES 1-10, inclusive,

22 *Defendant*

Case No. 3:19-cv-03710-RS

**IBM'S NOTICE OF MOTION AND
MOTION TO DISMISS**

Hon. Richard Seeborg

Date: February 27, 2020

Time: 1:30 p.m.

Courtroom: 3

Complaint Filed: June 26, 2019

Amended Complaint filed: October 17, 2019

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NOTICE OF MOTION

TO ALL PARTIES, THEIR COUNSEL OF RECORD, AND THE CLERK OF THE COURT: PLEASE TAKE NOTICE that on February 27, 2020, at 1:30 p.m., or as soon thereafter as counsel may be heard, in Courtroom 3 of the above-entitled court, located at 50 Golden Gate Avenue, San Francisco, CA 94102, Defendant IBM Corporation, by and through its undersigned counsel, will move the Honorable Richard Seeborg for an order dismissing the complaint.

This motion is made under Civil Local Rule 7-2, Fed. R. Civ. P. 12(b)(6), Fed. R. Civ. P. 12(b)(2), and the authorities cited herein. This motion is based on this Notice of Motion, the accompanying Memorandum of Points and Authorities, the Declaration of Michael D. Powell and accompanying exhibits, the arguments of counsel, and all other material that may properly come before the Court or before the hearing on this motion.

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1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 Power Density Solutions, LLC (“Plaintiff” or “PDS”) filed its original complaint for patent
4 infringement on June 26, 2019, against the wrong party, in the wrong federal court, and in the
5 wrong state. Three months later in its First Amended Complaint (“FAC”), PDS continues to assert
6 U.S. Patent No. 6,313,992 (the “’992 patent”) against the wrong party, in the wrong federal court,
7 and in the wrong state. Compounding its deficiencies, it has also added allegations of infringement
8 of a second patent, U.S. Patent No. 6,552,901 (the “’901 patent”) (a parent patent to the ‘922)
9 directed to the wrong product.
10

11 First, with respect to the ‘992 patent, PDS has sued the wrong party because 100% of
12 defendant International Business Machines Corporation’s (“IBM”) IBM’s alleged infringing
13 activity took place pursuant to DARPA and U.S. Air Force funded research projects for the
14 exclusive benefit of the United States Government; thus, Plaintiff’s sole and exclusive remedy—
15 pursuant to 28 U.S.C. § 1498(a)—is an action against the United States. In addition, PDS has filed
16 its claim of infringement of the ‘992 patent in the wrong court because section 1498(a) requires
17 that any such action may only be brought in the United States Court of Federal Claims. And, even
18 if Plaintiff could somehow circumvent section 1498(a), the activities of IBM—a New York
19 corporation headquartered in Armonk, New York—alleged to infringe the ‘992 patent took place
20 entirely outside of the State of California making California the wrong state for jurisdictional
21 purposes.¹
22
23

24 Second, with respect to the ‘901 patent, Plaintiff’s infringement allegations are insufficient
25 to state a claim against any IBM product other than the IBM zSeries 900 server, which IBM has
26 not made or sold in the United States or anywhere else since well before October 17, 2013 (the
27

28 ¹ IBM files this motion subject to its objection to personal jurisdiction and expressly does not consent to such jurisdiction.

1 product having been withdrawn from marketing in 2006). Thus, all of IBM’s activities alleged to
2 infringe the ‘901 patent took place more than six years prior to the filing of the FAC and are
3 barred pursuant to 35 U.S.C. § 286. Accordingly, since none of the allegedly infringing activity
4 occurred in California during the statutorily permitted damages period, this Court lacks both
5 general and specific personal jurisdiction over IBM related to Plaintiff’s infringement claims.
6

7 IBM respectfully asks that the Court dismiss this case so that Plaintiff may (i) pursue its
8 claims of infringement of the ‘992 patent—should it choose to do so—in the proper forum against
9 the proper party and (ii) amend its claims of infringement of the ‘901 patent—if it can do so—to
10 identify an allegedly infringing product made or sold by IBM on or after October 17, 2013.

11 **II. FACTUAL BACKGROUND**

12 IBM is a New York corporation headquartered in Armonk, New York, a community 37
13 miles north of Midtown Manhattan. Declaration of Michael D. Powell in Support of IBM’s
14 Motion to Dismiss (“Powell Decl.”), Ex. A [Wikipedia Page]. Its principal building, referred to as
15 CHQ, is a 283,000-square-foot glass and stone edifice on a 25-acre parcel amid a 432-acre former
16 apple orchard the company purchased in the mid-1950s. *Id.* IBM operates in more than 150
17 countries, with mobility centers in smaller-market areas and major campuses in the larger ones. *Id.*
18 In New York, IBM has several offices besides CHQ, including the IBM Watson research lab in
19 Yorktown Heights. *Id.* Outside of New York, major campuses in the United States include Austin,
20 Texas; Research Triangle Park (Raleigh-Durham), North Carolina; Rochester, Minnesota; and
21 Silicon Valley, California. *Id.*
22
23

24 **A. Activities Related To The ‘992 Patent Allegations**

25 Plaintiff asserts “IBM is and has been making, using, selling, offering for sale, importing,
26 and/or exporting products that infringe the ‘992 patent including without limitation computer
27 chips and other computer components utilizing IBM’s so-called intra-chip enhanced cooling
28 (“ICECool”) technology (the “‘992 Accused Products”).” FAC, ¶ 11. In 2013, IBM contracted

1 with the U.S. Defense Advanced Research Projects Agency (“DARPA”) to investigate advanced
2 semiconductor chip cooling techniques. Powell Decl., Ex. B [IBM Blog Post]. The IBM project
3 was part of DARPA’s Intrachip/Interchip Enhanced Cooling (ICECool) program, which sought to
4 “overcome the limitations of remove cooling by exploring embedded thermal management
5 technologies.” Powell Decl., Ex. C [Electronics Cooling Article]. IBM’s work on the project was
6 performed by staff at its research laboratories in Yorktown Heights, New York, and in Zurich,
7 Switzerland. Powell Decl., Ex. B. Eventually, IBM’s work on ICECool was performed under two
8 separate government contracts: (i) the ICECool Fundamentals Program under award number
9 HR0011 13-C-0035 (“Fundamentals Contract”); and (ii) the ICECool Applications Program under
10 award number FA8650-14-C-7466.ICE (“Applications Contract”) (collectively, the “DARPA
11 Contracts”). *Id.*

12
13
14 **B. Activities Related To The ‘901 Patent Allegations**

15 Plaintiff further asserts “IBM is and has been making, using, selling, offering for sale,
16 importing, and/or exporting products that infringe the ‘901 patent including without limitation
17 IBM’s z/Architecture mainframe computers utilizing vaporizable dielectric fluid cooling systems
18 as well as IBM’s eServer Rear Door Heat eXchanger (“Cool Blue Component”) (collectively the
19 “‘901 Accused Products).” FAC, ¶ 12. Other than this single, conclusory mention of the Cool Blue
20 Component, no other factual allegations are found in the FAC to explain the nature of Plaintiff’s
21 infringement allegations as to this device.

22
23 With respect to the allegation directed at “z/Architecture mainframe computers utilizing
24 vaporizable dielectric fluid cooling systems,” the body of the FAC—as with the Cool Blue
25 Component—lacks any factual allegations explaining Plaintiff’s infringement allegations as to this
26 class of products or identifying any specific model types that Plaintiff believes infringe its patent.
27 In its Exhibit 4 to the FAC, Plaintiff has purportedly mapped Claim 16 of the ‘901 patent against
28

1 the IBM zSeries 900 server utilizing Modular Cooling Units. FAC, Ex. 4 at 1.² IBM, however,
2 discontinued support for the zSeries 900 server on June 30, 2006. *See* Powell Decl., Exs. D
3 [Hardware withdrawal: IBM zSeries 900], E [IBM Mainframe Life Cycle History] at 4.
4 Accordingly, customers could no longer purchase (and IBM no longer offered or manufactured)
5 the zSeries 900 server from IBM after that withdrawal date. Powell Decl., Ex. D [Hardware
6 withdrawal: IBM zSeries 900] at 1.
7

8 **III. APPLICABLE LEGAL STANDARD**

9 **A. Personal Jurisdiction (Rule 12(b)(2))**

10 Federal Rule of Civil Procedure 12(b)(2) permits a court to dismiss a complaint for lack of
11 personal jurisdiction. Fed. R. Civ. P. 12(b)(2). “Where a defendant moves to dismiss a complaint
12 for lack of personal jurisdiction, the plaintiff bears the burden of demonstrating that jurisdiction is
13 appropriate.” *Schwarzenegger v. Fred Martin Motor Co.*, 374 F.3d 797, 800 (9th Cir. 2004). Bare,
14 conclusory allegations of personal jurisdiction are not sufficient. *Id.*

15 California’s long-arm statute is coextensive with due-process requirements (*id.* at 800-01),
16 and due process permits the exercise of personal jurisdiction only if that defendant has minimum
17 contacts with the forum such that exercising jurisdiction “does not offend traditional notions of
18 fair play and substantial justice.” *Int’l Shoe Co. v. Washington*, 326 U.S. 310, 316 (1945). Personal
19 jurisdiction can be general or specific. *Schwarzenegger*, 374 F.3d at 801-02. General jurisdiction
20 allows a court to hear *any* cause of action against a defendant. *Id.* at 801. Specific jurisdiction
21 allows a court to exercise jurisdiction only if there is a causal relationship between the defendant’s
22 forum contacts and the plaintiff’s claims. *Yahoo! Inc. v. La Ligue Contre Le Racisme Et*
23 *L’Antisemitisme*, 433 F.3d 1199, 1205 (9th Cir. 2006).³ Personal jurisdiction must separately exist
24

25 ² While Exhibit 4 includes photographs alleged to be representative of the zSeries 900 server,
26 no source or supporting documentation was included with the FAC.

27 ³ General jurisdiction is tested as of the time the complaint is filed. *Bauman v.*
28 *DaimlerChrysler Corp.*, 644 F.3d 909, 913 n.7 (9th Cir. 2011), *rev’d on other grounds*, 134 S.Ct.
746 (2014). Specific jurisdiction is tested as of the time the events underlying the dispute
occurred. *Steel v. United States*, 813 F.2d 1545, 1549 (9th Cir. 1987).

1 for each asserted claim. *Action Embroidery Corp. v. Atl. Embroidery, Inc.*, 368 F.3d 1174, 1180
2 (9th Cir. 2004) (citing *Data Disc, Inc. v. Sys. Tech. Assocs., Inc.*, 557 F.2d 1280, 1289 n.8 (9th
3 Cir. 1977)).

4 **B. Failure To State A Claim (Rule 12(b)(6))**

5 Under Federal Rule of Civil Procedure 12(b)(6), dismissal of a complaint is appropriate
6 where “the complaint lacks a cognizable legal theory or sufficient facts to support a cognizable
7 legal theory.” *Bascom Research LLC v. Facebook, Inc.*, No. C 12-6293, 2013 WL 968210, at *3
8 (N.D. Cal. Mar. 12, 2013) (quoting *Mendondo v. Centinela Hosp. Med. Ctr.*, 521 F.3d 1097, 1104
9 (9th Cir. 2008)). “Notice pleading requires only a ‘short and plain statement of the claim showing
10 that the pleader is entitled to relief.’” *Id.* (quoting Fed. R. Civ. P. 8(a)(2)). However, “such a
11 showing requires more than labels and conclusions, and a formulaic recitation of the elements of a
12 cause of action will not do.” *Id.* (quoting *Bell Atlantic v. Twombly*, 550 U.S. 544, 555 (2007)).
13 “Rather, the plaintiff must allege ‘enough facts to state a claim to relief that is plausible on its
14 face.’” *Id.* (quoting *Twombly*, 550 U.S. at 570). “Legal conclusions may ‘provide the framework
15 of a complaint, but they must be supported by factual allegations.’” *Id.* (quoting *Ashcroft v. Iqbal*,
16 556 U.S. 662, 679, 129 S. Ct. 1937, 1950 (2009)).

17 In assessing the factual support proffered by the plaintiff’s Complaint, the Court should not
18 “accept allegations that are merely conclusory, unwarranted deductions of fact or unreasonable
19 inferences.” *Bascom*, 2013 WL 968210 at *3 (citing *In re Gilead Scis. Sec. Litig.*, 536 F.3d 1049,
20 1055 (9th Cir. 2008)); *see also Intellicheck Mobilisa, Inc. v. Honeywell Int’l Inc.*, No. C16-0341
21 JLR, 2017 WL 5634131, at *5 (W.D. Wash. Nov. 21, 2017) (“‘Mere conclusory statements’ or
22 ‘formulaic recitation[s] of the elements of a cause of action’ . . . ‘are not entitled to the
23 presumption of truth.’”) (quoting *Chavez v. United States*, 683 F.3d 1102, 1108 (9th Cir. 2012)).
24 “Thus, a reviewing court may begin ‘by identifying pleadings that, because they are no more than
25 conclusions, are not entitled to the assumption of truth.’” *Atlas IP LLC v. Pac. Gas & Elec. Co.*,
26 No. 15-cv-05469, 2016 WL 1719545, at *2 (N.D. Cal. Mar. 9, 2016) (quoting *Iqbal*, 129 S. Ct. at
27 1950). Disregarding such unsupported conclusions, the “Court must then determine whether the
28

1 factual allegations in the complaint ‘plausibly give rise to an entitlement of relief.’” *Id.* (quoting
2 *Iqbal*, 129 S. Ct. at 1950).

3 “In the patent context, it is not enough to merely name a product and provide a conclusory
4 statement that it infringes a patent.” *Intellicheck*, 2017 WL 5634131 at *6 (internal quotations
5 omitted). Similarly, “a patentee cannot meet its obligation to assert a plausible claim of
6 infringement under the *Twombly/Iqbal* standard by merely copying the language of a claim
7 element, and then baldly stating (without more) that an accused product has such an element.”
8 *North Star Innovations, Inc. v. Micron Tech., Inc.*, No. 17-506-LPS, 2017 WL 5501489, at *2 (D.
9 Del. Nov. 16, 2017). “Sufficient allegations would include, at a minimum, a brief description of
10 what the patent at issue does and an allegation that certain named and specifically identified
11 products or product components also do what the patent does thereby raising a plausible claim that
12 the named products are infringing.” *Intellicheck*, 2017 WL 5634131 at *6 (quoting *Bender v. LG*
13 *Elects. USA, Inc.*, No. C09-02114-JF (PVT), 2010 WL 889541, at *6 (N.D. Cal. Mar. 11, 2010)).
14 “In that vein,” the Complaint must include “factual allegations that . . . permit a court to infer that
15 the accused product infringes each element of at least one claim.” *Atlas IP LLC v. Exelon Corp.*,
16 189 F. Supp. 3d 768, 775 (N.D. Ill. 2016) (dismissing complaint for direct infringement that failed
17 to plausibly identify how the accused product met each claim limitation), *aff’d* 686 Fed. Appx.
18 921 (Fed. Cir. 2017); *eDigital Corp. v. iBaby Labs, Inc.*, No. 15-cv-05790-JST, 2016 WL
19 4427209, at *3 (N.D. Cal. Aug. 22, 2016).

20 **IV. ARGUMENT**

21 **A. Plaintiff’s Claim Of Infringement Of The ‘992 Patent Should Be Dismissed As** 22 **It Has Sued The Wrong Party In The Wrong Federal Court**

23 Plaintiff’s infringement claim against IBM relates entirely to activities it performed for the
24 exclusive benefit of the United States of America. FAC, Ex. 3; Powell Decl., Ex. B.. In such
25 circumstances, a patent owner’s **only** remedy is an action against the Federal Government in the
26 United States Court of Federal Claims. 28 U.S.C. § 1498(a) (“Whenever an invention described in
27 and covered by a patent of the United States is used or manufactured by **or for** the United States
28 without license of the owner thereof or lawful right to use or manufacture the same, the owner’s

1 remedy shall be by action against the United States in the United States Court of Federal Claims
2 for the recovery of his reasonable and entire compensation for such use and manufacture.”)
3 (emphasis added). The remedy Section 1498 provides is exclusive; the patent owner has no
4 remedy against any other party or in any other court. *W.L. Gore & Assocs., Inc. v. Garlock, Inc.*,
5 842 F.2d 1275, 1282-83 (Fed. Cir. 1988) (“use or manufacture for the United States is immune
6 from suit for patent infringement in the district courts against the user or manufacturer ... [the
7 patent owner’s] only recourse is to sue the United States in the United States Claims Court for
8 its *entire* compensation.”); *see also Richmond Screw Anchor Co. v. U.S.*, 275 U.S. 331, 343 (1928)
9 (“The word ‘entire’ emphasizes the exclusive and comprehensive nature of the remedy
10 provided.”).

11 Plaintiff’s infringement allegations against IBM rest solely on two publications cited—but
12 not attached to—the Complaint. FAC at 3 (nn.1 & 2), Ex. 3. These publications (Powell Decl.,
13 Exs. B, C), however, demonstrate on their face that the allegedly infringing activity was performed
14 for the benefit of the Federal Government.⁴ The first—an IBM Research Blog—specifically
15 included the following disclaimer:

16 Acknowledgement: This project was supported in part by the U.S. Defense Advanced
17 Research Projects Agency Microsystems Technology Office ICECool Fundamentals
18 Program under award number HR0011 13-C-0035 and ICECool Applications Program
19 under award number FA8650-14-C-7466.

20 Powell Decl., Ex. B. The second—an IEEE publication cross-referenced in the blog post—
21 likewise included an acknowledgement:

22 ⁴ Materials incorporated by reference in a complaint that form the basis of Plaintiff’s claim
23 are properly considered by the Court on a motion to dismiss pursuant to Rule 12(b)(6). *See,*
24 *e.g., Khoja v. Orexigen Therapeutics, Inc.*, 899 F.3d 988, 1002 (9th Cir. 2018) “[A] defendant may
25 seek to incorporate a document into the complaint if the plaintiff refers extensively to the
26 document or the document forms the basis of the plaintiff’s claim.”) (internal quotation marks
27 omitted); *see also Steinle v. City and Cty. of San Francisco*, 919 F.3d 1154, 1162-63 (9th Cir.
28 2019) (incorporating by reference a memo that “form[ed] the very basis of Plaintiff’s claims”).
“The doctrine prevents plaintiffs from selecting only portions of documents that support their
claims, while omitting portions of those very documents that weaken—or doom—their claims.”
Khoja, 899 F.3d at 1002. Under section 1498, the fact that IBM performed all of the allegedly
infringing activity under federal government contracts—a fact made clear by the very documents
on which Plaintiff relies, but which Plaintiff omits from the Complaint—dooms Plaintiff’s claims.
This situation is exactly why the incorporation by reference doctrine exists.

1 Acknowledgement: The authors would like to thank current and past team members from
2 IBM and university partners involved in the ICECool programs for their valuable technical
3 contributions and discussions, and also would like to thank K. Plaks (PM), A. B.Cohen,
4 and K. Matin from DARPA for their technical support and project guidance, DOE Project
5 Officer D. Aichbhaumik, DOE Project Monitors D. Toronjo and C. Sapp, and DOE HQ
6 contacts G. Varga and B. Gemmer for their support throughout the DOE project.

7 Powell Decl., Ex. C (“IEEE Publication”). In addition, Plaintiff’s claim chart relies on the IBM
8 Blog as the **only** evidentiary basis for its infringement claim:

9 **U.S. Patent No. 6,313,992 – Infringement of Claim 21 by IBM**

The ‘992 Patent	Exemplary Support
21. A method for cooling an electronic component comprising:	IBM’s ICECool system was developed “to overcome the thermal barrier of stacking chips,” and can https://www.ibm.com/blogs/research/2017/08/beat-heat-3d-chip-stacks-icecool/ (attached hereto)

10 FAC, Ex. 3 at 1.

11 Plaintiff’s complaint fails to identify with sufficient specificity any allegedly infringing
12 activity by IBM other than its activities performed for the benefit of the U.S. under the DARPA
13 Contracts. Consequently, Plaintiff’s complaint should be dismissed for failing to state a viable
14 claim of infringement against IBM. Moreover, leave to amend would be futile as Plaintiff’s sole
15 and exclusive remedy is to pursue its infringement claim against the Federal Government in the
16 Court of Claims. 28 U.S.C. § 1498(a) (“For the purposes of this section, the use or manufacture of
17 an invention described in and covered by a patent of the United States by a contractor, a
18 subcontractor, or any person, firm, or corporation for the Government and with the authorization
19 or consent of the Government, shall be construed as use or manufacture for the United States.”).

20 **B. Plaintiff Cannot Establish Personal Jurisdiction Over IBM In This District
21 With Respect To Its Claim Of Infringement Of The ‘992 Patent**

22 Assuming, *arguendo*, that Plaintiff can circumvent the statutory bar of section 1498(a), in
23 order to proceed in this Court Plaintiff must still show that IBM is properly subject to personal
24 jurisdiction here. Fed. R. Civ. Proc. § 12(b)(2). Because IBM is organized and headquartered in
25 New York and because Plaintiff’s allegations of infringement concern activities taking place
26 outside of California, Plaintiff cannot establish personal jurisdiction over IBM in this district.

1 1. IBM Is Not Subject To General Personal Jurisdiction in California

2 IBM is a New York corporation with its headquarters in Armonk, New York. Accordingly,
3 in the absence of extraordinary circumstances, IBM is not subject to general personal jurisdiction
4 in California. Under *Daimler*, the controlling Supreme Court case, a corporation is subject to
5 general personal jurisdiction *only* where it is incorporated and where it has its principal place of
6 business. 571 U.S. at 137-39; *see also* *Martinez v. Aero Caribbean*, 764 F.3d 1062, 1064 (9th Cir.
7 2014) (quoting *Daimler*'s holding that "[a] court may exercise general personal jurisdiction over a
8 corporation only when its contacts 'render it essentially at home'"). Merely having an office in a
9 district does not subject a corporation to general jurisdiction there. *Daimler*, 571 U.S. at 139 n.20
10 ("A corporation that operates in many places can scarcely be deemed at home in all of them.")
11 Thus, any argument that IBM is subject to general personal jurisdiction in this district because it
12 has personnel and offices within the Northern District of California is foreclosed by *Daimler*.⁵

13 2. IBM Is Not Subject To Specific Personal Jurisdiction in California

14 Plaintiff's cause of action for infringement of the '992 patent is directed exclusively to
15 IBM's participation in the ICECool Research Project. *See* FAC, ¶ 11 ("IBM is and has been
16 making, using, selling, offering for sale, importing, and/or exporting products that infringe the
17 '992 patent including without limitation computer chips and other computer components utilizing
18
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21
22 ⁵ Only in an "exceptional case" may general jurisdiction be invoked in a forum that is neither
23 a corporation's place of incorporation nor its principal place of business. *Daimler*, 571 U.S. at 139,
24 n.19. Even conducting forum business in a "substantial, continuous, and systematic" manner does
25 not trigger general jurisdiction. *Id.* at 138 (holding that subjecting a non-resident corporation to
26 general jurisdiction under that standard would be "unacceptably grasping"). The fact that IBM has
27 offices in California does not tilt the scale for general personal jurisdiction. This is because this
28 inquiry is necessarily a comparative one, "call[ing] for an appraisal of a corporation's activities in
their entirety, nationwide and worldwide." *Id.* at 139, n.20; *Ranza v. Nike, Inc.*, 793 F.3d 1059,
1070 (9th Cir. 2015). Only where the magnitude of a corporation's business activities in the forum
state substantially exceeds the magnitude of the corporation's activities in other places, would
general jurisdiction be appropriate in the forum state. *See Daimler*, 571 U.S. at 139 nn.19, 20.
Absent such a showing, the exercise of general jurisdiction is improper. *See, e.g., Brown v.*
Lockheed Martin Corp., 814 F.3d 619, 629-30 (2d Cir. 2016).

1 IBM’s so-called intra-chip enhanced cooling (‘ICECool’) technology (the ‘Accused Products’).
2 Only Claim 21 of the ‘992 patent—a method claim—is alleged to be infringed. FAC, Ex. 3.⁶

3 Because Claim 21 is a method claim, infringement necessarily requires performance by
4 IBM of each and every step of the claimed method. *See Akamai Techs., Inc. v. Limelight*
5 *Networks, Inc.*, 797 F.3d 1020, 1022 (Fed. Cir. 2015) (“Direct infringement ... occurs where all
6 steps of a claimed method are performed by or attributable to a single entity.”). Accordingly, in
7 order to establish specific personal jurisdiction in this district, Plaintiff must show that IBM used a
8 device or component incorporating the ICECool technology within the Northern District of
9 California. *See, e.g., Daimler*, 571 U.S. at 127 (defining “specific jurisdiction” as “[a]djudicatory
10 authority” that exists where “the suit aris[es] out of or relate[s] to the defendant’s contacts with the
11 forum”) (internal quotation marks omitted). Plaintiff will be unable to do so because all of the
12 work on ICECool occurred in IBM’s Watson Research Center in Yorktown Heights, New York
13 and in Zurich, Switzerland. Powell Decl., Exs. B & C. Accordingly, as *Daimler* makes clear,
14 IBM’s due process rights would be violated if this Court exercised specific personal jurisdiction
15 over it since none of the infringing activity took place in this District. *Daimler*, 571 U.S. at 121-
16 22.

17 **C. The FAC Fails To State A Claim Of Infringement Of The ‘901 Patent**

18 Plaintiff’s cause of action for infringement of the ‘901 Patent fails because it is either too
19 conclusory or directed to products that were discontinued in 2006. In its FAC, Plaintiff alleges
20 only that “IBM is and has been making, using, selling, offering for sale, importing, and/or
21 exporting products that infringe the ‘901 patent including without limitation IBM’s z/Architecture
22 mainframe computers utilizing vaporizable dielectric fluid cooling systems as well as IBM’s
23 eServer Rear Door Heat eXchanger (“Cool Blue Component”) (collectively the “‘901 Accused
24

25 _____
26 ⁶ Because the Complaint fails to identify a specific customer or class of customers that may
27 be performing the allegedly infringing method, it fails to state a claim for indirect patent
28 infringement against IBM. *See Limelight Networks, Inc. v. Akamai Techs., Inc.*, 572 U.S. 915, 922
(2014) (“where there has been no direct infringement, there can be no inducement of
infringement”). Accordingly, IBM here limits its discussion to Plaintiff’s allegation that IBM itself
has “used” the unidentified “Accused Products” to perform the allegedly infringing method.

1 Products).” FAC, ¶ 12. The only additional information provided concerning Plaintiff’s
2 infringement allegations for the ‘901 patent are found in Exhibit 4 to the FAC, which is
3 noticeably limited to the zSeries 900 server—nowhere does Plaintiff provide any claim mapping
4 or narrative discussion as to how the Cool Blue Component or any other z/Architecture mainframe
5 computer could plausibly infringe the ‘901 patent. Accordingly, as to the Cool Blue Component
6 and all z/Architecture products other than the zSeries 900 server, the FAC fails to state a claim of
7 infringement and should therefore be dismissed. *See, e.g., Intellicheck*, 2017 WL 5634131 at *6
8 (“In the patent context, it is not enough to [m]erely nam[e] a product and provid[e] a conclusory
9 statement that it infringes a patent.”) (internal quotations omitted).⁷

10 With respect to claims of alleged infringement of the ‘901 patent directed to the zSeries
11 900 server—assuming, *arguendo*, that they meet the *Twombly/Iqbal* pleading standard—Plaintiff
12 has failed to state a plausible claim of infringement because the product was discontinued back in
13 2006. *See Powell Decl.*, Exs. D, E. Because the FAC (which first alleged infringement of the ‘901
14 patent) was filed October 17, 2019, recovery for any alleged infringement arising prior to October
15 17, 2013 is barred. 35 U.S.C. § 286 (“[N]o recovery shall be had for any infringement committed
16 more than six years prior to the filing of the complaint or counterclaim for infringement in the
17 action.”) Accordingly, IBM’s allegedly infringing activity related to the manufacture and sale of
18 the zSeries 900 server is time barred under to 35 U.S.C. § 286, and Plaintiff’s claim of
19 infringement of the ‘901 patent should be dismissed.⁸

21 ⁷ The claim of infringement of the ‘901 patent directed to the Blue Cool Component or any
22 z/Architecture computer besides the zSeries 900 server is deficient on its face as Plaintiff did not
23 even attempt to compare the claim language to those accused instrumentalities. Should leave to
24 amend be granted, however, more than simply reciting the claim language and asserting that
25 limitation is found in the accused product is necessary to survive a motion to dismiss. *See, e.g.,*
26 *North Star Innovations, Inc. v. Micron Tech., Inc.*, No. 17-506-LPS, 2017 WL 5501489, at *2 (D.
27 Del. Nov. 16, 2017) (“[A] patentee cannot meet its obligation to assert a plausible claim of
28 infringement under the *Twombly/Iqbal* standard by merely copying the language of a claim
element, and then baldly stating (without more) that an accused product has such an element.”)

⁸ Because personal jurisdiction must separately exist for each cause of action and because
specific personal jurisdiction is tested as of the time the events underlying the dispute occurred,
none of IBM’s alleged sales or other activities relating to the zSeries 900 server can support a
finding of personal jurisdiction over IBM with respect to Plaintiff’s claims of infringement of the
‘901 patent. *Action Embroidery Corp. v. Atl. Embroidery, Inc.*, 368 F.3d 1174, 1180 (9th Cir.

1 **V. CONCLUSION**

2 Plaintiff's present action is ill conceived—both substantively and procedurally. Plaintiff
3 should pursue its claim of infringement of the '922 patent—to the extent it has one—against the
4 Federal Government in the United States Court of Federal Claims. Alternatively, if it insists upon
5 suing IBM on that claim, it cannot do so here as personal jurisdiction is lacking in California.
6 Likewise, with respect to Plaintiff's claim of infringement of the '901 patent, the only properly
7 plead claim is not well-founded as it is based entirely on a long-since-discontinued product that
8 cannot serve to establish personal jurisdiction over IBM in this Court or any other court.
9 Accordingly, IBM respectfully asks that the Court dismiss Plaintiff's First Amended Complaint.

10 DATED: November 21, 2019 Respectfully submitted,

11
12 By /s/ Michael D. Powell

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28 2004) (citing *Data Disc, Inc. v. Sys. Tech. Assocs., Inc.*, 557 F.2d 1280, 1289 n.8 (9th Cir. 1977));
Steel v. United States, 813 F.2d 1545, 1549 (9th Cir. 1987). Accordingly, the Court lacks personal
jurisdiction over IBM as to either of Plaintiff's causes of action.