

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

ROBERT BOSCH LLC,

Plaintiff,

v.

WESTPORT FUEL SYSTEMS CANADA,
INC.,

Defendant.

Case No. 2:23-cv-00038-JRG

MOTION TO STAY PENDING *INTER PARTES* REVIEW

Plaintiff Robert Bosch, LLC (“Bosch”) respectfully moves to stay this action until the Patent Trial and Appeal Board (“PTAB”) concludes *Inter Partes* Review (“IPR”) of U.S. Patent Nos. 6,298,829 and 6,575,138 (collectively, the “Patents-in-Suit”).

I. INTRODUCTION

Each of the three factors this Court considers when deciding motions to stay pending IPR warrants granting this motion. **First**, a stay will not unduly prejudice defendant Westport Fuel Systems Canada, Inc. (“Westport”). This case concerns two patents that expired on March 9, 2020. Westport chose not to assert those patents before they expired. And, when Westport filed suit nearly two years later on December 15, 2021, Westport chose not to sue Bosch. In fact, Westport has still not counterclaimed for infringement or sought damages in this action. Were Westport to do so and should it prevail, it can recover money damages for the relevant period irrespective of a stay. Thus, a stay will not prejudice Westport.

Second, a stay is appropriate at this early stage of the case. Westport has not answered the complaint. The Court has not held a case management conference or issued a scheduling order. Fact discovery has not begun, no Markman hearing has been set, and no trial scheduled.

Third, a stay will simplify the issues before this Court. On December 14, 2022, Bosch filed IPR petitions challenging all of the claims Westport had previously asserted. Bosch is also a real-party-in-interest to two additional petitions challenging the Patents-in-Suit. The most likely result is that the Patent Office will invalidate the asserted claims. But, even if all of the claims are not invalidated, the IPRs will still simplify the issues because Westport may take positions in the IPRs relevant to claim construction and infringement. And, if Westport asserts counterclaims of infringement, Bosch expects to raise affirmative defenses of invalidity. A stay could also simplify that issue because Bosch could be estopped from asserting invalidity based

on prior art that could have been raised in the IPRs. Thus, a stay would promote judicial economy and avoid potentially wasteful discovery efforts.

II. BACKGROUND

Westport's patents expired March 9, 2020. Almost two years later, on December 15, 2021, Westport filed five patent cases in the Eastern District of Texas alleging that certain vehicle manufacturers infringed Westport's expired patents.¹ Bosch was not and has never been a party to any of those cases.

All of Westport's cases have been dismissed or stayed. In September, 2022, the cases against Mercedes, FCA, and Nissan were dismissed for lack of venue. The deadline for Westport to appeal passed and Westport has not filed new suits against those entities. On January 19 and 20, 2023, the cases against GM and Ford were stayed "pending resolution of th[is] declaratory judgment action...." *Westport Fuel Sys. Can. Inc. v. Ford Motor Co.*, No. 2:21-cv-0453-RWS-RSP, 2023 U.S. Dist. LEXIS 9473, at *2, *12 (E.D. Tex. Jan. 19, 2023); *Westport Fuel Sys. Can. Inc. v. Nissan N. Am., Inc.*, No. 2:21-cv-0455-JRG-RSP, 2023 U.S. Dist. LEXIS 10244, at *2, *12 (E.D. Tex. Jan. 20, 2023). Westport did not object to those stays and that deadline has also passed.

On April 4, 2022, Bosch filed this action in the Eastern District of Virginia seeking a declaration that the accused fuel injector does not infringe the Patents-in-Suit. *See* Complaint, *Robert Bosch, LLC v. Westport Fuel Sys. Can., Inc.*, No. 1:22-cv-00370-RDA-JFA (E.D. Va. April 4, 2022), ECF No. 1. There has been no substantive activity—indeed, Westport has not

¹ These cases are captioned *Westport Fuel Sys. Can. Inc. v. Ford Motor Co.*, No. 2:21-cv-453; *Westport Fuel Sys. Can. Inc. v. Mercedes-Benz USA, LLC*, No. 2:21-cv-454; *Westport Fuel Sys. Can. Inc. v. Nissan N. Am., Inc.*, No. 2:21-cv-455; *Westport Fuel Sys. Can. Inc. v. Gen. Motors, LLC*, No. 2:21-cv-456; and *Westport Fuel Sys. Can. Inc. v. FCA USA LLC D/B/A FCA Grp. US LLC*, No. 2:21-cv-457.

even answered the complaint. Instead, on May 27, 2022, Westport moved to dismiss this action for lack of jurisdiction or, alternatively, to transfer it to the Eastern District of Texas. *Id.* at ECF No. 17. On January 31, 2023, the Eastern District of Virginia Court denied Westport's motions to dismiss but granted Westport's motion to transfer this case to the Eastern District of Texas. *Id.* at ECF No. 38.

On December 14, 2022, Bosch filed petitions for *Inter Partes* Review ("IPR") of the Patents-in-Suit.² That same day, Mercedes filed two additional IPR petitions challenging the Patents-in-Suit on different grounds.³ These four IPR petitions challenge *every* patent claim that Westport asserted against the car manufacturers. Westport may provide a patent owner response no later than March 23, 2023, and the PTAB's deadline to issue an institution decision is June 23, 2023. The PTAB's final written decision would be due by June 23, 2024.

III. LEGAL STANDARD

The decision to stay this litigation falls solely within this Court's discretion and inherent power to manage its docket. *See Arbor Glob. Strategies LLC v. Samsung Elecs. Co.*, No. 2:19-cv-00333-JRG-RSP, 2021 U.S. Dist. LEXIS 2434, at *4, (E.D. Tex. Jan. 7, 2021) (citing *Landis v. N. Am. Co.*, 299 U.S. 248, 254 (1936)). This court typically considers "three factors when deciding whether to stay litigation pending IPR of the asserted patent(s):"

- (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 simplify issues in question in the litigation.

² *Robert Bosch LLC et al. v. Westport Fuel Sys. Can., Inc.*, IPR2023-00292 and IPR2023-00293.

³ *Mercedes-Benz USA, LLC v. Westport Fuel Sys. Can., Inc.*, IPR2023-00351 and IPR2023-00352. Bosch is a real-party-in-interest in the Mercedes IPR petitions and, as such, would be bound by any estoppel that might apply.

Scorpcast v. Boutique Media, No. 2:20-cv-00193-JRG-RSP (Lead Case), 2021 U.S. Dist. LEXIS 152302, at *6-7 (E.D. Tex. June 7, 2021) (citing *Trover Grp., Inc. v. Dedicated Micros USA*, No. 2:13-CV-1047-WCB (Lead Case), 2015 U.S. Dist. LEXIS 29572, at *2 (E.D. Tex. Mar. 11, 2015) (collecting cases)).

IV. ARGUMENT

All three factors weigh in favor of granting this motion to stay. Westport will not be unduly prejudiced because the patents expired almost three years ago. This case has not reached an “advanced staged” and a stay will simplify the issues in this litigation.

A. A Stay Would Not Unduly Prejudice Westport.

This factor “focuses on the patentee’s need for an expeditious resolution of its claim.” *VirtualAgility Inc. v. Salesforce.com*, 759 F.3d 1307, 1318 (Fed. Cir. 2014). Here, Westport chose not to sue Bosch. Instead, Bosch brought this case seeking a declaration of non-infringement. Westport moved to dismiss Bosch’s case and has yet to answer the complaint or counterclaim for infringement. Westport would not be unduly prejudiced by a stay of a case that it did not bring and that it sought to dismiss.

Westport also would not suffer prejudice from a stay because its patents expired years ago. Thus, at most, Westport would be entitled to money damages for a period of time prior to the expiration of its patents. As the Federal Circuit recognized, “[a] stay will not diminish the monetary damages to which [Westport] will be entitled if it succeeds in its infringement suit.” *See VirtualAgility*, 759 F.3d at 1318.

Because Westport chose not to assert its patents prior to their expiration and chose not to sue Bosch, Westport would not be unduly prejudiced by a brief stay to allow the PTAB to address the already pending IPR petitions.

B. The Stage Of The Proceedings Favors A Stay.

This case is in its infancy. Although Bosch filed its Complaint in the Eastern District of Virginia in April 2022, Westport moved to dismiss, stay, or transfer that case and did not answer the complaint. Thus, the Virginia Court did not issue a scheduling order or hold a case management conference. No fact discovery or claim construction occurred. The only event was the denial of Westport's motions to dismiss and the transfer of the case to this Court.

Nor has any substantive activity occurred after the case was transferred. It was assigned to this Court, but there has been no scheduling order and no case management conference. Fact discovery has not begun and neither party has served Patent Local Rule contentions. Westport has not even answered the complaint. Thus, the case has not "reached an advanced stage," discovery is not complete (or even begun), and no trial date has been set.

In contrast, the IPRs were filed December 14, 2022 and have been pending for nearly two months. All of the claims that Westport had asserted in its customer suits have been challenged on multiple grounds in multiple petitions. The PTAB must issue an institution decision no later than June 23, 2023 and should issue a final written decision by June, 2024.⁴ See 35 U.S.C. §§ 314(b) and 316(a)(11). Thus, the IPRs are far more advanced than this litigation.

Westport may argue that some limited litigation occurred before the Ford and GM cases were stayed. As an initial matter, that is irrelevant because Bosch was not a party to either of those cases (because Westport chose not to sue Bosch). Moreover, from the publicly available dockets, it appears that minimal litigation occurred before the stays. In both the Ford and GM cases, fact discovery was ongoing, expert reports had not been served, and there do not appear to have been any dispositive motions. In the Ford case, claim construction briefing had not even

⁴ These deadlines are based on when Westport responds to the IPR petition. See 35 U.S.C. § 314(b). Westport could minimize any stay by filing its response before the deadline.

begun and in the GM case it was not finished and there had been no claim construction hearing. None of this can be imputed to Bosch, but even were the Court to consider the stage of the Ford and GM litigation, neither of those cases were advanced and the Court has stayed cases at much later stages. *See Scorpcast*, 2021 U.S. Dist. LEXIS 152302, at *9 (granting motion to stay pending IPR post-Markman hearing); *Arbor Global Strategies*, 2021 U.S. Dist. LEXIS 2434, at *3 (granting motion to stay pending IPR even though “[t]he Court held a claim construction hearing and issued its claim construction order,” and the parties “completed fact discovery, exchanged opening expert reports, and took fact depositions”).

Because neither the Court nor the parties have yet to invest the considerable time, effort, and resources this case would require to litigate to completion, a stay would allow the Court to efficiently allocate its limited resources to other matters.

C. A Stay Will Simplify The Issues.

This Court has held that “[t]he 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 the issues before the Court.” *Scorpcast*, 2021 U.S. Dist. LEXIS 152302, at *9-10 (citation omitted). Here—because the patents have expired, Westport chose not to sue Bosch, Westport has yet to answer the complaint, and multiple IPR petitions raising multiple grounds for each asserted claim have already been filed—a stay will simplify the dispute.

Bosch expects that the Patent Office will invalidate all of the asserted claims.⁵ This will fully resolve the litigation. *See VirtualAgility*, 759 F.3d at 1316. But, even if *Inter Partes* Review does not invalidate all patent claims, a stay will still simplify the issues. First, assuming

⁵ While Westport has yet to respond to Bosch’s complaint, in the other cases Westport identified the asserted claims in its Patent Local Rule disclosures. All asserted claims are at issue in the IPR petitions.

Westport files counterclaims of infringement, Bosch will raise affirmative defenses of invalidity. Once the PTAB issues a final written decision, however, Bosch would be estopped asserting that a “claim is invalid on any ground that [it] raised or reasonably could have raised during that *inter partes* review.” 35 U.S.C. § 315(e)(2). Absent a stay, the Court could have to address the same invalidity arguments at issue before the PTAB. Second, positions Westport takes in the IPR as to the scope and meaning of its claims could be relevant to this litigation. Westport cannot, for example, argue for a narrow construction in front the PTAB in an effort to preserve validity while seeking a broad construction for purposes of infringement. Finally, the Court might benefit from the expert analysis of the Patents-in-Suit that the PTAB would provide during its review.

V. CONCLUSION

For the foregoing reasons, this Court should stay this case until the Patent Office completes its *Inter Partes* Review of the Patents-in-Suit.

Dated: February 9, 2023

ORRICK, HERRINGTON & SUTCLIFFE LLP

/s/ Bas de Blank

Bas de Blank (CA State Bar No. 191487)

basdeblank@orrick.com

1000 Marsh Road

Menlo Park, CA

94025-1015

T: 650-614-7400

F: 650-614-7401

Michael C. Chow (CA Bar No. 273912)

mchow@orrick.com

Erin M. B. Leach (*Pro Hac Vice forthcoming*)

eleach@orrick.com

2050 Main Street, Suite 1100

Irvine, CA 92614-8255

Telephone: +1 949 567 6700

Facsimile: +1 949 567 6710

Attorneys for Plaintiff Robert Bosch, LLC

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on February 9, 2023, I electronically filed the foregoing with the Clerk of the Court, using the CM/ECF system, which will send a notice of electronic filing to the following:

Eric D Wade
ewade@porterhedges.com
Miranda Yan Jones
mirandajones@porterhedges.com
Ray Thomas Torgerson
rtorgerson@porterhedges.com
Sarah Jean Ring
sring@porterhedges.com
Porter Hedges LLP
1000 Main Street, 36th Floor
Houston, TX 77002
T: 713-226-6000
F: 713-228-1331

Claire Abernathy Henry
claire@wsfirm.com
Ward, Smith & Hill, PLLC
1507 Bill Owens Parkway
Longview, TX 75604
T: 903-757-6400
F: 903-757-2323

Attorneys for Westport Fuel Systems Canada, Inc.

/s/ Bas de Blank
Bas de Blank (CA State Bar No. 191487)
basdeblank@orrick.com
1000 Marsh Road
Menlo Park, CA
94025-1015
Telephone: +1 650 614 7400
Facsimile: +1 650 614 7401

CERTIFICATE OF CONFERENCE

I certify that counsel for Plaintiff Robert Bosch, LLC has complied with the meet and confer requirement of Local Rule CV-7(h). On February 9, 2023, Mr. Bas de Blank (lead counsel for Bosch) conferred with Ms. Claire Henry (local counsel for Westport) and Ms. Miranda Jones (lead counsel for Westport), via Zoom regarding this motion. This motion is opposed. The parties discussed the issue but were unable to reach an agreement on whether a stay should issue and, as such, remain at an impasse.

/s/ Bas de Blank
Bas de Blank (CA State Bar No. 191487)
basdeblank@orrick.com
1000 Marsh Road
Menlo Park, CA
94025-1015
Telephone: +1 650 614 7400
Facsimile: +1 650 614 7401