

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION**

FOUR BATONS WIRELESS, LLC

Plaintiff,

v.

SAMSUNG ELECTRONICS CO., LTD. and
SAMSUNG ELECTRONICS AMERICA,
INC.,

Defendants.

Case No. 2:24-cv-00284-JRG

**PLAINTIFF'S OPPOSITION TO SAMSUNG'S MOTION TO STAY
PROCEEDINGS PENDING *INTER PARTES* REVIEW**

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INTRODUCTION

It is “well established that this Court will not, barring exceptional circumstances, grant a stay of proceedings for the mere filing of an IPR.” *Tessera Advanced Techs., Inc. v. Samsung Elecs. Co., Ltd.*, No. 2:17-CV-00671-JRG, 2018 WL 3472700, at *4 (E.D. Tex. July 19, 2018). “In this district, that is not just the majority rule; it is the universal practice.” *Id.* (quoting *Trover Grp., Inc. v. Dedicated Micros USA*, No. 2:13-CV-1047-WCB, 2015 WL 1069179, at *6 (E.D. Tex. Mar. 11, 2015)).

Despite that courts in this District have consistently denied Samsung’s pre-institution motions to stay pending *inter partes* review (“IPR”),¹ Samsung again asks this Court for a stay pending IPR, when not one IPR filed by Samsung has been instituted on any claim asserted in this case. Samsung does not—and cannot—point to any exceptional circumstances that would justify its request. Consistent with this Court’s uniform practice, the Court should deny Samsung’s motion.²

¹ Courts in this District have time and again denied pre-institution motions to stay filed by Samsung. *See e.g., Arbor Glob. Strategies LLC v. Samsung Elecs. Co.*, No. 2:19-CV-00333-JRG, 2020 WL 6305883, at *3 (E.D. Tex. Aug. 10, 2020) (denying Samsung’s pre-institution motion to stay pending IPR review); *Staton Techiya, LLC v. Samsung Elecs. Co.*, No. 2:21-CV-00413-JRG, 2022 WL 4084421, at *2 (E.D. Tex. Sept. 6, 2022) (same); *Nanoco Techs. Ltd. v. Samsung Elecs. Co.*, No. 2:20-CV-00038-JRG, 2021 WL 3027335, at *2 (E.D. Tex. Jan. 8, 2021) (same); *Clear Imaging Rsch., LLC v. Samsung Elecs. Co.*, No. 2:19-CV-00326-JRG, 2020 WL 13886381, at *2 (E.D. Tex. Dec. 21, 2020) (same).

² *See also Saint Lawrence Comm’cns LLC v. ZTE Corp.*, No. 2:15-CV-349-JRG, 2016 WL 7338600, at *1 (E.D. Tex. July 15, 2016) (Gilstrap, J.) (“[T]his Court has a consistent practice of denying motions to stay when the PTAB has yet to institute post-grant proceedings.”); *Rapid Completions LLC v. Baker Hughes Inc.*, No. 6:15-CV-724, 2016 WL 3079509, at *2 (E.D. Tex. June 1, 2016) (Mitchell, M.J.) (noting that the defendant “points to the hypothetical simplification of issues *if* the PTAB institutes IPR,” but “[t]hat is the same rationale in every case requesting a pre-institution motion to stay and does not necessitate a deviation from the almost universal rule denying pre-institution stays”); *Trover Grp.*, 2015 WL 1069179, at *6 (“This Court’s survey of cases from the Eastern District of Texas shows that when the PTAB has not yet acted on a petition for inter partes review, the courts have uniformly denied motions for a stay.”).

BACKGROUND

A. This Litigation

Plaintiff Four Batons filed this patent-infringement lawsuit on April 26, 2024, alleging that Samsung infringes four of Plaintiff's wireless-technology patents: U.S. Patent No. 8,798,006 ("the '006 Patent"), U.S. Patent No. 8,239,671 ("the '671 Patent"), U.S. Patent No. 7,502,348 ("the '348 Patent"), and U.S. Patent No. 8,073,436 ("the '436 Patent"). *See* Dkt. 1.

Plaintiff served its complaint on Samsung on April 29, 2024. Dkts. 9 & 10. Plaintiff served its infringement contentions on July 25, 2024. Dkt. 31. Samsung filed its answer and counterclaims on August 19, 2024, Dkt. 24, and served its invalidity contentions on November 18, 2024, Dkt. 47.

Discovery has been underway for months. Plaintiff served its initial disclosures on August 22, 2024, Dkt. 32, and Samsung served its initial disclosures on September 5, 2024, Dkt. 39. Both sides have produced documents and served interrogatories. *See* Declaration of Allen J. Hernandez ("Hernandez Decl.") ¶¶ 3–6. Samsung served Four Batons with its first set of interrogatories on October 8, 2024, and Four Batons responded on November 14, 2024. *Id.* ¶ 5. Plaintiff served Samsung with its first set of interrogatories on January 23, 2025. *Id.* ¶ 6. On February 10, 2025, Samsung requested supplemental interrogatory responses from Four Batons. *Id.* ¶ 5.

The parties have also briefed substantive issues before this Court. In November 2024, Samsung filed a motion to disqualify Plaintiff's technical expert, Dr. Matthew B. Shoemake, on the basis of two prior unrelated engagements. *See* Dkt. 45. Plaintiff opposed Samsung's motion, demonstrating in its response brief and sur-reply that Samsung's request to disqualify Dr. Shoemake is baseless. *See* Dkts. 49 & 56. Plaintiff has filed an unopposed motion requesting a hearing on Samsung's disqualification motion. *See* Dkt. 57.

In the meantime, this case is headed toward claim construction and trial. Pursuant to the Court's August 26, 2024 Docket Control Order, claim-construction discovery is to begin in early

April and end in June. *See* Dkt. 35 at 5. Claim-construction briefing closes in July, followed by a *Markman* hearing in August. *Id.* at 4. Fact discovery closes in September; expert discovery closes in October, and dispositive motions are due in November. *Id.* at 3–4. Trial is set to begin on February 9, 2026. *Id.* at 1.

B. Samsung’s IPR Petitions

On January 24, 2025—nine months after Plaintiff filed its complaint—Samsung filed an IPR petition on the ’671 Patent. Hernandez Decl. ¶ 7. On January 29, 2025, Samsung filed an IPR petition on the ’006 Patent. *Id.* ¶ 8. On January 30, 2025, Samsung filed IPR petitions on the ’348 and ’436 Patents. *Id.* ¶ 9. The PTAB has not instituted any of the IPRs petitioned by Samsung. Institution decisions are not expected until late July 2025.

On February 7, 2025, Samsung filed a motion to stay this litigation pending IPR. Dkt. 62.

LEGAL STANDARD

The decision whether to stay a patent case pending PTAB review rests entirely within this Court’s discretion. *See Sovereign Software, L.L.C. v. Amazon.com, Inc.*, 356 F. Supp. 2d 660, 662 (E.D. Tex. 2005); *see also Landis v. N. Am. Co.*, 299 U.S. 248, 254 (1936). As Samsung knows, when the PTAB has not yet acted on an IPR petition, the “universal practice” of courts in this District is to deny motions for a stay. *Tessera*, 2018 WL 3472700 at *4.

The party requesting a stay “bears the burden of showing that the circumstances justify an exercise of that discretion.” *Nken v. Holder*, 556 U.S. 418, 433–34 (2009). When analyzing whether a stay is warranted, this Court considers: (1) whether a stay will unduly prejudice or present a clear tactical disadvantage to the nonmoving party; (2) whether a stay will simplify the issues in question and trial of the case; and (3) whether discovery is complete and a trial date has been set. *Sovereign*, 356 F. Supp. 2d at 662. When deciding a motion for a stay, a court “must weigh competing interests and maintain an even balance.” *Nanoco*, 2021 WL 9930057, at *1.

ARGUMENT

A. No “exceptional circumstances” warrant a departure from the universal rule against pre-institution stays.

Under the “well established” practice of this District, only “exceptional circumstances” could justify Samsung’s request for a stay of these proceedings based on “the mere filing of an IPR.” *Tessera*, 2018 WL 3472700, at *4. In this District, “when the PTAB has not yet acted on a petition for inter partes review, the courts have uniformly denied motions for a stay.” *Id.* (quoting *Trover*, 2015 WL 1069179, at *6). Not a single Samsung IPR has been instituted, and institution decisions are not expected to be made for another six months.

In its motion, Samsung does not address this District’s “universal practice” of denying pre-institution stays, let alone offer a single circumstance it claims to be “exceptional” and thus justify its request. *See* Dkt. 62. That is because there is nothing exceptional about the circumstances of this case that would justify a pre-institution stay. These are typical IPR petitions filed by a typical (and repeat) patent defendant facing a typical patent-infringement lawsuit.

No circumstances warrant a departure from this Court’s uniform practice of denying stays prior to institution. On this basis alone, Samsung’s motion should be denied.

B. A stay prejudices Four Batons by delaying vindication of its patent rights and depriving it of its chosen forum.

Waiting “for nearly a year after [a] complaint[] [is] filed . . . before filing” IPR petitions evidences a “pattern of delay” and “cuts against granting a stay.” *Trover*, 2015 WL 1069179, at *3. Here, Samsung’s delay prejudices Four Batons. Samsung waited nine months after Four Batons filed its complaint before filing IPR petitions on the asserted claims. During those nine months, Plaintiff has dedicated substantial time and resources to preparing its infringement contentions, responding to Samsung’s discovery requests, preparing and serving its own discovery requests, and briefing Samsung’s motion to disqualify Plaintiff’s technical expert. Moreover, since at least

August 26, 2024, Samsung has been aware of the dates and deadlines in this Court’s Docket Control Order, including the claim-construction deadlines, discovery cutoffs, and trial date. Samsung nonetheless waited *five months* after issuance of the case schedule to file IPR petitions. Samsung’s delay should not be rewarded. *Cf. Nanoco Techs. Ltd. v. Samsung Elecs. Co.*, No. 2:20-CV-00038-JRG, 2021 WL 9930057, at *1 (E.D. Tex. July 1, 2021) (“Given the fairly predictable timelines in this Court and the statutory timelines at the PTAB, Samsung could have anticipated that institution decisions would occur in the shadow of pre-trial briefing, with the potential date for final written decisions from the PTAB far exceeding the scheduled trial date in this Court.”); *see also Clear Imaging*, 2020 WL 13886381, at *2 (denying Samsung’s motion to stay where “Samsung waited ten months after this case was initiated to file its IPRs and to seek a stay from the Court”).

A stay also unfairly prejudices Four Batons by depriving it of its chosen forum—this Court—for litigating validity challenges. *See Cooper Notification, Inc. v. Twitter, Inc.*, No. 09-865, 2010 WL 5149351, at *3 (D. Del. Dec. 13, 2010) (“Staying this litigation in favor of the PTO proceeding would grant Defendants their choice of forum . . . for no good reason.”). Additionally, because the PTAB does not address issues of infringement or damages, PTAB proceedings provide infringers with a relatively risk-free forum to challenge the validity of a patent. Providing “two bites at the apple” to challenge validity gives defendants an unfair advantage. *Smartflash LLC v. Apple, Inc.*, No. 6:13-CV-447, 2014 WL 3366661, at *4 (E.D. Tex. July 8, 2014) ([T]wo separate forums to challenge validity would amount to two bites at the apple and provide Defendants with a tactical advantage[.]” (citing *Segin Sys., Inc. v. Stewart Title Guar. Co.*, 30 F. Supp. 3d 476, 484 (E.D. Va. 2014))).

Moreover, Four Batons has a right to timely enforce its patent rights, and would therefore

be prejudiced by the likely multi-year delay resulting from a stay pending IPR. This Court has repeatedly acknowledged the patentee’s rights to the “timely enforcement of [its] patent rights.” *Trover*, 2015 WL 1069179, at *2; *see also Lennon Image Techs., LLC v. Macy’s Retail Holdings, Inc.*, No. 2:13-CV-00235-JRG, 2014 WL 4652117, at *2 (E.D. Tex. Sept. 18, 2014); *Unifi Sci. Batteries, LLC v. Sony Mobile Commc’ns AB*, No. 6:12-CV-221-LED-JDL, 2014 WL 4494479, at *2 (E.D. Tex. Jan. 14, 2014). Staying this case substantially delays and thus undermines Four Batons’ patent-enforcement rights. The PTAB has up to six months to decide whether to institute Samsung’s IPR petitions. 35 U.S.C. § 314. If the PTAB decides to institute IPR, it may not issue a final determination until up to one-and-a-half years after institution. *See* 35 U.S.C. § 316(a)(11); 37 C.F.R. § 42.100(c). Then, either party may appeal any final written decision of the PTAB directly to the Federal Circuit. 35 U.S.C. §§ 141(c), 319. Accordingly, final resolution of any IPR, if instituted, may not occur until mid-2027—more than a year after the trial scheduled in this case. In stark contrast, denial of Samsung’s motion ensures that a trial on the merits will be completed months before the PTAB would reach any final determinations.

Samsung attempts to diminish Plaintiff’s patent rights by asserting that Four Batons “does not compete with Defendants in the market for the accused products,” and will therefore not be prejudiced by a stay. Dkt. 62 at 3–4. This Court and others have rejected this exact argument. *See, e.g., Rembrandt Wireless Techs., LP v. Samsung Elecs. Co.*, No. 2:13-cv-213-JRG, 2015 WL 627887, at *2 (E.D. Tex. Jan. 29, 2015) (“The mere fact that [the patentee] is not currently practicing the patents does not mean that, as a matter of law, it is not prejudiced by a substantial delay of an imminent trial date.”); *Intell. Ventures I LLC v. Toshiba Corp.*, No. 13-453-SLR, 2015 WL 3773779, at *2 (D. Del. May 15, 2015) (“[P]atent licensing is a core aspect of [the patentee’s] business . . . a stay would unduly prejudice and present a clear tactical disadvantage.”); *Headwater*

Rsch. LLC v. Samsung Elecs. Co., No. 2:23-CV-00103-JRG-RSP, 2024 WL 5080240, at *2 (E.D. Tex. Dec. 11, 2024) (“All parties have an interest in the timely vindication of their patent rights, regardless of their practicing status.”).

C. There is no meaningful prospect that IPR would meaningfully simplify the issues before this Court.

The “most important factor bearing on whether to grant a stay in this case is the prospect that the inter partes review proceeding will result in simplification of issues before the Court.” *Intell. Ventures II LLC v. Kemper Corp.*, No. 6:16-CV-0081, 2016 WL 7634422, at *2 (E.D. Tex. Nov. 7, 2016) (citation omitted). Here, not one IPR petition filed by Samsung has been instituted. This District’s “universal practice” regarding the issue is clear: “the ‘simplification’ factor does not cut in favor of granting a stay prior to the time the PTAB decides whether to grant the petition for inter partes review.” *Trover*, 2015 WL 1069179, at *4. There is no reason here to deviate from that practice.

D. The progress of this litigation weighs against a stay.

This litigation has been pending for almost a year. The parties have exchanged infringement and invalidity contentions, answered numerous interrogatories, exchanged documents, and are preparing to initiate source-code review. *See* Hernandez Decl. ¶¶ 3–6; Dkt. 31; Dkt. 47. The claim construction process will begin imminently, and trial is less than a year away. *See* Dkt. 35.

This Court has consistently denied requests for a stay when, as here, the litigation has progressed significantly toward trial. This is because “[f]irm trial settings resolve cases and reduce litigation costs.” *Invensys Sys., Inc. v. Emerson Elec. Co.*, No. 6:12-CV-00799, 2014 WL 4477393, at *3 (E.D. Tex. July 25, 2014); *see also Nidec Corp. v. LG Innotek Co., Ltd.*, No. 07-cv-108, 2009 WL 3673433, at *8 (E.D. Tex. Apr. 3, 2009) (“Currently, the parties are fully engaged in discovery

with a *Markman* and trial date set . . . [G]iven the advanced stage of the proceedings in this case, the third and final factor weighs against granting a stay.”).

Claim construction will be nearly complete before the PTAB even makes an institution decision on Samsung’s IPR petitions. And trial will be over before any pending IPRs reach finality. It is neither efficient nor cost-effective to stay this case at this stage of the litigation.

CONCLUSION

Samsung is well aware that this Court universally denies pre-institution motions to stay. *See supra* note 1 (listing four Samsung pre-institution motions to stay that have been denied). Samsung’s motion here is no different—it is yet another boilerplate motion to stay that makes no effort to demonstrate that this case is somehow different from the countless others where this Court has found stays to be inappropriate. Samsung’s motion should be denied.

Dated: February 21, 2025

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on February 21, 2025, I served the above and foregoing instrument on all counsel of record via the Court's electronic filing system.

Allen J. Hernandez