

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

TAIWAN SEMICONDUCTOR)	
MANUFACTURING COMPANY LIMITED,)	PUBLIC VERSION FILED
)	JANUARY 30, 2023
Plaintiff,)	
)	
v.)	C.A. No. _____
)	
DAEDALUS PRIME LLC and INTEL CORP.,)	[REDACTED]
)	
Defendants.)	
)	
)	
)	

COMPLAINT

Plaintiff Taiwan Semiconductor Manufacturing Company Limited (“TSMC”), by its attorneys, brings this Complaint for Declaratory Judgment of a Patent License against Defendants Daedalus Prime LLC (“Daedalus”) and Intel Corp. (“Intel”). In support of its claims, TSMC alleges as follows:

NATURE OF THE ACTION

1. This case is a contract dispute. TSMC entered into a mutual [REDACTED] Agreement (“[REDACTED] Agreement”)¹ with Intel that gave each party a license to certain patents of the other party, [REDACTED]

2. The [REDACTED] Agreement was intended to ensure that TSMC and Intel would not be subjected to burdensome litigation from NPEs asserting patents from the other party to the [REDACTED] Agreement.

3. After Intel and TSMC entered the [REDACTED] Agreement, Intel executed a Patent

¹ The full name is [REDACTED]

Assignment Agreement transferring patents to Daedalus, an NPE formed in 2021.

4. Daedalus has now sued TSMC in the International Trade Commission (“ITC”) and in the Eastern District of Texas for allegedly infringing four of the patents transferred from Intel.

5. Under the [REDACTED] Agreement, Intel granted TSMC a license to the patents Intel transferred to Daedalus, obviating Daedalus’s infringement claims.

6. Contrary to the public record, including Intel’s repeated representations to the U.S. Patent and Trademark Office (“USPTO”), Daedalus and Intel claim the [REDACTED] Agreement does not cover the patents in the Daedalus lawsuits.

7. [REDACTED]

8. TSMC seeks to declare its rights in this Court.

The Parties

9. TSMC is the world’s largest semiconductor company by market cap. Over 35 years ago, TSMC pioneered the pure-play foundry business model in which a foundry manufactures semiconductor wafers for its customers based on the customers’ circuit designs. Ever since, TSMC has been recognized as the world’s most advanced and most successful provider of semiconductor fabrication and foundry services. TSMC’s cutting-edge technology and world-class manufacturing service enabled the growth of fabless integrated circuit suppliers, such as Qualcomm Inc. and NVIDIA Corp, which design but do not manufacture semiconductor products.

10. Each year, TSMC invests billions of dollars in R&D (e.g., \$4.46 billion in 2021) to innovate the next-generation semiconductor technology and maintain the most advanced semiconductor manufacturing capability in the world. TSMC’s history of innovation has resulted in one of the largest patent portfolios in the semiconductor field. As of the end of 2021, TSMC

held over 50,000 granted patents worldwide. In 2021, TSMC had the third-most U.S. patent applications among global patent applicants. Indicative of the quality of its patents, the allowance rate for TSMC's U.S. patent applications approaches 100%.

11. TSMC developed and implemented the most advanced semiconductor processing technologies in the world.² It was the first to market 7nm³ and 5nm node processes in 2018 and 2020, respectively. And it received the 2021 IEEE Corporate Innovation Award recognizing its "leadership in 7nm semiconductor foundry technology, enabling customers' innovations in widespread applications."⁴

12. In 2021, TSMC manufactured 12,302 different products using 291 distinct process technologies for 535 customers, approximately 65% of whom are in the United States. Chips manufactured by TSMC are used for various applications, including smart phones, PCs, videogame consoles, internet of things, artificial intelligence, virtual reality, military applications, medical imaging devices, and automobiles. TSMC manufactured 14.2 million 12-inch equivalent wafers in 2021.

13. TSMC has announced two new U.S. fabs. The first fab is scheduled to begin production in 2024, and TSMC recently announced a second, cutting-edge 3 nm fab, which will begin production in 2026. When complete, these two fabs will manufacture over 600,000 wafers per year. TSMC's investment in these two Arizona fabs, which will be approximately \$40 billion, represents one of the largest foreign direct investments in U.S. history, and this ecosystem is

² Semiconductor manufacturing processes, or nodes, are defined by a size that roughly corresponds to the feature size of semiconductor transistors that process can produce. The smaller the size, the more advanced the node.

³ A "nm" or nanometer is one billionth of a meter.

⁴ https://www.nxtbook.com/nxtbooks/ieee/awards_2021/index.php, at 4, 10.

expected to create up to 80,000 jobs over the next 5 years.⁵

14. Intel, a TSMC customer, designs and manufactures ICs for computers and other electronic devices.

15. Daedalus is an NPE. In addition to its suits against TSMC, Daedalus has filed multiple patent infringement lawsuits based on patents transferred from Intel.

TSMC's License and Daedalus's Suits

16. TSMC and Intel entered into the [REDACTED] Agreement on May 5, 2022, under which each party granted the other a license to certain patents [REDACTED]

[REDACTED]

17. The [REDACTED] Agreement is attached as Exhibit A.

18. Intel and Daedalus subsequently signed a Patent Assignment Agreement with an effective date of June 3, 2022.

19. The Patent Assignment Agreement is attached as Exhibit B.

20. The Patent Assignment Agreement transferred to Daedalus all of Intel's rights to several patents and applications ("Assigned Patents").

21. On June 6, 2022, Daedalus recorded the Patent Assignment Agreement in the USPTO. *See* Ex. B at Frame 0603.

22. On September 13, 2022, Daedalus filed a complaint at the ITC accusing TSMC of infringing four of the Assigned Patents: U.S. Patent No. 9,831,306; U.S. Patent No. 10,319,812; U.S. Patent No. 10,700,178; and U.S. Patent No. 11,251,281 (collectively, the "Asserted Patents").

23. A public version of the ITC Complaint is attached as Exhibit C to this complaint.

24. On September 12, 2022, Daedalus filed a complaint in the U.S. District Court for

⁵ <https://azbigmedia.com/business/tsmc-impact-on-phoenix-80000-jobs-over-next-5-years/>

the Eastern District of Texas also accusing TSMC of infringing the Asserted Patents.

25. A copy of the district court complaint is attached as Exhibit D.

26. On a co-defendant's motion, the Eastern District of Texas stayed the case pending completion of the ITC's investigation.⁶

27. In the ITC complaint, Daedalus asserted it owns each of the Asserted Patents by virtue of the June 3, 2022, Patent Assignment Agreement. Ex. C, ¶¶ 9 (citing ITC Exs. 5-8, each of which is the June 3 assignment), 39 (same), 48 (same), 57 (same), 65 (same).

28. And between April 21, 2021, and June 3, 2022, Intel repeatedly represented to the USPTO that it was the assignee and owner of many of the Assigned Patents, including the Asserted Patents, making such representations in thirty-eight Power of Attorney forms, four issue fee transmittals, six application data sheets, and three terminal disclaimers.

29. Under the terms of the [REDACTED] Agreement, Intel granted TSMC a license to the Asserted Patents and certain other Assigned Patents immediately [REDACTED]

30. Nevertheless, Daedalus continues to pursue its infringement allegations against TSMC, as both Intel and Daedalus have denied that TSMC has a license to the Asserted Patents.

31. Contrary to Daedalus's assertion in the ITC Complaint that Daedalus owns the Asserted Patents by virtue of the June 3, 2022, Patent Assignment Agreement and to Intel's repeated confirmation to the USPTO of its ownership of the Assigned Patents, Daedalus and Intel maintain that the transfer of the Asserted Patents from Intel to Daedalus occurred via a separate agreement dated April 21, 2021.

⁶ Order Granting Motion to Stay, *Daedalus Prime LLC v. Samsung Elecs Co.*, No. 22-cv-00352 (E.D. Tex. Nov. 2, 2022) (D.I. 31).

32. Intel's and Daedalus's denial of TSMC's license harms TSMC because the existence and maintenance of the ITC investigation and district court case has and will continue to create tensions between TSMC and its customers. For example, in the ITC investigation, Daedalus has asked TSMC to provide discovery about its customers' highly confidential and proprietary circuit designs using TSMC's most advanced processes, some of which are still in development.

33. The remedies at the ITC for patent infringement include exclusion orders that ban the importation of the articles found to infringe.

34. A ban on importing TSMC-manufactured chips, and products containing those chips, will disrupt TSMC's operations and those of its customers in ways that cannot be remedied by monetary damages and will cause TSMC and its customers to lose substantial revenue that they can never recoup.

35. Even if only the Qualcomm Snapdragon 865 chip identified in Daedalus's ITC complaint (Ex. C, ¶ 28) is banned, TSMC faces significant losses far exceeding \$75,000.

36. The ITC complaint targets circuits and chips manufactured at TSMC's 16 nm and smaller process nodes. *See id.* ¶ 3.

37. Neither Daedalus, which makes nothing, nor Intel can adequately supply the technologies Daedalus's actions target. TSMC is leading commercialization of the most advanced semiconductor technology ahead of other players on the market.⁷ Moreover, Intel does not have the capacity. Its CEO recently stated that "there's no way that we have spare capacity in '22, '23, and '24."⁸

⁷ <https://www.reuters.com/technology/tsmc-starts-volume-production-most-advanced-chips-taiwan-2022-12-29/>.

⁸ Transcript available at <https://seekingalpha.com/article/4472608-intel-corporation-intc-ceo-pat-gelsinger-presents-credit-suisse-25th-annual-technology>.

38. The ITC complaint also targets CyberShuttle® Program and University Shuttle Program, through which TSMC provides U.S. companies and universities with access to advanced silicon process technologies to develop innovative circuit design concepts. *See* Ex. C, ¶¶ 27, 76, 101. These programs allow developers to reduce prototyping costs of chips by sharing a wafer. They are used by companies, research organizations, and universities (including Stanford, MIT, and UC Berkeley) to test new designs, and they are critical in ensuring that such U.S. entities have access to the most advanced chipmaking technologies.

39. If Daedalus uses the Asserted Patents to ban imports of TSMC-manufactured chips and products containing TSMC-manufactured chips, TSMC's business operations and those of its customers will be irreparably disrupted. Denying TSMC's U.S. customers, such as Qualcomm, NVIDIA, and Intel, and U.S. Universities, such as Stanford, MIT, and UC Berkley access to TSMC's CyberShuttle® Program and University Shuttle Program would irreparably harm not only TSMC but also the U.S. public.

40. TSMC thus files this action seeking a declaration of its rights under the [REDACTED] Agreement.

41. To enforce those rights, TSMC seeks injunctive relief preventing Daedalus from taking further action in the ITC inconsistent with TSMC's license to the Asserted Patents.

JURISDICTION AND VENUE

42. TSMC is a Taiwanese corporation organized in 1987 that maintains its principal place of business at No. 8, Li-Hsin Road, 6, Hsinchu Science Park, Hsinchu, Taiwan, 300-77, Republic of China.

43. On information and belief, Intel is incorporated under the laws of the State of Delaware and has its principal place of business at 2200 Mission College Boulevard, Santa Clara California, 95054.

44. On information and belief, Daedalus is a limited liability company formed and existing under the laws of the State of Delaware and has its principal place of business at 51 Pondfield Road, Suite 3, Bronxville, New York, 10708.

45. This is a civil action for declaratory judgment that arises under and depends on the patent laws of the U.S., 35 U.S.C. § 1, *et seq.*, and presents substantial questions of U.S. patent law, and the Declaratory Judgment Act, 28 U.S.C. §§ 2201 and 2202.

46. TSMC seeks a declaratory judgment that TSMC holds a license to the Asserted Patents by virtue of its [REDACTED] Agreement with Intel.

47. This claim requires a determination of whether the [REDACTED] Agreement covers the Asserted Patents and whether TSMC obtained a license to the Asserted Patents prior to Intel's transfer of patents to Daedalus.

48. At its core, this action thus raises substantial questions of federal patent law, including whether, as Intel and Daedalus contend, the April 2021 agreement between Intel and Daedalus qualifies as a transfer of Intel's right, title, and interest in the Assigned Patents.

49. This Court thus has subject-matter jurisdiction under 28 U.S.C. §§ 1331 and 1338(a).

50. This Court also has subject-matter jurisdiction under 28 U.S.C. § 1332 because there exists diversity between TSMC and the Defendants, and the amount in controversy exceeds the sum or value of \$75,000, exclusive of interest and costs.

51. This Court has personal jurisdiction over Intel at least because Intel is incorporated in Delaware and thus resides in this District.

52. This Court also has personal jurisdiction over Intel because [REDACTED]
[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

53. This Court has personal jurisdiction over Daedalus at least because it is a limited liability company formed and existing under Delaware law and thus resides in this District.

54. Venue is proper in this judicial district under 28 U.S.C. §§ 1391 and 1400(b) because both Intel and Daedalus reside in Delaware. [REDACTED]

[REDACTED]

[REDACTED]

FACTUAL BACKGROUND

The Intel-TSMC [REDACTED] Agreement

55. On May 5, 2022, TSMC and Intel entered into the [REDACTED] Agreement that provides Intel and TSMC with a license to certain of the other party's patents. [REDACTED]

[REDACTED]

56. The [REDACTED] Agreement defines "Subject Patents" [REDACTED]

[REDACTED]

57. "Specified Patents" are [REDACTED]

[REDACTED]

58. All the Asserted Patents are Specified Patents.

59. The Asserted Patents [REDACTED]

60. The Asserted Patents [REDACTED]

61. And the Asserted Patents [REDACTED].

62. Many of the other Assigned Patents in the June 3, 2022, Patent Assignment Agreement are Specified Patents.

63. Under the [REDACTED] Agreement, the other party's license to a Specified Patent [REDACTED]
[REDACTED]

64. The [REDACTED] Agreement defines "Transfer" [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

65. The [REDACTED] Agreement defines "NPE" as [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

66. Daedalus is an [REDACTED]

67. Daedalus has admitted its primary business is licensing. *See, e.g.*, Ex. E at 1 ("Daedalus' primary business is in licensing patents").

Intel's Transfer of Patents to Daedalus

68. On June 6, 2022, the USPTO received for recordation the Patent Assignment Agreement "by and between Daedalus Prime LLC, a Delaware limited liability company ('Buyer') and Intel Corporation, a Delaware Corporation ('Seller')." Ex. B at Frame 0603, Frame 0606.

69. The Patent Assignment Agreement had an effective date of June 3, 2022. *Id.* at Frame 0606.

70. The Patent Assignment Agreement states that Daedalus and Intel "are parties to a

Patent Agreement . . . dated April 21, 2021 (the ‘PA’), pursuant to which, among other things, Seller [Intel] has agreed to transfer to Buyer [Daedalus] the Assigned Assets.” *Id.*

71. The Patent Assignment Agreement further states that “the Parties hereby agree as follows: 1. Assignment. On the terms and subject to the conditions set forth herein and in the PA, Seller [Intel] hereby sells, conveys, transfers, assigns, and delivers to Buyer [Daedalus], and Buyer hereby purchases from Seller, all of Seller’s right, title and interest, as of the Effective date, in and to the Assigned Assets.” *Id.*

72. The Patent Assignment Agreement defines “Assigned Assets” as “all of Seller’s right, title and interest, as of the Effective Date, in and to the Assigned Patents, and (ii) any right that Seller has to sue for past, present or future infringement of the Assigned Patents and to retain any damages and profits due or accrued for any such past, present or further infringement of the Assigned Patents.” *Id.* at Frame 0606-07.

73. The Patent Assignment Agreement defines “Assigned Patents” with reference to an attached Table A. *Id.* at Frame 0607.

74. Table A of the Patent Assignment Agreement lists over seventy U.S. patents and patent applications. *Id.* at Frame 0608-09 (Table A).

75. The Assigned Patents include the Asserted Patents. *See id.*

76. The Patent Assignment Agreement constitutes [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Intel's Ownership of the Assigned Patents before June 3, 2022

77. According to the Patent Assignment Agreement, Intel did not assign the Assigned Assets, including the Assigned Patents, and thus the Asserted Patents, to Daedalus until the “Effective Date” of June 3, 2022. *See* Ex. B at Frame 0606.

78. Therefore, Intel owned each of the Assigned Patents until June 3, 2022.

79. Intel repeatedly confirmed its ownership of many of the Assigned Patents, including the Asserted Patents, before the Effective Date of the Patent Assignment Agreement.

80. Between April 21, 2021, and June 3, 2022, Intel signed and filed in the USPTO thirty-eight Power of Attorney papers identifying itself as the assignee of thirty of the Assigned Patents, including U.S. Patent Nos. 8,901,537; 8,994,104; 9,117,791; 9,349,810; 9,437,691; 9,484,432; 9,627,384; 9,722,023; 9,831,306⁹; 10,090,383; 10,109,711; 10,297,670; 10,304,927; 10,319,812¹⁰; 10,553,680; 10,700,178¹¹; 10,790,354; 10,811,496; 10,879,353; 11,107,920; 11,195,919; and 11,251,281¹²; and U.S. Appl. Nos. 15/489,569; 16/707,490 (now U.S. Patent No. 11,387,320); 16/998,382; 17/000,729; 17/389,611; 17/643,742 (now U.S. Patent No. 11,476,344); 17/025,077 (now U.S. Patent No. 11,508,813); and 17/499,605 (now U.S. Patent No. 11,411,110).

81. A representative Power of Attorney form, which was filed in U.S. Patent No. 11,251,281 on July 23, 2021, is attached as Exhibit F.

82. The Assigned Patents include six continuation applications filed between April 21, 2021, and June 3, 2022. Each includes an Application Data Sheet filed with the USPTO identifying Intel as the assignee.

⁹ This is an Asserted Patent.

¹⁰ This is an Asserted Patent.

¹¹ This is an Asserted Patent.

¹² This is an Asserted Patent.

83. These continuation applications include U.S. Appl. Nos. 17/389,611; 17/453,088; 17/499,605 (now U.S. Patent No. 11,411,110); 17/643,742 (now U.S. Patent No. 11,476,344); 17/667,821; and 17/723,582 (now U.S. Patent No. 11,482,618).

84. A representative application data sheet and an accompanying statement of ownership, which were filed in U.S. Appl. No. 17/667,821 on February 9, 2022, are attached as Exhibit G.

85. Transmittal forms accompanying patent issue fees due between April 21, 2021, and June 3, 2022, identified Intel as the assignee of the associated Assigned Patents, including U.S. Patent Nos. 11,107,920; 11,195,919; 11,251,281; and U.S. Appl. No. 16/707,490 (now U.S. Patent No. 11,387,320).

86. A representative transmittal form, which was filed in U.S. Pat. 11,251,281 on January 6, 2022, is attached as Exhibit H.

87. Terminal disclaimers filed between April 21, 2021, and June 3, 2022, identified Intel as the “Owner” with “100%” interest of certain Assigned Patents, including U.S. Appl. Nos. 16/707,490 (now U.S. Patent No. 11,387,320); 17/499,605 (now U.S. Patent No. 11,411,110); and 17/643,742 (now U.S. Patent No. 11,476,344).

88. A representative terminal disclaimer, which was filed in U.S. Pat. No. 11,476,344 on May 25, 2022, is attached as Exhibit I.

89. No paper filed with the USPTO asserted that Daedalus owned or held any rights in any Assigned Patent before June 6, 2022.

90. After June 6, 2022, Daedalus signed and filed with the USPTO Power of Attorney papers identifying itself as the assignee of two Assigned Patents: U.S. Appl. Nos. 17/025,077 (now U.S. Patent No. 11,508,813) and 17/723,582 (now U.S. Patent No. 11,482,618).

91. After June 6, 2022, Daedalus identified itself as the assignee on transmittal forms accompanying patent issue fees for three Assigned Patents: U.S. Appl. Nos. 17/025,077 (now U.S. Patent No. 11,508,813); 17/643,742 (now U.S. Patent No. 11,476,344); and 17/723,582 (now U.S. Patent No. 11,482,618).

92. Each of the above filings included certifications under 37 CFR §§ 1.4(d)(4) and 11.18(b), which state, “The presentation to the Office (whether by signing, filing, submitting, or later advocating) of any paper by a party, whether a practitioner or non-practitioner, constitutes a certification” that “(1) All statements made therein of the party’s own knowledge are true, all statements made therein on information and belief are believed to be true . . . and (2) To the best of the party’s knowledge, information, and belief, formed after an inquiry reasonable under the circumstances, (i) The paper is not being presented for any improper purpose . . . [and] (iii) The allegations and other factual contentions have evidentiary support.”

93. Contrary to the certified facts, Intel and Daedalus now contend the Assigned Patents were transferred on April 21, 2021.

TSMC’s License Rights under the Asserted Patents and other Assigned Patents

94. Intel’s rights to the Asserted Patents under the [REDACTED] Agreement allow TSMC [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

95. Under the [REDACTED] Agreement, “Covered Foundry Product Activities” [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

96. The alleged infringing acts in Daedalus' ITC Complaint and its Eastern District of Texas Complaint are all Covered Foundry Product Activities.

The Present Controversy

97. Neither Intel nor Daedalus has disputed that TSMC has a license under the Asserted Patents if Intel owned the Asserted Patents on May 5, 2022.

98. Despite Intel certifying to the USPTO that it was the assignee of Assigned Patents, including each of the Asserted Patents, until at least June 3, 2022, Intel and Daedalus assert that Intel's transfer of the Asserted Patents to Daedalus occurred on April 21, 2021, so the [REDACTED] Agreement does not cover the Asserted Patents.

99. Daedalus continues to pursue infringement allegations against TSMC despite being advised of the [REDACTED] Agreement and TSMC's license to the Asserted Patents.

100. Faced with a dispute related to the [REDACTED] Agreement, TSMC comes to this Court seeking vindication of its rights with regard to the Asserted Patents and any other Assigned Patents that Intel transferred to Daedalus that are also Specified Patents under the [REDACTED] Agreement.

COUNT I

DECLARATORY JUDGMENT OF LICENSE AND INJUNCTIVE RELIEF

101. TSMC incorporates by reference paragraphs 1-100 of this Complaint as if fully set forth herein.

102. An actual controversy has arisen and exists between the parties concerning whether TSMC holds a license to the Asserted Patents, and thus cannot infringe the Asserted Patents.

103. Pursuant to [REDACTED]

[REDACTED]

104. Daedalus nevertheless continues to pursue infringement claims against TSMC.

105. Defendants' refusal to acknowledge TSMC's license rights deprives TSMC of the benefits of the [REDACTED] Agreement, threatens TSMC's relationships with its customers, jeopardizes TSMC's revenues, and harms TSMC's customers in the U.S. and the U.S. public who rely on TSMC for advanced-technology semiconductors.

106. Defendants' refusal to acknowledge TSMC's license rights, and Daedalus's continued pursuit of infringement claims against TSMC, have caused and continue to cause irreparable harm to TSMC for which there is no adequate remedy at law. For example, TSMC has been asked to provide discovery in the ITC investigation that would require it to disclose its customers' proprietary designs using TSMC's most advanced processes, some of which are still in development.

107. The U.S. public is similarly harmed by Daedalus's and Intel's refusal to acknowledge TSMC's license, because Daedalus is seeking to exclude TSMC's advanced semiconductor process technology from the U.S.

108. TSMC-made chips are core components in devices ranging from video game consoles to the F-35 fighter. In today's 5G connected world, TSMC-made chips are found in almost every kind of electronic device, from smartphones, laptops, and video game consoles to automobiles and medical equipment. TSMC supplies many leading U.S. semiconductor companies, including Qualcomm (5G chips for connectivity),¹³ Broadcom (wireless and Bluetooth

¹³ <https://www.qualcomm.com/products/technology/5g>.

chips),¹⁴ Intel (PC processors),¹⁵ AMD (FPGAs for avionics, military, UAVs),¹⁶ NVIDIA (GPUs used for AI and automobiles),¹⁷ NXP (medical imaging, diagnostic and treatment equipment),¹⁸ and OmniVision (CMOS image sensors and ASICs used for automobiles).¹⁹

109. There is currently a shortage of semiconductor chips in the U.S.²⁰ According to one report, this shortage impacts 169 industries, ranging from automotive and consumer technologies to concrete and soap manufacturing.²¹ In 2021, only 12% of the world's semiconductors were manufactured in the U.S.²² And the U.S. does not currently offer the most advanced semiconductor processes.²³

110. TSMC is part of the solution to that problem. It provides its semiconductor process technologies and capacity to U.S. customers, and as noted above, it is constructing two new fabs to bring advanced semiconductor production to the U.S. through its \$40 billion dollar Arizona investment.

111. In addition, the TSMC CyberShuttle[®] Program and TSMC University Shuttle Program support research and development by U.S. engineers, scientists, and researchers, including professors and students at universities. These programs allow companies and universities to share tooling costs (e.g., by sharing a wafer), enabling low-cost prototyping of innovative and

¹⁴ <https://www.broadcom.com/products>.

¹⁵ <https://www.intel.com/content/www/us/en/products/details/processors.html>.

¹⁶ <https://www.xilinx.com/applications/aerospace-and-defense.html>.

¹⁷ <https://www.nvidia.com/en-us/self-driving-cars/drive-platform/hardware/>.

¹⁸ <https://www.nxp.com/applications/industrial:INDUSTRIAL>.

¹⁹ <https://www.ovt.com/applications/automotive/>.

²⁰ <https://www.reuters.com/technology/taiwans-tsmc-says-working-overcome-global-chip-shortage-2021-09-24/>.

²¹ <https://finance.yahoo.com/news/these-industries-are-hit-hardest-by-the-global-chip-shortage-122854251.html>.

²² <https://www.semiconductors.org/wp-content/uploads/2021/09/2021-SIA-State-of-the-Industry-Report.pdf> at 10.

²³ <https://www.ft.com/content/05206915-fd73-4a3a-92a5-6760ce965bd9>.

advanced circuit designs not offered by other foundries. These programs slash prototyping costs, which can otherwise be prohibitive barriers to next-generation technologies, by up to 90%. Daedalus targets these important programs. *See* Ex. C, ¶¶ 27, 76, 101.

112. Daedalus’s lawsuits and continued attempts to exclude TSMC-made chips from the U.S. market despite the █████ Agreement thus deprives, and thus harms, the U.S. public by further disrupting the semiconductor supply chain and depriving the scientific and business community of critical TSMC advanced semiconductor process technologies.

113. TSMC thus seeks a declaration that Intel granted TSMC a license to the Asserted Patents and the Assigned Patents that are Specified Patents under the █████ Agreement.

REQUEST FOR RELIEF

WHEREFORE, Plaintiff respectfully requests the following relief:

A. A declaration that the Asserted Patents are “Transferred Specified Patents” under the █████ Agreement;

B. A declaration that Intel granted TSMC a license under the █████ Agreement to the Assigned Patents that are Specified Patents, including the Asserted Patents;

C. A declaration that Daedalus is not entitled to continue to enforce the Asserted Patents against TSMC, including at the ITC and in the Eastern District of Texas;

D. Injunctive relief barring Daedalus and its officers, employees, agents, attorneys, and those persons in active concert or cooperation with them, from directly or indirectly aiding, assisting, or supporting any person in asserting that TSMC does not hold a license to the Asserted Patents, including in the ITC investigation;

E. Injunctive relief barring Intel and its officers, employees, agents, attorneys, and those persons in active concert or cooperation with them, from directly or indirectly aiding,

assisting, or supporting any person in asserting that TSMC does not hold a license to the Asserted Patents, including in the ITC investigation;

F. Reasonable legal fees and costs, and interest on such fees and costs;

G. An award to TSMC of further and additional relief as to Intel this Court deems just and proper; and

H. An award to TSMC of further and additional relief as to Daedalus this Court deems just and proper.

Dated: December 30, 2022

McCARTER & ENGLISH, LLP

/s/ Daniel M. Silver

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