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6 IN THE UNITED STATES DISTRICT COURT
7 FOR THE NORTHERN DISTRICT OF CALIFORNIA

8 RAMBUS, INC.,

No. C 08-3343 SI

9 Plaintiff,

10 v.

**ORDER GRANTING IN PART AND
DENYING IN PART DEFENDANT'S
MOTION FOR STAY**

11 NVIDIA CORPORATION,

12 Defendant.
13 _____/

14 Defendant's motion to stay was submitted to Court without oral argument. Having considered
15 the papers submitted, the Court hereby GRANTS in part and DENIES in part defendant's motion to
16 stay.

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18 **BACKGROUND**

19 Plaintiff Rambus Inc. is a corporation that develops "memory interface solutions that enable
20 higher performance and system bandwidth for a broad range of electronic, computing and networking
21 applications for consumers and businesses." First Amended Complaint ¶ 1.¹ Plaintiff alleges that it
22 "licenses its technologies to various customers, who then incorporate them into various products." *Id.*
23 ¶ 10. The technologies include memory controllers, memory components, memory modules, and
24 memory systems.

25 Plaintiff alleges that defendant NVIDIA has been and is infringing, contributing to the
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28 ¹ Plaintiff filed the first amended complaint the same day as the initial complaint. The two documents appear to be identical except that the first amended complaint attaches as exhibits copies of the patents-in-suit.

1 infringement of, and/or actively inducing others to infringe fifteen² patents assigned to Rambus. *Id.* ¶ 5.
2 The fifteen patents consist of two groups: six patents claiming technology invented by Rambus founders
3 Michael Farmwald and Mark Horowitz (the “Farmwald/Horowitz” or “FH” patents), and nine patents
4 claiming technology invented by Richard Barth and/or Frederick Ware, with others (the “Barth/Ware”
5 patents).

6 The day after Rambus filed this patent lawsuit, defendant NVIDIA filed an antitrust lawsuit in
7 the Middle District of North Carolina. That lawsuit, which has since been transferred to this District,
8 alleges that Rambus’ procurement and subsequent enforcement of the FH patents violates the Sherman
9 Act. The North Carolina court transferred NVIDIA’s antitrust action to this District on the ground that
10 NVIDIA’s antitrust claims properly belonged as counterclaims to Rambus’ patent infringement claims
11 in this case. Rambus has filed an administrative motion to relate the two cases, which NVIDIA does
12 not oppose.³ Rambus has also filed a motion to consolidate the two cases, which NVIDIA intends to
13 oppose. The consolidation motion is scheduled for a hearing on February 6, 2009.

14 DISCUSSION

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16 On November 6, 2008, Rambus filed a complaint in the United States International Trade
17 Commission alleging infringement of the nine Barth/Ware patents. The parties agree that pursuant to
18 28 U.S.C. § 1659, litigation in this Court on the nine Barth/Ware patents is subject to a mandatory stay
19 until the ITC issues a final decision. Accordingly, the Court GRANTS the motion to stay as to those
20 nine patents.

21 NVIDIA also moves to stay litigation on the six FH patents on the grounds that those patents (1)
22 appear to accuse many, if not all, of the same products at issue in the ITC; (2) Rambus has other

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24 ² The complaint alleges infringement of seventeen patents. However, after filing this lawsuit, plaintiff filed a Notice of Covenant Not to Sue regarding two of the patents-in-suit. *See* Docket No. 39.

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26 ³ On December 4, 2008, Rambus filed an administrative motion to relate the transferred North
27 Carolina action to this case. On December 5, 2008, NVIDIA filed a “response” to that motion stating
28 that the motion was premature since the transferred case had not yet been docketed in this District. NVIDIA also stated that although it believed the two cases could be handled efficiently by different judges, NVIDIA did not oppose relating the two cases. However, NVIDIA stated that it did oppose consolidation of the two cases. The North Carolina action was docketed in this District on December 8, 2008. By separate order, this Court granted the administrative motion to relate the two cases.

1 litigation pending in this District in which decisions are likely to issue in the near future and the
2 outcome of which may narrow the issues in dispute here; and (3) some of the six FH patents (and other
3 patents in the same family) are currently subject to reexamination proceedings before the U.S. Patent
4 and Trademark Office. NVIDIA argues that a stay will avoid wasteful duplication of efforts by the
5 parties and the Court and general inefficiencies in case management. NVIDIA also contends that a
6 complete stay is necessary because otherwise it will be prejudiced by being forced to simultaneously
7 respond to infringement actions both before the ITC and this Court.

8 The parties agree that the Court has discretion to stay the remainder of the patent litigation, and
9 that in evaluating the propriety of a stay, the Court should consider “the possible damage which may
10 result from the granting of a stay, the hardship or inequity which a party may suffer in being required
11 to go forward, and the orderly course of justice measured in terms of the simplifying or complicating
12 of issues, proof, and questions of law which could be expected to result from a stay.” *CMAX, Inc. v.*
13 *Hall*, 300 F.2d 265, 268 (9th Cir. 1962). Rambus opposes a stay of the balance of the case, arguing that
14 the FH patents are not in the same patent family as the Barth/Ware patents. Rambus argues that it will
15 be prejudiced by a complete stay because the proposed stay would remain in place until the ITC
16 investigation has been completed and run its full appellate course, if necessary, through the Federal
17 Circuit and beyond. Rambus argues that its ability to seek injunctive relief on the FH patents would be
18 limited if a stay was imposed because the FH patents-in-suit are set to expire in 2010 and 2011. Finally,
19 Rambus argues that it would be prejudiced because NVIDIA’s proposed stay would only apply to the
20 patent litigation claims, and NVIDIA would be permitted to press its antitrust claims related to those
21 same patents.

22 The Court exercises its discretion and declines to stay the litigation on the FH patents. The
23 Court is concerned about the potential length of stay since the ITC proceedings were only recently
24 initiated and the stay will be in place until the ITC litigation has run its course. The Court is also
25 persuaded that it would be unfair to stay the patent infringement litigation on the FH patents while
26 allowing related antitrust claims to proceed. NVIDIA argues that its antitrust claims are not “mirror
27 images” of Rambus’ patent infringement claims; while that may be true, the Court finds it would be
28 inequitable and inefficient to stay litigation of the patent infringement claims while proceeding with the

1 antitrust claims.

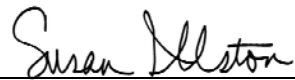
2 The Court is not unsympathetic to NVIDIA's desire to avoid litigating on multiple fronts
3 simultaneously. The Court will address case management issues, and coordination of this action with
4 the related antitrust action, at the January 30, 2009 case management conference. In addition, NVIDIA
5 may renew its request for a stay, or raise issues related to how this patent infringement litigation is
6 affected by the PTO reexamination proceedings and/or the cases pending before Judge Whyte, as is
7 appropriate.⁴

8
9 **CONCLUSION**

10 For the foregoing reasons, the Court GRANTS in part and DENIES in part defendant's motion
11 to stay. (Docket No. 60). Litigation on the Barth/Ware patents is stayed until the ITC issues a final
12 decision.

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14 **IT IS SO ORDERED.**

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16 Dated: December 30, 2008

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18 SUSAN ILLSTON
19 United States District Judge

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27 ⁴ The Court notes, for example, that *Rambus v. Hynix*, C 05-334 RMW is set for trial in January
28 2009, and that according to the parties, one of the ten patents in that case is identical to the patents
asserted in this case. To the extent that the findings and rulings made in *Rambus v. Hynix* are relevant
to the issues in this case, either party may make an appropriate motion with this Court.