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Chipmakers, Electronics Cos. Face ITC Patent Case

By Andrew Karpan

Law360 (June 8, 2022, 8:02 PM EDT) -- Qualcomm, Bose Corp. and NXP Semiconductors are just some of the big-name tech companies facing a patent infringement investigation that the U.S. International Trade Commission is conducting after a patent company that claims to own intellectual property once developed by Bell Labs filed a complaint.

On Tuesday, the Washington, D.C.-based trade commission put out a five-page notice that indicated one of its judges would commence an investigation into a complaint lodged there in late April by lawyers for Bell Semiconductor, based in Bethlehem, Pennsylvania. The complaint targeted some 15 tech companies and accused them of importing products that infringed language in a patent granted to researchers at a company called LSI Corp. in 2006.

Researchers Vikram Shrowty and Santhanakrishnan Raman had invented "a dummy fill procedure" that was purportedly a more efficient way to insert "dummy metal" into electronic circuits, according to the complaint from Bell's lawyers. Started by a former in-house patent lawyer and an engineer at LSI, Bell Semiconductor purports to be "the successor in interest to the intellectual property portfolio that originated at Bell Labs."

Bell Labs was picked up by a company that was later picked up by Nokia for roughly \$17 billion in late 2015, and two years later, Nokia began unloading the thousands of patents it had bought in that deal. According to the complaint at the ITC, Bell Semiconductor managed to buy "over 1,900 semiconductor-related patents."

The company's complaint at the ITC targeted a grab bag of companies that manufacture and use semiconductors, from giants such as Qualcomm and NXP to Taiwanese electronics company Acer and Boston-based speakers brand Bose.

More importantly, all the companies allegedly import their chips from outside the U.S. The ITC doesn't have the power to hand out billion-dollar patent verdicts such as the one won last year in Texas federal court by VLSI Technology, another company trying to sell chip patents developed two decades ago. Instead, per the Tariff Act of 1930, ITC judges can only issue determinations on the infringement allegations and then issue orders that prevent those companies from importing those products into the U.S.

At the ITC, lawyers for Bell Semiconductor made out the case that they had come from an impressive lineage.

Their client had collected a "patent portfolio of semiconductor-related inventions ... developed over many years by some of the world's leading semiconductor companies, including Bell Labs, Lucent Technologies, Agere Systems, LSI Logic ... and Broadcom Corp.," they wrote. The complaint also had high praise for the patent company's C-level management too.

Sailesh Merchant, one of the founding executives at Bell Semiconductor, is "known throughout the world as an innovator with more than 300 patents to his name," they say. The company's CEO, not named in the complaint, once took "a brief hiatus from the semiconductor world" in order to save "the pensions of tens of thousands" of retirees at a different tech company, Nortel Networks.

A lawyer for one of the respondents, the Santa Clara, California company Marvell Tech., declined to comment on the case. Representatives for Bell Semiconductor or any of the other respondents did not return requests for comment.

The patent-in-suit is U.S. Patent No. 7,007,259.

Bell Semiconductor is represented by David Sochia, Ashley N. Moore, Richard A. Kamprath and Alexandra Easley of McKool Smith and Timothy Devlin, Andrew F. Pratt and Lowell D. Jacobson of Devlin Law Firm LLC.

Analog Devices and Infineon Technologies are represented by Kevin Su and David Hoffman of Fish & Richardson PC.

Advanced Micro Devices is represented by Harper S. Batts of Sheppard Mullin Richter & Hampton LLP.

Micron Technology is represented by Jordan Coyle of Orrick Herrington & Sutcliffe LLP.

Marvell Semiconductor is represented by Matthew Rizzolo of Ropes & Gray LLP.

Bose Corp. is represented by Andrew Kopsidas of Hughes Hubbard & Reed LLP.

Kioxia Holdings is represented by Helena Kiepura of DLA Piper.

Representation for the remaining respondents was not made available Wednesday.

The case is In the Matter of Certain Electronic Devices and Semiconductor Devices with Timing-Aware Dummy Fill and Components Thereof, case number 337-TA-1319, before the U.S. International Trade Commission.

--Additional reporting by Kat Greene. Editing by Jay Jackson Jr.

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