

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

FOUR BATONS WIRELESS, LLC,

Plaintiff,

v.

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

Defendants.

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

**JURY TRIAL DEMANDED**

**DEFENDANTS SAMSUNG ELECTRONICS CO., LTD.'S  
AND SAMSUNG ELECTRONICS AMERICA, INC.'S  
MOTION TO STAY PROCEEDINGS PENDING *INTER PARTES* REVIEW**

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## I. INTRODUCTION

Defendants Samsung Electronics Co., Ltd. (“SEC”) and Samsung Electronics America, Inc. (“SEA”) (together, “Defendants”) respectfully move this Court to stay this proceeding in light of Defendants’ recently filed petitions for *inter partes* review (“IPR”) with the U.S. Patent and Trademark Office (“PTO”) challenging each of the Asserted Claims of the Asserted Patents in this litigation.<sup>1</sup>

All of the relevant factors that district courts weigh as part of the analysis favor a stay. First, a stay will not unduly prejudice Plaintiff Four Batons Wireless, LLC (“Plaintiff”) because Plaintiff does not compete with Defendants and can be adequately compensated through monetary damages. *See VirtualAgility Inc. v. Salesforce.com*, 759 F.3d 1307, 1318 (Fed. Cir. 2014). Second, the case has yet to reach an advanced stage, and staying the case now would conserve the Court’s and the parties’ resources. Third, the IPRs are likely to simplify the issues in this matter: the IPR petitions cover all Asserted Claims of the Asserted Patents and rely on primary prior art references and prior art combinations that were not considered by the Patent Office; moreover, Plaintiff’s statements in the IPR proceedings will be relevant to the issues in this case, including claim construction.

Given the substantive effect the IPR petitions will have on the Asserted Patents, the interests of efficiency favor staying this case now, and the Court should grant Defendants’ motion. On February 7, the parties discussed the relief sought by this motion. Counsel for Plaintiff indicated that Plaintiff opposes a stay and would oppose this motion.

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<sup>1</sup> The Asserted Patents are U.S. Patent Nos. 7,502,348 (the “’348 patent”); 8,073,436 (the “’436 patent”); 8,239, 671 (the “’671 patent”); and 8,798,006 (the “’006 patent”). The Asserted Claims are: for the ’348 patent, claims 1-6, 13-17; for the ’436 patent, claims 1-17, 19; for the ’671 patent, claims 1-4, 6-8, 10, 11, 18, 19; and, for the ’006 patent, claims 1-8, 16.

## II. BACKGROUND

This action, which Plaintiff commenced on April 26, 2024, *see* D.I. 1 (“Compl.”), has not yet reached an advanced stage. The parties have yet to engage in claim construction discovery and the claim construction hearing is not scheduled until August 11, 2025. D.I. 35 at 4. The parties have not yet taken any depositions and the deadline to substantially complete document production is not until June 30, 2025. *Id.* at 5. Burden expert reports are not due to be served until September 24, 2025. *Id.* Trial is not scheduled to commence until February 9, 2026. *Id.* at 1.

On January 24, 2025, Defendants filed IPR2025-00495, challenging claims 1-8 and 10-19 of the ’671 patent. Ex. 1. On January 29, 2025, Defendants filed IPR2025-00496, challenging claims 1-13 and 16 of the ’006 patent. Ex. 2. On January 30, 2025, Defendants filed IPR2025-00494, challenging claims 1-17 and 19 of the ’436 patent. Ex. 3. On January 30, 2025, Defendants filed IPR2025-00493, challenging claims 1-8, 10, 11, and 13-21 of the ’348 patent. Ex. 4. The IPR petitions challenge the validity of all Asserted Claims of the Asserted Patents and present new arguments that the examiners did not consider during prosecution.<sup>2</sup>

## III. LEGAL STANDARD

This Court possesses “the inherent power to control its own docket, including the power to stay proceedings.” *Customedia Techs., LLC, v. DISH Network Corp*, No. 2:16-cv-129-JRG, 2017 WL 3836123, at \*1 (E.D. Tex. Aug. 9, 2017) (citing *Clinton v. Jones*, 520 U.S. 681, 706 (1997); *see also Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1426-27 (Fed. Cir. 1988)). “A stay is particularly justified when ‘the outcome of a PTO proceeding is likely to assist the court in determining patent validity or eliminate the need to try infringement issues.’” *NFC Tech. LLC v. HTC Am., Inc.*, No. 2:13-cv-1058, 2015 WL 1069111, at \*1 (E.D. Tex. Mar. 11, 2015) (quoting

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<sup>2</sup> Each of the IPR petitions are based on primary prior art references and prior art combinations that were not before the examiners.

*Evolutionary Intel., LLC v. Millennial Media, Inc.*, No. 5:13-cv-4206, 2014 WL 2738501, at \*2 (N.D. Cal. June 11, 2014)).

Specifically, courts consider “(1) whether the stay will unduly prejudice the nonmoving party, (2) whether the proceedings before the court have reached an advanced stage, including whether discovery is complete and a trial date has been set, and (3) whether the stay will likely result in simplifying the case before the court.” *Id.* at \*2. Based on a consideration of these factors, “courts determine whether the benefits of a stay outweigh the inherent costs of postponing resolution of the litigation.” *Id.*

#### **IV. ARGUMENT**

As described below, granting a stay in this matter pending the results of the IPRs is merited because a stay will not cause any undue prejudice, will conserve this Court’s and the parties’ resources, and will simplify this litigation.

##### **A. Plaintiff Will Not Suffer Any Undue Prejudice**

Plaintiff will not suffer any undue prejudice if the Court stays this case pending resolution of the IPRs. “[W]hether the patentee will be *unduly prejudiced* by a stay in the district court proceedings . . . focuses on the patentee’s need for an expeditious resolution of its claim.” *VirtualAgility Inc.*, 759 F.3d at 1318 (emphasis in original). It is well established that “[w]hen a patentee seeks exclusively monetary damages, as opposed to a preliminary injunction or other relief, ‘mere delay in collecting damages does not constitute undue prejudice.’” *Cellular Commc’ns Equip., LLC v. Samsung Elecs. Co., Ltd.*, No. 6:14-cv-759, 2015 WL 11143485, at \*2 (E.D. Tex. Dec. 16, 2015) (quoting *Crossroads Sys., Inc. v. Dot Hill Sys. Corp.*, No. 13-CA-1025, 2015 WL 3773014, at \*2 (W.D. Tex. June 16, 2015)). As courts have recognized, a “stay will not diminish the monetary damages to which [Plaintiff] will be entitled if it succeeds in its infringement suit—it only delays realization of those damages . . . .” *Id.* Here, Plaintiff

exclusively seeks monetary damages. *See* Compl. at Prayer For Relief. Indeed, as Plaintiff does not compete with Defendants in the market for the accused products, monetary relief will be sufficient to compensate Plaintiff in the event it prevails.

Defendants, by contrast, would suffer undue prejudice in the absence of a stay because they would continue to incur the expense and burden of defending against infringement allegations based on patent claims that the Patent Trial and Appeal Board (“PTAB”) may invalidate. This is particularly true because Defendants have filed the IPR petitions promptly and within the statutory deadline, and more than one year before the trial scheduled for February 9, 2026. D.I. 35 at 1. Because Defendants have filed their IPR petitions promptly, neither party has invested significant resources—further diminishing any potential prejudice to Plaintiff.

Thus, a stay will benefit both parties by allowing them to take advantage of the IPR system, which constitutes “a more efficient and streamlined patent system that will improve patent quality and limit unnecessary and counterproductive litigation costs.” *MCM Portfolio LLC v. Hewlett-Packard Co.*, 812 F.3d 1284, 1290-91 (Fed. Cir. 2015) (quoting H.R. Rep. No. 112-98, 2011 U.S.C.C.A.N. 67, 69, at 39-40). Accordingly, this factor favors granting Defendants’ motion to stay.

**B. This Action Has Not Reached an Advanced Stage**

Because this case is at an early stage, “there remains a significant amount of work ahead for the parties and the court,” which also weighs in favor of a stay. *Norman IP Holdings, LLC v. TP-Link Techs., Co.*, No. 6:13-cv-384-JDL, 2014 WL 5035718, at \*3 (E.D. Tex. Oct. 8, 2014) (quotations omitted). Significant work remains to be done in fact discovery, including all depositions. Moreover, the parties have not yet engaged in claim construction discovery, and the claim construction hearing is not scheduled until August 2024. D.I. 35 at 4. Accordingly, “there remain significant resources yet to be expended by the parties,” weighing in favor of a stay.

*AGIS Software Dev. LLC v. Google LLC*, No. 2:19-CV-00359-JRG, 2021 WL 465424, at \*3 (E.D. Tex. Feb. 9, 2021) (granting stay pending *ex parte* reexamination even at later stage of litigation closer to trial in part because of the remaining work left to be completed by parties).

A stay would also conserve judicial resources, including by avoiding any need to revisit claim construction or other orders in view of arguments advanced before the PTAB. *See Aylus Networks, Inc. v. Apple Inc.*, 856 F.3d 1353, 1364 (Fed. Cir. 2017) (“[S]tatements made by a patent owner during an IPR proceeding, whether before or after an institution decision, can be relied upon to support a finding of prosecution disclaimer.”). In addition, a stay would allow the parties to avoid incurring significant expense if the litigation continues. *See, e.g., Versata Software, Inc. v. Callidus Software, Inc.*, 771 F.3d 1368, 1374 (Fed. Cir. 2014) (finding that the court should “be mindful of the burden on the parties and the court in completing both fact and expert discovery, resolving summary judgment motions, completing the *Markman* process, and preparing for trial” and that such circumstances “strongly favor[] a stay”) (opinion vacated because the parties settled the case before the opinion issued); *Smartflash LLC v. Apple, Inc.*, No. 6:13-CV-447-JRG, 2015 WL 3453343, at \*20-21 (E.D. Tex. May 29, 2015) (granting Amazon defendants’ motion to stay pending CBM review after finding the case is “in its very early stages and has only recently had its scheduling conference”), *order corrected sub nom. Smartflash LLC v. Google, Inc.*, No. 6:14-CV-435-JRG-KNM, 2015 WL 13884196 (E.D. Tex. June 2, 2015), and *aff’d in part, rev’d in part on other grounds*, 621 F. App’x 995 (Fed. Cir. 2015).

The significant amount of work remaining in this case, and the fact that the case has not yet reached an advanced stage, favor granting Defendants’ motion to stay.

**C. IPR Proceedings Will Simplify or Eliminate Issues, Streamlining Litigation and Reducing the Burden on the Parties and This Court**

“[T]he most important factor bearing on whether to grant a stay in this case is the prospect that the [IPR] proceeding will result in simplification of the issues before the Court.” *NFC Tech.*, 2015 WL 1069111, at \*4. For instance, “[a] stay is particularly justified when the outcome of a PTO proceeding is likely to assist the court in determining patent validity or eliminate the need to try infringement issues.” *Id.* at \*1 (quotations omitted). As the Federal Circuit and courts in this District have observed, “an auxiliary function [of the proceeding] is to free the court from any need to consider prior art without the benefit of the [PTAB]’s initial consideration.” *Norman IP Holdings*, 2014 WL 5035718, at \*2 (quoting *In re Etter*, 756 F.2d 852, 857 (Fed. Cir. 1985)).

As the pending IPR petitions here concern each of the Asserted Claims of the Asserted Patents, the pending IPRs will simplify the issues in this case if not potentially resolve them altogether. According to the USPTO’s PTAB trial statistics for fiscal year 2024 (Oct. 1, 2023 through Sept. 30, 2024), the PTAB’s institution rate by petition was 68% during this period (Ex. 5 at 6), including a 69% institution rate in the Electrical/Computer technology area (the relevant technology area of the Asserted Patent) (*id.* at 8). Instituted IPRs generally lead to claim cancellation—according to outcomes by petition during fiscal year 2024, 85% (379 out of 446) of Final Written Decisions resulted in at least one claim being found invalid, and 67.2% (312 out of 464) of Final Written Decisions found all instituted claims invalid. *Id.* at 11. It is accordingly likely that the IPRs will affect the scope of this case significantly.

If the PTAB invalidates the Asserted Claims, then a stay will have saved significant time and resources for the Court and the parties. If only some of the claims are invalidated, then IPR will have narrowed the issues and will also add prosecution history that may inform the proper

construction of claim terms, as well as the issues of infringement and invalidity. *See NFC Tech.*, 2015 WL 1069111, at \*7 (“[A]ny disposition by the PTAB is likely to simplify the proceedings before this Court ...”).

This factor too weighs in favor of granting Defendants’ motion to stay.

## V. CONCLUSION

For the foregoing reasons, the balance of the relevant factors favors the Court granting Defendants’ motion to stay this case pending final resolution of the IPRs filed by Defendants.

DATE: February 7, 2025

Respectfully submitted,

/s/ Jin-Suk Park

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**CERTIFICATE OF CONFERENCE**

Pursuant to Local Rules CV-7(h) and (i), counsel for Defendants met and conferred with counsel for Plaintiff on February 7, 2025. Counsel for Plaintiff indicated that Plaintiff opposes a stay and would oppose this motion. As such, this issue has come to an impasse requiring the Court's intervention.

/s/ Melissa R. Smith  
Melissa R. Smith

**CERTIFICATE OF SERVICE**

I hereby certify that on February 7, 2025, I electronically filed the foregoing Defendants' Samsung Electronics Co., Ltd. and Samsung Electronics America Inc.'s Motion to Stay Proceedings Pending *Inter Partes* Review with the Clerk of the Court for the Eastern District of Texas using the Court's ECF System, which will send notification to the registered participants of the ECF System as listed on the Court's Notice of Electronic Filing.

/s/ Melissa R. Smith  
Melissa R. Smith