

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF
CALIFORNIA

Samsung Electronics Co., Ltd., et al. v. CM HK, Ltd.

Samsung · No. 24-cv-06567-JST · Decided December 19, 2025

SUMMARY

The United States District Court for the Northern District of California denied CM HK, Ltd.’s motion for sanctions against Samsung under Federal Rule of Civil Procedure 11. The court rejected arguments that Samsung’s claim-construction position, alter ego theory, and litigation conduct were objectively frivolous or improperly motivated. The court emphasized that jurisdictional discovery had been authorized based on a credible alter ego theory and that the record did not support sanctions.

CASE DETAILS

COURT	United States District Court for the Northern District of California
WRITING FOR THE COURT	Jon S. Tigar
JURISDICTION	United States District Court for the Northern District of California
DECIDED	December 19, 2025
DOCKET	24-cv-06567-JST
DISPOSITION	other
PROCEDURAL POSTURE	Defendant CM HK, Ltd. moved for sanctions against Samsung under Federal Rule of Civil Procedure 11, seeking dismissal with prejudice of Samsung's alter ego and noninfringement claims and an award of attorney's fees and costs. The district court denied the motion.
STANDARD OF REVIEW	Rule 11 sanctions require an objectively unreasonable filing or litigation position; a claim-construction position warrants sanctions only when it is so unreasonable that no reasonable litigant could believe it would succeed. The court evaluated whether Samsung's positions were objectively frivolous or baseless on the record before it.
PRECEDENTIAL VALUE	unknown

TOPICS

- sanctions
- civil procedure
- patent law
- declaratory judgment
- personal jurisdiction

PRACTICE AREAS

QUESTIONS PRESENTED

1. Whether Samsung's proposed construction of the claim term "predicted axial accelerations" was so unreasonable or objectively frivolous as to warrant Rule 11 sanctions.
2. Whether Samsung's alter ego allegations and related discovery requests were objectively baseless and sanctionable under Rule 11.
3. Whether Samsung's choice of forum, limitation of its complaint to noninfringement claims, and litigation conduct demonstrated an improper purpose or strategic intent warranting Rule 11 sanctions.

HOLDINGS

1. Samsung's proposed construction of "predicted axial accelerations" did not meet the high threshold for Rule 11 sanctions because CM HK had not shown that the construction was so unreasonable that no reasonable litigant could believe it would succeed.
2. Samsung's alter ego theory was not objectively baseless, and its related discovery requests did not warrant Rule 11 sanctions.
3. Samsung's choice of forum, limitation of its complaint to noninfringement claims, and disagreement with CM HK's preferred litigation strategy did not establish an improper purpose or otherwise warrant Rule 11 sanctions.

KEY QUOTATIONS

"Without a full record on which to examine the parties' claim construction positions, the Court cannot determine whether Samsung's proposed construction is "so unreasonable that no reasonable litigant could believe it would succeed" (Section III.A)

"This undermines CM HK's argument that Samsung's alter ego theory is "objectively baseless." (Section III.B)

"For the foregoing reasons, the Court denies CM HK's motion for sanctions." (Conclusion)

FACTUAL BACKGROUND

Samsung brought a declaratory judgment action against CM HK and CyWee concerning noninfringement of four patents. CM HK separately sued Samsung in the Eastern District of Texas for infringement of two of those patents. In the California action, the court found no personal jurisdiction over CM HK but allowed jurisdictional discovery concerning whether CM HK was CyWee's alter ego. CM HK sought Rule 11 sanctions based on Samsung's proposed construction of a patent claim term, its alter ego theory, and alleged forum-shopping and delay tactics.

PROCEDURAL HISTORY

Samsung filed a declaratory judgment action seeking a declaration of noninfringement of four patents against CM HK and CyWee. The court previously found that it lacked personal jurisdiction over CM HK but granted

jurisdictional discovery based on a colorable alter ego theory. CM HK later moved for Rule 11 sanctions, arguing that Samsung's claim-construction position, alter ego allegations, and litigation conduct were sanctionable; the court rejected each ground.

DISPOSITION

other

CASES CITED

- Raylon, LLC v. Complus Data Innovations, Inc., 700 F.3d 1368 (Fed. Cir. 2012)
- iLor, LLC v. Google, Inc., 631 F.3d 1372, 1378 (Fed. Cir. 2011)

OPINION

1 2 3 4 UNITED STATES DISTRICT COURT 5 NORTHERN DISTRICT OF CALIFORNIA 6 7
SAMSUNG ELECTRONICS CO, LTD., Case No. 24-cv-06567-JST et al., 8 Plaintiffs, ORDER
DENYING DEFENDANT CM 9 HK, LTD.'S MOTION FOR v. SANCTIONS 10 CM HK, LTD.,
Re: ECF No. 93 11 Defendant. 12 13 Pending before the Court is Defendant CM HK, Ltd.'s
motion for sanctions. ECF No. 93 14 ("Mot.").

The Court will deny the motion. 15 I. BACKGROUND 16 On September 18, 2024, Plaintiffs
Samsung Electronics, Ltd. and Samsung Electronics 17 America, Inc. (collectively, "Samsung")
filed this case seeking a declaratory judgment of 18 noninfringement of U.S. Patent Nos.
10,852,846 ("the '846 Patent"), 11,698,687 ("the '687 19 Patent"), 10,275,038 ("the '038 Patent"),
and 10,817,072 ("the '072 Patent") ("collectively the 20 "Patents-in-Suit") against CM HK and
CyWee.1 ECF No. 1.

On October 31, 2024, CM HK filed 21 a case against Samsung in the Eastern District of Texas
alleging infringement of the '846 and '687 22 Patents. 23 In January 2025, CM HK moved to
dismiss Samsung's complaint. ECF No. 51. CM HK 24 moved to dismiss Samsung's complaint
for lack of subject matter jurisdiction, for lack of personal 25 jurisdiction, and for failure to state a
claim.

Id. The Court found it lacked personal jurisdiction 26 over CM HK, but granted Samsung
jurisdictional discovery after finding a "'colorable basis' to 27 1 believe there may be a
commingling or manipulation of assets between CM HK and CyWee that 2 would render CM HK
the alter ego of CyWee." ECF No. 73 at 19. Jurisdictional discovery is 3 ongoing. See ECF No.
144.

4 II. LEGAL STANDARD 5 Rule 11(b) provides that "[b]y presenting to the court a pleading,
written motion, or other 6 paper... an attorney or unrepresented party certifies that to the best of the
person's knowledge, 7 information, and belief, formed after an inquiry reasonable under the

circumstances: (1) it is not being presented for any improper purpose, such as to harass, cause unnecessary delay, or needlessly increase the cost of litigation; (2) the claims, defenses, and other legal contentions are warranted by existing law or by a nonfrivolous argument for extending, modifying, or reversing existing law or for establishing new law; [and] (3) the factual contentions have evidentiary support or, if specifically so identified, will likely have evidentiary support after a reasonable opportunity for further investigation or discovery.” Fed.

R. Civ. P. 11(b). III. DISCUSSION CM HK seeks sanctions against Samsung under Rule 11. CM HK specifically asks the Court to dismiss Samsung’s alter ego and noninfringement claims with prejudice and award CM HK attorney’s fees and costs in defending this case. Mot. at 19. CM HK argues that sanctions against Samsung are appropriate for three reasons: (1) “Samsung has demonstrated procedural gamesmanship by repeatedly refusing to disclose what it believes [the] claim term ‘predicted axial accelerations’ means[]” (id. at 12); (2) “Samsung... knew, or should have known, that their alter ego allegations were legally deficient on their face” (id. at 14); and (3) Samsung had a “strategic intent to delay adjudication and escalate CM HK’s litigation costs” (id. at 17).

CM HK’s arguments are not persuasive. A. Samsung’s Claim Construction Arguments First, CM HK argues that Samsung’s proposed construction of “predicted axial accelerations” violates Rule 11. Mot at 12–14. A party’s proposed claim construction may warrant sanctions under Rule 11 when it is “so unreasonable that no reasonable litigant could 1 1368 (Fed.

Cir. 2012) (quoting *iLor, LLC v. Google, Inc.*, 631 F.3d 1372, 1378 (Fed. Cir. 2011)). CM HK has not shown that Samsung’s proposed construction meets this high standard. CM HK argues that Samsung’s proposed construction is “objectively frivolous[,]” because it “lacks 4 intrinsic support” and “contradicts its own IPR filings and the [patent] specification.”2 Mot. at 14.

5 CM HK specifically argues that Samsung’s construction of “predicted axial accelerations” to mean 6 “a composite acceleration value... at ‘some future time’” is “wrong,” because the claims and 7 specification show that “predicted axial accelerations” means “the expected gravitational 8 accelerations along the devices axis at time T based on the current orientation.” Mot. at 13–14.

9 The Court is not persuaded that Samsung’s construction of “predicted axial accelerations” 10 warrants sanctions. 11 As an initial matter, the issue of claim construction is not before the Court, nor has a claim 12 construction hearing been set. This alone is sufficient to deny Samsung’s motion on this ground. 13 Without a full record on which to examine the parties’ claim construction positions, the Court 14 cannot determine whether Samsung’s proposed construction of “predicted axial accelerations” is 15 “so unreasonable that no reasonable litigant could believe it would succeed....” *Raylon*, 700 16 F.3d at 1368.

Based on the limited record before the Court now, the Court does not find that Samsung's proposed construction is "objectively frivolous" or that it "contradicts the intrinsic record." Mot. at 13. Accordingly, CM HK's motion for sanctions on this ground is denied. B. Samsung's Alter Ego Theory Next, CM HK argues that "Samsung and its counsel violated Rule 11 because [it] knew, or should have known, that [its] alter ego allegations were legally deficient on their face." Mot. at 22 14.

CM HK specifically argues that Samsung's alter-ego allegations are "objectively baseless[.]" as Samsung "cannot show unity of interest" or "inequitable consequences." Id. at 14–16. CM HK also argues that Samsung's "overly broad discovery requests" and decision not to "assert[] alter 26 2 The Court also notes that there is currently no set deadline for the parties to exchange proposed constructions of disputed terms.

All case deadlines were vacated pending the filing of Samsung's 27 amended complaint. ECF No. 80. 1 ego allegations in the co-pending CM HK [c]ase" further support an award of sanctions. Id. at 17. 2 Samsung's arguments are not persuasive. 3 Although the Court previously found that it lacked personal jurisdiction over CM HK, the 4 Court found Samsung's alter ego theory credible enough to grant jurisdictional discovery on the 5 issue.

This undermines CM HK's argument that Samsung's alter ego theory is "objectively 6 baseless." Additionally, Samsung's discovery requests do not strike the Court as overly broad, as 7 the requested information would help clarify the chain of ownership between CyWee and CM HK. 8 Further, that Samsung does not allege an alter ego theory in the Eastern District of Texas case does 9 not alter the Court's conclusion.

CM HK was the party who initiated litigation in the Eastern 10 District of Texas, and accordingly, there are no disputes regarding personal jurisdiction in that 11 case. The Court therefore finds that an award of sanctions is not warranted on this ground. 12 C. Samsung's Litigation Conduct 13 Finally, CM HK argues that "Samsung's conduct reveals a strategic intent to delay 14 adjudication and escalate CM HK's litigation costs." Mot. at 17.

CM HK argues that Samsung 15 "chose this venue because the Northern District of California is statistically more likely to grant 16 IPR-related stays than the Eastern District of Texas[.]" and Samsung "deliberately limited its 17 complaint to noninfringement claims to preserve its ability to later file IPR petitions— 18 sidestepping the statutory bar against doing so after challenging validity in court." Id. These 19 allegations are nothing more than attorney argument without any factual support.

CM HK also 20 argues that "[i]f Samsung were truly interested in resolving the merits," Samsung would have 21 agreed to litigate this dispute in the Eastern District of Texas. This is essentially the same 22 argument CM HK raised in its motion to dismiss, in which it argued that Samsung's

lawsuit was 23 “an example of bad faith, anticipatory suit, and forum shopping” and “filed to preempt CM HK’s 24 subsequent suit in the Eastern District of Texas.” ECF No. 51 at 21, 7.

The Court rejected this 25 argument then, as it does now. It should come as no surprise that antagonists in litigation do not 26 always agree with each other’s strategic choices. That Samsung is not litigating this case in a 27 manner consistent with CM HK’s preferences does not subject Samsung to sanctions. 1 CONCLUSION 2 For the foregoing reasons, the Court denies CM HK’s motion for sanctions.

3 IT IS SO ORDERED. 4 || Dated: December 19, 2025. 5 JON S. TIG 6 United States District Judge 7 8 9 10 11 a 12 15 16 it Z 18 19 20 21 22 23 24 25 26 27 28