

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

YANGTZE MEMORY TECHNOLOGIES  
COMPANY, LTD.,

Plaintiff,

v.

MICRON TECHNOLOGY, INC., et al.,

Defendants.

Case No. [23-cv-05792-RFL](#)

**ORDER GRANTING MOTION TO  
DISMISS COUNTERCLAIMS**

Re: Dkt. No. 49

Yangtze Memory Technologies Company, Ltd. (“YMTC”) sued Micron Technology, Inc. (“Micron”) and Micron Consumer Products Group, LLC for allegedly infringing its patents directed to 3D NAND flash memory technology, and Micron countersued YMTC and Yangtze Memory Technologies, Inc. (collectively, “Yangtze Memory”) for allegedly infringing Micron’s patents in the same area. Yangtze Memory’s motion to dismiss Micron’s counterclaims is **GRANTED WITH LEAVE TO AMEND**. Micron has not adequately pleaded that Yangtze Memory is either directly infringing the accused products in the United States or inducing infringement in the United States. This ruling assumes the reader is familiar with the facts, applicable law, and the arguments made by the parties.

*Direct infringement of the ’996 patent under 35 U.S.C. § 271(a).* Micron has not sufficiently pleaded direct infringement of the ’996 patent, which is limited to method claims. (Dkt. No. 35-3.) 35 U.S.C. § 271(a) provides, in relevant part, that “whoever without authority makes, uses, offers to sell, or sells any patented invention, within the United States . . . any patented invention during the term of the patent therefor, infringes the patent.” A defendant can

only directly infringe a method claim under Section 271(a) “by ‘using’ the method within the United States, which requires that the defendant practice every step of the method within the United States.” *France Telecom S.A. v. Marvell Semiconductor Inc.*, 82 F. Supp. 3d 987, 993 (N.D. Cal. 2015) (citing *Meyer Intellectual Properties Ltd. v. Bodum, Inc.*, 690 F.3d 1354, 1366 (Fed. Cir. 2012)); *see also NTP, Inc. v. Research in Motion, Ltd.*, 418 F.3d 1282, 1318 (Fed. Cir. 2005), *abrogated on other grounds, see IRIS Corp. v. Japan Airlines Corp.*, 769 F.3d 1359, 1361 n.1 (Fed. Cir. 2014). There is no allegation that Yangtze Memory performs the claimed method in the United States. To the contrary, Micron alleges that Yangtze Memory makes the accused products outside the United States. (Dkt. No. 35 ¶ 47.)

**Marking requirement for the remaining patents.** With respect to the remaining patents, Micron does not allege that it marked the products at issue in accordance with 35 U.S.C. § 287. Any damages claim would therefore have to be based on post-filing conduct.<sup>1</sup> *Arctic Cat Inc. v. Bombardier Recreational Prods. Inc.*, 950 F.3d 860, 864 (Fed. Cir. 2020). Likewise, any injunctive relief claim would have to be based on a need “to prevent future infringement of a patent, not to remedy past infringement.” *Spine Sols., Inc. v. Medtronic Sofamor Danek USA, Inc.*, 620 F.3d 1305, 1320 (Fed. Cir. 2010), *abrogated on other grounds by Halo Elecs., Inc. v. Pulse Elecs., Inc.*, 579 U.S. 93 (2016). As such, Micron’s counterclaims must be based on conduct (or anticipated conduct, in the case of injunctive relief) taking place after February 16, 2024, when the counterclaim complaint was filed. (Dkt. No. 35.)

**Direct infringement of the ’996 patent under 35 U.S.C. § 271(g) and the remaining patents under 35 U.S.C. § 271(a).** Micron’s allegations do not plausibly support its claim that

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<sup>1</sup> Marking is not required for method claims. *Am. Med. Sys., Inc. v. Med. Eng’g Corp.*, 6 F.3d 1523, 1538 (Fed. Cir. 1993). On that basis, Micron suggests that pre-filing damages may remain available for the ’974 patent, which contains both method and apparatus claims. (Dkt. No. 50 at 21 n.10.) When a patent includes both method and apparatus claims, the court examines whether “[a]pparatus claims were asserted” in the litigation, and if so, “the marking requirement is not excused.” *Unwired Planet, LLC v. Apple Inc.*, No. 13-CV-04134-VC, 2017 WL 1175379, at \*4 (N.D. Cal. Feb. 14, 2017). Here, the Counterclaim Complaint alleges infringement of claim 1, which is an apparatus claim. (Dkt. Nos. 35 ¶ 78; 35-9, 35-10.) The marking requirement is not excused as to the ’974 patent.

Yangtze Memory directly infringed on the asserted patents by using, selling, offering for sale, and importing the accused products into the United States. 35 U.S.C. §§ 271(a), (g); *Syngenta Crop Prot., LLC v. Willowood, LLC*, 944 F.3d 1344, 1360 (Fed. Cir. 2019) (“[L]iability under § 271(g) is not predicated on practicing the claimed process, but rather on importing, offering for sale, selling, or using a product [resulting from the patented process.]”). For example, as support for use and importation, Micron alleges that Yangtze Memory registered a trademark for 3D NAND chips in 2020, but the application for that trademark did not mention the accused products. Micron also points to a LinkedIn profile for David Duffin (attached as an exhibit to the counterclaims), which includes his position as “US General Manager and Head International Consumer Sales at Yangtze Memory Technologies” since March 2019 in California, in alleging that Yangtze Memory offered the accused products for sale in the U.S. However, the profile neither mentions the accused products and nor states where the international sales described took place (if at all). The same LinkedIn profile indicates that Duffin was “leading all product, test, and assembly engineering” for YMTC from 2016 to 2019, but this does not provide sufficient basis to infer use because the profile does not specify where such testing occurred. Furthermore, although Micron alleges that Yangtze Memory showed 3D NAND products at a trade show in California in 2018, there are no allegations that those products incorporated the accused technology.

Taken individually or together, these factual allegations do not provide a sufficient basis for the Court to plausibly infer that Yangtze Memory was selling, offering to sell, importing, or using the accused products in the United States, let alone that Yangtze Memory did so or was likely to do so after February 16, 2024. At best, the allegations allow an inference only that Yangtze Memory was interested in selling 3D NAND products, which may or may not have included the accused products, in the United States around 2018 to 2020.

***Induced Infringement.*** To assert induced infringement based on pre-filing conduct, Micron must allege facts from which the Court can plausibly infer that Yangtze Memory had pre-filing knowledge of the asserted patents and the alleged infringement. Micron has not

alleged that it provided notice before filing the counterclaims. Instead, Micron alleges that Yangtze Memory employed an inventor who was aware of Micron’s patent portfolio regarding 3D NAND technology, and that Yangtze Memory generally employed various ex-Micron engineers. But Micron allegedly holds dozens of patents in 3D NAND technology. (Dkt. 35 ¶ 11.) “Allegations of general knowledge of a patent family, or a patent portfolio, are insufficient to allege specific knowledge of a particular patent.” *MasterObjects, Inc. v. Amazon.com, Inc.*, No. C 20-08103 WHA, 2021 WL 4685306, at \*3 (N.D. Cal. Oct. 7, 2021). The allegations do not support a plausible inference that Yangtze Memory knew of the patents at issue or the alleged infringement prior to the counterclaims being filed.

Nor has Micron plausibly alleged induced infringement based on Yangtze Memory’s post-filing conduct. To state such a claim, it is not sufficient for Micron to allege that Yangtze Memory knew of infringement by others in the United States, or that Yangtze Memory sold the accused products to a foreign third party who then happened to sell it to customers in the United States without Yangtze Memory’s knowledge or participation. Rather, Micron must allege facts from which the Court could plausibly infer that Yangtze Memory took affirmative acts with the “specific intent to encourage another’s infringement” of the accused patents. *Minn. Mining & Mfg. Co. v. Chemque, Inc.*, 303 F.3d 1294, 1304–05 (Fed. Cir. 2002); *cf. Viavi Sols. Inc. v. Platinum Optics Tech. Inc.*, No. 5:21-cv-06655-EJD, 2023 WL 6795417, at \*4 (N.D. Cal., Oct. 13, 2023) (in a summary judgment context, inducement could not be inferred from the fact that the alleged inducer’s lens was found in a mobile phone in the United States, because there was no indication that the accused inducer knew “where its lenses end up after they are sold” to foreign third parties).

Here, Micron alleges that Duffin has experience interacting with Yangtze Memory’s customers (in unspecified locations about unspecified topics at an unspecified time); that Yangtze Memory participated in a 2018 trade show in California; that Yangtze Memory’s website states that it sells products in the “global market” and considers Micron a “rival” in that market with respect to 3D NAND flash memory; and that Yangtze Memory makes instructions

for the accused products available in English and complies with U.S. safety standards. None of those allegations provides a basis to infer that Yangtze Memory took affirmative steps to encourage customers to incorporate the accused technology into products that Yangtze Memory knew were slated for sale in the United States. These allegations certainly do not suffice to allege that Yangtze Memory did so after February 16, 2024, as required to state claim for induced infringement based on post-filing conduct.

***Willful infringement.*** Because Micron has not adequately alleged either direct or induced infringement, it has not stated a claim for willful infringement either. *See AlterG, Inc. v. Boost Treadmills LLC*, 388 F. Supp. 3d 1133, 1143 (N.D. Cal. 2019)

Based on foregoing, Yangtze Memory's motion to dismiss is GRANTED. Because this is Micron's first opportunity to address the deficiencies identified above, and the record does not indicate whether amendment would be futile, dismissal is with leave to amend. If Micron wishes to file amended counterclaims correcting the deficiencies identified, it shall do so within **21 days of this Order**. Micron may not add new counterclaims or otherwise amend its counterclaims other than to correct those deficiencies without leave of the Court or stipulation by the parties pursuant to Federal Rule of Civil Procedure 15. If no amended counterclaims are filed by that date, the counterclaims will remain dismissed.

**IT IS SO ORDERED.**

Dated: July 16, 2024



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RITA F. LIN  
United States District Judge