

1  
2  
3  
4  
5 IN THE UNITED STATES DISTRICT COURT  
6 FOR THE NORTHERN DISTRICT OF CALIFORNIA  
7

8 RAMBUS INC.,

No. C 08-3343 SI; C 08-5500 SI

9 Plaintiff,

**TENTATIVE RULING RE:  
DEFENDANT'S MOTIONS FOR  
DISMISSAL OR SUMMARY JUDGMENT**

10 v.

11 NVIDIA CORPORATION,

12 Defendant.  
13 \_\_\_\_\_/

14 Defendant's motion to dismiss and motion for partial summary judgment are scheduled for a  
15 hearing on March 13, 2009. After review of the parties' papers, the Court is inclined to deny  
16 defendant's motions without prejudice, and stay all proceedings in these consolidated cases until Federal  
17 Circuit's resolution of the appeals in *Micron Tech., Inc. v. Rambus, Inc.*, 255 F.R.D.135 (D. Del. 2009),  
18 and *Hynix Semiconductor v. Rambus Inc.*, Case No. 00-20905 RMW (3/10/09 Final Judgment, N.D.  
19 Cal.). The parties shall be prepared to discuss the propriety of a stay at the March 13, 2009 hearing.  
20

21 **BACKGROUND**

22 On July 10, 2008, Rambus Inc. filed this complaint charging NVIDIA Corporation with  
23 infringing fifteen Rambus patents. *Id.* ¶ 5. The fifteen patents consist of two groups: six patents  
24 claiming technology invented by Rambus founders Michael Farmwald and Mark Horowitz (the "FH"  
25 patents), and nine patents claiming technology invented by Richard Barth and/or Frederick Ware, with  
26 others (the "Barth/Ware" patents). The day after Rambus filed this patent lawsuit, NVIDIA filed an  
27 antitrust lawsuit against Rambus in the Middle District of North Carolina. In December, 2008, the  
28 North Carolina court transferred NVIDIA's antitrust action to this District on the ground that NVIDIA's

1 antitrust claims properly belonged as counterclaims to Rambus' patent infringement claims in this case.  
2 This Court ordered consolidation of the two cases.

3 On November 6, 2008, Rambus filed a complaint against NVIDIA in the United States  
4 International Trade Commission alleging infringement of the nine Barth/Ware patents. On December  
5 4, 2008, NVIDIA moved to stay litigation on all of Rambus' infringement claims in this action, on the  
6 ground that the ITC proceedings automatically stayed litigation on the Barth/Ware patents pursuant to  
7 28 U.S.C. § 1659, and that, *inter alia*, the FH patents involved many of the same products involved in  
8 the ITC proceedings. By order filed December 30, 2008, this Court granted NVIDIA's motion to stay  
9 as to the Barth/Ware patents, but allowed litigation on the FH patents to proceed because of the related  
10 antitrust claims. *See* Docket No. 76.

## 11 12 DISCUSSION

13 NVIDIA has filed a motion to dismiss and a motion for partial summary judgment. Both  
14 motions seek issue preclusion based on Judge Robinson's ruling in *Micron Tech., Inc. v. Rambus, Inc.*,  
15 255 F.R.D.135 (D. Del. 2009), that Rambus spoliated evidence and had a widespread practice of  
16 destroying relevant documents as part of its patent litigation strategy. *See id.* at 150-51. Judge  
17 Robinson found that Rambus' document retention policy was implemented as a part of its general  
18 litigation strategy and that Rambus destroyed "innumerable documents relating to all aspects of  
19 Rambus' business" that were relevant and discoverable. *Id.* at 151. Judge Robinson held that Rambus'  
20 patents were unenforceable as a sanction for spoliation of documents. Defendant contends that issue  
21 preclusion is appropriate because the FH patents are from the same patent family as the patents litigated  
22 in Judge Robinson's case. Defendant argues issue preclusion also applies to the Barth/Ware patents  
23 because Rambus had a policy of regularly destroying documents related to any patent prosecution and  
24 because the Barth/Ware patents were based on the same memory technology as the FH patents.

25 Plaintiff opposes defendant's motions on numerous grounds, and also directs the Court to Judge  
26 Whyte's decision in *Hynix Semiconductor, Inc. v. Rambus Inc.*, 591 F. Supp. 2d 1038 (N.D. Cal. 2006)

1 (“*Hynix I*”), where he reached the opposite conclusion about Rambus’ alleged misconduct.<sup>1</sup> In *Hynix*  
2 *I*, Hynix Semiconductor filed a lawsuit against Rambus seeking declaratory judgment of  
3 noninfringement, invalidity, and unenforceability of certain Rambus patents and alleged anti-trust  
4 claims. Rambus counter-claimed for infringement of the patents. In August 2005, Judge Whyte held  
5 a bench trial on Hynix’s unclean hands defense, and on January 5, 2006, issued an order finding that  
6 Rambus did not engage in spoliation of evidence.

7 A review of the docket in *Hynix I* shows that after Judge Robinson’s decision in *Micron Tech.*,  
8 Hynix and the other defendants in the related cases invoked the doctrine of issue preclusion and moved  
9 for summary judgment of unenforceability of the Rambus patents. On February 3, 2009, Judge Whyte  
10 entered an order staying proceedings in the three Related Cases (Docket No. 3896 in *Hynix I*, C 00-  
11 20905). Judge Whyte found that the patents held unenforceable by Judge Robinson were the same  
12 patents or in the same family of patents at issue in the litigation pending before him, and that “the  
13 inconsistency of this court’s decision in *Hynix I* with that in the *Micron Del. Action* persuades the court  
14 that the [Related Actions] should be stayed pending the resolution of any appeal from the anticipated  
15 final judgment of unenforceability in the *Micron Del. Action*. The proceedings in *Hynix I* will continue  
16 to move forward as expeditiously as possible with the anticipation that any appeal from the judgment  
17 in that case will presumably be coordinated with any appeal in the *Micron Del. Action*.” *Id.* at 3:10-15.  
18 Thereafter, the parties concluded the proceedings in *Hynix I*, and on March 10, 2009, Judge Whyte  
19 entered his final judgment in that action. It will, presumably, be appealed.

20 Based on these unusual circumstances, the Court finds it premature to rule on the preclusive  
21 effect, if any, of either Judge Robinson’s or Judge Whyte’s decisions, and that a stay of all proceedings  
22 is appropriate. The patents in suit are related to the Rambus patents held unenforceable by Judge  
23 Robinson in *Micron*. The Federal Circuit’s resolution of Judge Robinson’s decision in *Micron* and  
24 Judge Whyte’s conflicting decision in *Hynix I* will be relevant – and potentially dispositive – to these  
25 proceedings. A stay will thus promote judicial economy and conserve the parties’ and the judiciary’s  
26

---

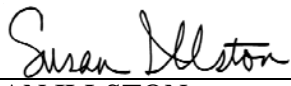
27 <sup>1</sup> *Hynix I*, Case No. C 00-20905, is related to at least three other Rambus cases being heard by  
28 Judge Whyte (the “Related Cases”): Case Nos. C 05-00334 RMW, C-05-2298 RMW and C-06-00244  
RMW. In all of those cases, Rambus accuses various entities – referred to in court orders as  
“manufacturers” – of infringing various Rambus patents.

1 resources.<sup>2</sup> In addition, the harm resulting from a stay will be minimal. This litigation is already  
2 partially stayed due to the ITC proceedings, and indeed NVIDIA previously sought a stay of all the  
3 patent infringement claims.

4 Accordingly, the parties are directed to discuss the propriety of a stay of all proceedings in these  
5 consolidated cases pending the Federal Circuit's resolution of the enforceability of Rambus' patents in  
6 *Micron and Hynix I*.

7  
8 **IT IS SO ORDERED.**

9  
10 Dated: March 11, 2009

  
\_\_\_\_\_  
SUSAN ILLSTON  
United States District Judge

11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28 \_\_\_\_\_  
<sup>2</sup> The trial court possesses inherent authority to control its docket, including the power to stay pending litigation. *See Landis v. North Am. Co.*, 299 U.S. 248, 254-55 (1936).