

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

CHIEN-MIN SUNG,

Plaintiff,

v.

KINIK COMPANY,

Defendant.

Civil Action No. 1:20-cv-00247-RGA

JURY TRIAL DEMANDED

**DECLARATION OF DR. JAMES SUNG
IN SUPPORT OF PLAINTIFF’S ANSWERING BRIEF IN OPPOSITION TO
DEFENDANT’S MOTION TO STAY**

I, Chien-Min Sung, hereby declare under the penalty of perjury that the following is true and correct:

1. I make this declaration in support of Plaintiff’s Answering Brief in Opposition to Defendant’s Motion to Stay.

2. The facts set forth herein are true to my personal knowledge, and if called upon to testify thereto, I could and would competently do so under oath.

3. I am a U.S. citizen and reside in Cupertino, CA. I received my Ph.D. from Massachusetts Institute of Technology.

4. I am the sole named inventor and believe I am the rightful owner of U.S. Patent No. 9,724,802 (the “’802 patent”), entitled “CMP Pad Dressers Having Leveled Tips and Associated Methods,” which was duly issued by the United States Patent and Trademark Office. I am also a named inventor on over 400 domestic and foreign patents—over 100 in the United States alone related to diamond technology (many are related to chemical mechanical planarization (“CMP”) diamond disks). I am also the author of three books and dozens of CMP papers published by reputable international journals pertaining to CMP pad dressers and related

technology and a frequent speaker at various CMP conferences, including the International Conference of Planarization Technology.

5. Throughout my career, I have developed numerous world class diamond tools. Among them are diamond tools such as diamond pad conditioners (diamond disks), which are critical for performing CMP on semiconductor wafers.

6. From 1994 to 1996, I was the director at Industrial Diamond Research Institute, a governmental organization. At that time, I was already licensing various patented technologies relating to brazed diamond tools to a number of domestic and foreign companies, and had introduced them to Kinik Company (“Kinik”). It was during this time that Mr. Frank Lin, the then-family owner and general manager of Kinik, approached me and proposed to set up a joint venture for the commercialization of various diamond tools, including brazed diamond tools, to allow Kinik to compete in the CMP market.

7. On October 28, 1996, Mr. Lin and I entered into a joint venture agreement (“original JV Agreement”). The original JV Agreement, which is written in English, establishes a joint venture for manufacturing diamond tools and required Kinik to contribute resources to support the joint venture. In return, I would contribute innovations and technologies to the joint venture. Both parties would work for the joint venture. Kinik would own 2/3 and I would own 1/3 of the joint venture.

8. Between 2003 and 2011, the parties amended the original JV Agreement through a series of amendments and memoranda (“Amendments”), which were written in Chinese and can be translated via certified professionals. The original JV Agreement and Amendments (“JV Agreements”) would terminate after seventeen (17) years on October 28, 2013. The JV Agreements did not require me to live or work in Taiwan or work full time for the joint venture.

Nor did they require the joint venture to take place in Taiwan. The JV Agreements also did not specify a choice of law or forum because the joint venture was designed to suit my convenience, including my frequent travel to United States and other countries. Instead, our intention was that all disputes between the parties would be settled by mutual negotiations through good faith.

9. The JV Agreements give Kinik a non-exclusive license to patents that I owned and developed before and during the joint venture. As a non-exclusive licensee, Kinik is not an owner of any patents or technologies developed through the joint venture. As part of my compensation package, the JV Agreements require Kinik to compensate me a portion of the total revenue that Kinik earned from practicing my patents as royalty payments.

10. The JV Agreements specify that I would retain all rights to those patents practiced by the joint venture, issued during the joint venture, and continued to be practiced by Kinik after the joint venture had terminated. The JV Agreements also specify that in addition to the royalties paid by practicing four of my foundational patents already licensed to Kinik on a non-exclusive basis, Kinik would pay additional royalties according to a rate based on the gross margin specified in the JV Agreements for up to 15 more years, or the expiration of the new patent being practiced, whichever is earlier, from the time the newly licensed products have reached NTD 1 million per month in sales. Kinik initially paid me royalties for relevant products but ceased to do so once Mr. Lin was disabled by a stroke and his brother, Mr. Yan-Liang Pai, succeeded Mr. Lin as Kinik's Chairman.

11. The JV Agreements require Kinik to continue to make royalty payments after the termination of joint venture if it were to continue to sell any products that practice my patents other than the four foundational patents already licensed to Kinik on a non-exclusive basis (which do not include the '802 patent).

12. The JV Agreements also provide that if Kinik breaches the JV agreements at any time, the right to all joint venture patents would be retained solely by me permanently, including the four foundational patents already licensed to Kinik on a non-exclusive basis.

13. On May 31, 2010, Kinik, through written agreement, confirmed that its right to practice my patented technologies are non-exclusive and that I have the right to license my patents to third parties.

14. In or around late 2009, Mr. Lin, who worked with me on the joint venture for 15 years, had a stroke. Mr. Lin's elder brother, Mr. Yan-Liang Pai, succeeded Mr. Lin as Kinik's Chairman took control of Kinik. Mr. Pai and his management decided to terminate the joint venture before the expiration period. In June 2012, more than a year before the planned termination of the JV Agreements, Kinik stopped making royalty payments that were required under the JV Agreements. Since 2012, Kinik has not made any royalty payment as required by the JV Agreements.

15. In July 2013, three months before the expiration of the JV Agreements, Kinik brought an action in a Taiwanese court seeking ownership interests of, and the right to practice, some of my patents without payment of royalties as required by the JV Agreements. As recent as August 15, 2019, the Supreme Court of Taiwan remanded the case back to the second instance of IP court, seeking clarification on whether Kinik has breached the JV Agreements by failing to comply with its obligations to pay the required royalties to me.

16. In August 2014, Kinik brought a second action in a Taiwanese court seeking ownership interests of, and the right to practice, three of my patents without payment of royalties as required by the JV Agreements. As recent as July 1, 2020, the Supreme Court of Taiwan reversed the second instance of IP court's decision to affirm Kinik's right to practice these three

patents, and remanded the case for further evaluation on whether Kinik had paid me the required royalties.

17. After the joint venture terminated, I continued to conduct my own research and development in CMP disk technology. During this period, I invented the subject matter that forms the basis of the patent application (the “’802 Application”) from which the ’802 Patent issued. I then filed the ’802 Application with the United States Patent and Trademark Office on October 3, 2014.

18. I invented this new subject matter, which is claimed in the ’802 Patent, after the joint venture with Kinik ended Oct. 28, 2013. This invention is not disclosed in any of the patents or patent applications to which the ’802 Patent claims priority or during the pendency of the joint venture.

19. I am also the inventor of USP No. 9,138,862 (the “’862 Patent” or “Parent Patent”), which is the parent of the ’802 Patent, and USP No. 8,974,270 (the “’270 Patent” or “Grandparent Patent”), which is the parent of the ’862 Patent. The application that led to the issuance of the ’862 Patent was filed on Mar. 13, 2013. The application that led to the issuance of the ’802 Patent was filed on Mar. 23, 2012.

20. I have reviewed the ’862 Patent and the ’270 Patent. Neither the ’862 Patent nor the ’270 Patent disclose the claimed subject matter of the ’802 Patent.

21. For example, neither the ’862 Patent nor the ’270 Patent discloses a designated profile with a tip variation associated with the superabrasive particles or a tip variation at, for example, about 100 microns, all of which was discovered by me after the joint venture had terminated.

22. Further, I am the inventor of Taiwan Patent No. 101112625 (the “Taiwan ’625

Patent"). The Taiwan '625 Patent has a related U.S. Application No. 13/797,704 ("704 Application"). I have reviewed both the Taiwan '625 Patent and the '704 Application. Neither the Taiwan '625 Patent nor the '704 Application disclose the claimed subject matter of the '802 Patent.

23. For example, the Taiwan '625 Patent does not disclose the use of a designated profile (which is recited in Claim 1 of the '802 Patent) defined by protrusion tips. By contrast, the '802 Patent discloses a profile that can be flat, planar, curved, wavy, convex, concave, or multi-tiered. For example, this is disclosed at column 6, lines 21-28 and in claim 19. With this profile, the tallest tips relative to the upper surface of the disk need not be the highest tips as measured by placing the disk on a flat plate. This invention allows the designated profile, which is one of several important features of the '802 Patent not disclosed in the Taiwan '625 Patent, to be defined by, for example, cutting tips on a slanted plane with respect to the substrate surface.

24. I declare that all statements made herein on my own knowledge are true and that all statements made on information and belief are believed to be true, and further, that these statements are made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both under section 1001 or Title 18 of the United States Code.

By: 
Dr. James Sung

