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APPLE INC.

17 UNITED STATES DISTRICT COURT
18 NORTHERN DISTRICT OF CALIFORNIA
19 SAN JOSE DIVISION

21 APPLE INC., a California corporation,

22 Plaintiff,

23 v.

24 RIVOS, INC., a Delaware corporation; WEN
SHIH-CHIEH a/k/a RICKY WEN, and
25 BHASI KAITHAMANA,

26 Defendants.

Case No. 5:22-cv-2637

COMPLAINT

(1) Breach of Contract

(2) Violation of the Defend Trade Secrets Act (18 U.S.C. § 1836 et seq.)

DEMAND FOR JURY TRIAL

28

1 Plaintiff Apple Inc. (“Apple”) brings this Complaint against Defendant Rivos, Inc.
2 (“Rivos”) and current Rivos employees Wen Shih-Chieh a/k/a Ricky Wen and Bhasi Kaithamana
3 (together, the “Individual Defendants”) (collectively, “Defendants”) and alleges as follows:

4 INTRODUCTION

5 1. Apple brings this action to prevent Rivos and its employees from exploiting
6 Apple’s most valuable trade secrets to compete with Apple unlawfully and unfairly.

7 2. Apple’s cutting-edge, advanced system-on-chip (“SoC”) designs, including its M1
8 laptop SoC and A15 mobile phone SoC, have revolutionized the personal and mobile computing
9 worlds. Apple has devoted billions of dollars and more than a decade of effort to develop the
10 proprietary technologies and expertise necessary to engineer these revolutionary SoC designs and
11 become a leader in the field of semiconductor design.

12 3. “Stealth mode” startup Rivos, which was founded to design and market its own
13 competing SoCs, has filled out its ranks with dozens of former Apple engineers. Starting in June
14 2021, Rivos began a coordinated campaign to target Apple employees with access to Apple
15 proprietary and trade secret information about Apple’s SoC designs. Apple promptly sent Rivos a
16 letter informing Rivos of the confidentiality obligations of Apple’s former employees, but Rivos
17 never responded.

18 4. After accepting their offers from Rivos, some of these employees took gigabytes
19 of sensitive SoC specifications and design files during their last days of employment with Apple.
20 Some used multiple USB storage drives to offload material to personal devices, accessed Apple’s
21 most proprietary specifications stored within collaboration applications, and used AirDrop to
22 transfer files to personal devices. Others saved voluminous presentations on existing and
23 unreleased Apple SoCs—marked Apple Proprietary and Confidential—to their personal cloud
24 storage drives. One even made a full Time Machine backup of his entire Apple device onto a
25 personal external drive. Apple has reason to believe that Rivos instructed at least some of these
26 individuals to download and install apps for encrypted communications before conducting further
27 conversations. And several of the employees deleted information or wiped their Apple devices
28 entirely to try to cover their tracks, later falsely representing to Apple that they had not done so.

1 5. Apple welcomes and values open competition and the innovation that can result.
2 But that competition cannot be built on the back of trade secret theft. The sheer volume of
3 information taken, the highly sensitive nature of that information, and the fact that these
4 employees are now performing the same duties for a competitor with ongoing access to some of
5 Apple’s most valuable trade secrets, leave Apple with few alternatives. If Apple does not act to
6 protect its most sensitive secrets now, Apple could lose trade secret status over them entirely.
7 That outcome is untenable given Apple’s extensive investments of time and resources into its
8 SoC programs. The full extent of the use and disclosure of Apple’s trade secret information at
9 Rivos also is uniquely within the possession of the Individual Defendants and Rivos, particularly
10 since Defendants have taken actions to conceal evidence regarding their misconduct. Apple
11 therefore has no choice but to bring this action to recover its trade secrets, to protect them from
12 further disclosure, and to uncover the full extent of their use to try to mitigate the harm that has
13 and will occur.

14 **JURISDICTION, VENUE, AND PARTIES**

15 6. This Court has original jurisdiction of the asserted federal law claims under the
16 Defend Trade Secrets Act, 18 U.S.C. § 1836(c), and under federal question jurisdiction pursuant
17 to 28 U.S.C. § 1331. The Court has supplemental jurisdiction over the state law claim pursuant to
18 28 U.S.C. § 1357 because it is part of the same case or controversy.

19 7. Venue is proper pursuant to 28 U.S.C. §§ 1391(b) and (c), because Apple resides
20 in this District and Individual Defendants, all former Apple employees, have signed an
21 Intellectual Property Agreement and “consent[ed] to personal jurisdiction of and venue in the
22 state and federal courts within Santa Clara County, California” and agreed that any “judicial
23 action between the parties relating to this Agreement will take place in Santa Clary County,
24 California.”¹ Individual Defendant Ricky Wen also committed the wrongful acts within this
25 District.

26
27 ¹ Ex. A, Apple Intellectual Property Agreement (executed by Ricky Wen) (“Wen IPA”)
28 § 6.0(b); Ex. B, Apple Intellectual Property Agreement (executed by Bhasi Kaithamana)
 (“Kaithamana IPA”) § 6.0(b).

1 8. Apple is and at all times mentioned herein has been a California corporation
2 having its principal place of business at One Apple Park Way, Cupertino, California 95014.

3 9. Upon information and belief, Defendant Rivos is and at all times mentioned herein
4 has been a Delaware corporation having its principal place of business at 2811 Mission College
5 Blvd, 7th Floor, Santa Clara, CA, 95054-1884. Rivos currently employs each of the Individual
6 Defendants, as well as numerous other former employees of Apple, many of whom were formerly
7 employed by Apple in this District. At least some of these former employees perform their work
8 for Rivos within this District. Rivos's intended business will derive substantial revenue from
9 sales within this District.

10 10. Upon information and belief, Defendant Bhasi Kaithamana resides in Austin,
11 Texas. He is a "CPU Implementation Lead" at Rivos. He was a Senior Engineering Manager
12 (CPU Design) employed by Apple and working at Apple's facilities in Austin, Texas until
13 August 16, 2021, in coordination with other Apple employees in Apple's facilities in Cupertino,
14 California, including when the facts underlying this Complaint occurred. Like the other
15 Individual Defendants, Mr. Kaithamana signed the Intellectual Property Agreement agreeing to
16 jurisdiction in California and venue in Santa Clara County.

17 11. Upon information and belief, Defendant Ricky Wen resides in San Jose,
18 California. He is currently employed as a "Principal Member of Technical Staff" with a focus
19 generally on "Hardware Engineering" at Rivos. He was a CPU design engineer employed by
20 Apple and worked at Apple's facilities in Cupertino, California until August 6, 2021, including
21 when the events described in this Complaint occurred.

BACKGROUND

22 12. Founded in 1976, Apple is a world-renowned technology company and global
23 leader in consumer electronics, mobile communications, and computing. It designs,
24 manufactures, and markets smartphones, personal computers, tablets, wearables and accessories,
25 and sells a variety of related services. Apple's success and ability to compete successfully
26 depend heavily upon its ability to ensure a continual and timely flow of competitive products,
27 services, and technologies to the marketplace. Apple continues to develop new technologies to
28

1 enhance existing products and services, and to expand the range of its offerings through, among
2 other avenues, its significant investments in research and development.

3 13. One key aspect of Apple’s newest cutting-edge products is its use of highly
4 advanced SoCs, which Apple custom designs. SoCs are integrated circuits that contain, in a
5 single chip, multiple processing components, such as one or more central processing units
6 (“CPUs”), graphics processing units (“GPUs”), cache memories, and specialized processors.
7 Apple custom designs its own processing components and integrates them together in SoC
8 designs that reduce the area footprint of the chips and achieve tighter component integration
9 compared to traditional computer systems. Apple’s SoCs allow for faster, more efficient, and
10 more powerful computing. Apple’s unique designs and architecture are critical to its competitive
11 edge in the marketplace. Apple’s first ARM-based SoCs for laptop and desktop computers, the
12 M1 chip family, was released in November 2020 to great success. The M1 family has now
13 expanded to include the M1 Pro, M1 Max, and M1 Ultra chips.

14 14. The M1 chip is the first personal computer chip built using cutting-edge
15 5-nanometer process technology. It features a unified memory architecture for dramatically
16 improved performance and efficiency. At the time it was released, it featured among the world’s
17 fastest CPU cores in low-power silicon, best CPU performance per watt, and fastest integrated
18 graphics in a personal computer, while boasting breakthrough machine learning performance.
19 The M1 Pro, Max, and Ultra chips have only extended Apple’s lead in performance, custom
20 technologies, and power efficiency.

21 **A. SoC Design**

22 15. SoC design is complex and challenging, and requires considerable expertise and
23 experience. Instruction Set Architectures (“ISAs”) define processor instructions that perform
24 various processing functions (*e.g.*, accessing memory, comparing data, arithmetic). ISAs are
25 implemented through physical processor components that execute an ISA’s various instructions.
26 Designing SoC chips based on an ISA involves developing abstract models for these physical
27 components that act as the interface between the SoC and the software. Chip designers use these
28 abstract models to design the physical structure of SoCs.

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