

2024 WL 5348631

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United States District Court, E.D. Texas, Marshall Division.

FORAS TECHNOLOGIES LTD., Plaintiff,

v.

APTIV PLC and Valeo SE f/
k/a Valeo SA, Defendants.

CIVIL ACTION NO. 2:23-CV-00314-JRG

Signed July 25, 2024

Attorneys and Law Firms

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ORDERRODNEY GILSTRAP, UNITED STATES DISTRICT
JUDGE

*1 Before the Court is Defendant Valeo SE f/k/a Valeo SA's ("Valeo" or "Defendant") Motion to Stay Pending IPR (the "Motion to Stay"). (Dkt. No. 70.) In the Motion, Valeo asks the Court to stay this case pending final decision in non-party BMW's petition for *inter partes* review ("IPR") of the sole asserted patent in this case. (*Id.* at 1.)

On June 28, 2023, Plaintiff Foras Technologies Ltd. ("Foras" or "Plaintiff") filed suit against multiple defendants alleging infringement of [U.S. Patent No. 7,502,958](#) ("the '958

patent"). (Dkt. No. 1.) Plaintiff served the Complaint on Valeo on November 27, 2023. (Dkt. No. 70 at 2.)

On March 20, 2024, the PTAB instituted an IPR that was filed by non-party BMW of North America, LLC on claims 1-8 and 13-22 of the '958 patent. (*Id.*) In April 2024, Valeo filed its own IPR petition on the '958 patent, asserting the same ground as in the BMW IPR, and moved to join the instituted BMW IPR. (*Id.* at 2-3.)

On November 29, 2023, the Central Reexamination Unit ("CRU") of the USPTO ordered an *ex parte* reexamination ("EPR") of all claims of the '958 patent. (*Id.* at 3.) On March 19, 2024, the CRU issued its first Non-Final Office Action, rejecting all claims of the '958 patent. (*Id.*)

I. LEGAL STANDARD

The district court has the inherent power to control its own docket, including the power to stay proceedings. [Clinton v. Jones](#), 520 U.S. 681, 706 (1997). How to best manage the court's docket "calls for the exercise of judgment, which must weigh competing interests and maintain an even balance." [Landis v. N. Am. Co.](#), 299 U.S. 248, 254-55 (1936). "District courts typically consider three factors when determining whether to grant a stay pending *inter partes* review of a patent in suit: (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." [NFC Techs. LLC v. HTC Am., Inc.](#), Case No. 2:13-cv-1058-WCB, 2015 WL 1069111, at *2 (E.D. Tex. Mar. 11, 2015) (Bryson, J.).

II. DISCUSSION**A. Likelihood of Simplification of the Issues**

Valeo argues that a stay in this case is likely to simplify the issues because all the asserted claims of the '958 patent are currently under active PTAB review. (Dkt. No. 70 at 7.) Valeo further points out that all other claims of the '958 patent are under review by the PTAB in the EPR. (*Id.*) In addition, Valeo notes that it has joined the BMW IPR and filed its own IPR based on the same ground as in the BMW IPR. (*Id.* at 8-9.) Further, Valeo has agreed to be bound by the full statutory estoppel provision of [35 U.S.C. § 315\(e\)](#) based on any ground raised or that reasonably could have been raised during the BMW IPR. (Dkt. No. 91.) Valeo also argues that the pending

IPRs and EPR will significantly simplify and eliminate issues that are applicable to both Valeo and Aptiv. (Dkt. No. 70 at 10.) Valeo alternatively argues that there would be significant simplification of the issues even if the Court were to sever and stay only the claims against Valeo. (*Id.*)

*2 In response, Plaintiff argues that neither the IPR nor EPR will simplify the case. (Dkt. No. 75 at 7-10.) Plaintiff argues, for example, that Valeo can still challenge the validity of the '958 patent using system prior art, which diminishes the extent of issue simplification. (*Id.* at 7-8.) Plaintiff further argues that the strength of the IPR and EPR on the '958 patent is speculative. (*Id.* at 8-10.)

The Court finds that this factor weighs in favor of a stay. IPR has been instituted on the asserted claims of the '958 patent. In addition, all the claims of the '958 patent have been rejected in the pending EPR. Accordingly, there is a material likelihood of simplification of the issues in this case. Even if the PTAB were to find some or all of the claims under review to be valid, Valeo agrees to be estopped from asserting invalidity defenses on any grounds it raised or reasonably could have raised during the BMW IPR. (Dkt. No. 91.) Further, the cancellation of some or all of the claims in either the IPR or the EPR could result in simplification of the issues in this case. The likelihood of simplification weighs in favor of a stay under these facts.

B. Stage of the Litigation

Valeo argues that the early stage of the case favors a stay. (Dkt. No. 70 at 11.) In particular, Valeo observes that fact discovery has barely started, that the Court will not hold a Markman hearing until February 2025, and that the trial date of August 4, 2025 is well into the future. (*Id.*) The parties have served no interrogatories and taken no depositions. (*Id.*) Valeo further argues that it timely moved to join the BMW IPR and filed this Motion to Stay just one month after the BMW IPR was instituted and the USPTO rejected all claims of the '958 patent. (*Id.*)

Plaintiff responds that the stage of the case disfavors a stay because Plaintiff has served its infringement contentions and the parties have negotiated a case schedule and participated in a case management conference. (Dkt. No. 75 at 6.) Plaintiff further notes that the Final Written Decision is not expected until March 20, 2025, with the potential for a further 6-month delay. (*Id.* at 7.) Plaintiff also argues that the August 4, 2025 trial will take place before any appeals stemming from the IPR and prior to the completion of the EPR. (*Id.*)

The Court finds that the early stage of the case favors a stay. Fact discovery has just begun, and the parties have taken no depositions and served no interrogatories. The Court has not yet conducted the *Markman* hearing, which is set for February 3, 2025. The bulk of the work in this case has yet to take place. Furthermore, the PTAB is expected to issue its Final Written Decision on the '958 patent by March 20, 2025, which is more than 4 months before the scheduled trial date of August 4, 2025. Notably, Valeo acted with reasonable dispatch by filing its own IPR petition and moving to join the BMW IPR within one month of institution. On balance, these facts weigh in favor of a stay.

C. Prejudice

Valeo argues that Plaintiff, a non-practicing entity seeking only monetary damages, will not suffer any undue prejudice if the Court stays the case. (Dkt. No. 70 at 12.) Valeo further points out that Plaintiff "has had no problem with delay in the progress of the case" because Plaintiff did not serve Valeo with the Complaint until November 27, 2023 despite having filed it on June 28, 2023. (*Id.* at 13.)

*3 In response, Plaintiff argues that EPR proceedings take 25.7 months on average to complete and that the Final Written Decision due March 2025 could be subject to a multi-year appeal. (Dkt. No. 75 at 3-4.) Therefore, Plaintiff contends that it would suffer prejudice from not having its patent infringement claims resolved for several years. (*Id.* at 4.) Plaintiff further notes that source code and technical information in the possession of third party Renesas could become unavailable in the intervening time. (*Id.* at 5.) In addition, Plaintiff argues that it has asserted the '958 patent against multiple defendants, including Aptiv PLC, Nissan Motor Company, and ZF Friedrichshafen AG. (*Id.* at 6.) According to Plaintiff, staying this case against Valeo would afford Valeo an opportunity to "sit back and watch while the other defendants proceed and make strategic decisions based on those proceedings." (*Id.*)

The Court finds that Plaintiff will not be unduly prejudiced by the stay. Though this Court clearly recognizes a plaintiff's right to the timely enforcement of its patent rights, Plaintiff has not identified any prejudice beyond the delay inherent in the IPR process. The Court notes, however, that given the early stage of this case, the Final Written Decision by the PTAB is due over 4 months before trial in this case. This factor is neutral, in this case.

III. CONCLUSION

Having weighed all the factors relevant to whether a stay pending IPR is warranted, the Court finds that the balance of those factors weighs in favor of granting a stay as to Valeo SE. Accordingly, the Court finds that the Motion to Stay (Dkt. No. 70) should be and hereby is **GRANTED**. The parties are **ORDERED** to file a Joint Notice herein within ten (10) days

of the issuance of any dispositive decisions emanating from the IPR or EPR referenced above.

So ORDERED and SIGNED this 25th day of July, 2024.

All Citations

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