

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

SONRAI MEMORY LIMITED,

Plaintiff,

v.

APPLE INC.,

Defendant.

Case No. 6:22-cv-00787-ADA

JURY TRIAL DEMANDED

PLAINTIFF'S MOTION TO SEVER PATENTS INTO SEPARATE ACTIONS

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I. INTRODUCTION

Plaintiff Sonrai Memory Ltd. (“Sonrai”) respectfully requests that the Court sever one of the two patents asserted in this case—U.S. Patent No. 6,724,241 (“the ’241 Patent”)—into a separate action with its own case number. Apple maintains that the accused functionality of the ’241 Patent is attributable to circuitry in chipsets supplied to Apple from SK Hynix. Dkt. No. 27 at 2-3. Apple further contends that SK Hynix does not “share with Apple details regarding the design, development or operation of the charge pump” circuitry accused of infringing the ’241 Patent. *Id.* To that end, Apple did not oppose Sonrai’s early attempts to subpoena SK Hynix’s U.S. entity or subsequent request for the issuance of letters rogatory to the relevant SK Hynix entity in Korea. Dkt. Nos. 32, 44.

SK Hynix has taken steps to provide discovery in response to Sonrai’s letters rogatory, and indicated in early June that it was hopeful documents would be produced in “a matter of weeks, not months.” Ex. 1 (June 7, 2023 email from K. Nissly). However, Sonrai recently learned that the requested discovery implicates a new Korean law implemented last year—the National High-Tech Strategic Industries Act—which requires additional review of the requested documents and approval from Korean officials. Ex. 2 (July 5, 2023 email from K. Nissly). Sonrai has been informed that “[a]pparently the Sonrai case is the first such review under the National High-Tech Strategic Industries Act” and that “[t]here is no indication how long this additional review will take.” *Id.* As such, important technical discovery concerning the ’241 Patent has been hampered by complicated overseas third-party discovery.

Discovery on the other patent asserted by Sonrai—U.S. Patent No. 6,874,014 (“the ’014 Patent”)—has proceeded in due course. The parties have worked collaboratively to adjust the parties’ respective final contentions deadlines to account, in part, for the delays in obtaining

discovery from SK Hynix. Dkt. Nos. 64, 70, 71. However, final infringement contentions are due on September 5 and fact discovery is set to close on October 23, 2023, and there is still no indication when Sonrai will receive the requested SK Hynix discovery on the '241 Patent. Because of this uncertainty, there is no way to further adjust the current case schedule without prejudicing Sonrai's ability to proceed on its claims concerning the '014 Patent. To that end, Sonrai's claim for infringement of the '014 Patent should proceed on the current case schedule, while the '241 Patent is severed into a new action with an adjusted case schedule.

Severing the '014 and '241 Patents is justified for several reasons. First, adjusting the existing case schedule to account for the belated '241 Patent discovery from SK Hynix will likely result in seriatim extensions amounting to a de facto indefinite stay of proceedings. The parties are prepared to proceed to trial the claims and defenses of the '014 Patent based on the existing case schedule and Sonrai should not be required to request indefinite continuances of the April 2024 trial date based on circumstances outside of its control. Additionally, because the subject matter of the '014 and '241 Patents is sufficiently distinct, there is no overlap in technical sources of proof and it is unlikely that there will be overlapping Apple technical witnesses at trial. Any prejudice to Apple in addressing the two patents in two smaller trials as opposed to one larger trial is minimal, and severance will promote efficient resolution of at least Sonrai's '014 Patent claims.

II. FACTUAL BACKGROUND

On July 15, 2022, Sonrai initiated this action against Apple alleging certain Apple products infringe the '014 and '241 Patents. Dkt. No. 1. The '014 Patent is directed to a multiprocessing system comprising multiple processors on a single die and that executes multiple operating systems. Sonrai accuses Apple products (e.g., iPhones, iPads, MacBooks, iMac, and Watches) containing Apple A, S, M, or T2 series processors infringe the '014 Patent. Hollander Decl. ¶ 5.

The '241 Patent is directed to a variable charge pump circuit, and Sonrai accuses Apple products with SK Hynix NAND flash chips of infringement. *Id.* ¶ 5.

On November 14, 2022, Apple filed a Motion to Transfer Venue Pursuant to 28 U.S.C. § 1404(a). Dkt. Nos. 25, 27. In its Motion, Apple explained that “SK Hynix supplies the Accused SK Chips for incorporation into Apple’s products and no Apple employees have knowledge regarding the research, design, development or operation of the accused charge pump circuitry within the Accused SK Chips that are supplied to Apple and Apple does not modify the circuitry nor the design of the raw NAND die in the SK Hynix supplied NAND flash components.” Dkt. No 27. at 2. Apple further represented that “Apple does not market the charge pump circuit in its products nor does SK Hynix share with Apple details regarding the design, development or operation of the charge pump circuitry.” *Id.* at 2-3.

In light of Apple’s representations regarding its lack of knowledge or discovery concerning the accused functionality of the '241 Patent, Sonrai filed an unopposed Motion to Conduct Limited Third-Party Discovery on December 23, 2022. Dkt. No. 32. Sonrai’s Motion was granted and it served a subpoena on SK Hynix America Inc., which is the SK Hynix entity responsible for its U.S.-operations. Sonrai met and conferred with counsel for SK Hynix America in early February 2023, who indicated that the relevant discovery was in the possession of the parent SK Hynix entity in Korea and that Sonrai would need to invoke the Hague in order to obtain the requisite discovery. Hollander Decl. ¶ 6.

Thereafter on March 3, 2023, Sonrai filed an unopposed Motion for Issuance of Letter of Request Under the Hauge Convention. Dkt. No. 44. On May 18, 2023, counsel for SK Hynix emailed Sonrai’s counsel to complete a form for an application for SK Hynix to disclose the requested discovery. Ex. 3 (May 18, 2023 K. Nissly email). On May 22, 2023, the parties filed a

joint notice extending the deadline to serve final infringement and invalidity contentions from May 22, 2023 to July 3, 2023. Dkt. No. 64.

On June 7, 2023 counsel for SK Hynix indicated as follows:

SK hynix has submitted an application for permission to disclose National Core Technologies information to the relevant Korean government authorities. If permission is granted SK hynix will respond to the Letters of Request in accordance with the Korean legal procedure under the Hague Evidence Convention. The timing of the review and decision on the application is not fixed, but Hynix expects it to be a matter of weeks, not months.

Ex. 1 (June 7, 2023 K. Nissly email).¹ On June 27, 2023, the parties filed a joint notice extending the deadline to serve final infringement and invalidity contentions from July 3, 2023 to August 3, 2023. Dkt. No. 70.

Thereafter on July 5, 2023, counsel for SK Hynix provided the following update to Sonrai:

Hynix has informed me that another new law, called the National High-Tech Strategic Industries Act, came into effect last year and the implementing regulations have been recently issued. These regulations define what are called National High-Tech Strategic Technologies (not to be confused with the National Core Technologies we have been discussing to date). 3D NAND Flash with 128 layers falls within the definition of National High-Tech Strategic Technologies. The Korean Ministry of Industry has contacted Hynix to inform them that review and approval under National High-Tech Strategic Industries Act is required to export of at least some of the information sought in the Hague Evidence Convention Letters of Request. This review and approval process is in addition to the review for National Core Technologies. Apparently the Sonrai case is the first such review under the National High-Tech Strategic Industries Act.

There is no indication how long this additional review will take.

Ex. 2 (July 5, 2023 K. Nissly email). On July 24, 2023, the parties filed a joint notice extending the deadline to serve final infringement and invalidity contentions from August 3, 2023 to September 5, 2023. Dkt. No. 71.

¹ All emphasis added unless stated otherwise.

On August 1, 2023, Sonrai contacted Apple regarding Apple's position on Sonrai's putative motion to sever. Ex. 4 (Aug. 1, 2023 D. Hollander email). Apple responded on August 4, 2023, noting that it opposed Sonrai's motion because "[s]evering the case into two actions will lead to considerable inefficiencies, including but not limited to two separate trials." Ex. 5 (Aug. 4, 2023 email from P. Maggiore). The parties met and conferred on August 7, but remain at an impasse.

III. LEGAL STANDARD

Federal Rule of Civil Procedure 21 provides that "[o]n motion or on its own, the court may at any time, on just terms sever any claim against a party." Fed. R. Civ. P. 21. "Severance under Rule 21 creates two separate actions or suits where previously there was but one. Where a single claim is severed out of a suit, it proceeds as a discrete, independent action, and a court may render a final, appealable judgment in either one of the resulting two actions notwithstanding the continued existence of unresolved claims in the other." *Aspen Tech., Inc. v. Kunt*, No. 4:10-CV-1127, 2011 WL 86556, at *2 (S.D. Tex. Jan. 10, 2011) (quoting *United States v. O'Neil*, 709 F.2d 361, 368 (5th Cir. 1983)).

"The Fifth Circuit has noted that '[t]he trial court has broad discretion to sever issues to be tried before it.'" *Reid v. Gen. Motors Corp.*, 240 F.R.D. 260, 263 (E.D. Tex. 2007) (quoting *Brunet v. United Gas Pipeline Co.*, 15 F.3d 500, 505 (5th Cir. 1994)).² "The district court has the discretion under Rule 21 to sever an action if it is misjoined or might otherwise cause delay or

² The Federal Circuit has suggested that "motions to sever are governed by Federal Circuit law because joinder in patent cases is based on an analysis of the accused acts of infringement, and this issue involves substantive issues unique to patent law." *In re EMC Corp.*, 677 F.3d 1351, 1354 (Fed. Cir. 2012). However, Sonrai's application is not predicated on issues concerning proper joinder and, therefore, do not implicate the Federal Circuit's reasoning in *In re EMC Corp.*

prejudice.” *Adv. Neuromodulation Sys., Inc. v. Adv. Bionics Corp.*, No. 4:04-CV-131, 2005 WL 8158168, at *1 (E.D. Tex. May 18, 2005) (citation omitted).

IV. ARGUMENT

A. Severing The '014 And '241 Patents Into Separate Actions Is Warranted

Severing Sonrai's infringement claims for the '014 and '241 Patents into two separate actions is justified. Sonrai's infringement claims for the '014 and '241 Patents are distinct and implicate different accused products and functionality. Specifically, Sonrai alleges that Apple iPhone, iPad, Watch, MacBook, and Mac products with certain Apple processors infringe the '014 Patent through their use of multiple processing cores and multiple operating systems. However, Sonrai's allegations for the '241 Patent are directed to a specific type of circuitry found in Apple products with SK Hynix NAND Flash Chips. While the technical discovery for the '014 Patent is directed to information possessed by Apple, Apple has represented that the relevant technical discovery for the '241 Patent is possessed by SK Hynix:

SK Hynix supplies the Accused SK Chips for incorporation into Apple's products and no Apple employee shave knowledge regarding the research, design, development or operation of the accused charge pump circuitry within the Accused SK Chips that are supplied to Apple and Apple does not modify the circuitry nor the design of the raw NAND die in the SK Hynix supplied NAND flash components.... Apple does not market the charge pump circuit in its products nor does SK Hynix share with Apple details regarding the design, development or operation of the charge pump circuitry.

Dkt. No. 27 at 2-3. As such, the '014 and '241 Patents implicate different technical discovery from different parties (*i.e.*, Apple and SK Hynix). *See, e.g., CVI/Beta Ventures, Inc. v. Custom Optical Frames, Inc.*, 896 F. Supp. 505, 506 (D. Md. 1995) (“The coverage and scope of the Beta and '485 patents will involve analysis of different file histories, specifications, inventors, and possibly different expert witnesses.”); *cf. Reid*, 240 F.R.D. at 263 (“Allegations of infringement against two unrelated parties based on different acts do not arise from the same transaction.”).

The differences in accused functionality and sources of proof have resulted in divergent discovery and case developments as to the '014 and '241 Patents. While technical discovery on the '014 Patent has progressed, the '241 Patent technical discovery has been hampered by complicated international third-party discovery. Upon learning that important technical discovery for the '241 Patent was in the possession of SK Hynix, Sonrai promptly moved for leave to issue a subpoena to SK Hynix America Inc.—which is the SK Hynix entity responsible for its U.S.-based operations. Dkt. No. 32. However, after meeting and conferring with SK Hynix America Inc.'s counsel, Sonrai was informed that the requisite discovery was in the possession of SK Hynix's parent Korean entity and could only be obtained through the Hague Convention. Hollander Decl. ¶ 6.

Sonrai then quickly applied for the issuance of Letters Rogatory (which was granted by the Court) and ensured its receipt by the proper Korean officials. Ex. 6 (J. Petrsoric Mar. 7, 2023 email). On May 18, 2023, SK Hynix's counsel requested that Sonrai's counsel complete an application for permission for SK Hynix to produce the requested documents from the relevant Korean authorities. Ex. 3. At that point, SK Hynix's counsel believed production would be in “a matter of weeks, not months.” *Id.* Then, on July 5, 2023, SK Hynix's counsel informed Sonrai that “another new law, called the National High-Tech Strategic Industries Act, came into effect last year” and that “[t]his review and approval process is *in addition* to the review for National Core Technologies.” Ex. 2. “Apparently the Sonrai case is the first such review under the National High-Tech Strategic Industries Act” and “[t]here is no indication how long this additional review will take.” *Id.* Thus, despite Sonrai's diligence and best efforts, the requested '241 Patent technical

discovery that resides solely in Korea has injected delay and uncertainty to the current case schedule.³

Severing the '241 Patent into a separate action “will serve the ends of justice and further the prompt and efficient disposition of litigation.” *Adv. Neuromodulation Sys.*, 2005 WL 8158168, at *1. Sonrai is entitled to its day in Court and the '014 Patent claims and defenses are developing in accordance with the current case schedule. However, to continue the '241 Patent on the same case schedule will require Sonrai to either (1) risk not obtaining important technical discovery from SK Hynix prior to the deadline for fact discovery or (2) request continuances of the trial date seriatim. Indeed, Apple has suggested that the parties simply move out all case deadlines by another 3 months in order to account for the delays in obtaining the SK Hynix discovery. Ex. 5. However, the parties have not received any indication that the SK Hynix discovery will be received in the coming months—to the contrary, SK Hynix has indicated that “[t]here is no indication how long this additional review will take.” Ex. 2.

At bottom, severance serves the ends of justice by ensuring that Sonrai is able to litigate the merits of both its infringement claims for the '014 Patent and '241 Patent based on a full factual record. Severing Sonrai's claims also ensures the prompt and efficient disposition of its '014 Patent infringement claims, which are sufficiently distinct from its claims of infringement of the '241 Patent.

³ Apple's argument that “[d]elays in obtaining the Hynix discovery is entirely a problem of Sonrai's own making by suing Apple on technology that it knew Apple does not make” is unpersuasive. Ex. 5. Until Apple filed its Motion to Transfer, Sonrai was unaware that Apple did not possess any relevant technical discovery from SK Hynix. Further, it was not until Sonrai met and conferred with counsel for SK Hynix that it was informed that SK Hynix America, Inc. (the entity Sonrai subpoenaed) did not possess the relevant discovery.

B. Apple Is Not Prejudiced By Severance

Apple argues that severance is not appropriate because it will “lead to considerable inefficiencies, including but not limited to two separate trials.” Ex. 5. Not so. Apple has disclaimed any knowledge of the technical merits of Sonrai’s ’241 Patent claims. Dkt. No. 27 at 2-3. As such, Apple cannot complain of overlapping or duplicative technical discovery or documentary proof between the two cases. And, because the technical issues are sufficiently distinct, the damages theories and proof is likewise different between the ’014 and ’241 Patents. *See Reid*, 240 F.R.D. at 263 (“The Court finds that Plaintiffs’ claims against Schwab are sufficiently distinct from Plaintiffs’ claims against the remaining defendants to warrant a severance pursuant to Rule 21.”); *see also Jones*, 2013 WL 12129709, at *2 (severance warranted where “the claims will require different witnesses and documentary proof.”). Indeed, even if there were some overlapping Apple witnesses between trials, their testimony will differ in light of the different technical considerations for the ’014 and ’241 Patents. *See Jones*, 2013 WL 12129709, at *2 (“While the witnesses may be common, the Court finds that their testimony will differ”).

Ultimately, while Apple is correct that severance would result in two separate trials, the trials would encompass subject-matter that would have required a single, larger trial. The mere fact that two smaller trials covering the discrete issues to the ’014 and ’241 Patents are required over one larger trial covering the subject matter of *both* the ’014 and ’241 Patents does not result in such prejudice to Apple as to overcome the efficiencies gained through severance nor overcome the prejudice to Sonrai in not severing the infringement claims.

V. CONCLUSION

For the reasons stated herein, the Court should sever Sonrai’s ’241 Patent claims into a separate action with its own civil-action number.

Dated: August 15, 2023

Respectfully submitted,

By: /s/ Brett E. Cooper

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CERTIFICATE OF CONFERENCE

I hereby certify that counsel for Plaintiff has conferred in good faith with counsel for Defendant pursuant to Local Civil Rule CV-7(G), and Defendant is opposed to the relief sought. Accordingly, this Motion and the relief requested herein are submitted to the court for resolution.

/s/ Brett E. Cooper
Brett E. Cooper

CERTIFICATE OF SERVICE

I certify that this document is being served upon counsel of record for Defendant on August 15, 2023 via electronic service.

/s/ Drew B. Hollander
Drew B. Hollander