

**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

CHIEN-MIN SUNG'S ANSWERING BRIEF
IN OPPOSITION TO DEFENDANT'S MOTION TO STAY

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I. NATURE AND STAGE OF PROCEEDINGS

In this patent infringement case, Plaintiff Chien-Min Sung (“Dr. Sung”) asserts that Kinik Company (“Kinik”) infringes U.S. Patent No. 9,724,802 (the “’802 patent”). (D.I. 1.) Kinik has moved to stay based on proceedings in Taiwan. (D.I. 12, 13.) Dr. Sung submits this answering brief in opposition to Kinik’s motion.

II. SUMMARY OF ARGUMENT

This case does not warrant an abstention because the Court has exclusive jurisdiction over this patent infringement suit, which involves a U.S. patent governed by federal law. Multiple courts have repeatedly refused to abstain from or stay pending resolution of foreign proceedings in cases involving both patent infringement and ownership disputes.

Kinik’s motion for stay should be denied because none of the factors favoring a stay are present here. The First, Second, and Third Taiwan Actions are not parallel proceedings as they have no impact on the ’802 patent—a fact reinforced by Kinik’s recent filing of the Fourth Taiwan Action as a reactive suit involving the ’802 patent. This Court is the *first* to assume jurisdiction because this latest Taiwan action was filed three months *after* this lawsuit and remains in its infancy. There is no inconvenience with this federal forum because Dr. Sung is a U.S. citizen and Kinik is incorporated in California. There is no danger of piecemeal litigation, “duplicative litigation,” and “significant expense” separating this case from any other cases where courts have declined stays; those issues routinely exist in cases involving parallel proceedings yet do not warrant a stay. The Taiwanese court cannot provide Dr. Sung with the equitable relief that is available in federal court.

International comity does not support a stay because the Fourth Taiwan Action, which was filed after this action, remains in its infancy. It would be prejudicial to Dr. Sung to defer to the Taiwanese court, particularly where there is no telling as to when it would reach a decision.

III. FACTUAL BACKGROUND

A. Dr. Sung Is the Sole Owner and Inventor of the '802 Patent, Whose Subject Matter Was Developed *After* Expiration of the JV Agreements

Dr. Sung is a U.S. citizen. (Sung Decl. at ¶ 3.) He is the sole inventor of the '802 patent. Dr. Sung is a pioneer of so-called “diamond disk” technology. He is the named inventor on over 400 domestic and foreign patents related to diamond disk technology, including chemical mechanical polishing (“CMP”) disk technology. (*Id.* at ¶ 4.) CMP disks are an integral component in the manufacture of virtually every integrated circuit made today.

In 1996, Dr. Sung and Kinik executed a joint venture (“JV”) agreement (the “original JV Agreement”). Between 2003 to 2011, the parties amended the original JV Agreement through a series of amendments and memoranda (“Amendments”) (*Id.* at ¶ 8.) The original JV Agreement, which was written in English, established a JV for manufacturing diamond tools. (*Id.* at ¶ 7.)

As part of the original JV Agreement and Amendments (“JV Agreements”), the parties agreed that Kinik would contribute resources, and Dr. Sung would contribute innovations and technologies, to the JV. (*Id.*) The JV Agreements also provided Dr. Sung with one third ownership of the JV, and established that Dr. Sung would own all patent rights to his innovations and technologies. (*Id.* at ¶¶ 7, 9, 10, 13.) In exchange for a non-exclusive license to Kinik for patents owned by Dr. Sung that were developed before and during the JV, Kinik was required to pay royalties to Dr. Sung for any CMP products that were marketed and sold during and after termination of the JV Agreements. (*Id.* at ¶¶ 9, 10, 11.) Thus, regardless of whether a patent is or is not subject to the JV Agreements, Kinik would be obligated to pay royalties for its use.

The JV Agreements did not require Dr. Sung to live or work in Taiwan or work full time for the JV, or that the JV to take place in Taiwan. (*Id.* at ¶ 8.) The JV Agreements also did not provide any choice of law or forum, or arbitration provision. (*Id.*) The JV Agreements were in

effect for seventeen years from October 28, 1996 to October 28, 2013. (*Id.*)

After the JV Agreements expired, Dr. Sung continued to conduct extensive research and development in CMP disk technology on his own. (*Id.* at ¶ 17.) During this period, *after* expiration of the JV agreements, Dr. Sung invented the subject matter that forms the basis of the patent application (the “’802 Application”) from which the ’802 patent issued. (*Id.*) After this invention, Dr. Sung filed the ’802 Application in October 2014, *almost a year after* the JV Agreements expired. (*Id.*) The ’802 Application was filed as a continuation-in-part (“CIP”) of USP No. 9,138,862 (the “’862 patent” or “Parent Patent”) as it covers new subject matter that Dr. Sung discovered after the termination of the JV—subject matter that is neither disclosed in the Parent Patent nor developed during the JV. (*Id.* at ¶ 18.) The ’802 patent issued in 2017.

The Parent Patent also is a CIP and claims priority to USP No. 8,974,270 (the “Grandparent Patent”), which claims priority to other CIP patents and applications. There are more than ten members in the ’802 patent family, including the Parent and Grandparent Patents (“Parent Patents”), all of which are either CIPs or provisional applications. The subject matter added by the ’802 patent is neither disclosed nor claimed in any family member.

B. The First, Second, and Third Taiwan Actions Do Not Implicate Ownership Interest of, or the Right to Practice, the ’802 Patent

In July 2013, three months before the expiration of the JV Agreements, Kinik filed a civil action against Dr. Sung in Taiwan (“First Taiwan Action”), seeking the right to continue to practice some of Dr. Sung’s patents, but not the ’802 patent. (Chang Decl. at ¶ 3.) The first instance of IP Court found in favor of Kinik and the second instance of IP Court affirmed (*Id.* at ¶¶ 4-5) but the Supreme Court of Taiwan vacated and remanded the case to determine whether Kinik had paid the required royalties to Dr. Sung, recognizing that Kinik has no ownership of the patents at issue, nor right to practice Dr. Sung’s patents absent royalty payments. (*Id.* at ¶ 6.)

In August 2014, Kinik filed a second lawsuit in Taiwan (“Second Taiwan Action”), seeking ownership of, and the right to practice, three of Dr. Sung’s patents and applications, but again not the ’802 patent. (*Id.* at ¶ 7.) In 2016, the first instance of IP Court ordered Dr. Sung to transfer them to Kinik, but the second instance of IP Court reversed, finding that Kinik failed to prove that it did not remit royalty payment because the time limit for such payments had expired. (*Id.* at ¶ 8.) In July 2020, the Supreme Court of Taiwan ordered the second instance of IP Court to determine whether Kinik had paid the required royalties. (*Id.* at ¶ 9.)

In September 2014, Kinik filed a third lawsuit in Taiwan (“Third Taiwan Action”) disputing the ownership of 54 patents and applications, including the Parent Patents and Taiwan Patent No. 101112625 (the “Taiwan ’625 Patent”), but not the ’802 patent. (*Id.* at ¶ 10.) In October 2017, the first instance of IP Court confirmed Dr. Sung’s ownership of 20 of these patents and applications (*Id.* at ¶ 11), which the second instance of IP Court affirmed in June 2019. (*Id.* at ¶ 12.) The case is pending before the Supreme Court of Taiwan. (*Id.* at ¶ 13.)

C. Kinik Filed the Fourth Taiwan Action as a Reactive Suit to the Present Case

Dr. Sung filed this lawsuit on February 20, 2020. In June 2020, more than three month after the complaint was filed, Kinik filed a fourth lawsuit in Taiwan (“Fourth Taiwan Action”) seeking declaratory judgment of Kinik’s ownership interest of, and right to practice, the ’802 patent. (*Id.* at ¶ 14.) Beyond the pleading stage, no additional filings have occurred, and the Fourth Taiwan Action remains in its infancy. (*Id.* at ¶¶ 15-17.)

IV. ARGUMENT

A. This Case Does Not Warrant International Abstention

This case involves infringement of the ’802 patent, a United States patent within the exclusive jurisdiction of the U.S. federal courts. 28 U.S.C. § 1338. Where a federal court has exclusive jurisdiction over a claim, “abstention would run counter to Congress’ determination,

reflected in grants of exclusive federal jurisdiction, that federal courts should be the primary fora for handling such claims. The grant of such jurisdiction could be seriously hampered if federal courts exercised discretionary power to await the outcome of related . . . proceedings.” *Andrea Theatres, Inc. v. Theatre Confections, Inc.*, 787 F.2d 59, 63 (2d Cir. 1986). Federal courts have a “virtually unflagging obligation . . . to exercise the jurisdiction given them.” *Colorado River Water Conser. Dist. v. United States*, 424 U.S. 800, 817 (1976).

Indeed, in cases involving both patent infringement and ownership disputes, courts have repeatedly refused to abstain from or stay pending resolution of foreign proceedings. *See LG Display Co., LTD. v. Obayashi Seikou Co., LTD*, 919 F. Supp. 2d 17, 24-25 (D.D.C. 2013) (“Declin[ing] the Defendants’ Request to Stay All Proceedings Pending an Outcome in the Japanese Litigation”); *Kitaru Innovations Inc. v. Chandaria*, 698 F. Supp. 2d 386, 392 (S.D.N.Y. 2010) (“To impose a stay would needlessly defer a decision on the abstention issue, under circumstances where it is plain that abstention is inappropriate.”); *Aerotel, Ltd. v. IDT Corp.*, 486 F. Supp. 2d 277, 286 (S.D.N.Y. 2007) (“[T]he disparity of issues precludes granting a stay in favor of the Israeli enforcement proceeding, and the first filed rule weighs heavily against granting a stay in favor of the Israeli declaratory judgment action.”). This Court should deny Kinik’s motion on that same basis.

B. The Four Taiwan Actions are not “Parallel” Proceedings Because Their Final Disposition Has No Impact on the ’802 Patent

The Four Taiwan Actions are not parallel proceedings. To qualify as “parallel” litigation, they must be “an adequate vehicle for the complete and prompt resolution of the issues between the parties.” *Moses H. Cone Mem. Hosp. v. Mercury Constr. Corp.*, 460 U.S. 1, 28 (1983).

1. The First, Second, and Third Actions Are Not “Parallel” Proceedings

The First, Second, and Third Taiwan Actions are not “parallel” proceedings because they

have no legal bearing on the '802 patent—a fact reinforced by virtue of Kinik filing the Fourth Taiwan Action, which seeks declaratory judgment of Kinik's purported ownership of, and rights to practice, the '802 patent. Kinik contends that the Parent Patents and the Taiwan '625 patent involved in the Third Taiwan Action disclose “substantially the same” subject matter as the '802 patent. (See D.I. 13, at 9-10; *see also* D.I. 14, at ¶ 13.) Beyond these conclusory statements, Kinik offers *nothing* to show how this is so—for good reasons: a detailed examination of their claims and specification easily reveals their material differences, as discussed below.

a. The '802 Patent, Which is a CIP, Discloses New Subject Matter Not Disclosed in its Parent Patent

The '802 patent claims priority to a serial chain of U.S. patents and applications, all of which are either CIPs or provisionals. A CIP application “add[s] matter not disclosed in the earlier nonprovisional application.” M.P.E.P. 201.8; *see also* 37 C.F.R. 1.53(b)(2). The '802 patent is a CIP of the '862 patent (“Parent Patent”), which is a CIP of the '270 patent (“Grandparent Patent”). By nature, the '802 patent adds new subject matter not disclosed in the Parent and Grandparent Patents. For example, they do not disclose a “designated profile” with a specified tip variation associated with the superabrasive particles or a tip variation at, for example, “about 100 microns,” which was invented by Dr. Sung after the JV had terminated. (Sung Decl. at ¶¶ 20-21.) A detailed redline showing all new subject matter not disclosed or claimed in the Parent Patents is filed concurrently. (Exs. 1-4.)¹ Given these material differences, Kinik's contention that their disclosure “is substantially the same” falls flat. (D.I. 13, at 9.)

b. The USPTO Confirmed that the '802 Patent and the Taiwan '625 Patent Disclose Different Subject Matter

Kinik also argues that the subject matter of the '802 patent is disclosed in the Taiwan

¹ Citations to Exhibits in this brief refer to those attached to the co-filed Declaration of Alex Chan in Support of Plaintiff's Answering Brief in Opposition to Defendant's Motion to Stay.

'625 patent. (D.I. 13, at 9-10.) But this argument is baseless. The Taiwan '625 patent corresponds to U.S. Application No. 13/797,704 (published as U.S. Pub. No. 2014/0120724), which was cited and reviewed by the USPTO during the pendency of the '802 Application. (Chan Decl. at ¶ 7; Ex. 5.) With the issuance of the '802 patent, the USPTO confirmed, by extension, that the subject matter of the '802 patent is not disclosed in the Taiwan '625 patent.

For example, the Taiwan '625 patent does not disclose a designated profile (*see, e.g.*, claim 1 of the '802 patent) defined by protrusion tips. (Sung Decl. at ¶¶ 22-23.) By contrast, the '802 patent discloses a profile that can be “flat, planar, curved, wavy, convex, concave, or multi-tiered.” (*Id.* at ¶ 23.) With this profile, the tallest tips relative to the disk surface need not be the highest tips as measured by placing the disk on a flat plate, and hence, the designated profile can be defined by cutting tips on a slanted plane with respect to the substrate surface. (*Id.*)

This innovation is the direct result of Dr. Sung's extensive R&D conducted *after* the JV termination. A detailed redline showing all new subject matter not disclosed or claimed in the certified-translated Taiwan '625 patent and the '724 publication is co-filed with this brief. (Chan Decl. at ¶¶ 8-10; Exs. 6-8.) Kinik's bare assertion is nothing more than a thinly-veiled attempt to muddy the water in the hopes of creating confusion and uncertainty about the inventions of the '802 patent relative to earlier disputed patents. The actual facts, however, establish that none of these patents disclose or claim the subject matter of the '802 patent. Thus, the three Taiwan actions would not dispose of infringement claims in this U.S. proceeding.

2. The Present Action Is Not “Parallel” to the Fourth Taiwan Action

The Fourth Taiwan Action filed only last month is also not parallel to the present lawsuit. As an initial matter, because it is still in its incipiency, it should be given no weight. *See Brinco Mining Ltd. v. Fed. Ins. Co.*, 552 F. Supp. 1233, 1241 (D.D.C. 1982) (quoting *I.J.A., Inc. v.*

Marine Holdings, 524 F. Supp. 197, 199 (E.D. Pa. 1981)) (“Where foreign litigation is in its incipency, motions to stay the domestic action are properly denied.”); *see also Eisenmann Corp. v. Tek-Mor, Inc.*, No. 03-CV-4375, 2004 U.S. Dist. LEXIS 1517, at *14 (N.D. Ill. Feb. 5, 2004) (rejecting abstention where “we have no evidence that suggests the Ontario action has progressed to the point where abstention makes sense.”).

Further, Kinik’s characterization that this Fourth Taiwan Action would dispose of all claims oversimplifies this U.S. action. The ownership of, and the right to practice, the ’802 patent are at issue in the Fourth Taiwan Action. But Dr. Sung’s patent infringement and willful allegations here will not be litigated in the Fourth Taiwan Action. Both suits thus raise different legal issues based on different facts, thus negating parallelism. *Intravascular Research v. Endosonics Corp.*, 994 F. Supp. 564, 570 (D. Del. 1998) (denying parallelism because “ownership is not an issue being litigated in the federal court; ownership is only a prerequisite to maintaining a patent infringement suit in federal court.”).

The discrepancies between the two actions are further amplified when the types of evidence that will be required of each lawsuit are considered. *See Huon v. Johnson & Bell, Ltd.*, 657 F.3d 641, 646 (7th Cir. 2011) (“The first question . . . is whether the two suits are ‘parallel.’ One important factor is whether both cases would be resolved by examining largely the same evidence”). The evidence necessary for Kinik to prevail in the Fourth Taiwan Action would likely revolve around the interpretation of the JV Agreements. The infringement and willfulness claims in the present lawsuit, however, will turn on evidence concerning Kinik’s infringement conduct, such as the alleged make, use, sale, offer for sale, and importation of the accused products into the United States, as well as Kinik’s intent to infringe. Dr. Sung will furnish evidence relating to domestic and willful infringement. Kinik will proffer prior art in support of

its invalidity theories, if any. This type of proof is vastly different from that at issue in Taiwan.

Also, this Court has exclusive jurisdiction here because Dr. Sung alleges that Kinik infringes the '802 patent under 35 U.S.C. §§ 271(a)-(c) (*see* D.I. 1, at 7, 17, and 19) while Kinik asserts the affirmative defense of invalidity under 35 U.S.C. §§ 101-103 and 112 (D.I. 10, at 11.) *See* 28 U.S.C. § 1338 (“The district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents . . .”). The Second, Seventh, and Ninth Circuits ***all have held*** that courts may not abstain from exercising jurisdiction when one of the claims in the federal proceeding falls within exclusive federal jurisdiction. *See Medema v. Medema Builders, Inc.*, 854 F.2d 210, 215 (7th Cir. 1988) (“[W]here a plaintiff's nonfrivolous claim invokes the exclusive jurisdiction of federal courts, the *Colorado River* stay is not appropriate.”); *Andrea Theatres*, 787 F.2d at 62 (“[A]bstention is clearly improper when a federal suit alleges claims within the exclusive jurisdiction of the federal courts.”); *Silberkleit v. Kantrowitz*, 713 F.2d 433, 436 (9th Cir. 1983) (“The district court has no discretion to stay proceedings as to claims within exclusive federal jurisdiction under the wise judicial administration exception.”).

Similarly, the Third Circuit has suggested, in *dicta*, that it would come to a similar conclusion. *See University of Md. v. Peat Marwick Main & Co.*, 923 F.2d 265, 276 n.16 (3d Cir. 1991) (“[T]here can be no possible basis for abstaining if the state court to which the federal court defers lacks jurisdiction over the claim.”); *Chiropractic Am. v. LaVecchia*, 180 F.3d 99, 108 (3d Cir. 1999) (“[A]bstention is inappropriate in cases in which federal courts have exclusive jurisdiction over at least a portion of the claims presented”).

In addition, the relief requested differs between the two actions, thus obviating parallelism. *See Pats Aircraft, LLC v. Munich*, 197 F. Supp. 3d 663, 675 (D. Del. July 14, 2016)

(“[A]nother important factor which weighs in this analysis is the difference in the scope of possible relief. Federal courts have denied comity stays where the relief requested differed between jurisdictions.”); *GGNSC Erie W. Reserve, LP v. Stubits*, Case No. 15-61, 2015 U.S. Dist. LEXIS 171812, at *9 (W.D. Pa. Aug. 7, 2015) (citing *Harris v. Pernsley*, 755 F.2d 338, 346 (3d Cir. 1985)) (“[T]he Third Circuit has expressly held that proceedings are not parallel when they seek different forms of relief”).

Here, Kinik’s Fourth action seeks declaratory relief over its purported ownership of, and right to practice, the ’802 patent, while Dr. Sung seeks monetary damages and other financial relief in this action. None of Dr. Sung’s claims here are being litigated in Taiwan. Hence, there is no parallel proceeding in Taiwan that would offer Dr. Sung the same equitable relief. *Christ v. Cormick*, No. 06-275-GMS, 2007 U.S. Dist. LEXIS 49825, at * 8 (D. Del. Jul. 10, 2007) (finding that risk of inadequate relief warranted denial of stay); *I.J.A.*, 524 F. Supp. at 199 (denying stay “[w]here foreign litigation is in its incipency” and “the range of possible relief afforded by the two courts differs in scope”); *Pats Aircraft*, 197 F. Supp. 3d at 675 (denying stay “[g]iven the incipency of the German action [and] the difference in the requested relief”).

While Dr. Sung’s allegations before this Court may be affected by an unfavorable ruling in the Fourth Taiwan Action, such hypothetical developments do not transform these otherwise different cases into parallel actions. Also, this Court should not base its decision on Kinik’s false confidence that the Taiwanese court would rule in its favor, particularly where ample facts show that Dr. Sung will likely prevail on ownership. *See supra* Sections III(B), IV(B) and IV(C).

C. The Remaining Factors Also Weight Against a Stay

None of the other factors favoring an abstention are present here. First, abstention is the exception, not the rule. *See Christ*, 2007 U.S. Dist. LEXIS 49825, at * 23 (“[F]ederal courts are

reluctant to decline jurisdiction solely on the basis of concurrent proceedings in another jurisdiction.”). The balance of the abstention factors is “heavily weighed in favor of the exercise of jurisdiction.” *See Moses*, 460 U.S. at 16. Kinik relies on factors enumerated in *Clientron* in support of its stay under “exceptional circumstances.” These factors either weigh against a stay or are neutral, as discussed below.

1. This Court Is the First to Assume Jurisdiction

Kinik contends that the Taiwanese courts first assumed jurisdiction because the first three Taiwan Actions were filed prior to this action. (D.I. 13, at 12.) But as discussed in Section IV(B)(1), the three earlier Taiwan actions are irrelevant because their disposition has no impact on the ’802 patent—a fact reinforced by Kinik’s recent filing of the Fourth Taiwan Action. Hence, it is of no consequence if those actions date back to 2013-2014. The Fourth Taiwan Action does not cure this deficiency because it was filed more than three months *after* this action. Neither case has progressed beyond the pleading stage. (Chang Decl. at ¶ 15.) Thus, this factor is neutral. *See Dunkin’ Donuts Franchised Rest. LLC v. Rijay, Inc.*, No. 06-CV-8237-WCC, 2007 U.S. Dist. LEXIS 36614, at *19-20 (S.D.N.Y. May 16, 2007) (finding this factor neutral where a state court action had progressed no further than the federal action at issue).

2. This Federal Forum Is Not Inconvenient

“Convenience” under this factor refers to the “ease of access to sources of proof, availability of compulsory process and enforceability of judgments.” *Sea Colony Inc. v. Alcan Aluminum Corp.*, 653 F. Supp. 1323, 1327 (D. Del. 1987). Kinik does not directly challenge the convenience of this forum; instead, it argues that Taiwan is a “more convenient” forum. (D.I. 13, at 12-13.) Kinik’s arguments are misplaced. Under this factor, the issue is not whether Taiwan is “more convenient”; the focus is only on whether this forum is *inconvenient*. *See*

Horack v. Minott, No. 94-258-SLR, 1995 U.S. Dist. LEXIS 7583, at *21 (D. Del. May 26, 1995) (finding this factor neutral because “Defendant Minott does not directly challenge the convenience of this forum, but rather its appropriateness due to the nature of this lawsuit.”).

Here, this forum is not inconvenient. Dr. Sung is a U.S. citizen. Kinik also has twice submitted to the jurisdiction of this forum, and has offices in the United States, negating any argument of undue burden for Kinik to produce relevant documents and witnesses in the U.S. (Chan Decl. at ¶¶ 11-12; Exs. 9-10.) *See Nye v. Ingersoll-Rand Co.*, No. 08-4260-DRD, 2009 U.S. Dist. LEXIS 4716, at *31 (D.N.J. Jan. 22, 2019) (“rejecting [Defendant’s] argument that New Jersey is an inconvenient forum on the bases of the ‘aforementioned ease with which discovery and witness examinations could be conducted, along with the deference afforded to the plaintiffs’ choice of forum’”); *Eisenmann*, 2004 U.S. Dist. LEXIS 1517, at *14 (“We found previously that Tek-Mor consented to an Illinois forum and although it has argued that the property and witnesses are all located in Ontario, these facts do not demand abstention.”). To the extent that the JV Agreements are relevant in this case, the original JV Agreement is written in English, allowing this Court to adjudicate any ownership dispute without language barriers.² This Court is also familiar with the parties’ dispute based on their prior litigation in 2015. (Chan Decl. at ¶ 12.) Thus, it is no more inconvenient to litigate in this forum than in Taiwan.

Kinik cites to *Turner* and *Hay* for the proposition that the Taiwanese courts have a material interest in the parties’ dispute. (D.I. 13, at 13.) But the U.S. courts equally have a strong interest in adjudicating claims arising under U.S. patent law. *See Aerotel*, 486 F. Supp. 2d at 284 (finding the relative interest of two countries neutral because “[w]hile underlying

² Though subsequent amendments were written in Chinese, certified translation can be provided to the Court should they be deemed relevant in this case. (Sung Decl. at ¶ 8.)

ownership claims raise issues under Israeli laws and affect Israeli parties, the rights [Plaintiff] seeks to protect in the present action arise exclusively under United States patent laws and the United States has a strong interest in enforcing its patent regime.”). Accordingly, this factor either weighs against a stay or is neutral.

3. There Is No Piecemeal Litigation or Inconsistent Adjudication

Under the third factor, the inquiry is whether avoiding piecemeal litigation is a priority contemplated by the statute, regulation, or other authority at issue. *Spring City Corp. v. American Bldgs. Co.*, 193 F.3d 165, 172 (3d Cir. 1999) (“This has long been our precedent” that “a stay is appropriate only when there is a ‘strong federal policy against [such] litigation.’”)

Here, Kinik has articulated nothing more than “duplicative litigation.” (D.I. 13, at 13-14.) Without more, this is insufficient. *See Spring*, 193 F.3d at 171-72 (“*Colorado River* abstention must be grounded on more than just the interest in avoiding duplicative litigation.”).

Kinik also raises the prospects of “significant expense” and increased COVID-19 risk due to traveling (D.I. 13, at 14), but issues of expense “routinely exist in connection with parallel litigation[,]” and thus “cannot reasonably be considered exceptional circumstances. . . .” *Royal & Sun Alliance Ins. Co. of Can. v. Century Int’l Arms, Inc.*, 466 F.3d 88, 95 (2d Cir. 2006); *Novasparks SA v. Enyxfpga*, 344 F. Supp. 3d 666, 679 (S.D.N.Y. 2018) (“Although it can be expensive and time consuming for parties to have to litigate similar conduct in different forums, th[is] Court does not find this factor gives rise to exceptional circumstances.”).

This Court is empowered to exercise jurisdiction over the parties’ claims and defenses, thus eviscerating any possibility of piecemeal litigation. Because this case involves patent law, granting a stay would only further delay adjudication of Dr. Sung’s patent infringement claims in this forum. *See Eisenmann*, 2004 U.S. Dist. LEXIS 1517, at *14 (“Avoiding piecemeal litigation

is an important consideration, but we already found that certain claims filed in the federal action may not be adjudicated by the Ontario court, thus diminishing any gains in judicial economy derived from abstention); *see also Schneider Nat'l Carriers, Inc. v. Carr*, 903 F.2d 1154, 1158 (7th Cir. 1990) (having two active lawsuits instead of one is not enough to justify abstention).

The *Innovative Patented Tech* case cited by Kinik is distinguishable. (D.I. 13, at 13-14.) That case involves a stay in the Southern District of Florida pending litigation in the Northern District of Illinois concerning patent ownership, where the Illinois case was the “first-filed” suit. *Innovative Patented Tech., LLC v. Samsung Elecs. Co., Ltd.*, No. 07-81148- CIV-MARRA, 2008 U.S. Dist. LEXIS 110900, at *2, 3-5 (S.D. Fla. July 10, 2008). Here, the Fourth Taiwan Action is not “first-filed.” Thus, “[t]he general rule of comity is that the domestic court should exercise jurisdiction concurrently with the foreign court.” *Aerotel*, 486 F. Supp. 2d at 283-84 (declining to stay because “no decision as to [patent] ownership has yet been issued in any proceeding.”).

Moreover, the JV Agreements require royalty payments even if Dr. Sung’s patents are subject to the JV. (Sung Decl. at ¶¶ 9-11.) Thus, even if Kinik is deemed to have some rights in the ’802 patent (and it is not), the issue of whether Kinik is practicing the ’802 patent (*i.e.*, infringement, willfulness, validity, and damages) would all still need to be adjudicated in this Court. For at least these reasons, this factor either weighs against a stay or is neutral.

4. This U.S. Action Was the “First-Filed” Action

As discussed *supra*, the First, Second, and Third Taiwan Actions do not supersede this present action because they do not implicate the ’802 patent, and that this action was filed more than three months *before* the Fourth Taiwan Action was filed in Taiwan. *See* Section IV(B)(1) and (C)(1). Thus, this factor is neutral.

5. U.S. Law Provides the Rule of Decision

Dr. Sung's infringement claims relating to the '802 patent fall within the exclusive jurisdiction of the federal courts. *See supra* Sections IV(A) and IV(B)(2); *James C. Wilborn & Sons Inc. v. Brandex Tilt Sash, Inc.*, 380 F.2d 44, 48 (7th Cir. 1967) ("If [a] plaintiff bases his action broadly on his rights under the patent laws and alleges infringement of those rights, the case is one arising under the patent laws and the federal courts have jurisdiction therein."). Since Dr. Sung's claims are brought only in the federal proceeding and governed by federal law, this Court is in a far superior position to exercise jurisdiction than the Taiwanese court.

Kinik's reliance on *Int'l Nutrition Co. v. Horphag* is misplaced. There, the parties' agreement specified Bordeaux as the choice of forum. 257 F.3d 1324, 1327 (Fed. Cir. 2001). The French trial and appellate courts found that "the only law applicable was the law of France." *Id.* at 1327. Under the principles of comity, the Federal Circuit affirmed the district court's decision to abstain, reasoning that "the French courts merely determined who owned a United States patent pursuant to a French contract." *Id.* at 1329. These facts, however, are not present here—there is no choice of law or forum provision in the JV Agreements. (Sung Decl. at ¶ 8.)

Kinik contends that Taiwan law governs the interpretation of the JV Agreements but has cited no factual basis in support of this conclusory statement. (D.I. 13, at 13.) Kinik also contends that the court in the Arizona Action confirmed that "Taiwan law governs the ownership issues." (*Id.* at 14-15.) At the time of the parties' Arizona litigation, the Taiwanese court had already issued a preliminary ruling on Kinik's right to practice certain patents in that dispute. *See Sung v. Kinik*, Case 2:15-cv-02310-NVW, D.I. 18, at *8-9 (D. Ariz. Jan. 8, 2016). Noting that "[t]he Taiwan court has recently reached substantial merits decisions," the Arizona court found Taiwan law controlling in that aspect. (*Id.* at D.I. 30, at *1.) Here, no decision has been rendered on the ownership of the '802 patent by **any** Taiwanese court.

Kinik also falsely suggests that it “is undisputed by Dr. Sung” that “the JV agreements encompass the issues of ownership and rights to practice with respect to any of the JV Patents (including the ’802 patent).” (D.I. 13, at 14.) The declaration to which Kinik cites for its assertion does not mention the ’802 patent.³ (D.I. 15, at ¶ 9) Accordingly, this factor weighs against a stay. *See Intravascular Research*, 994 F. Supp. at 571 (finding this factor did not favor a stay because “[f]ederal patent law will determine the resolution of the Count I patent infringement action” and “the presence of exclusive federal-law issues in the federal courts must be a major consideration weighing against deferring to the [] state court.”).

6. Taiwan Courts Will Not Protect the Rights of Dr. Sung

Kinik claims that the Taiwanese courts can adequately protect Dr. Sung’s rights. (D.I. 13, at 15.) This argument wholly ignores that the courts in Taiwan cannot provide Dr. Sung with the relief that is available in U.S. federal court (e.g., damages resulting from infringement within the U.S.). There is also no indication that enforcement of Taiwan’s IP laws could extend into the United States. *See Holley Performance Prods. v. Tucows, Inc.*, No. 1:10-CV-180-TBR, 2011 U.S. Dist. LEXIS 39846, at * 15 (W.D. Ky Apr. 12, 2011) (“This Court is more familiar with these trademark laws and ‘Plaintiff may not be able to assert the same rights in Canada, which lacks a body of law equivalent to the ACPA and whose enforcement of its trademark laws cannot extend into the United States’”); *c.f. Finova Capital Corp. v. Ryan Helicopters U.S.A., Inc.*, 180 F.3d 896, 900 (7th Cir. 1999) (“One of the principal reasons why federal courts exercise jurisdiction in the face of parallel proceedings is the need to protect the rights of the federal plaintiff . . .” but “[t]his is not a case involving the application of legal rights or principles unique

³ The declaration to which Kinik cites for this proposition (D.I. 15, at ¶ 9) refers to U.S. Patent No. 8,777,699, currently at issue in the Second Taiwan Action. *See supra* Section III(B).

to, or specially protected by, federal law”). The *Posner* case cited by Kinik is inapplicable because that case does not involve federal law or a claim in which a federal court has exclusive jurisdiction. Accordingly, this factor either weighs against a stay or is neutral.

7. No Progress Has Been Made in Federal and Foreign Proceedings

As discussed in Sections IV(B)(1), the First, Second, and Third Taiwan Actions do not implicate the ’802 patent. Thus, how far they have progressed is a red herring. The Fourth Taiwan Action, which Kinik filed as a reactive suit, also has made no progress beyond the pleading stage. (Chang Decl. at ¶ 15.) “The possibility of inconsistent judgments” does not exist. *Intravascular Research*, 994 F. Supp. at 571 (finding this factor neutral because “while there would [] arguably be piecemeal litigation and there might be unnecessary litigation, there would not be inconsistent adjudications.”). This factor weighs against a stay.

8. There Is No Evidence that Dr. Sung Behaved Vexatiously

This is nothing that suggests that this federal suit was vexatious or contrived at its inception. Kinik argues that Dr. Sung is “a party to each of the JV Agreements and is well aware of Kinik’s ownership rights and right to practice the ’802 Patent.” (D.I. 13, at 15.) Kinik again ignores the Supreme Court of Taiwan’s recent rulings in the First and Second Taiwan Actions affirming Dr. Sung’s ownership of numerous patents that Kinik once disputed, as well as the facts establishing Dr. Sung’s development of the ’802 patent invention after the termination of the JV Agreements. (Chang Decl. at ¶¶ 6, 8, 9.) Thus, this factor is neutral.

Of the eight *Clientron* factors, two (fifth and seventh) weigh against a stay, three (first, fourth, and eight) are neutral, and three (second, third, and six) either are neutral or weigh against a stay. There is no “exceptional circumstance.” Thus, Kinik’s motion to stay should be denied.

D. The Abuse of Discretion Standard Does Not Warrant a Stay in this Case

Contrary to Kinik's position, the facts here also do not warrant an abstention under the "abuse of discretion" standard. Under *Turner*, a U.S. court may stay a U.S. proceeding when there is a foreign parallel action, as long as: (1) a stay would promote international comity between sovereign nations' courts, (2) fairness to litigants will be respected, and (3) a stay will promote efficient use of judicial resources. *Turner Entm't Co. v. Degeto Film GmbH*, 25 F.3d 1512, 1518 (11th Cir. 1994). None of these factors are present in this case, however.

1. International Comity Does not Support a Stay

International comity does not support a stay because the '802 patent is not implicated in any of the first three Taiwan Actions. *See supra* Sections IV(A) and IV(B)(2). No judgment of any kind for the '802 patent has been rendered there. At most, there is a parallel foreign action (Fourth Taiwan Action), which was filed months *after* this action, but they "do[] not result in conflict." *See Pats Aircraft*, 197 F. Supp. 3d at 675; *Royal & Sun Alliance*, 466 F.3d at 92.

Kinik relies on *Int'l Nutrition* and *LG Display* to argue that "foreign judgments regarding ownership rights of U.S. patents have been upheld by the Federal Circuit" under national comity. (D.I. at 16.) As discussed in Section IV(C)(5), *Int'l Nutrition* is inapplicable because there is no foreign judgment or a contract that implicates ownership of the '802 patent in this case. *LG Display* involves the validity of a settlement agreement that had already been adjudicated by "the Seoul Central District Court, Seoul High Court, and the Supreme Court of the Republic of Korea." 919 F. Supp. 2d at 22. The *LG Display* court recognized comity because the parties "were provided with the 'opportunity for a full and fair trial abroad before a court of competent jurisdiction, conducting the trial upon regular proceedings, after due citation or voluntary

appearance of the defendant.” *Id.* at 32. Here, the parties have not had an “opportunity for a full and fair trial abroad” over the ’802 patent. Hence, *LG Display* is inapplicable.

a. Relative Strength in Interest Is Stronger For U.S. Than Taiwan

U.S. has a strong interest in adjudicating this matter between Dr. Sung, a U.S. citizen, and Kinik, a California corporation. *Reebok Int’l, Ltd. v. Marnatech Enters., Inc.*, 970 F.2d 552, 556-57 (9th Cir. 1992) (finding U.S. jurisdiction where some parties were U.S. corporations and U.S. persons and other non-nationals had substantial contacts with the U.S.). Because this matter concerns intellectual property violation, the U.S. has a strong interest in exercising jurisdiction. *See Mujica v. AirScan Inc.*, 771 F.3d 580 (9th Cir. 2014) (“For example, we have held that there is a strong U.S. interest justifying U.S. jurisdiction in ‘preventing trademark violations’ . . .”).

Kinik falsely claims that the original JV Agreements govern this dispute but the ’802 patent is clearly outside Kinik’s reach because the ’802 Application was filed **after** the JV had terminated. Also, the original JV Agreement is written in English, and neither the original JV Agreement nor amendments thereof provide any choice of law or forum provision. (Sung Decl. at ¶ 8.) The Taiwanese court’s interest is no more than that of the U.S. This factor is neutral.

2. A Stay Would Be Prejudicial to Dr. Sung

The “fairness” factor takes into account of “(1) the order in which the suits were filed; (2) the more convenient forum; and (3) the possibility of prejudice to parties resulting from abstention.” *Turner*, 25 F.3d 1512, 1521-22. Here, this action was filed more than three months **before** the Fourth Taiwan Action, which Kinik filed as a reactive suit. It would be prejudicial to Dr. Sung to stay this proceeding. *See Aerotel*, 486 F. Supp. 2d at 286 (denying stay after finding that “Defendants cannot rely on a lawsuit in a foreign jurisdiction” because “it [was] clear that [Defendant’s] declaratory judgment action was filed as a reaction to the issues raised in this lawsuit” and “it would be unfair and inequitable to plaintiffs to stay this proceeding”). Also,

both parties have close ties to the U.S., making this forum convenient. Further, the First, Second, and Third Taiwan Actions show that the Taiwanese courts can take almost a decade to render a final decision. Given the uncertainty surrounding the timing of their final disposition, even more so for the Fourth Taiwan Action, a stay here would be prejudicial to Dr. Sung.

3. A Stay Will Not Preserve Judicial Resources

In determining whether a stay would leave to an efficient use of scarce judicial resources, courts have considered factors including (1) the inconvenience of the federal forum; (2) the desirability of avoiding piecemeal litigation; (3) whether the actions have parties and issues in common; and (4) whether the alternative forum is likely to render a prompt disposition. None of these factors weigh in favor of a stay. Factors (1)-(3) have been addressed above. *See supra* Sections IV(B) and IV(C)(2)-(3). They either are neutral or weigh against a stay. As to the last factor, Kinik anticipates 2022 for a court decision in the Fourth Taiwan Action but fails to account for the appeal process. (D.I. 15, at ¶ 20.) The First, Second, and Third Taiwan Actions, while were filed in 2013-2014, remain pending and a final disposition still has not been reached. (*Id.* at ¶¶ 2, 3, 7, 9, 14, 15.) This is not “prompt” as Kinik contends. (D.I. 13 at 19.) Moreover, as set forth above, even a resolution in Kinik’s favor would likely necessitate that the issues of infringement, willfulness, validity, and damages be resolved here. *See* Section IV(C)(3).

Kinik focuses much on this Court’s busy docket in favor of preserving judicial resources. (D.I. 13 at 19.) But factor is not relevant. *See Trujillo v. Conover & Co. Communs., Inc.*, 221 F.3d 1262, 1265 (11th Cir. 2000) (reversing stay pending the resolution of a foreign proceeding where “the district court, pursuant to its inherent power to control its own docket, stayed this case for the sake of judicial economy.”). For all of the foregoing reasons, a consideration of the facts and arguments under the “abuse of discretion” standard counsels against abstention.

V. CONCLUSION

For the reasons set forth above, Dr. Sung respectfully requests that the Court deny Kinik's Motion to stay.

Dated: July 27, 2020

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CERTIFICATE OF SERVICE

I hereby certify that on July 27, 2020, all counsel of record who are deemed to have consented to electronic service are being served with a copy of this document via the Court's CM/ECF system.

/s Timothy Devlin
Timothy Devlin