

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

PAYGEO, LLC,

Plaintiff,

v.

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

Defendants.

Case No. 2:25-cv-00334-RWS-RSP

**PAYGEO, LLC'S OPPOSED MOTION TO STRIKE
DEFENDANTS' AFFIRMATIVE DEFENSES**

Plaintiff PayGeo, LLC (“PayGeo”) moves pursuant to Fed. R. Civ. P. 12(f) to strike Defendants Samsung Electronics Co., Ltd. and Samsung Electronics America, Inc.’s (collectively “Defendants”) Fourteenth Defense which alleges six different equitable doctrines and is devoid of any facts. As this Court has found previously in similar circumstances, this is not a proper affirmative defense, has not been properly pled, and does not provide PayGeo with a fair and sufficient explanation regarding the basis of each of the six equitable defenses. PayGeo should not have to expend its discovery resources inquiring about defenses for which there is no apparent basis in fact. Further, during the parties’ meet and confer, Defendants were unable to articulate the grounds for these defenses, such that Defendants have no good faith basis to assert them at this point. Accordingly, PayGeo respectfully requests the Court to strike Defendants’ Fourteenth Defense under Rule 12(f) in its entirety.

I. FACTUAL BACKGROUND

PayGeo filed its Complaint on April 2, 2025, alleging that Defendants infringe claims of U.S. Patent Nos. 8,554,671 (the “671 Patent”); 10,796,296 (the “296 Patent”); 10,937,018 (the “018 Patent”); 11,087,307 (the “307 Patent”); and 12,014,347 (the “347 Patent”) (collectively, the “Asserted Patents”). Dkt. 1. On July 29, 2025, Defendants filed their Answer to the Complaint. *See* Dkt. 18. The totality of Defendants’ Fourteenth Defense is as follows: “Plaintiff is barred from receiving some or all of the relief sought by reason of the doctrine of waiver, estoppel, acquiescence, laches, unclean hands, and/or implied license.” *Id.* at 34, ¶14. Pleading unclean hands requires some factual context, but Defendants’ Answer provides no such context. For the rest of these affirmative defenses to be viable, they require Defendants to have had some knowledge of the Asserted Patents prior to the filing of the Complaint. Defendants, however,

affirmatively assert in their Answer that they “lacked knowledge of the Asserted Patents.” *Id.* at 35, ¶ 17.

On August 18, 2025, counsel for PayGeo requested by email that Defendants agree to withdraw their Fourteenth Defense, explaining that that, among other issues, laches is “no longer [a] defense[] to patent infringement” and that “Defendants have no basis to assert acquiescence, estoppel or implied license” based on Defendants’ answer stating that “Defendants lacked knowledge of the Asserted Patents ... prior to the filing of the Complaint.” The parties met and conferred just before PayGeo filed this Motion and Defendants did not agree to withdraw their Fourteenth Defense regarding Equitable Doctrines.

II. ARGUMENT

Defendants appear to have no basis for their Fourteenth Defense, for which they have pled no facts to support the six different equitable doctrines contained in their single sentence affirmative defense. PayGeo should not have to waste valuable discovery resources on these six different defenses, when Defendants cannot articulate any basis for them. Federal Rule of Civil Procedure 12(f) “creates a clear mechanism for the court to save time and expense by eliminating insufficient defenses from the pleadings when those items lack merit or are otherwise unavailing.” *Twin Rivers Eng’g, Inc. v. Fieldpiece Instruments, Inc.*, No. 2:15-cv-01838-JRG, 2016 WL 7042232, at *1 (E.D. Tex. Apr. 6, 2016) (citing *Operating Eng’rs Local 324 Health Care Plan v. G&W Const. Co.*, 783 F.3d 1045, 1050 (6th Cir. 2015)). Furthermore, Defendants do not even attempt to meet the bare minimum requirements of Rule 8(b) of the Federal Rules of Civil Procedure. Specifically, a party must “state in short and plain terms its defenses to *each claim* asserted against it” when responding to a pleading, which Defendants entirely failed to do. Fed. R. Civ. P. 8(b)(1)(A) (emphasis added).

A. The Court Should Strike Defendants’ Fourteenth Defense Asserting Six Equitable Doctrines Which Recites No Facts To Support The Defenses

Defendants’ Fourteenth Defense asserting six equitable doctrines is a single, conclusory sentence that states: “Plaintiff is barred from receiving some or all of the relief sought by reason of the doctrine of waiver, estoppel, acquiescence, laches, unclean hands, and/or implied license.” Dkt. 18 at 34, ¶ 14. Defendants’ “broad and generic recitation of equitable defenses does not recite any facts as to how [PayGeo’s] conduct gives rise to any of such defenses.” *See Twin Rivers*, 2016 WL7042232, at *1. While “in some cases, merely pleading the name of the affirmative defense . . . may be sufficient,” Defendants’ Fourteenth Defense “falls well short of the minimum particulars needed to identify the affirmative defense in question.” *Id.* (quoting *Woodfield v. Bowman*, 193 F.3d 354, 362 (5th Cir. 1999)).

Further, as demonstrated below, all but one of these affirmative defenses require some knowledge of the Asserted Patents prior to the filing of the Complaint. Defendants, however, have affirmatively stated that they had no knowledge of the Asserted Patents prior to the filing of the Complaint. Dkt. 18 at 35, ¶ 17. To the extent Defendants are seeking to plead affirmative defenses in the alternative, Defendants must have some facts to support the equitable defenses asserted in their Fourteenth Defense to fairly put PayGeo on notice of their defenses. *Twin Rivers*, 2016 WL7042232, at *1 (citing *Woodfield*, 193 F.3d at 362) (“To find that a defense is insufficient as a matter of law, the Court considers whether the defense is applicable to the instant case and whether the pleadings give plaintiff fair notice of the defense.”). Given the stark contradictions in Defendants’ Answer and Defendants’ refusal to plead *any* facts to support the Fourteenth Defense, a motion to strike is proper because Defendants have failed to give PayGeo notice of their defenses and it appears that Defendants do not have a good faith basis to assert them in the first instance.

1. Defendants Cannot Support a Waiver Defense

Waiver usually occurs “when a party with full knowledge of material facts, either intentionally relinquishes its rights to enforce the patents, or engages in conduct so inconsistent with an intent to enforce its rights as to induce a reasonable belief that such right has been relinquished.” *JumpSport, Inc. v. Acad., Ltd.*, No. 17-cv-414-RWS-JDL, 2018 WL 10124888, at *4 (E.D. Tex. Sept. 6, 2018) (citing *Qualcomm Inc. v. Broadcom Corp.*, 548 F.3d 1004, 1021-22 (Fed. Cir. 2008)). Defendants have not alleged any facts to support such a defense. Further, Defendants cannot have had a reasonable belief that PayGeo “intentionally relinquishe[d] its rights to enforce” the Asserted Patents where the first time Defendants learned of the Asserted Patents was when this Complaint for patent infringement was filed. *JumpSport*, 2018 WL 10124888, at *4. Accordingly, Defendants have not properly pled any defense of waiver.

2. Defendants Cannot Support an Estoppel Nor Acquiescence Defense

Equitable estoppel requires three elements: “(1) the patentee, through misleading conduct (or silence), leads the alleged infringer to reasonably infer that the patentee does not intend to enforce its patent against the alleged infringer; (2) the alleged infringer relies on that conduct; and (3) the alleged infringer will be materially prejudiced if the patentee is allowed to proceed with its claim.” *High Point SARL v. Sprint Nextel Corp.*, 817 F.3d 1325, 1330 (Fed. Cir. 2016). Acquiescence is a species of estoppel and requires, “the plaintiff’s implicit or explicit assurances to the defendant . . . induce[] reliance by the defendant.” *JumpSport*, 2018 WL 10124888, at *4 (quoting *Conan Props., Inc. v. Conans Pizza, Inc.*, 752 F.2d 145, 153 (5th Cir. 1985)). Again, Defendants have failed to plead *any* facts sufficient support to the equitable defenses of estoppel and acquiescence. Further, these defenses require some knowledge of the Asserted Patents prior

to the filing of the Complaint, which Defendants' Answer asserts they do not have. Accordingly, Defendants' estoppel and acquiescence defenses are not properly pled and should be stricken.

3. Laches Is Not a Viable Defense

A "careful review of the *SCA Hygiene* opinion in its entirety makes clear that laches is no longer available as an equitable defense to patent infringement" regardless of "whether the plaintiff seeks legal remedies, equitable remedies, or both." *Headwater Rsch. LLC v. Verizon Commc'ns Inc.*, No. 2:23-cv-00352-JRG-RSP, 2025 WL 1935696, at *4 (E.D. Tex. June 20, 2025) (citing *SCA Hygiene Prods. Aktiebolag v. First Quality Baby Prods., LLC*, 580 U.S. 328, 334-35 (2017)), *R. & R. adopted*, No. 2:23-cv-00352-JRG-RSP, 2025 WL 1932528 (E.D. Tex. July 14, 2025). Therefore, "laches is not available regardless of the nature of the relief a plaintiff seeks." *Id.* Accordingly, Defendants' laches defense is improper and should be stricken.

4. Defendants Have Not Asserted a Basis for An Unclean Hands Defense

Unclean hands is an equitable defense that applies when a party seeking relief has committed misconduct that "has immediate and necessary relation to the equity that he seeks in respect of the matter in litigation[.]" *Gilead Sciences, Inc. v. Merck & Co.*, 888 F.3d 1231, 1239 (Fed. Cir. 2018) (quoting *Keystone Driller Co. v. Gen. Extractor Co.*, 290 U.S. 240, 245 (1933)). At minimum, the pleading required to assert an unclean hands defense, whether based on fraud or inequitable conduct, must include factual context to frame the allegation as to this defense. *See Godo Kaisha IP Bridge 1 v. Telefonaktiebolaget LM Ericsson*, No. 2:21-cv-00213-JRG, 2022 WL 2055232, at *6 (E.D. Tex June 6, 2022) (striking defendant's affirmative defenses (waiver, estoppel, and/or unclean hands) under Rule 12(f)). Defendants' "single-sentence, bare-bones pleadings that incorporate no additional factual context, background, or allegations fail to

meet the *Woodfield* standard” sufficient to support an unclean hands defense. *See id.* (citing *Woodfield*, 193 F.3d at 362). Accordingly, this defense should be stricken.

5. Defendants Cannot Support an Implied License Defense

An implied license requires, in part, a showing that a relationship existed between plaintiff and defendant such that plaintiff granted defendant a right to use plaintiff’s patents in exchange for valuable consideration for the grant of right. *Wang Lab’ys, Inc. v. Mitsubishi Elecs. Am., Inc.*, 103 F.3d 1571, 1579 (Fed. Cir. 1997). Defendants failed to allege a single fact necessary to plead an implied license defense. There are no allegations that PayGeo and Defendants had any relationship prior to filing the Complaint. Further, Defendants’ allegation that they did not have any knowledge of the Asserted Patents is contrary to this equitable defense. Given the lack of any factual allegations, Defendants’ implied license defense should be stricken.

B. Defendants’ Fourteenth Defense Does Not Give PayGeo Any Notice of Defendants’ Defenses

As noted above, Defendants’ Fourteenth Defense is conclusory, devoid of facts, and contrary to Defendants’ other allegations in its Answer. *See SecurityProfiling, LLC v. Trend Micro Am., Inc.*, No. 6:16-cv-01165-RWS-JDL, 2017 WL 5150682, at *7 (E.D. Tex. Mar. 21, 2017) (granting plaintiff’s motion to strike defendant’s “skeletal” affirmative defenses of waiver, estoppel, claim preclusion, laches, unclean hands), *R. & R. adopted*, No. 6:16-cv-01165-RWS-JDL, 2017 WL 1950810, at *2 (E.D. Tex. May 11, 2017). Just as the Court found in *SecurityProfiling*, Defendants here “merely name[] the affirmative defenses without providing any additional detail to give [PayGeo] fair notice of the nature of the defenses,” such that striking the defense is warranted. 2017 WL 1950810, at *2. Furthermore, lumping together unrelated affirmative defenses into one single defense is improper, confusing, and fails to give PayGeo

“fair notice.” *Id.* Defendants needed to set forth at least a minimum set of facts to provide PayGeo sufficient notice of each of the purported equitable defenses. Without any such facts, Defendants’ naked and unfounded affirmative equitable defenses should be stricken.

III. CONCLUSION

For the reasons set forth above, the Court should strike Defendants’ Fourteenth Defense as insufficiently plead and unsupported.

Respectfully submitted,

Date: August 20, 2025

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CERTIFICATE OF CONFERENCE

Pursuant to Local Rules CV-7(h) and (i), counsel for the parties met and conferred on August 20, 2025 via video conference. In attendance was Christina Finn, counsel for Plaintiff PayGeo, LLC, and Christopher Blackford and Benjamin Schlesinger, counsel for Defendants. Counsel for Defendants stated that Defendants do not agree to withdraw their Fourteenth Defense, such that discussions have conclusively ended in an impasse as of PayGeo's deadline for filing a motion to strike, leaving an open issue for the court to resolve.

/s/ Christina Finn

Christina Finn

CERTIFICATE OF SERVICE

I hereby certify that on August 20, 2025, a copy of the foregoing document was filed electronically with the Clerk of the Court using the CM/ECF system, which will automatically send notification of such filing to all counsel of record.

/s/ Christina Finn

Christina Finn