

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

REALTEK SEMICONDUCTOR
CORPORATION,

Plaintiff,

v.

AVAGO TECHNOLOGIES
INTERNATIONAL SALES PTE. LIMITED,
BROADCOM CORPORATION, and
BROADCOM INC.,

Defendants.

C.A. No. 24-1235-GBW

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MEMORANDUM OPINION

December 11, 2024
Wilmington, Delaware

GREGORY B. WILLIAMS
UNITED STATES DISTRICT JUDGE

Before the Court is Plaintiff's Motion to Remand the Case to The Court of Chancery of the State of Delaware Or Alternatively to Set a Schedule for an Anti-suit Injunction (D.I. 8), which has been fully briefed (*see* D.I. 9; D.I. 19; D.I. 32; D.I. 39; D.I. 41). For the following reasons, Plaintiff Realtek Semiconductor Corporation's ("Realtek" or "Plaintiff") motion is granted-in-part. As the Court grants Realtek's motion to remand, the Court denies-as-moot Plaintiff's Motion for Expedited Briefing on its Motion to Remand the Case to the Court of Chancery of the State of Delaware or Alternatively to Set a Schedule for an Anti-suit Injunction (D.I. 11), Plaintiff's Motion for Alternative Service Under Fed. R. Civ. P. 4(f)(3) (D.I. 27), and the Motion of Defendants Broadcom Inc. and Broadcom Corp. to Dismiss Under Fed. R. Civ. P. 12(B)(6) (D.I. 52).

I. BACKGROUND

Realtek filed suit against Defendants Avago Technologies International Sales Pte. Ltd., Broadcom Corporation, and Broadcom Inc. (collectively, "Defendants" or "Broadcom Entities")¹ in the Delaware Court of Chancery. *See* D.I. 4 ("Operative Complaint"); *see also* Public Version of Verified Complaint, *Realtek Semiconductor Corp. v. Avago Techs. Int'l Sales Pte. Ltd.*, C.A. No. 2024-1127-NAC (Del. Ch. Nov. 7, 2024), Trans. ID 74967542. On November 8, 2024, the Broadcom Entities "remove[d] th[e] action from the Court of Chancery of the State of Delaware to the United States District Court for the District of Delaware." D.I. 2 (Notice of Removal) at 1;

¹ "Defendants Avago Technologies International Sales Pte. Limited and Broadcom Corporation are direct or indirect subsidiaries of Broadcom Inc." D.I. 5 (Defendants' Rule 7.1 Corporate Disclosure Statement).

see id. ¶ 1 (contending that “[t]his action is properly removed to this Court under the federal removal statute, 28 U.S.C. § 1441”).

The Broadcom Entities, in removing the action from state court, contend that “Plaintiff’s Complaint includes numerous allegations that arise under the patent laws of the United States.” *Id.* ¶ 4. The Broadcom Entities contend that “Plaintiff’s [Operative] Complaint [] includes direct infringement allegations arising under the patent laws of the United States.” *Id.* ¶ 5 (citing Operative Complaint ¶¶ 92-93, 97, 175, 180). Moreover, the Broadcom Entities contend that “Realtek[’s] claims that Defendants have breached an obligation to license [patents] on reasonable and non-discriminatory (‘RAND’) terms arise under the patent laws, conferring federal jurisdiction.” *Id.* ¶ 4.

II. LEGAL STANDARDS

“The district courts of the United States are courts of limited jurisdiction, defined (within constitutional bounds) by federal statute.” *Badgerow v. Walters*, 596 U.S. 1, 7 (2022). “Congress has granted those courts jurisdiction over two main kinds of cases.” *Id.*

A. Federal Question Cases

District courts “have power to decide federal-question cases—suits ‘arising under’ federal law.” *Id.* (quoting 28 U.S.C. § 1331). “For statutory purposes, a case can ‘aris[e] under’ federal law in two ways.” *Gunn v. Minton*, 568 U.S. 251, 257 (2013) (alteration in original).

1. Federal Law Claims

“Typically, an action arises under federal law if that law ‘creates the cause of action asserted.’” *Badgerow*, 596 U.S. at 7-8 (quoting *Gunn*, 568 U.S. 251); *see, e.g., Atl. Richfield Co. v. Christian*, 590 U.S. 1, 13 (2020) (quoting *American Well Works Co. v. Layne & Bowler Co.*, 241 U.S. 257 (1916)) (“In the mine run of cases, ‘[a] suit arises under the law that creates the cause of action.’”); *Merrill Lynch, Pierce, Fenner & Smith Inc. v. Manning*, 578 U.S. 374, 383

(2016) (“Most directly, and most often, federal jurisdiction attaches when federal law creates the cause of action asserted.”); *City of Hoboken v. Chevron Corp.*, 45 F.4th 699, 707 (3d Cir. 2022) (“Most federal-question cases allege violations of the Constitution, federal statutes, or federal common law.”).

2. State Law Claims

Although “our system presumes that most state-law claims belong in state, not federal, court,” *City of Hoboken*, 45 F.4th at 710, “[t]here is a ‘special and small category of cases’ that originate in state law yet still arise under federal law for purposes of federal question jurisdiction.” *Atl. Richfield Co.*, 590 U.S. at 14 n.4 (quoting *Gunn*, 568 U.S. 251). Under that category, “a federal court has jurisdiction of a state-law claim if it ‘necessarily raise[s] a stated federal issue, actually disputed and substantial, which a federal forum may entertain without disturbing any congressionally approved balance’ of federal and state power.” *Manning*, 578 U.S. at 383 (alteration in original) (quoting *Grable & Sons Metal Prod., Inc. v. Darue Eng’g & Mfg.*, 545 U.S. 308 (2005)). *Gunn v. Minton* “fram[ed] the same standard as a four-part test.” *Id.* (characterizing *Gunn*, 568 U.S. 251).

Under the *Gunn* test, “federal jurisdiction over a state law claim will lie if a federal issue is: (1) necessarily raised, (2) actually disputed, (3) substantial, and (4) capable of resolution in federal court without disrupting the federal-state balance approved by Congress.” *Gunn*, 568 U.S. at 258. “Where all four of these requirements are met, we h[o]ld, jurisdiction is proper because there is a ‘serious federal interest in claiming the advantages thought to be inherent in a federal forum,’ which can be vindicated without disrupting Congress’s intended division of labor between state and federal courts.” *Gunn*, 568 U.S. at 258 (quoting *Grable*, 545 U.S. 308).

B. Removal and Remand

“[D]efendant[s] may only remove a civil action to federal court if the plaintiff could have originally filed the action in federal court.” *Rowland v. Bissell Homecare, Inc.*, 73 F.4th 177, 180 (3d Cir. 2023). “Defendants, as the parties seeking to remove the case to federal court, bear the burden of establishing federal jurisdiction.” *Rowland*, 73 F.4th at 180; *see Brown v. Jevic*, 575 F.3d 322, 326 (3d Cir. 2009) (“The removing party . . . carries a heavy burden of showing that at all stages of the litigation the case is properly before the federal court.”). “The federal removal statute, 28 U.S.C. § 1441, is strictly construed, requiring remand if any doubt exists over whether removal was proper.” *Carlyle Inv. Mgmt. LLC v. Moonmouth Co. SA*, 779 F.3d 214, 218 (3d Cir. 2015); *see Brown*, 575 F.3d at 326 (“Removal statutes are to be strictly construed, with all doubts to be resolved in favor of remand.”).

III. SUMMARY OF FACTS

As discussed below, this pending action originates from an agreement that is dated in 2015 and was at issue in prior litigations before this Court in 2017.²

A. The 2015 Settlement and Patent License Agreement

Exhibit 1 to the Operative Complaint is titled “Settlement and Patent License Agreement Between Avago Technologies General IP (Singapore) Pte. Ltd. (579) Company Registration No. 200512430D And Realtek Semiconductor Corporation.” ECF No. 4 at PageID 369-88 (the “Agreement”); *see* D.I. 4 ¶¶ 1, 16. The Agreement is dated in 2015. ECF No. 4 at PageID 383.

Under § 3.01(a) of the Agreement, [REDACTED]

[REDACTED]

² To the extent necessary, the Court takes judicial notice of material outside the record. *See Martin v. Adm’r New Jersey State Prison*, 23 F.4th 261, 266 n.1 (3d Cir. 2022); *Vanderklok v. United States*, 868 F.3d 189, 205 n.16 (3d Cir. 2017).

[REDACTED]

[REDACTED]’ ECF No. 4 at PageID 375; *see* D.I. 4 ¶ 36.³ Under § 3.03 of the Agreement, [REDACTED]

[REDACTED]’ ECF No. 4 at PageID 375.

Under § 8.07 of the Agreement, the parties [REDACTED]

[REDACTED]

ECF No. 4 at PageID 381. Moreover, under § 8.07 of the Agreement, the parties [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] ECF No. 4 at PageID 381; *see* D.I. 4 ¶ 16.

B. The 2017 Federal Court Litigations

In 2017, before this Court, Realtek filed separate lawsuits against Avago Technologies General IP (Singapore) Pte. Ltd. and Broadcom Corp. *See Realtek Semiconductor Corp. v. Avago Techs. Gen. IP (Singapore) PTE Ltd.*, No. CV 17-1114-GMS, D.I. 2 (sealed complaint) (D. Del. Aug. 8, 2017); *Realtek Semiconductor Corp. v. Broadcom Corp.*, No. CV 17-1115-GMS, D.I. 2 (sealed complaint) (D. Del. Aug. 8, 2017); *see also* D.I. 4 ¶ 86; D.I. 9 at 4-5. The 2017 lawsuits were based on the Agreement, which was discussed above. *See* No. CV 17-1114-GMS, D.I. 2 ¶¶ 1-2; No. CV 17-1115-GMS, D.I. 2 ¶¶ 1-2; *see also* D.I. 4 ¶ 86; D.I. 9 at 4-5.

³ Definitions are provided in Appendix A to the Agreement. *See* ECF No. 4 at PageID 384-386; *see also* D.I. 4 ¶¶ 36-38.

The complaint in the 2017 action against Avago Technologies General IP (Singapore) Pte. Ltd. listed four counts: (1) “Count I – Breach of Contract by Avago”; (2) “Count II – Tortious Interference with Contract And Business Relations by Avago”; (3) “Count III – Breach of Implied Covenant of Good Faith and Fair Dealing by Avago”; and (4) “Count IV – Declaratory Judgment – License.” No. CV 17-1114-GMS, D.I. 2 at 9-11 (capitalization and emphases altered). The complaint in the 2017 action against Broadcom Corp. listed four virtually identical counts: (1) “Count I – Breach of Contract by Broadcom”; (2) “Count II – Tortious Interference with Contract And Business Relations by Broadcom”; (3) “Count III – Breach of Implied Covenant of Good Faith and Fair Dealing by Broadcom”; and (4) “Count IV – Declaratory Judgment – License.” No. CV 17-1115-GMS, D.I. 2 at 9-11 (capitalization and emphases altered).

In the 2017 action against Avago Technologies General IP, the defendant “move[d] the Court to dismiss with prejudice plaintiff Realtek Semiconductor Corp.’s complaint under Fed. R. Civ. P. 12(b)(1) and/or 12(b)(6).” No. CV 17-1114-GMS, D.I. 9 (the “2017 Motion to Dismiss”) at 1. The defendant contended that there was a “lack of subject-matter jurisdiction,” because the plaintiff “pleaded only state-law causes of action.” No. CV 17-1114-GMS, D.I. 10 (sealed opening brief) at 1. The defendant contended that “the first three of the [c]omplaint’s four causes of action — breach of contract, breach of the implied duty of good faith and fair dealing, and tortious interference — neither present federal questions nor relate to patents.” No. CV 17-1114-GMS, D.I. 10 at 1; *see id.* at 5-6 (footnote omitted) (“None of these California statelaw claims present a federal question, the [c]omplaint’s only purported basis for jurisdiction.”), 9 (citation omitted) (“Realtek’s [c]omplaint seeks remedies for alleged breach of contract, breach of an implied duty of good faith and fair dealing, and tortious interference with contract and

business relations, and asks for a declaratory judgment. None of these causes of action ‘aris[es] under the Constitution, laws, or treaties of the United States.’”).

Moreover, the defendant in that 2017 action contended that “the Supreme Court has held for well over one hundred years that actions relating to alleged breaches of patent licenses do not arise under the patent laws and therefore do not confer federal jurisdiction.” *Id.* at 10; *see id.* (quoting *Lockett v. Delpark, Inc.*, 270 U.S. 496 (1926)) (“Indeed, a suit ‘for any remedy in respect of a contract permitting use of the patent, is not a suit under the patent laws of the United States, and cannot be maintained in a federal court as such.’”).⁴

This Court granted the 2017 Motion to Dismiss. *See* No. CV 17-1114-GMS, D.I. 43; *see also* D.I. 9 at 5 n.3. After hearing oral argument, the Court stated: “we need to stop dancing around what [the] action is . . . it’s an action for contract, for breach of contract. That’s what it is. [Realtek] plead three California state law claims. This is not a case that’s dependent upon a substantial question of patent law. And it essentially doesn’t arise under [Section] 1331.” No. CV 17-1114-GMS, D.I. 45 (sealed transcript) at 12:23-13:3; *see also* D.I. 9 at 5 n.3.

C. The 2024 State Court Litigation

In 2024, before the Delaware Court of Chancery, Realtek filed suit against the Broadcom Entities. *See* D.I. 4. At a high level, the Operative Complaint contends that “[t]h[e] action involves Defendants’ breach of the confidential Settlement and Patent License Agreement,” which was discussed above. D.I. 4 ¶ 1; *see id.* ¶ 16 (“This dispute arises out of a breach of the License Agreement.”). “[B]eyond the [] Agreement,” the Operative Complaint contends that the

⁴ Likewise, in a related motion for sanctions, the defendant contended that “precedent extending back over a hundred years teaches that actions related to alleged breaches of patent licenses do not ‘arise under’ the patent laws and therefore do not confer federal jurisdiction.” No. CV 17-1114-GMS, D.I. 29 (sealed opening brief) at 7 (quoting *Marsh v. Nichols, Shepard & Co.*, 140 U.S. 344 (1891)).

action involves “an obligation to license [] patents on a ‘reasonable and non-discriminatory’ (‘RAND’) basis.” D.I. 4 ¶ 7; *see id.* ¶ 7 (contending that “Defendants have RAND licensing obligations because they identified the patents asserted against [REDACTED] as essential to the 802.3 standards”), 104 (“Defendants made contractual commitments to license their patents that are essential to the IEEE’s 802.3 standards on RAND terms.”). Accordingly, the Operative Complaint discloses that: (1) “Realtek seeks an injunction prohibiting Defendants’ ongoing breaches of the [] Agreement”; and (2) “Realtek also brings claims for tortious interference, declaratory judgment, and breach of the obligation to offer a RAND license.” D.I. 4 ¶ 10.

Specifically, the Operative Complaint lists five counts: (1) “Count I (Breach of Contract – License Agreement)”; (2) “Count II (Breach of Implied Covenant of Good Faith and Fair Dealing)”; (3) “Count III (Declaratory Judgment That Defendants Must Offer a License on Rand Terms Before Obtaining Injunctive Relief Against [REDACTED] That the Defendants Are Continuing to Breach Their Rand Obligations Because the Previously Proposed Licensing Terms Do Not Comply with Rand)”; (4) “COUNT IV (Tortious Interference with Contractual Relations)”; and (5) “Count V (Declaratory Judgment – Implied License/Equitable Estoppel).” D.I. 4 at 48 (capitalization and emphasis altered), 51 (same), 54-55 (same), 57 (same).⁵

Under Count I of the Operative Complaint, Realtek contends that “Avago Sales breached Section 3.01 of the [] Agreement by suing [REDACTED] in several courts in Germany alleging patent infringement for using Realtek’s integrated circuits in [REDACTED] vehicles, thus frustrating Realtek’s license to use Avago Sale’s patents.” D.I. 4 ¶ 165. Accordingly, Realtek contends that it “is entitled to injunctive relief prohibiting Avago Sales from pursuing claims against [REDACTED] in

⁵ As the Broadcom Entities recognize, “some of Realtek’s allegations in this [2024] action are duplicative of the” allegations Realtek raised in the 2017 actions. D.I. 41 at 1.

Germany for infringement by using Realtek's products and/or from enforcing any injunction it obtains in Germany against [REDACTED]' D.I. 4 ¶ 168.

Under Count II of the Operative Complaint, Realtek contends that the Broadcom Entities "breached [their] implied obligations in Section 3.01" of the Agreement. D.I. 4 ¶ 177. Under Count II, Realtek requests that, "if the Court concludes that Realtek is not licensed to Broadcom Corp.'s patents, then the Court should declare that Avago Sales cannot make, use, sell, or have made any product from Broadcom Corp., BCI, or any third party without infringing Realtek's patents." D.I. 4 ¶ 180.

Under Count III of the Operative Complaint, Realtek contends that "Avago Sales, individually and as successor-in-interest to the Broadcom Corp. patents, contractually committed itself to license all patents essential to the 802.3 standards." D.I. 4 ¶ 182; *see id.* ¶¶ 183 ("Broadcom Corp. and Avago Sales irrevocably agreed and are obligated to offer a license to their declared essential patents on RAND terms."), 185 ("There is a genuine dispute between the parties as to whether Defendants have complied with their obligation to make their 802.3 essential patents available to license on RAND terms, and whether the terms previously offered comply with Defendants' RAND obligations."), 187 ("Defendants [] [] have, and are continuing to, breach their obligations to offer Realtek a license on RAND terms."). Accordingly, Realtek contends that it "is entitled to a declaratory judgment that Defendants' proposed licensing terms are not RAND compliant." D.I. 4 ¶ 187.

Under Count IV of the Operative Complaint, Realtek contends that "BCI caused Avago Sales to breach the License Agreement by suing [REDACTED] in the UPC and in German regional courts for patent infringement for using Realtek's integrated circuits in [REDACTED] vehicles." D.I. 4 ¶ 192. Accordingly, Realtek contends that it "is entitled to injunctive relief prohibiting Avago Sales

from pursuing claims against █████ in Germany for infringement by using Realtek's products and/or from enforcing any injunction it obtains in Germany against █████' D.I. 4 ¶ 196.

Under Count V of the Operative Complaint, Realtek contends that "[i]t would be unfairly prejudicial and highly inequitable for Avago Sales and/or Broadcom Corp. to allow Realtek and its customers to supply the market with products that implement the 802.3 standards for 7 years, as expressly encouraged by the IEEE, before suddenly claiming that Realtek's products infringed on Broadcom Corp.'s 802.3 essential patents." D.I. 4 ¶ 202. Accordingly, Realtek contends that it "is [] entitled to a declaratory judgment that it has an implied license to the Broadcom Corp. 802.3 essential patents via equitable estoppel." D.I. 4 ¶ 203.

Under the heading "Request for Relief," Realtek "request[s] that the Court grant the following relief: [(1)] [] judgment that Avago Sales has breached and continues to breach the [] Agreement; [(2)] [] enjoining Avago Sales from breaching the [] Agreement by pursuing claims against █████ in Germany for infringing SEPs by using Realtek's products; [(3)] [] enjoining Avago Sales from enforcing any injunction it obtains in Germany against █████ [(4)] [a]n order that Broadcom Corp. breached its obligations to the IEEE . . . [(5)] [a]n award of damages in favor of Realtek for the fees and costs incurred in defending against the infringement claims Defendants improperly asserted . . . [(6)] [a]n award of attorneys' fees and costs in favor of Realtek in bringing this action; and [(7)] [s]uch other relief as this Court deems just and proper." D.I. 4 at 58-59.

As noted above, on November 8, 2024, the Broadcom Entities "remove[d] th[e] action from the Court of Chancery of the State of Delaware to the United States District Court for the District of Delaware." D.I. 2. According to the Broadcom Entities, "Realtek has invoked federal-court jurisdiction by asserting . . . two categories of claims that arise under the U.S.

patent laws: (1) it asserts that Defendants have infringed certain Realtek patents, and it seeks a declaration of such infringement; and (2) it seeks declarations that Defendants have refused to license standard-essential patents on reasonable and non-discriminatory ('RAND') terms." D.I. 41 at 2.

IV. DISCUSSION

As discussed below, the Court finds that "Defendants, as the parties seeking to remove the case to federal court" have not met their "burden of establishing federal jurisdiction." *Rowland*, 73 F.4th at 180.

A. The Broadcom Entities Have Not Established That Any of the Asserted Causes of Action Arise Under Federal Law

"When a cause of action is created by the federal patent laws, the claim it supports arises under them." *Ares Trading S.A. v. Dyax Corp.*, 114 F.4th 123, 135 (3d Cir. 2024).⁶

The Broadcom Entities contend that certain causes of action that Realtek asserts in the Operative Complaint arise under federal patent laws. *See* D.I. 19 at 6-8; D.I. 41 at 2-3, 13. Realtek disagrees. *See* D.I. 9 at 8 ("The argument that Realtek pleaded a claim for patent infringement is frivolous."). Realtek contends that "[t]he complaint identifies no Realtek patent allegedly infringed and no allegedly infringing product." D.I. 9 at 8.

In their supplemental letter brief, the Broadcom Entities quote two portions of the Operative Complaint to support their contention that "Realtek's new claims arise under the U.S. patent laws." D.I. 41 at 2 (capitalization and emphasis altered). First, the Broadcom Entities quote paragraph 93 of the Operative Complaint, *see id.* at 2, which appears in the "Facts" section under the heading "Prior Proceedings Before the International Trade Commission Involving the

⁶ "[T]he Supreme Court [has] made clear that the same test applies whether the district court's potential jurisdiction is premised on section 1331 or section 1338." *Forrester Env't Servs., Inc. v. Wheelabrator Techs., Inc.*, 715 F.3d 1329, 1333 n.2 (Fed. Cir. 2013).

License Agreement.” D.I. 4 at 7 (capitalization and emphasis altered), 28-29 (same). Paragraph 93 of the Operative Complaint recites: “[o]n information and belief, Defendants use not only the patented technology in the ’245, ’218, and ’582 patents, but also make, use, and sell a wide range of products that use Realtek’s technology protected by other Realtek patents.”⁷ Accordingly, the Broadcom Entities contend that “Realtek’s infringement assertions . . . at a minimum[] [] include at least the three U.S. patents (the Realtek ’245, ’218, and ’582 patents) that Realtek previously asserted covered certain of Defendants’ products.” D.I. 41 at 3. Realtek disagrees.

Realtek responds that paragraph 93 of the Operative Complaint simply discusses prior proceedings and explains that “both [parties] [are] making use of the cross license.” D.I. 32 at 3; *see* D.I. 9 at 7 (citations omitted and emphasis removed) (“Realtek pleaded that Defendants have been using Realtek’s technology under license. Specifically, Realtek pleaded that the International Trade Commission determined that Defendants are using Realtek’s technology under license.”).

Second, the Broadcom Entities quote paragraph 180 of the Operative Complaint, *see* D.I. 41 at 3, which appears under the heading “Count II (Breach of Implied Covenant of Good Faith and Fair Dealing).” D.I. 4 at 51 (capitalization and emphasis altered). Paragraph 180 of the Operative Complaint states: “[a]lternatively, if the Court concludes that Realtek is not licensed to Broadcom Corp.’s patents, then the Court should declare that Avago Sales cannot make, use, sell, or have made any product from Broadcom Corp., BCI, or any third party without infringing Realtek’s patents.” This, according to the Broadcom Entities, is an “express[] demand[] that the [] Court enjoin . . . [the Broadcom Entities’] alleged infringement of Realtek’s patents” and

⁷ These abbreviations refer to three U.S. patents. *See* D.I. 4 ¶ 92.

is “a demand [that] is [within] the exclusive province of the federal courts.” D.I. 19-1 at 1; *see* D.I. 19 at 7-8. Realtek disagrees.

Realtek responds that paragraph 180 of the Operative Complaint “is one of several paragraphs that explain why any gap in the [] Agreement must be filled consistently by either extending license rights to BCI and Broadcom Corp. (meaning Realtek also has a license to Broadcom patents) or excluding them from license rights altogether (meaning neither side has a license to the other’s patents).” D.I. 32 at 2. Realtek also responds that paragraph 180 of the Operative Complaint “is a request for a fair reading of [the] [] Agreement,” “not a patent infringement claim.” D.I. 32 at 2-3; *see* D.I. 9 at 7-8 (“Realtek seeks a declaration that Broadcom Corp. and Broadcom, Inc. (‘BCI’) *are* licensed under the [] Agreement, or alternatively, if they are not licensed, that the terms of the [] Agreement do not apply asymmetrically—giving Broadcom Corp. and BCI a license to Realtek’s patents but not giving Realtek a license to their patents.”).

As discussed below, considering the Broadcom Entities’ burden of proof at this stage, *Rowland*, 73 F.4th at 180, the Court finds that “[i]f the [Operative] [C]omplaint succeeds in adequately alleging any causes of action—regarding which [this Court] ha[s] no opinion—those causes are indubitably state law claims.” *Wawrzynski v. H.J. Heinz Co.*, 728 F.3d 1374, 1381 (Fed. Cir. 2013).

1. The Broadcom Entities Have Not Established That the Operative Complaint Includes a Cause of Action That Is Created by the Federal Patent Laws

“[W]hether a claim ‘arises under’ federal patent law is made by reference to the well-pleaded complaint.” *In re Lipitor Antitrust Litig.*, 855 F.3d 126, 144 (3d Cir. 2017), *as amended*

(Apr. 19, 2017).⁸ “[A] well-pleaded complaint presents a federal question only when the federal issue is sufficiently substantial; there is no federal question when the federal law claim is insubstantial, implausible, or otherwise devoid of merit.” *Semiconductor Energy Lab’y Co. v. Nagata*, 706 F.3d 1365, 1370-71 (Fed. Cir. 2013). “[T]he Supreme Court [has] explained that the well-pleaded complaint rule ‘focuses on claims, not theories, ... and just because an element that is essential to a particular theory might be governed by federal patent law does not mean that the entire [] claim ‘arises under’ patent law.’” *Xitronix Corp. v. KLA-Tencor Corp.*, 882 F.3d 1075, 1076 (Fed. Cir. 2018) (some alterations in original) (quoting *Christianson v. Colt Indus. Operating Corp.*, 486 U.S. 800 (1988)).

As noted earlier, the Broadcom Entities contend that “Plaintiff’s [Operative] Complaint [] includes direct infringement allegations arising under the patent laws of the United States.” D.I. 2 ¶ 5. “[T]here is only one statute governing patent infringement.” *Wisconsin Alumni Rsch. Found. v. Apple Inc.*, 112 F.4th 1364, 1382 (Fed. Cir. 2024) (citing 35 U.S.C. § 271). “Section 271 [of the Patent Act] outlines several types of infringement,” including direct infringement under 35 U.S.C. § 271(a). *WesternGeco LLC v. ION Geophysical Corp.*, 585 U.S. 407, 409 (2018); see *Commil USA, LLC v. Cisco Sys., Inc.*, 575 U.S. 632, 638-39 (2015) (discussing 35 U.S.C. § 271(a)-(c)). A patentee that “asserts literal infringement of specified patent claims . . . has the burden of persuasion (by a preponderance of the evidence) on literal infringement, requiring (for a given patent claim) that it proves that an accused process [or product] meets ‘each and every limitation’ of that claim.” *Mirror Worlds Techs., LLC v. Meta Platforms, Inc.*, ___ F.4th ___, No. 2022-1600, 2024 WL 4960324, at *6 (Fed. Cir. Dec. 4, 2024) (quoting

⁸ Exceptions exist, though they have not been raised in this action. See *Vermont v. MPHJ Tech. Invs., LLC*, 803 F.3d 635, 643-44 (Fed. Cir. 2015) (discussing the “Holmes Group fix”); *Aetna Health Inc. v. Davila*, 542 U.S. 200, 207-08 (2004).

Ericsson, Inc. v. D-Link Sys., Inc., 773 F.3d 1201 (Fed. Cir. 2014)); *see AlexSam, Inc. v. Aetna, Inc.*, 119 F.4th 27, 35-45 (Fed. Cir. 2024) (discussing pleading standard for patent infringement claims).⁹ “Generally, one who intrudes upon a patent without authorization ‘infringes the patent’ and becomes subject to civil suit in the federal district courts, where the patent owner may demand a jury trial and seek monetary damages and injunctive relief.” *Return Mail, Inc. v. United States Postal Serv.*, 587 U.S. 618, 622 (2019).

Here, applying the well-pleaded complaint rule, the Court is not convinced that the Operative Complaint presents a claim that arises under the federal patent laws. Realtek’s Operative Complaint is akin to the complaint in *Wawrzynski v. H.J. Heinz Co.*, which “d[id] not make a *well-pleaded* complaint for patent infringement.” 728 F.3d at 1381. Similar to the complaint in *Wawrzynski*, while the Operative Complaint includes state law counts (*see supra* Part III.C), it “does not have a count for patent infringement or anything similar.” *Id.* at 1380. Also, like the complaint in *Wawrzynski*, “[t]he [Operative] [C]omplaint and its counts do not cite to 35 U.S.C. § 271 or any of its subsections.” *Id.*

While there are some differences between the Operative Complaint and *Wawrzynski*’s complaint, the Court is not convinced that any such differences distinguish *Wawrzynski*. For example, unlike *Wawrzynski*’s complaint, the Operative Complaint does use the word infringe (or variations of that word) and does tracks certain language from 35 U.S.C. § 271. *Compare Wawrzynski*, 728 F.3d at 1380 (“[T]he complaint does not use, even a single time, the words ‘infringe,’ ‘infringed,’ ‘infringement,’ ‘infringer,’ or ‘infringing.’ . . . and do[es] not allege that Heinz—or anyone else—made, used, offered to sell, or sold the patented technology of the ’990

⁹ Alternatively, the patentee may rely on the doctrine of equivalents, which has not been raised in this action. *See VLSI Tech. LLC v. Intel Corp.*, 87 F.4th 1332, 1341-45 (Fed. Cir. 2023); *Wisconsin Alumni Rsch. Found.*, 112 F.4th at 1381-84.

patent.”), *with* D.I. 4 ¶¶ 92-93, 180. Nevertheless, with respect to whether the Operative Complaint states a well-pleaded complaint for patent infringement, those differences between the Operative Complaint and *Wawrzynski*’s complaint are immaterial.

For example, while paragraphs 92-93 of the Operative Complaint discuss certain “products practic[ing] claims” in U.S. patents, D.I. 4 ¶ 92, those paragraphs are not used to support a claim that arises under federal patent laws. *See supra* Part III.C. Also, the Court is not persuaded by the Broadcom Entities contention that the Operative Complaint presents a claim that arises under the federal patent laws, simply because paragraph 180 of the Operative Complaint requests that “the Court should declare that Avago Sales cannot make, use, sell, or have made any product from Broadcom Corp., BCI, or any third party without infringing Realtek’s patents.” D.I. 4 ¶ 180. Given that paragraph 180 begins with the word “[a]lternatively,” D.I. 4 ¶ 180, and is presented under “Count II (Breach of Implied Covenant of Good Faith and Fair Dealing),” D.I. 4 at 51 (capitalization and emphasis altered), the Court is not persuaded that paragraph 180 supports “a *well-pleaded* complaint for patent infringement.” *Wawrzynski*, 728 F.3d at 1381. Instead, contrary to the Broadcom Entities unsubstantiated contention,¹⁰ paragraph 180 of the Operative Complaint reflects “a demand for . . . relief in the alternative.” Fed. R. Civ. P. 8(a)(3); *cf. Inspired Dev. Grp., LLC v. Inspired Prod. Grp., LLC*, 938 F.3d 1355, 1362 n.3 (Fed. Cir. 2019).

Moreover, like in *Wawrzynski*, the relief sought in paragraph 180 of the Operative Complaint does not “align[.]” with “a claim for patent infringement.” *Wawrzynski*, 728 F.3d at

¹⁰ The Broadcom Entities contend in a cursory footnote that “[t]his is not a situation where Realtek is seeking alternative forms of relief.” D.I. 19 at 7 n.27. Arguments raised in cursory footnotes are forfeited. *See Cisco Sys. Inc. v. Ramot At Tel Aviv Univ. Ltd.*, No. CV 21-1365-GBW, 2024 WL 4751590, at *9 n.12 (D. Del. Nov. 12, 2024).

1380. While the Patent Act offers various remedies for patent infringement,¹¹ it does not allow a court to “declare that Avago Sales cannot make, use, sell, or have made any product from Broadcom Corp., BCI, or any third party without infringing Realtek’s patents,” simply because “the [c]ourt concludes that Realtek is not licensed to Broadcom Corp.’s patents.” D.I. 4 ¶ 180; *see Inselberg v. New York Football Giants, Inc.*, No. 2:14-CV-01317 WJM, 2014 WL 5814268, at *4 (D.N.J. Nov. 10, 2014) (citation omitted) (“Plaintiff also filed his Complaint in state court and requests damages that are not recoverable under the Patent Act further evincing his intent to eschew federal law and invoke state law.”), *aff’d*, 661 F. App’x 776 (3d Cir. 2016).

Thus, considering the Broadcom Entities burden at this stage, the Court finds that “[d]espite [the Broadcom Entities] strenuous efforts to construe the [Operative] [C]omplaint to favor [their] theory of the case, and despite the fact that [] patent[s] [are] referenced in the [Operative] [C]omplaint, a close review of [the] [Operative] [C]omplaint, including its counts and requested relief, confirms that [Plaintiff] [Realtek] did not intend to assert [any] [U.S.] patent[s] against [the Broadcom Entities].” *Wawrzynski*, 728 F.3d at 1380.

B. The Broadcom Entities Have Not Established That Any of the State-Law Claims Belong in Federal Court

Under the *Gunn* test, “[e]ven where federal law does not create the cause of action asserted, federal jurisdiction extends to a ‘special and small category’ of cases in which a well-pleaded complaint establishes that ‘a federal law issue is: (1) necessarily raised, (2) actually disputed, (3) substantial, and (4) capable of resolution in federal court without disrupting the

¹¹ “Chapter 29 of title 35[] [is] entitled ‘Remedies for Infringement of Patent, and Other Actions.’” *In re Etter*, 756 F.2d 852, 856 (Fed. Cir. 1985); *see* 35 U.S.C. §§ 281-299. Under the Patent Act, “[a] patentee shall have remedy by civil action for infringement of his patent.” 35 U.S.C. § 281. Under Chapter 29, potential relief for infringement of a utility patent generally includes injunctions, damages, and fees. *See* 35 U.S.C. §§ 283 (injunctions), 284 (damages), 285 (fees); *see also* John R. Thomas, Cong. Rsch. Serv., R44904, *Remedies for Patent Infringement* (2017).

federal-state balance approved by Congress.”” *AntennaSys, Inc. v. AQYR Techs., Inc.*, 976 F.3d 1374, 1381 (Fed. Cir. 2020) (quoting *Gunn*, 568 U.S. 251). “All four [parts] must be satisfied.” *Inspired Dev.*, 938 F.3d at 1362.

The Broadcom Entities contend that “Counts III and V of the [Operative] Complaint also arise under the U.S. patent laws because they” satisfy the *Gunn* four-part test. D.I. 41 at 3; *see* D.I. 19 at 8-12. With respect to these counts that “relate to [the] alleged failure to license standard-essential patents on RAND terms,” D.I. 41 at 3, the Broadcom Entities contend that “Realtek is attempting to artfully plead to avoid federal jurisdiction.” D.I. 41 at 5; D.I. 19 at 8.¹²

As discussed below, considering the Broadcom Entities’ burden of proof at this stage, *Rowland*, 73 F.4th at 180, the Court is not convinced that the *Gunn* four-part test is met.

1. The Operative Complaint Does Not Establish That a Federal Law Issue Is Necessarily Raised

The *Gunn* test requires “a federal issue [that] is: (1) necessarily raised.” *Gunn*, 568 U.S. at 258. “[A] patent law issue will be necessarily raised only if it is a necessary element of one of the well-pleaded claims.” *Inspired Dev. Grp.*, 938 F.3d at 1362 (quoting *NeuroRepair, Inc. v. The Nath L. Grp.*, 781 F.3d 1340 (Fed. Cir. 2015)); *see Sanyo Elec. Co., Ltd v. Intel Corp.*, No. CV 18-1709-RGA, 2019 WL 1650067, at *6 (D. Del. Apr. 17, 2019) (“A federal issue is ‘necessarily raised’ by a claim if the court must address that issue in order to resolve the claim.”).

¹² “An independent corollary to the well-pleaded complaint rule is the ‘artful pleading doctrine’ and [it] is used to determine whether a plaintiff seeks to defeat removal by omitting to plead necessary federal questions. The ‘artful pleading’ doctrine ‘requires a court to peer through what are ostensibly wholly state claims to discern the federal question lurking in the verbiage.’ If a court concludes that a plaintiff has ‘artfully pleaded’ claims, it may uphold removal even if no federal claim appears on the face of the complaint.” *Tolliver v. Delmarva Found. for Med. Care*, No. CV 17-1776-RGA, 2018 WL 3629590, at *3 (D. Del. July 31, 2018) (citations omitted).

As to the first part of the *Gunn* test, the Broadcom Entities contend that “a federal issue is necessarily raised by Realtek’s RAND-based claims because adjudicating them will require an inquiry ‘akin to an infringement analysis.’” D.I. 19 at 8; *see* D.I. 19 at 11 (contending that “what we have here[] [are] claims that expressly rely on a determination of whether patents are standard essential”); D.I. 41 at 4. Specifically, the Broadcom Entities contend that “the federal issue arises because Realtek’s overbroad [Operative] Complaint implicates an unidentified multitude of Defendants’ other patents that allegedly may be essential to a multitude of standards.” D.I. 19 at 11. Realtek disagrees. Realtek responds that “RAND-based claims indisputably sound in contract, arising under state law, not federal law.” D.I. 39 at 2. Realtek contends that “to prevail on its claims, Realtek need only show that Defendants have not offered Realtek a RAND-compliant license to the two [European] patents they claim are essential to the 802.3 standards.” D.I. 32 at 4. Moreover, Realtek contends that “comparing a patent to a standard does not necessarily raise a question of U.S. patent law.” D.I. 9 at 9.

Generally, a standard-essential patent (SEP) is a patent that “by definition, *must* be practiced in order to comply with a given standard.” *Telefonaktiebolaget LM Ericsson v. Lenovo (United States), Inc.*, 120 F.4th 864, 867 (Fed. Cir. 2024).¹³ Some standard-setting organizations allow patentees to “declare[] [a patent] to be essential to complying with [a] standard.” 120 F.4th at 867; *see* ECF No. 2-1 at PageID 13. Moreover, some standard-setting organizations allow “SEP holders [to] declare that they are prepared to grant irrevocable licenses to their SEPs

¹³ Sometimes the term SEP is used to refer to patents that are “necessary to implement either an optional or mandatory provision of a standard.” *Microsoft Corp. v. Motorola, Inc.*, No. C10-1823JLR, 2013 WL 2111217, at *6 (W.D. Wash. Apr. 25, 2013); *see* ECF No. 2-1 at PageID 13 (“[T]he Patent Holder hereby declares that its licensing position with respect to any patent(s) and/or patent application(s) that it may hold or control, the use of which would be essential to create a compliant implementation of either mandatory or optional portions of the [Proposed] IEEE Standard . . .”).

on fair, reasonable, and non-discriminatory ('FRAND') terms and conditions." 120 F.4th at 867 (cleaned up and quotation marks omitted); *see* ECF No. 2-1 at PageID 13. "Infringement [under 35 U.S.C. § 271] can be proven based on an accused product's use of an industry standard if the asserted claim is standard essential." *INVT SPE LLC v. Int'l Trade Comm'n*, 46 F.4th 1361, 1377 (Fed. Cir. 2022). To prove infringement in that manner, the patentee must "compar[e] the claims to th[e] standard." *Id.* at 1377.

Here, applying the well-pleaded complaint rule, the Court is not convinced that standard essentiality "is a necessary element of one of the well-pleaded claims" in the Operative Complaint. *Inspired Dev. Grp.*, 938 F.3d at 1362. In Count III, for example, Realtek has advanced "reasons completely unrelated to the provisions and purposes of [the patent laws] why the [plaintiff] may or may not be entitled to the relief it seeks.'" *In re Lipitor Antitrust Litig.*, 855 F.3d at 144 (alterations in original) (quoting *Christianson*, 486 U.S. 800). In Count III, Realtek contends that the Broadcom Entities "irrevocably agreed and are obligated to offer a license to their *declared* essential patents on RAND terms." D.I. 4 ¶ 183 (emphasis added). Thus, even assuming *arguendo* that standard essentiality (in the sense of patent law) is essential to a particular theory, Count III recites "[a] claim supported by alternative theories . . . [where] patent law is [not] essential to each of those theories." *Uroplasty, Inc. v. Advanced Uroscience, Inc.*, 239 F.3d 1277, 1279 (Fed. Cir. 2001); *see NeuroRepair*, 781 F.3d at 1344 ("[B]ecause NeuroRepair's complaint sets forth multiple bases in support of its allegation of professional negligence, a court could find NeuroRepair is entitled to relief based on this allegation without ever reaching a patent law issue."); *Nokia Corp. v. Qualcomm, Inc.*, No. CV 06-509-JJF, 2006 WL 2521328, at *2 (D. Del. Aug. 29, 2006) ("For Defendant to now contend Plaintiff's claims cannot be resolved without determining whether the patents at issue are essential seems

incongruent with Defendant’s own declarations such a determination is not necessary to the interpretation of the parties’ contractual obligations for declared-essential patents.”¹⁴

Thus, considering the Broadcom Entities burden at this stage, the Court finds that “patent law is not a ‘necessary element’ of [Realtek]’s claim that [the Broadcom Entities] ha[ve] breached [their] contractual obligations to license SEPs on []RAND terms.” *Cont’l Auto. Sys., Inc. v. Nokia Corp.*, No. CV 21-345-MN, 2021 WL 5299243, at *3 (D. Del. Nov. 15, 2021) (“It appears that Continental’s ‘right to relief’ depends on interpretation of contracts, not patent law [These] claim[s] [are] properly made by a state, not a federal, court under state law of contract and the case must be remanded.”). Accordingly, the Broadcom Entities have not established that any of the state-law claims belong in federal court. *See Sgromo v. Scott*, No. 2021-1106, 2022 WL 378669, at *2 (Fed. Cir. Feb. 8, 2022) (nonprecedential) (“Because no issue of federal patent law is necessarily raised, we need not address the other *Gunn* elements.”).

2. The Court Will Not Make a Finding on Whether the Operative Complaint Establishes That a Federal Law Issue Is Actually Disputed

The *Gunn* test requires “a federal issue [that] is: . . . (2) actually disputed.” *Gunn*, 568 U.S. at 258. “A federal issue is ‘actually disputed’ where the parties are in disagreement regarding its potential application or resolution.” *Sanyo*, 2019 WL 1650067, at *7.

As to the second part of the *Gunn* test, the Broadcom Entities contend that “[t]he federal issue—whether Defendants’ patents are standard essential—is actually disputed.” D.I. 19 at 11. Specifically, the Broadcom Entities contend that “Realtek appears to assert at least that Defendants’ patents related to the 20 standards identified in the [Operative] Complaint are essential and must be licensed on RAND terms, while Defendants dispute that all of their patents

¹⁴ For similar reasons, the Court is not convinced that standard essentiality (in the patent law sense) is essential to all theories raised in Count V. *Compare* D.I. 4 ¶ 197, with *Fed. Trade Comm’n v. AbbVie Inc.*, 976 F.3d 327, 348 (3d Cir. 2020).

related to the standards are standard essential.” D.I. 19 at 11-12. Realtek disagrees. Realtek responds that “Defendants expressly represented that the two European patents at issue are essential to the relevant 802.3 standards.” D.I. 9 at 11; *see* D.I. 32 at 5.

Given that the Court ultimately grants Realtek’s motion to remand, the Court will exercise its discretion and will “not make a finding on th[e] issue” of the second part of the *Gunn* test. 2019 WL 1650067, at *7 (providing finding on three parts of *Gunn*’s four-part test and expressly declining to make findings as to *Gunn*’s second part).

3. The Operative Complaint Does Not Establish That a Substantial Federal Law Issue Is Raised

The *Gunn* test requires “a federal issue [that] is: . . . (3) substantial.” *Gunn*, 568 U.S. at 258. “[F]or a case to involve a ‘substantial’ federal issue, it must be one significant ‘to the federal system’ as opposed to only the parties.” *MHA LLC v. HealthFirst, Inc.*, 629 F. App’x 409, 413 (3d Cir. 2015) (nonprecedential); *see Williams v. ProMedica Health Sys. Inc.*, No. 24-1369, 2024 WL 4927258, at *3 n.1 (3d Cir. Dec. 2, 2024) (nonprecedential) (noting that substantiality “goes to the strength of the federal system’s interest in overseeing the resolution of the purported federal issue”).¹⁵ “*Gunn* is clear that the bar for substantiality is high.” *Williams*, 2024 WL 4927258, at *3. “A substantial federal issue may exist where (1) the federal issue is purely a question of law, rather than one that is ‘fact-bound and situation-specific’; (2) the Federal government has a direct interest in the issue, such as where the availability of a federal forum to vindicate the government’s own administrative action is implicated; or, (3) if the court’s resolution of the issue will control numerous other cases.” *AntennaSys*, 976 F.3d at 1382.

¹⁵ In the context of patent law, “the touchstone for ‘substantiality’ is whether allowing state courts to resolve the case would undermine ‘the development of a uniform body of [patent] law.’” *Inspired Dev.*, 938 F.3d at 1364 (alteration in original) (quoting *Vermont*, 803 F.3d 635).

As to the third part of the *Gunn* test, the Broadcom Entities contend that “[w]hether and which of Defendants’ patents are standard essential is substantial and should be resolved by a federal court having exclusive jurisdiction over patent issues.” D.I. 19 at 12. Moreover, the Broadcom Entities contend that the third part of the *Gunn* test is “satisfied,” because “Realtek’s claims necessarily raise issues that will require analysis ‘akin to an infringement analysis.’” D.I. 19 at 12 (quoting *Godo Kaisha IP Bridge 1 v. TCL Commc’n Tech. Holdings Ltd.*, 967 F.3d 1380 (Fed. Cir. 2020)). Realtek disagrees. Realtek responds that “[t]his case presents contractual questions unique to the parties’ specific [] Agreement and negotiations.” D.I. 32 at 5.

In this instance, the Court is not convinced that the purported federal patent law issue is substantial under the *Gunn* test. Specifically, the Broadcom Entities have not convinced the Court that “allowing state courts to resolve the case would undermine ‘the development of a uniform body of [patent] law,’” which is the “touchstone” for substantiality. *Inspired Dev.*, 938 F.3d at 1364 (alteration in original). Moreover, the Broadcom Entities have not convinced the Court that the purported federal issues are “significant ‘to the federal system’ as opposed to only the parties.” *MHA LLC*, 629 F. App’x at 413. The Court finds more convincing Realtek’s contention that substantiality is not met, given the fact-bound and situation-specific nature of this action. Compare D.I. 32 at 5, with *Koninklijke KPN N.V. v. Samsung Elecs. Co.*, No. 2:24-CV-0135-JRG-RSP, 2024 WL 2019739, at *4 (E.D. Tex. Apr. 4, 2024) (“KPN’s claims are based on its contract with Samsung. Without such a contract, patent owners will be unable to follow KPN’s example.”), *report and recommendation adopted*, 2024 WL 2019726 (E.D. Tex. Apr. 24, 2024).

4. Realtek Concedes That the Operative Complaint Establishes Issues That Are Capable of Resolution in Federal Court Without Disrupting the Federal-State Balance Approved by Congress

The *Gunn* test requires “a federal issue [that] is: . . . (4) capable of resolution in federal court without disrupting the federal-state balance approved by Congress.” *Gunn*, 568 U.S. at 258. “[W]hen examining whether an issue is ‘capable of resolution in federal court without disrupting the federal-state balance approved by Congress,’ a court must consider whether an exercise of jurisdiction would ‘materially affect, or threaten to affect, the normal currents of litigation.’” *Sanyo Elec.*, 2019 WL 1650067, at *9 (citations omitted) (first quoting *Gunn*, 568 U.S. 251; then quoting *Grable*, 545 U.S. 308). “In essence, this factor requires courts to examine whether an exercise of jurisdiction would force categories of cases traditionally brought in state court into the federal system.” *Id.*

With respect to the fourth part of the *Gunn* test, the Broadcom Entities contend that “there is no threat here of disrupting the federal-state balance approved by Congress because Congress expressly vested federal courts with exclusive jurisdiction over patent issues.” D.I. 19 at 12. The Broadcom Entities also contend that the fourth part of the *Gunn* test is “satisfied,” because “Realtek’s claims necessarily raise issues that will require analysis ‘akin to an infringement analysis.’” D.I. 19 at 12 (quoting *Godo Kaisha IP Bridge*, 967 F.3d 1380).

Given the foregoing, the Court finds that the fourth part of the *Gunn* test is met. Realtek has not provided a colorable argument on this issue. *Cf. Progressive Sterilization, LLC v. Turbett Surgical LLC*, No. CV 19-627-CFC, 2020 WL 3071951, at *2 (D. Del. June 10, 2020) (“[A]s a practical matter, when, as in this case, a party merely states an argument in conclusory fashion in its opening brief and then files a reply brief but does not contest in that brief the specific rebuttal points made in the answering brief, a court may rightly conclude that the party implicitly conceded those points.”).

5. The Broadcom Entities Have Not Proven That All Four Requirements of the *Gunn* Test Are Met

Under the *Gunn* test, “federal jurisdiction over a state law claim” is appropriate only “if a federal issue is: (1) necessarily raised, (2) actually disputed, (3) substantial, and (4) capable of resolution in federal court without disrupting the federal-state balance approved by Congress.” *Gunn*, 568 U.S. at 258. “All four [parts] must support federal jurisdiction, and jurisdiction pursuant to this test is rare.” *Sanyo Elec.*, 2019 WL 1650067, at *4; *see, e.g., Clark v. Bay Park Ctr. for Nursing & Rehab.*, No. CV 19-506-VSB, 2019 WL 3852430, at *2 (S.D.N.Y. Aug. 16, 2019) (“[F]ederal subject matter jurisdiction will only lie if Defendants can demonstrate that each of the four elements articulated in *Gunn* have been met.”); *Ali v. DLG Dev. Corp.*, 283 F. Supp. 3d 347, 353 (E.D. Pa. 2017) (“Only when all four of these requirements are met is it proper for a federal court to exercise jurisdiction over this ‘slim category’ of cases.”); *Hinchman v. Performance Food Grp., Inc.*, 682 F. Supp. 3d 520, 525 (E.D. Va. 2023) (“All four of these requirements must be satisfied before a federal court can exercise jurisdiction in non-diverse cases asserting state-law causes of action.”).

As discussed above, the Broadcom Entities have not convinced the Court that the first part and third part of the *Gunn* test are met. *See supra* Part IV.B.1; Part IV.B.3. Thus, the Broadcom Entities have not carried their burden to demonstrate that the Court has jurisdiction pursuant to *Gunn*. *See Intellisoft, Ltd. v. Acer Am. Corp.*, 955 F.3d 927, 933 (Fed. Cir. 2020) (cleaned up and quotation marks omitted) (“Because Intellisoft’s trade secret claim did not necessarily depend on resolution of a substantial question of federal patent law, we need not address other prongs of the *Gunn* test. The district court did not have jurisdiction under section 1338(a), and the state law claims could not be removed under section 1441.”); *see also Sgromo*, 2022 WL 378669, at *2 (“Because no issue of federal patent law is necessarily raised, we need

not address the other *Gunn* elements.”); *Forrester*, 715 F.3d at 1336 n.6 (“Because we find that the patent law issue here is not substantial under *Gunn*, we do not reach [another] issue [regarding the first part of the *Gunn* test].”).

V. CONCLUSION

For the foregoing reasons, on balance, the Broadcom Entities have not carried their burden as the removing party to show that the federal courts have subject matter jurisdiction over this case. *See MHA*, 629 F. App’x at 415; *see Carlyle*, 779 F.3d at 218 (“The federal removal statute, 28 U.S.C. § 1441, is strictly construed, requiring remand if any doubt exists over whether removal was proper.”). Thus, the Court will remand this case to Delaware Chancery Court. Given that Realtek has contended that time is of the essence, the Court will docket but will not consider any motion for reargument of this Memorandum Opinion. The Court will issue an Order consistent with this Memorandum Opinion.¹⁶

¹⁶ The Court denies Realtek’s attempt to use a footnote in a reply brief to “reserve[] its right to request fees under 28 U.S.C. § 1447(c) after remand.” D.I. 32 at 4 n.1. Realtek fails to provide any legal authority that would permit it to reserve rights in this manner. *Cf. Davis v. Spicer*, No. CV 21-874-SRF, 2023 WL 2498032, at *3 (D. Del. Mar. 14, 2023) (“The court will not entertain requests for relief that are placed in footnotes.”); *In Re Novartis Pharms. Corp. v. MSN Pharms. Inc.*, No. 20-MD-2930-RGA, 2024 WL 4723274, at *4 (D. Del. Nov. 8, 2024) (“Arguments in footnotes are forfeited. . . . Arguments first made in reply briefs are forfeited.”).

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

REALTEK SEMICONDUCTOR
CORPORATION,

Plaintiff,

v.

AVAGO TECHNOLOGIES
INTERNATIONAL SALES PTE. LTD,
BROADCOM CORP., and BROADCOM
INC.,

Defendants.

C.A. No. 24-1235-GBW

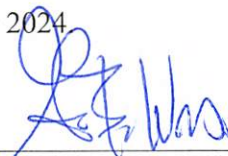
FILED UNDER SEAL

**ORDER GRANTING JOINT MOTION TO SEAL PORTIONS OF THE COURT'S
MEMORANDUM OPINION**

The Court, having considered the Joint Motion to Seal Portions of the Court's Memorandum Opinion (the "Motion"), and for good cause shown, it is **HEREBY ORDERED** that:

1. The Motion is **GRANTED**;
2. The parties proposed redactions set forth in the Memorandum Opinion attached as Exhibit A to the Motion are approved; and
3. The redacted version of the Memorandum Opinion attached as Exhibit B to the Motion shall be docketed.

IT IS SO ORDERED this 20th day of December 2024.



United States District Judge