

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)

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