

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

OPINION

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

PER CURIAM.

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
8 being presented for any improper purpose, such as to harass, cause unnecessary delay, or 9
needlessly increase the cost of litigation; (2) the claims, defenses, and other legal contentions are
10 warranted by existing law or by a nonfrivolous argument for extending, modifying, or
reversing 11 existing law or for establishing new law; [and] (3) the factual contentions have
evidentiary support 12 or, if specifically so identified, will likely have evidentiary support after a
reasonable opportunity 13 for further investigation or discovery.” Fed. R. Civ. P. 11(b).

14 III. DISCUSSION

15 CM HK seeks sanctions against Samsung under Rule 11. CM HK specifically asks the 16
Court to dismiss Samsung’s alter ego and noninfringement claims with prejudice and award CM
17 HK attorney’s fees and costs in defending this case. Mot. at 19. CM HK argues that sanctions
18 against Samsung are appropriate for three reasons: (1) “Samsung has demonstrated procedural
19 gamesmanship by repeatedly refusing to disclose what it believes [the] claim term ‘predicted
axial 20 accelerations’ means[.]” (id. at 12); (2) “Samsung . . . knew, or should have known, that
their alter 21 ego allegations were legally deficient on their face” (id. at 14); and (3) Samsung had
a “strategic 22 intent to delay adjudication and escalate CM HK’s litigation costs” (id. at 17). CM
HK’s 23 arguments are not persuasive. 24 A. Samsung’s Claim Construction Arguments 25 First,
CM HK argues that Samsung’s proposed construction of “predicted axial 26 accelerations”
violates Rule 11. Mot at 12–14. A party’s proposed claim construction may 27 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)). 2 CM HK has
not shown that that Samsung’s proposed construction meets this high standard. CM 3 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 17 Samsung’s proposed construction is “objectively frivolous”
or that it “contradicts the intrinsic 18 record.”3 Mot. at 13. Accordingly, CM HK’s motion for

sanctions on this ground is denied. 19 B. Samsung's Alter Ego Theory 20 Next, CM HK argues that "Samsung and its counsel violated Rule 11 because [it] knew, or 21 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[,]" 23 as Samsung "cannot show unity of interest" or "inequitable consequences." Id. at 14–16. CM HK 24 also argues that Samsung's "overly broad discovery requests" and decision not to "assert[] alter 25 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

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