

CHRISTOPHER L. EVANS
chris@offorevans.com
OFFOR EVANS PLLC
1122 Jackson Street, Ste 901
Dallas, TX 75202
Telephone: 1(214) 394-6779

MICHAEL W. SHORE
mshore@shorefirm.com
THE SHORE FIRM LLP
5646 Milton Street, Ste 423
Dallas, TX 75206
Telephone: 1(214) 593-9140
Facsimile: 1(214) 593-9111

Attorneys for Defendant
CM HK, Ltd.

JAMES L. JACOBS
jjacobs@gcalaw.com
VALERIE MARGO WAGNER
vwagner@gcalaw.com
GCA LAW PARTNERS LLP
2570 W. El Camino Real, Suite 400
Mountain View, CA 94040
Telephone: 1(650) 428-3900
Facsimile: 1(650) 428-3901

Attorneys for Defendant
CM HK, Ltd.

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

SAMSUNG ELECTRONICS CO. LTD.
& SAMSUNG ELECTRONICS
AMERICA, INC.,

Plaintiffs,

v.

CM HK, LTD.

Defendant.

Case No. 4:24-CV-06567-JST

**DEFENDANT CM HK LTD.'S
REPLY IN SUPPORT OF ITS RULE
11 MOTION FOR SANCTIONS**

PUBLIC REDACTED VERSION

Date: October 2, 2025
Time: 2:00 p.m.
Courtroom: Courtroom 6 – 2nd Floor
Judge: Hon. Jon S. Tigar

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RULES:

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I. INTRODUCTION

Samsung’s opposition only underscores why Rule 11 sanctions are necessary. Rule 11 requires counsel to conduct a reasonable pre-suit inquiry into both fact and law, and to have a good-faith basis for factual contentions. Yet Samsung never identifies what investigation it performed before filing, nor offers a shred of evidence that any inquiry was made at all. On claim construction, Samsung has veered from asserting that the term “predicted axial accelerations” is indefinite, to insisting it be given its “plain and ordinary meaning” while refusing to disclose what it means. And for its alter ego theory, the only inequity Samsung alleges is CM HK contesting jurisdiction *in this case*. Under Samsung’s theory, this Court lacked personal jurisdiction until CM HK filed its motion to dismiss, four months after the complaint was filed—an objectively frivolous legal theory.

Accordingly, the Court should grant CM HK’s Rule 11 Motion for Sanctions.

II. ARGUMENT

A. Samsung provides no proof of any pre-suit investigation.

Rule 11 imposes a duty on counsel, prior to filing a complaint, to conduct both a reasonable factual inquiry and adequate legal research to confirm that the claims are “warranted by existing law or a good faith argument for an extension, modification or reversal of existing law.” *Christian v. Mattel, Inc.*, 286 F.3d 1118, 1127 (9th Cir. 2002). In the patent context, Rule 11 requires “at a minimum, that an attorney interpret the asserted patent claims and compare the accused device with those claims before filing a claim alleging infringement.” *Q-Pharma, Inc. v. Andrew Jergens Co.*, 360 F.3d 1295, 1300-1301 (Fed. Cir. 2004).

Courts in this district recognize that determining a Rule 11 violation requires examining “the nature of the attorney’s pre-filing inquiry and the factual basis of the pleading.” *CreAgri, Inc. v. PinnacLife, Inc.*, No. 11-CV-6635-LHK, 2014 WL 2508386, at *4 (N.D. Cal. June 3, 2014). Once a movant makes nonfrivolous allegations that Rule 11 has been violated, “the

1 burden of proof *shifts* to the non-movant to show it made a reasonable pre-suit inquiry into
2 its claim.” *GN Resound A/S v. Callpod, Inc.*, No. C 11-04673 SBA, 2013 WL 5443046, at *2
3 (N.D. Cal. Sept. 30, 2013) (citing *Digeo, Inc. v. Audible, Inc.*, 505 F.3d 1362, 1368 (Fed. Cir.
4 2007)). Samsung had the burden to prove it conducted a reasonable pre-suit inquiry.

5 Samsung has not met that burden. Its opposition is silent on what pre-suit investigation,
6 if any, was performed. *See generally* Dkt. 110. Neither Samsung nor its counsel identify any
7 attorney who interpreted the claims, compared them to the accused products. *Id.* Samsung
8 also failed to identify anyone that investigated the factual and legal basis for its alter ego
9 theory. *Id.* Samsung asserts only that it relied “on Dr. Mercer for the operation of this
10 Qualcomm algorithm” at some unspecified time. *Id.* at 5:13–24. But Samsung disavowed
11 any reliance on Dr. Mercer’s report for “his understanding of [predicted axial
12 accelerations]” and concedes that “each specific non-infringement position within his 98-
13 page report may or may not apply to this case.” *Id.* at 6:11–24.

14 This absence of proof establishes that Samsung failed to conduct the reasonable pre-suit
15 inquiry required by Rule 11.

16 **B. Samsung’s Alter Ego Allegations are objectively frivolous.**

17 Samsung’s alter ego theory fails on both elements the law requires. First, its allegations
18 of control lack evidentiary support. This Court has already held that those allegations were
19 legally insufficient even if accepted as true, and jurisdictional discovery has only confirmed
20 that CM HK maintains separate ownership, officers, finances, and records. Samsung cites
21 none of that evidence because it disproves its theory. Second, the “inequity” Samsung
22 identifies arises solely from this lawsuit. By its own admission, Samsung advances alter ego
23 here—but calls it “nonsensical” to assert it in Texas—because the only supposed harm
24 Samsung has identified is CM HK contesting jurisdiction *in this case*. The alter ego doctrine
25 demands misconduct that predates litigation.

1. Samsung's allegations of control lack evidentiary support.

The Court authorized jurisdictional discovery, but it did not validate Samsung's alter ego theory. To the contrary, the Court granted CM HK's Motion to Dismiss and expressly held that Samsung's alter ego allegations were *legally insufficient even if taken as true*. Dkt. 73 at 17–18. Yet, Samsung continues to rely on these same allegations, underscoring the absence of any reasonable pre-suit inquiry.

Samsung's opposition brief fails to provide any evidence to supports its alter ego allegations, citing to none of CM HK's corporate documents, bank records, or financial statements that have been produced. Ex. 42-45. Instead, Samsung continues to make allegations it cannot prove and are inconsistent with the evidence it already possesses.

For example, Samsung argues that “it is clear that the CyWee entities¹ have transferred the patents between various holding companies with little to no consideration” without any evidentiary support. Dkt. 110 at 8:7-15. In support, Samsung cites CM HK's Motion to Dismiss and a quitclaim Patent Assignment Agreement that was a diligence-related transaction in advance of CM HK's Eastern District of Texas lawsuit and which conveyed no rights. Ex. 47 at 8:3-22. And corporate records produced by CM HK prove that CyWee Group received substantial equity in CyweeMotion Group Ltd. for assigning its patent portfolio. Ex. 50 at § 5.5, Ex. F (Capitalization Table of the Company upon the Closing). CM HK has never assigned any of its patents since receiving them on March 31, 2017.

Similarly, the only evidence supporting Samsung's claim that “jurisdictional discovery to date has shown links between CM HK and CyWee Group” is a footnote from a damages expert report served on October 8, 2018, in the CyWee case. Dkt. 110 at 8:16-22 (citing Exhibit 5). This is hearsay, not evidence. And it only comments on the relationship between non-parties CyWee Group and CyWee Motion, Ltd. *Id.*

¹ The term “CyWee entities” seems to be intentionally vague to leave CM HK and the Court guessing what exact entities it is referring to, making it harder to disprove.

1 Samsung also emphasizes Dr. Liou's involvement in multiple entities, common
2 addresses, and common ownership chains. Dkt. 110 at 8:22-9:2. But the Court already held
3 that "[o]verlap in officers, employees, and ownership is insufficient to establish a prima facie
4 case that there is such a unity of interest and ownership that the separate personalities no
5 longer exist." Dkt. 73 at 17:4-18:6. Worse, Samsung fails to allege any overlapping officers,
6 directors, employees, bank accounts, or office space between CyWee Group and CM HK,
7 which are the alleged alter egos. *See generally* Dkt. 110.

8 Finally, the evidence produced during jurisdictional discovery proves that CM HK
9 maintains separate financial records, bank accounts, and corporate formalities. Exs. 36-39,
10 42-45. CM HK finished its production on August 14, 2025. Declaration of Christopher L.
11 Evans in Support of CM HK's Reply at ¶ 9. These documents prove that CyWee Group
12 Ltd. has no ownership in CM HK, and that they have no shared officers, directors,
13 employees, or office space, as shown in the diagram on the next page that cites to relevant
14 corporate records and other evidence. Samsung offers no evidence connecting CyWee
15 Group to CM HK.

16 In short, Samsung has cited to no evidence of commingling of assets or misuse of
17 corporate form. This underscores what the Court already held: Samsung's alter ego
18 allegations are legally and factually deficient.

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CyWee Group Ltd. (Dk. 52-3)

Director: Chauncey Shey
Office: Coastal Building,
 Wickham's Cay II,
 P.O. Box 2221, Road Town
 Tortola, British Virgin Islands

Other Investors (Ex. 47, 46)

39.28% Ownership (Ex. 46)

60.72% Ownership (Ex. 46)

CyweeMotion Group Ltd.**CEO:** Shun-Nan Liou (Ex. 40, 41)**Directors:**

Shun-Nan Liou – (Ex. 50)

Chauncey Shey – CyWee Group (Ex. 50)

Incorporated: 12/3/2015**Office:** 10F-3, No. 335, Ruiguang Rd., Neihu
Dist., Taipei 114063, Taiwan. (Ex. 47)

100% Ownership (Ex. 47)

CyweeMotion Ltd. (Dkt. 51-1)**CEO:** Shun-Nan Liou**Director:** Shun-Nan Liou**Office:** 10F-3, No. 335, Ruiguang Rd., Neihu
Dist., Taipei 114063, Taiwan. (Ex. 47)

100% Ownership (Ex. 47)

CM Investment Inc.**CEO:** Shun-Nan Liou**Director:** Shun-Nan Liou**Incorporated:** 3/8/2016**Office:** 10F-3, No. 335, Ruiguang Rd., Neihu
Dist., Taipei 114063, Taiwan. (Ex. 47)

100% Ownership (Ex. 39)

CM HK Ltd. (Dkt. 51-1)**CEO:** Shun-Nan Liou**Director:** Shun-Nan Liou (Ex. 37, 39)**Incorporated:** 3/30/2016 (Ex. 36)**Office:** 10F-3, No. 335, Ruiguang Rd., Neihu
Dist., Taipei 114063, Taiwan. (Ex. 47)

Alleged Alter Egos

2. Samsung’s alleged “inequity” occurred after *this litigation* was filed.

Samsung’s opposition brief has proved that its alter ego allegations are merely a litigation tactic to manufacture jurisdiction as shown by Samsung’s admission that it cannot assert them in any other jurisdiction. This selective invocation of alter ego renders it objectively unreasonable and sanctionable under Rule 11(b)(2) & (3).

The existence of an alter ego relationship is a fact specific inquiry that should not change depending on the venue where it is asserted. If CM HK were the alter ego of CyWee Group in the Northern District of California, then that same relationship would also exist in the Eastern District of Texas, or anywhere else the claim was brought because the facts supporting it will be the same in every forum. Yet Samsung has not only declined to assert its alter ego theory in the Texas Case, it has disclaimed the idea as “nonsensical”:

CM HK also claim that if Samsung believed that its alter ego theory had merit, Samsung should have raised it in the action CM HK filed in the Eastern District of Texas. Mot. at 11. *This is nonsensical*. Jurisdiction is not questioned in the co-pending CM HK case because Samsung, the defendant in that case, has not asserted such a defense there, and it would not make sense to dispute a court’s jurisdiction over a patent plaintiff. Therefore, there has been no reason to raise an alter ego allegation in the Eastern District of Texas case.

Dkt. 110 at 9:14-19; Ex. 35 (emphasis added).

The alter ego doctrine is only “applicable where some innocent party attacks the corporate form *as an injury to that party’s interests*.” *Robbins v. Blecher*, 52 Cal. App. 4th 886, 892 (1997) (emphasis added). This means that Samsung must have been harmed by CM HK and CyWee Group’s alleged alter ego scheme to successfully press the claim. And that harm would be forum agnostic.

Accordingly, Samsung’s admission that asserting alter ego in the Eastern District of Texas would be “nonsensical” is an admission that it has not suffered any legally cognizable harm that would support its alter ego claim. *See Reynolds v. Binance Holdings Ltd.*, 481 F. Supp. 3d 997, 1009 (N.D. Cal. 2020) (“Evidence of *past* fraudulent conduct or injustice is

1 necessary to support a finding of alter ego liability.”).

2 That is because the only injustice or harm alleged by Samsung is CM HK contesting
3 jurisdiction and not producing third-party documents or witnesses in *this lawsuit*:

4 Samsung asserts that CM HK and the other CyWee Entities are utilizing
5 their structure as a shell game to, *inter alia*, accuse others of patent
6 infringement and threaten lawsuits, while evading jurisdiction for
7 declaratory judgment actions in venues it disfavors, as well as
8 withholding information and witnesses under the auspices of separate
9 entities. This has been illustrated and underscored in recent
developments; in a July 25, 2025 meet-and-confer with Samsung, CM
HK claimed that it does not have requested documents in its possession,
custody, and control because they purportedly belong to other of the
CyWee Entities ...

10 Ex. 34 at 7:6-25; Dkt. 110 at 9:6-7 (“Among other things, CM HK is attempting to dodge
11 jurisdiction through the use of foreign entities to assert its patents.”).² This means that the
12 injustice alleged by Samsung did not occur until CM HK filed its motion to dismiss on Jan.
13 28, 2025. Dkt. 51. This is legally insufficient because alter ego requires the “fraudulent
14 conduct or injustice” to predate the lawsuit. *See Reynolds v. Binance Holdings Ltd.*, 481 F.
15 Supp. 3d 997, 1009 (N.D. Cal. 2020) (“Evidence of *past* fraudulent conduct or injustice is
16 necessary to support a finding of alter ego liability.”). Because Samsung identifies no pre-
17 suit fraud, misconduct, or injury to its own interests, its alter ego theory fails as a matter of
18 law.

19 Accordingly, Samsung’s alter ego theory is not a legitimate factual contention grounded
20 in reasonable inquiry. It is a jurisdictional tactic exclusively for this case. This is exactly the
21 type of conduct Rule 11 is intended to deter.

22 **C. CM HK has fully complied with the Safe Harbor provisions of Rule 11.**

23 CM HK served Samsung with a Rule 11 motion more than 21 days before filing, and the
24 served motion was substantively identical to the filed motion. Samsung does not identify
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26 ² CM HK has not accused any other company besides Samsung of infringing its patents. Declaration of Dr.
27 Liou in Support of CM HK’s Reply Brief at ¶ 18.

1 any substantive differences; it argues only that the motions are “different.” Dkt. 110 at 4:2-4.
2 For that proposition, Samsung cites Fifth Circuit precedent requiring the served and filed
3 motions to be “identical.” *Uptown Grill, L.L.C. v. Camellia Grill Holdings, Inc.*, 46 F.4th 374,
4 389 (5th Cir. 2022).³ But the Ninth Circuit has never imposed such a rigid requirement. To
5 the contrary, courts in this Circuit hold that a served motion “rest[ing] on substantially the
6 same grounds as a filed motion complies with Rule 11’s safe harbor provision.” *Richter v.*
7 *Oracle Am., Inc.*, No. 22-CV-04795-BLF, 2023 WL 8586690, at *6 (N.D. Cal. Dec. 8, 2023).

8 That is exactly the case here. The arguments in the served and filed motions are
9 substantively identical. The only revisions were stylistic—readability edits, shortening for
10 brevity, and correcting typographical errors. See Dkt. 110-5 (redline comparison). These
11 types of edits do not defeat safe harbor.

12 Nor is it relevant that the Court dismissed Samsung’s complaint before CM HK filed this
13 Rule 11 Motion. The Ninth Circuit has held that the safe harbor is satisfied so long as the
14 opposing party had the opportunity to withdraw or disclaim its claims during the 21-day
15 period. *Truesdell v. S. Cal. Permanente Med. Grp.*, 293 F.3d 1146, 1153 (9th Cir. 2002). Even
16 after dismissal, Samsung could have affirmatively withdrawn its complaint or disclaimed
17 any intent to amend. It chose not to do so. Samsung cites *Islamic Shura Council of S. Cal. v.*
18 *F.B.I.* to argue that CM HK’s motion must be dismissed because it was filed after the Court
19 granted its motion to dismiss. Dkt. 110 at 8:1-6 (citing 757 F.3d 870, 873 (9th Cir. 2014).
20 But that case is distinguishable because the Rule 11 motion was served and filed “long after”
21 the “district court decided the merits of the underlying dispute.” *Islamic Shura Council of S.*
22 *Cal.*, 757 F.3d at 872-873.

23 Accordingly, CM HK fully complied with Rule 11’s safe harbor requirement.
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26 ³ Notably, the Court in *Uptown Grill* held that the served and filed motions were substantially
27 different. 46 F.4th at 389.

1 **D. Samsung refuses to disclose its construction of “predicted axial accelerations.”**

2 In its opposition, Samsung continues to refuse to disclose what it believes the “plain and
3 ordinary meaning” of “predicted axial accelerations” is, apparently because it is self-evident.
4 Dkt. 110 at 4:14-7:19. But this position is irreconcilable with Samsung’s position in the
5 CyWee Case that the term is indefinite because it has *multiple possible interpretations*:

6 As discussed above, it is undisputed that a POSA would understand that the term “axial
7 accelerations” could have multiple different interpretations. LaViola Decl. ¶ 29; Mercer Decl. ¶¶ 70–
8 74. This ambiguity is compounded in Claims 14 and 19, which in addition recite “**predicted axial**
9 accelerations.” As with measured axial accelerations, a POSA would not have known whether the
10 **predicted axial accelerations** are: (i) linear accelerations; (ii) centrifugal accelerations; (iii) gravitational
11 accelerations; or (iv) a combination from among the three. Mercer Decl. ¶¶ 164–65.

13 **“Predicted Axial Acceleration” Ambiguities**

14 164. A POSA would have understood that the term “predicted axial accelerations” could
15 have multiple possible interpretations for the same reasons that “axial accelerations” can have
16 multiple possible interpretations. (Described above in ¶¶ 70–74.)

17 165. Specifically, a POSA would not have known whether “predicted axial accelerations”
18 were a prediction of: (i) linear accelerations; (ii) centrifugal accelerations; (iii) gravitational
19 accelerations; or (iv) some combination of the three.

20
21 Ex. 51 at 13; Ex. 52 at ¶¶ 164-165. Samsung was represented by the same counsel in both
22 cases. Ex. 51 at 29.

23 Additionally, Courts have long recognized that the “plain and ordinary meaning” is
24 inadequate “when a term has more than one ‘ordinary’ meaning or when reliance on a
25 term’s ‘ordinary’ meaning does not resolve the parties’ dispute.” *Hybrid Audio, LLC v. Asus*
26 *Computer Int’l Inc.*, No. 3:17-CV-05947-JD, 2022 WL 3348594, at *3 (N.D. Cal. Aug. 12,
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1 2022) (citing *O2 Micro Int'l, Ltd. v. Beyond Innovation Tech. Co., Ltd.*, 521 F.3d 1351, 1361
2 (Fed. Cir. 2008)). That is exactly the case here. CM HK has proposed a specific definition of
3 “predicted axial accelerations” that Samsung is disputing. Dkt. 72 at 3.

4 Worse, CM HK previously understood that Samsung’s construction could be inferred
5 from Dr. Mercer’s prior report. But Samsung now expressly disavows any reliance on that
6 report for the meaning of “predicted axial accelerations.” Dkt. 110 at 6:12–17. So, Samsung
7 has provided no indication of what it believes the term means.

8 This continuing refusal to articulate an objectively reasonable construction confirms that
9 Samsung failed to conduct the pre-suit inquiry Rule 11 requires.

10 **III. CONCLUSION**

11 Samsung’s opposition fails to identify any pre-suit diligence, any construction of the
12 claim limitation it put at the center of its complaint, or any evidence supporting its alter ego
13 allegations. What it does reveal is that Samsung filed this action to secure its preferred
14 forum and to delay resolution of CM HK’s infringement claims in Texas. That is precisely
15 the kind of abusive litigation conduct Rule 11 was designed to deter.

16 For these reasons, the Court should grant CM HK’s Motion, dismiss Samsung’s
17 declaratory judgment complaint with prejudice, and award CM HK its fees and costs
18 incurred in defending this case. Sanctions are necessary here not only to remedy the harm
19 caused to CM HK, but also to preserve the integrity of these proceedings and to strongly
20 deter any similar misuse of the judicial process.

1 Date: September 3, 2025

By: /s/ Christopher L. Evans
Christopher L. Evans (TX Bar No. 24058901)*
OFFOR EVANS PLLC
1122 Jackson Street, #901
Dallas, Texas 75202
Tel: (214) 593-9121
chiji@offorevans.com
chris@offorevans.com
*Pro Hac Vice

6 MICHAEL W. SHORE
7 mshore@shorefirm.com
8 THE SHORE FIRM LLP
9 5646 Milton Street, Suite 423
10 Dallas, TX 75206
11 Telephone: 1(214) 593-9140
12 Facsimile: 1(214) 593-9111

11 JAMES L. JACOBS
12 jjacobs@gcalaw.com
13 VALERIE MARGO WAGNER
14 vwagner@gcalaw.com
15 GCA LAW PARTNERS LLP
2570 W. El Camino Real, Suite 400
Mountain View, CA 94040
Telephone: 1(650) 428-3900
Facsimile: 1(650) 428-3901

16 Attorneys for Defendant
17 CM HK, Ltd.