

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No. CV 18-1844-GW-KSx

Date February 13, 2020

Title *BlackBerry Limited v. Facebook, Inc., et al.*

Present: The Honorable GEORGE H. WU, UNITED STATES DISTRICT JUDGE

Javier Gonzalez

Terri A. Hourigan

Deputy Clerk

Court Reporter / Recorder

Tape No.

Attorneys Present for Plaintiffs:

Attorneys Present for Defendants:

James R. Asperger
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Heide L. Keefe

**PROCEEDINGS: DEFENDANTS' RENEWED MOTION TO STAY PENDING
INSTITUTED INTER PARTES REVIEW PROCEEDINGS [501]**

Court hears oral argument. The Tentative circulated and attached hereto, is adopted as the Court's Final Ruling. The Court would GRANT-IN-PART the motion to stay as to the remaining asserted patents that are now subject to instituted IPRs (recognizing that the validity of two of those asserted patents is already being considered on different bases on appeal). The Court would DEFER-IN-PART the motion to stay as to the '236 and '961 Patents until after resolution of certain pending summary judgment and *Daubert* motions related to those patents that are relevant to the question of infringement and/or invalidity of those patents.

The Court CONTINUES the hearing on all other pending motions in this case from February 20, 2020 to February 27, 2020 at 8:30 a.m. It will decide whether resolution of the motions is necessary at that time, or some or all of them should be denied without prejudice to their renewal after the pendency of a stay.

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Plaintiff BlackBerry Limited (“Plaintiff”) filed suit against Facebook, Inc., WhatsApp, Inc., and Instagram, LLC (collectively, “Defendants”) on March 6, 2018, alleging infringement of various patents. Docket No. 1; *see also* Docket No. 15 (First Amended Complaint).

Defendants filed a motion to stay the case pending *inter partes* review (“IPR”) on April 16, 2019 (Docket No. 161), but withdrew the motion after the Court stated its views at a status conference that it is disinclined to grant stays pending IPR proceedings until after the Patent Trial and Appeal Board (“PTAB”) has issued a decision indicating that it would actually institute an IPR. *See* Docket Nos. 166 at 2, 170.

Defendants have now renewed their motion to stay pending IPR, noting that the PTAB has instituted IPR for all of the asserted claims of seven of the nine asserted patents.¹ *See* Docket No. 501 (public), 505 (sealed). The motion has been fully briefed. *See* Docket No. 550 (opposition), 560 (reply).

At a hearing held on the motion on January 30, 2020, the Court stated its tentative views that it was inclined to grant the motion. Docket No. 601. Plaintiff indicated that it intended to withdraw from this litigation two of the seven asserted patents subject to instituted IPR proceedings. The parties were permitted to file supplemental briefs regarding their understanding of the impact of the withdrawal of those two patents from this case on the question of whether the remaining case should still be stayed. *Id.* The parties subsequently did so. Docket No. 607-1, 619.

Courts have discretion to control their dockets and ensure that their cases are managed in the interest of justice. *See Clinton v. Jones*, 520 U.S. 681, 706 (1997) (“[T]he District Court has broad discretion to stay proceedings as an incident to its power to control its own docket.”). In deciding whether to stay an action pending an IPR, a court’s discretion is typically guided by three factors: “(1) whether discovery is complete and whether a trial date has been set; (2) whether a stay will simplify the issues in question and trial of the case; and (3) whether a stay would unduly

¹ The Court previously found that two of the asserted patents in this case **that are currently the subject of ongoing IPR proceedings** were invalid under 35 U.S.C. § 101 and entered a partial final judgment for them, which is currently being considered on appeal.

prejudice or present a clear tactical disadvantage to the nonmoving party.” *Aten Int’l Co., Ltd v. Emine Tech. Co., Ltd.*, No. SACV 09-0843 AG (MLGx), 2010 WL 1462110, at *6 (C.D. Cal. Apr. 12, 2010) (quoting *Telemac Corp. v. Teledigital, Inc.*, 450 F. Supp. 2d 1107, 1111 (N.D. Cal. 2006)); *Murata Machinery*, 830 F.3d at 1361; *see also Semiconductor Energy Lab. Co., Ltd. v. Chimei Innolux Corp.*, No. SACV 12-0021 JST (JPRx), 2012 WL 7170593, at *1 & n.1 (C.D. Cal. Dec. 19, 2012) (stating that the same three-factor framework for staying the case applies regardless of whether a request for reexamination or an IPR is pending); Peter S. Menell et al., *Fed. Judicial Ctr., Patent Case Management Judicial Guide* (“Menell”) § 2.2.6.4.2 (3d ed. 2016). The inquiry, however, is not limited to these factors and “the totality of the circumstances governs.” *Allergan Inc. v. Cayman Chem. Co.*, No. SACV 07-01316 JVS (RNBx), 2009 WL 8591844, at *2 (C.D. Cal. Apr. 9, 2009) (citation omitted).

Expert discovery closed in this case in December 2019. Docket No. 480. The parties have filed all briefing on their summary judgment and *Daubert* briefs, and a summary judgment hearing is scheduled for February 20, 2020. *See id.* Trial is scheduled for April 13, 2020. *Id.* Although this case is not in its early stages, the fact that Defendants originally sought a stay in April 2019 is relevant. As Defendants note, significant pretrial work and expense remain in this case going forward.

Plaintiff’s argument that a stay at this stage is “inherently prejudicial” is unpersuasive. Docket No. 550 at 5. Plaintiff’s generalized arguments of prejudice would be applicable to almost any plaintiff in a patent case. It is again relevant that this is not the first time Defendants have requested a stay pending IPR. **The Court is not persuaded by Plaintiff’s arguments that Defendants improperly and tactically delayed in the filing of their IPR petitions in a way that causes undue prejudice to Plaintiff.**

Regarding simplification of the issues, the Court agrees with Defendants that, particularly as to the patents where IPR has been instituted, a stay has a high likelihood of simplifying the issues. Plaintiff’s arguments before the PTAB may ultimately be relevant in this case. Similarly, there may be questions relating to the scope of prior art invalidity arguments that Defendants will be permitted to maintain in this litigation after final written decisions are issued in the IPRs. **Even though Plaintiff states that it intends to withdraw from this case two of the asserted patents subject to instituted IPR proceedings, including a patent where it has proposed claim amendments in IPR proceedings, and further states that it will not propose claim amendments during IPR proceedings**

for any the claims that remain asserted in this case, simplification of the issues remains likely for the other reasons stated.

As to the two patents that are not subject to instituted IPRs, Defendants state that they “filed compelling summary judgment motions against both of those patents . . . BlackBerry also does not dispute that the ’236 and ’961 patents represent only a small fraction of this case.” Docket No. 560 at 1. Indeed, Defendants alternatively propose that the parties proceed with litigation of these two patents while a stay is entered as to the other asserted patents. *See, e.g.* Docket No. 501-22 (proposed order re Defendants’ motion to stay); Docket No. 505 at 5.

Having considered the arguments presented, the Court would **GRANT-IN-PART** the motion to stay as to the remaining asserted patents that are now subject to instituted IPRs (recognizing that the validity of two of those asserted patents is already being considered on different bases on appeal). The Court would **DEFER-IN-PART** the motion to stay as to the ’236 and ’961 Patents until after resolution of certain pending summary judgment and *Daubert* motions related to those patents that are relevant to the question of infringement and/or invalidity of those patents.

The parties are **ORDERED** to file a joint report by February 18, 2020 identifying the portions of their summary judgment and *Daubert* motions that are related to infringement and/or invalidity of the ’236 and ’961 Patents, and thus the portions that would remain unstayed at this time. After the parties’ motions for those patents are resolved, the Court will consider whether a stay should nonetheless be entered as to any issues left for adjudication as to those two patents, such that any remaining asserted patents in this case can be the subject of a single trial after the resolution of all IPR proceedings and appeals. The parties are advised that in order to preserve judicial resources and focus the case to a single trial, the Court will likely enter a stay as to those patents if they are not found either invalid or noninfringed in the context of summary judgment proceedings.

For reasons of judicial economy, the Court **CONTINUES** the hearing on all other pending motions in this case from February 20, 2020 to February 27, 2020. It will decide whether resolution of the motions is necessary at that time, or some or all of them should be denied without prejudice to their renewal after the pendency of a stay.

The parties are otherwise directed to file a joint report within 10 days of each Final Written Decision reached by the PTAB in IPR proceedings as to the currently-stayed patents.

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No. CV 21-4969-GW-AFMx Date June 23, 2022

Title *Mediatek, Inc., et al. v. NXP Semiconductors N.V., et al.*

Present: The Honorable GEORGE H. WU, UNITED STATES DISTRICT JUDGE

Javier Gonzalez

Suzanne McKennon

Deputy Clerk

Court Reporter / Recorder

Tape No.

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Steven J. Corr

**PROCEEDINGS: TELEPHONIC HEARING ON DEFENDANTS' MOTION TO STAY
PENDING *INTER PARTES* REVIEW [94]**

The Court's Tentative Ruling was issued on June 21, 2022 [112]. Oral argument is held. The Tentative Ruling is adopted as the Court's Final Ruling. The Court GRANTS the Motion.

A status conference is set for October 6, 2022 at 8:30 a.m. The parties are to file a joint status report by noon on October 3, 2022.

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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No. CV 21-4969-GW-AFMx Date June 21, 2022

Title *Mediatek, Inc., et al. v. NXP Semiconductors N.V., et al.*

Present: The Honorable GEORGE H. WU, UNITED STATES DISTRICT JUDGE

Javier Gonzalez

None Present

Deputy Clerk

Court Reporter / Recorder

Tape No.

Attorneys Present for Plaintiffs:

Attorneys Present for Defendants:

None Present

None Present

**PROCEEDINGS: IN CHAMBERS - TENTATIVE RULING ON DEFENDANTS'
MOTION TO STAY PENDING *INTER PARTES* REVIEW [94]**

Attached hereto is the Court's Tentative Ruling on Defendants' Motion to Stay [94], set for hearing on June 23, 2022. The time to appear is changed from 8:30 a.m. to 1:00 p.m. Counsel are to appear telephonically by contacting the court clerk at javier_gonzalez@cacd.uscourts.gov for dial-in instructions.

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I. INTRODUCTION

In this patent infringement action, Defendants NXP Semiconductors N.V., NXP USA, Inc., Avnet, Inc., Arrow Electronics, Inc., Robert Bosch GmbH, Robert Bosch LLC, Continental AG, and Continental Automotive GmbH (collectively, “NXP” or “Defendants”) seek a stay of this litigation pending the outcome of inter partes review petitions filed by NXP against five of the six patents asserted in this case by Plaintiffs Mediatek Inc. and Mediatek USA Inc. (collectively, “MediaTek” or “Plaintiffs”). Defendants aver that a stay will substantially simplify the issues in this complex competitor litigation. Further, Defendants state that they will seek ex parte reexamination of the sixth patent, which has expired. Defendants observe that MediaTek has filed inter partes review petitions for at least two of the four cross-asserted patents by NXP and has not ruled out seeking additional post grant review for the remaining two cross-asserted patents. The matter is fully briefed. *See* Docket No. 94 (Motion), Docket No. 107 (Opposition), Docket No. 108 (Reply). For the reasons stated herein, the Court **GRANTS** the motion and enters a limited stay.

II. BACKGROUND

For over 20 years, “MediaTek has been in the business of researching, designing, developing, and selling innovative semiconductor and cellular technologies and products for the telecommunications and mobile industries, as well as entertainment industries involving HDTV, DVD and Blu-ray products.” *See* Docket No. 67, FAC ¶ 4. MediaTek identifies itself as “one of the world’s leading fabless semiconductor companies and a market leader in developing cutting-edge systems-on-chip (SoC) technology for a wide range of applications, such as highly power-efficient mobile technologies, automotive solutions, and a broad range of advanced multimedia products such as smartphones, tablets, digital televisions, 5G, Voice Assistant Devices (VAD), wearables, connectivity products, and IoT products.” *Id.* ¶ 5.

MediaTek alleges that NXP manufactures and sells “multicore processors and/or microcontrollers with Multi-layer AHB Matrix” and “wireless microcontrollers that incorporate the schemes for coexistence and dual sub-carrier modulation.” *Id.* ¶¶ 48-49. By making and selling these products, Plaintiffs allege that Defendants infringe U.S. Patent Nos. 6,738,845 (the “’845 Patent”), 6,823,451 (the “’451 Patent”), 8,464,037 (the “’037 Patent”), 9,265,056, (the “’056

Patent”), 9,538,531 (the “’531 Patent”), and 10,211,948 (the “’948 Patent”). *Id.* ¶ 1. Plaintiffs summarize the asserted patents as follows: “The ’845 Patent provides an improved bus architecture and a new bus arbitration method.” *Id.* ¶ 43. The ’451 Patent “relates to an apparatus for increasing security and manageability.” *Id.* ¶ 44. The ’037 Patent “relates to devices and mechanisms for enhancing the integrity of computer systems.” *Id.* ¶ 45. The ’056 and ’531 Patents “relate to schemes for coordinating communications between multiple radios on utilizing different communication protocols on a single terminal,” (i.e., “coexistence”). *Id.* ¶ 46. The ’948 Patent “relates to schemes for LDPC tone mapping in a given resource unit when dual sub-carrier modulation is applied.” *Id.* ¶ 47.

Based on a bevy of filings seeking post-grant review before the PTO, Defendants now seek to stay this action. The PTO has not yet issued decisions on whether to institute proceedings.

III. LEGAL STANDARD

District courts generally apply three factors to requests to stay pending IPR: “(1) whether discovery is complete and whether a trial date has been set; (2) whether a stay will simplify the issues in question and trial of the case; and (3) whether a stay would unduly prejudice or present a clear tactical disadvantage to the nonmoving party.” *Universal Elecs., Inc. v. Universal Remote Control, Inc.*, 943 F.Supp.2d 1028, 1030-31 (C.D. Cal. 2013) (quotations omitted); *see also, e.g., Finjan, Inc. v. Symantec Corp.*, 139 F. Supp. 3d 1032, 1035 (N.D. Cal. 2015). “Another consideration is the Court’s ability to control its docket to ensure that cases are managed in the interest of justice.” *Universal Elecs.*, 943 F. Supp. 2d at 1035. In the end, “the totality of the circumstances governs.” *Id.* at 1031. The party seeking a stay bears the burden to demonstrate that a stay is warranted. *See Finjan*, 139 F. Supp. 3d at 1035.

IV. ANALYSIS

A. Stage of Proceedings

Defendants argue that the stage of the case supports the requested stay because, at the time they filed this motion, the parties had not yet filed claim construction briefs (though they now have), the *Markman* hearing has not yet occurred, no depositions have occurred, and a trial date has not been set. Mot. at 2; *see also id.* at 8 (“Here, the case has been pending for less than one year, the parties have not taken any depositions or propounded expert discovery, claim construction briefing has not begun, and the Court has not conducted the *Markman* hearing.”).

Plaintiffs respond that “MediaTek and Defendants have invested significant resources in

discovery and claim construction briefing, so the stage of the proceedings weighs in favor of denying a stay.” Opp. at 17-18 (noting exchanging infringement and invalidity contentions; producing more than 200,000 pages of documents with production ongoing; producing source code for review; disclosing experts; serving 178 requests for production and 35 interrogatories; and filing claim construction briefs).

The Court finds that although modest progress has been made in this case commensurate with the deadlines set by the Scheduling Order, the case remains in its early stages. Accordingly, this factor favors a *short* stay.

B. Simplification

Defendants argue that a stay will simplify the issues in this case by, at the very least, “streamlin[ing] and simplify[ing] the issues for trial by narrowing the number of disputed issues, narrowing the prior art, and/or construing the claims.” Mot. at 2-3. Defendants acknowledge that, although “success by NXP in the IPR and ex parte reexamination proceedings will not eliminate NXP’s counterclaims, such success would necessarily greatly reduce the number of infringement issues before the Court.” *Id.* at 10. Defendants argue this will save Court and party resources. *Id.* Because “NXP’s IPR petitions and ex parte reexamination request are not duplicative of any prior petitions,” Defendants believe “they should be instituted and ultimately successful in cancelling the asserted claims.” *Id.* at 11.

Although Defendants acknowledge the Court’s normal practice is to consider IPR-related stay motions *after* the PTO decides to institute proceedings, Defendants argue “an immediate stay of this litigation is warranted by the unique complexity and sheer number of patents this case presents.” *Id.* at 2. Defendants contend that such a stay is warranted because this patent case is “atypical” in that it arose following cross-licensing negotiations between MediaTek and NXP, resulting in dueling infringement claims covering six patents and counterclaims covering four additional patents, across two district court cases and ITC proceedings. *Id.* at 2-3.¹ Defendants aver that these ten patents “relat[e] to a myriad of distinct products and product types,” which is further complicated by including numerous customer defendants in the suit, and the fact that some of the patents were acquired from other entities suggests substantial third-party discovery is needed. *Id.* at 2, 4.

¹ The infringement claims in the Eastern District of Texas case were dismissed voluntarily on May 22, 2022. See *NXP USA Inc., v. MediaTek Inc.*, No. 2:21-CV-00318-JRG, Docket No. 201 (E.D. Tex. May 11, 2022).

Plaintiffs respond that Defendants provide “no basis for deviating from the Court’s practice of denying a preinstitution motion to stay in this case.” Opp. at 6. Further, Plaintiffs argue that the parties’ prior licensing negotiations are irrelevant to a stay, and they contend that “Defendants provide no explanation for delaying between nine and eleven-and-a-half months to file” the relevant petitions. *Id.* at 7. Instead, Plaintiffs ask the Court to find that “any simplification of the issues is merely speculative” and does not support a stay. *Id.* at 13. Additionally, Plaintiffs argue that even if NXP’s IPR petitions succeed, “there will be [two] asserted patents and claims that remain in this case,” with three of the nine disputed terms proposed for claim construction deriving from these patents. *Id.* at 15.

The Court finds this factor weighs slightly in favor of a brief stay. Given the number of asserted and cross-asserted patents and claims, as well as the number of filed petitions and cross-petitions, even if the PTO institutes only some proceedings, the degree of likely simplification supports a minimal stay. Further, although the fact “that the petition[s] ha[ve] not yet been granted makes it difficult to predict whether the issues will be simplified,” the Court observes that “even if an IPR is not instituted, the stay will be relatively short and the action can continue with minimal delay.” *Core Optical Techs., LLC v. Fujitsu Network Commc’ns, Inc.*, No. SA CV-16-00437-AG-(JPRx), 2016 WL 7507760, at *2 (C.D. Cal. Sept. 12, 2016) (simplification factor favored stay); *see also Uniloc 2017 LLC v. Microsoft Corp.*, No. SA CV-18-02053-AG-(JDEx), 2019 WL 6974354, at *1 (C.D. Cal. Aug. 9, 2019) (simplification factor favored stay before institution decisions).

As the parties observe, they are embroiled in disputes worldwide, the scope and content of which is apparently still solidifying. For example, the Texas infringement claims were recently dismissed, and Plaintiffs have not yet decided whether they will file a petition to institute proceedings on the remaining two cross-asserted patents. Further developments across the parties’ disputes may allow a more in-depth assessment of this factor following the PTO’s institution decisions.

By concluding that this factor slightly favors a brief stay, the Court does not intend to alter its typical practice of waiting for institution decisions before considering stay motions. The Court makes an exception to that practice here based on the specific facts of the case, including the combined factors of the cross-asserted patents and petitions, as well as the short duration of the allowed stay.

C. Undue Prejudice and Tactical Advantage

Defendants argue a stay will not unduly prejudice Plaintiffs or provide a tactical advantage to Defendants because “two of the asserted patents are expired or will soon expire,” MediaTek has filed its own IPR petitions “against at least two of the patents asserted by NXP,” MediaTek seeks only money damages (not an injunction), and NXP’s IPR petitions were filed soon after Defendants received Plaintiff’s infringement contentions. Mot. at 3; *see also id.* at 13. Further, Defendants argue that a stay will not give them a tactical advantage, but rather they believe this suit arises from Plaintiffs’ “own litigation strategy” seeking a tactical advantage, *i.e.*, “MediaTek filed this suit to gain a tactical advantage in negotiations for a cross-license between MediaTek and NXP—a license that, if successful, would have resolved the infringement claims.” *Id.* at 13. Further, Defendants argue a delay in collecting money damages does not equate with undue prejudice. *Id.*

Plaintiffs respond that “MediaTek and NXP are direct competitors,” so “MediaTek would be prejudiced by a stay.” Opp. at 8. Further, Plaintiffs argue that “NXP’s delay in filing its IPR petitions and this Motion suggests it seeks to obtain tactical advantage in the parties’ multi-jurisdictional patent dispute through a stay.” *Id.* at 9. Plaintiffs also argue that “[t]his case involves infringement allegations against current generation products [such as WiFi 6] and staying the case will prejudice MediaTek’s ability to protect its intellectual property rights and market share.” *Id.* at 10. Plaintiffs also assert that since MediaTek’s offensive actions against NXP are scheduled to be resolved sooner than NXP’s actions against MediaTek, Defendants’ request for a stay appears designed to gain the tactical advantage of slowing MediaTek’s momentum. *Id.* at 11.

The Court finds this factor slightly favors a short stay. *First*, the fact that Defendants filed their stay motion after a semi-successful motion to dismiss and after receiving Plaintiffs’ infringement contentions, but well within the 12-month statutory window does not clearly support a finding of tactical advantage. *See* 35 U.S.C. 315(b). *Second*, although the parties are competitors, “[c]ourts are divided on whether infringement among competitors necessarily constitutes undue prejudice to the non-moving party.” *Wonderland Nursery Goods Co. v. Baby Trend, Inc.*, No. ED CV 14-01153-VAP, 2015 WL 1809309, at *4 (C.D. Cal. Apr. 20, 2015) (collecting cases). Thus, the circumstances of each case must govern the prejudice analysis, including “whether the parties are sole competitors in the relevant markets” and whether the patentee has sought an injunction, or rather monetary damages will suffice. *Id.* at *4. Neither

party proffered evidence on whether the parties are sole competitors, or rather compete in a multi-player market, so the Court finds this portion of the factor neutral. Plaintiffs have not sought an injunction in this case, suggesting monetary damages will suffice if Plaintiffs prevail. Thus, this portion of the factor favors a short stay.

D. Totality of the Circumstances

Based on a review of the relevant factors, the Court finds that the stage of the proceedings favors a short stay; and the likelihood of simplification and lack of undue prejudice or tactical advantage also slightly favor a stay. In view of these factors, and considering all of the circumstances presented by the parties, including the number of asserted and cross-asserted patents and petitions and cross-petitions, the Court concludes that a brief stay of about five months is warranted. A stay of this limited duration will be sufficient to allow the parties and the Court to evaluate the impact of the PTO's institution decisions across the various petitions.

According to Plaintiffs, the PTO's institution decisions are due as follows:

Timeline of NXP's IPRs		
MediaTek's Complaint Filed		June 17, 2021
Filing	Date Filed	Institution Decision
IPR2022-00525	March 3, 2022	September 3, 2022
IPR2022-00660	March 11, 2022	September 11, 2022
IPR2022-00658	March 28, 2022	September 28, 2022
IPR2022-00759	April 20, 2022	October 20, 2022
IPR2022-00967	May 4, 2022	November 4, 2022

Timeline of MediaTek's IPRs		
NXP's Counterclaims Filed		December 15, 2021
Filing	Date Filed	Institution Decision
IPR2022-00911	May 3, 2022	November 3, 2022
IPR2022-00912	May 4, 2022	November 4, 2022

Based on this schedule, the parties and the Court will have a clear view by early November 2022 whether a continued stay is warranted, including the scope and duration of such a potential stay. At that time, the Court will reevaluate the applicable factors considering the facts as they have evolved at that time to determine how to proceed.

Accordingly, the Court orders that this matter is **STAYED** until November 14, 2022. No

later than 5 days after each institution decision, the parties shall **FILE** a joint report advising the Court of each institution decision. In the final such joint report, which is due on or before November 9, 2022, the parties shall state their respective and/or collective views on whether a full or partial stay should remain in place, and for what scope and duration.

The Court **SETS** this matter for a Status Conference on November 14, 2022, at 8:30 a.m. At that time, the Court will discuss next steps with the parties, including, *e.g.*, whether supplemental briefing is warranted to address the totality of any evolved circumstances supporting or undermining a continued stay.

V. CONCLUSION

For the reasons stated, the Court **GRANTS** the motion to stay. The Court orders the parties to file joint reports as stated above, and to appear for a Status Conference on November 14, 2022, at 8:30 a.m.

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No.	CV 21-9472-GW-GJSx	Date	November 10, 2022
Title	<i>Vivint, Inc. v. SkyBell Technologies, Inc.</i>		

Present: The Honorable GEORGE H. WU, UNITED STATES DISTRICT JUDGE

Javier Gonzalez

Terri A. Hourigan

Deputy Clerk

Court Reporter / Recorder

Tape No.

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Attorneys Present for Defendants:

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Gary R. Sorden

**PROCEEDINGS: DEFENDANT'S MOTION TO STAY PENDING *INTER PARTES*
REVIEW [158]**

The Court's Tentative Ruling on Defendant's Motion [158] was issued on November 9, 2022 [171]. Court and counsel confer. The Tentative Ruling is adopted as the Court's Final Ruling. The Court GRANTS the Motion. The stay will begin at the close of the discovery deadline (November 21, 2022). The Court will entertain any requests to reopen discovery after the *Inter Partes* Review.

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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No.	CV 21-9472-GW-GJSx	Date	November 9, 2022
Title	<i>Vivint, Inc. v. SkyBell Technologies, Inc.</i>		

Present: The Honorable	GEORGE H. WU, UNITED STATES DISTRICT JUDGE
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Javier Gonzalez

None Present

Deputy Clerk

Court Reporter / Recorder

Tape No.

Attorneys Present for Plaintiffs:

Attorneys Present for Defendants:

None Present

None Present

**PROCEEDINGS: IN CHAMBERS - TENTATIVE RULING ON DEFENDANT'S MOTION
TO STAY PENDING *INTER PARTES* REVIEW [158]**

Attached hereto is the Court's Tentative Ruling on Defendant's Motion [158] set for hearing on November 10, 2022 at 8:30 a.m.

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Before the Court is Defendant SkyBell Technologies, Inc.’s (“SkyBell”) motion to stay the case pending *inter partes* review (“IPR”) before the U.S. Patent and Trademark Office’s Patent Trial and Appeal Board (“PTAB”). See Motion to Stay Case Pending *Inter Partes* Review (“Mot.”), Docket No. 158. Plaintiff Vivint, Inc. (“Vivint”) has filed an opposition (“Opp.”), see Docket No. 159, and SkyBell has filed a reply, see Docket No. 160.

I. Background

This case originated in the Eastern District of Texas where Vivint was accused of patent infringement (see Case No. 4:20-cv-00886-ALM (“Texas Case”). In the Texas Case, Vivint filed counterclaims against SkyBell for infringing U.S. Patent Nos. 6,748,343 (“the ’343 Patent”) and 7,956,739 (“the ’739 Patent”). See Answer and Counterclaim, Docket No. 34. When the Texas Case was proceeding through the *Markman* process, the parties filed a joint motion to transfer Vivint’s counterclaims to this Court as the proper venue. The Texas Court granted the motion, and the case was transferred here on December 17, 2021.

Upon receiving the case, the Court held a scheduling conference and set a *Markman* hearing and technology tutorial. See Minutes, Docket No. 90. In preparation for the *Markman* hearing, the parties reformatted and filed their respective claim construction briefs. See Docket Nos. 94, 95, 96, 97. The matter was stayed while the parties conducted settlement negotiations. After no settlement was reached, the Court scheduled further *Markman* proceedings. The Court held a technology tutorial on May 26, 2022, and a claim construction hearing on June 9, 2022. That same day, the Court issued its claim construction order. See Docket No. 135. On June 23, 2022, the Court issued its scheduling order, which set the close of fact discovery for November 21, 2022, the close of expert discovery for February 13, 2023, and a jury trial for July 10, 2023. See Scheduling Order, Docket No. 141.

On August 6, 2021, non-party, ADT LLC (“ADT”), filed a petition for IPR with the PTAB, challenging all nine claims of the ’739 Patent that are at issue in this case. Opp. at 1. SkyBell did not join the IPR petition. *Id.* at 2. The PTAB instituted an IPR proceeding on February 15, 2022. *Id.* The PTAB is expected to issue its final written decision on or before February 15, 2023. Mot. at 3. On October 11, 2022, SkyBell filed this motion to stay pending resolution of ADT’s petition.

II. Legal Standard

District courts generally apply three factors to requests to stay pending IPR: “(1) whether discovery is complete and whether a trial date has been set; (2) whether a stay will simplify the issues in question and trial of the case; and (3) whether a stay would unduly prejudice or present a clear tactical disadvantage to the nonmoving party.” *Universal Elecs., Inc. v. Universal Remote Control, Inc.*, 943 F. Supp. 2d 1028, 1030-31 (C.D. Cal. 2013) (quotations omitted); *see also, e.g., Finjan, Inc. v. Symantec Corp.*, 139 F. Supp. 3d 1032, 1035 (N.D. Cal. 2015). “Another consideration is the Court’s ability to control its docket to ensure that cases are managed in the interest of justice.” *Universal Elecs.*, 943 F. Supp. 2d at 1035. In the end, “the totality of the circumstances governs.” *Id.* at 1031. The party seeking a stay bears the burden to demonstrate that a stay is warranted. *See Finjan*, 139 F. Supp. 3d at 1035.

III. Discussion

A. Stage of Proceedings

Courts favor stays when litigation is in the early stages. *Universal Elecs.*, 943 F. Supp. 2d at 1031 (“There is a liberal policy in favor of granting motions to stay proceedings pending the outcome of re-examination, especially in cases that are still in the initial stages of litigation and where there has been little or no discovery.”) (citing *Aten Int’l Co., Ltd. v. Emine Tech. Co., Ltd.*, No. SACV 09-0843 AG (MLGx), 2010 WL 1462110, at *6 (C.D. Cal. Apr. 12, 2010)). Considerations relevant to the stage of litigation factor include the status of discovery, claim construction, setting of a trial date, and the court’s expenditure of resources. *Spin Master Ltd. v. Mattel, Inc.*, No. CV 18-3435-RSWL-GJS, 2018 WL 11241718, at *2 (C.D. Cal. Nov. 21, 2018) (citing *Universal Elecs.*, 943 F. Supp. 2d at 1030-31).

SkyBell argues that this factor weighs in favor of a stay because discovery is in the early stages, pointing out that no party depositions have taken place and expert discovery has not yet begun. Mot. at 6. SkyBell contends that there is “more work ahead of the parties than behind them.” *Id.*

Vivint responds that the stage of the litigation weighs against a stay because of the significant work the parties and Court have completed to date, including exchanging initial disclosures, serving written discovery, noticing depositions, exchanging final infringement and invalidity contentions, and entering a claim construction order. Opp. at 4-5. Additionally, Vivint avers that “[f]act discovery will be all-but-complete by the time of hearing on SkyBell’s motion,

which is set 11 days prior to the close of fact discovery.” *Id.* at 3.

The Court would agree with SkyBell that there remains “more work ahead of the parties and the Court than behind [them].” *See Limestone v. Micron Tech.*, No. SACV 15-00278-DOC (RNBx), 2016 WL 3598109, at *3 (C.D. Cal. Jan. 12, 2016). While four depositions are scheduled to occur before the hearing on SkyBell’s motion, the parties must still conduct expert discovery, file dispositive motions, and proceed through a potential trial. *See Polaris Innovations Ltd. v. Kingston Tech. Co., Inc.*, No. SACV 16-00300-CJC-(RAOx), 2017 WL 8220599, at * 2 (C.D. Cal. June 27, 2017) (granting a stay where “[n]o expert discovery has occurred and the parties are continuing to take depositions”). And “[a]lthough a claim construction order has been issued, the amount of work yet to be undertaken by the parties weighs slightly in favor of a stay.” *UPL NA, Inc. v. Tide Int’l (USA), Inc.*, CV 19-1201-RSWL-KSx, 2021 WL 663128, at *2 (C.D. Cal. Feb. 19, 2021) (finding that the stage of the litigation factor slightly favored a stay even though a claim construction order had been issued and a jury trial date had been set); *see also PersonalWeb Techs., LLC v. Facebook, Inc.*, No. 5:13-CV-01356-EJD, 2014 WL 116340, at *3 (N.D. Cal. Jan. 13, 2014) (granting a stay although “a claim construction order has been issued and the close of fact discovery is fast approaching” because “a substantial portion of the work—expert discovery, summary judgment, pre-trial preparation, and trial itself—lies ahead”).

Vivint points to three cases in which courts denied a stay pending IPR despite the early stage of the litigation. *Opp.* at 5-6. However, in two of the cases Vivint cites, the defendants delayed filing IPR petitions and the PTAB had not yet decided to institute IPR. *See Ellison Educ. Equip., Inc. v. Stephanie Barnard Designs, Inc.*, No. SA CV 18-2043-DOC (ADSx), 2020 WL 2084674, at *2 (C.D. Cal. Jan. 13, 2020) (noting that defendants delayed filing their petition for IPR for roughly nine months after the scheduling conference and that the PTAB had not decided whether to institute IPR); *Universal Elecs.*, 943 F. Supp. 2d at 1031 (noting that defendant did not file its IPR petitions until almost a year after being served with the complaint and that the IPR petitions had not yet been granted or denied). Here, there are no allegations regarding a delay in the filing of the IPR petition¹ and the PTAB has instituted an IPR proceeding. In the other case Vivint cites, unlike this case, the court had “expended non-trivial resources into this litigation,” including deciding a motion to consolidate and taking a motion to dismiss under submission.

¹ However, the Court does recognize SkyBell’s delay in filing the present motion, which it addresses below.

SpeakWare, Inc. v. Microsoft Corp., No. SA CV 18-1293-DOC (DFMx), 2019 WL 1878350, at *2 (C.D. Cal. Feb. 21, 2019). Here, motion practice (and dispositive motions in particular) are – most-likely – still ahead.

Vivint also argues that a stay should be denied because “[f]act discovery will be all-but-complete by the time of hearing on SkyBell’s motion.” Opp. at 3. While some discovery has occurred (as discussed above), much remains in the future, both as to fact (including third-party) and expert discovery – weighing in favor of a stay. See *Universal Elecs. Inc. v. Roku, Inc.*, No. SACV 18-1580 JVS (ADSx), 2019 WL 6974173, at *2 (C.D. Cal. Nov. 4, 2019) (granting a stay where, although the *Markman* hearing had taken place, “there [was] still much work left to be done” because “[f]act discovery [was] not yet complete and expert discovery [had] not yet begun”).

Accordingly, the Court would hold that this factor weighs slightly in favor of granting a short stay.

B. Simplification

Next, the Court considers “whether a stay will simplify the issues in question and the trial of the case.” *Aten*, 2010 WL 1462110, at *6 (quoting *Telemac Corp. v. Teledigital, Inc.*, 450 F. Supp. 2d 1107, 1111 (N.D. Cal. 2006)). SkyBell argues that a stay is likely to narrow the issues and conserve resources in the case. Mot. at 7. Because all nine claims of the ’739 Patent are being challenged, SkyBell contends that “if the claims of [the ’739 Patent] are found invalid in the IPR, the scope of this infringement action will be drastically reduced.” *Id.*

Vivint responds that “there is no significant simplification of the matter regardless of the IPR outcome” because the parties will still have to litigate the claims of the ’343 Patent. Opp. at 6-7. Vivint avers that “this Court has stated that any streamlining by a PTAB decision is most likely to occur where there are not *multiple* patents-in-suit, which is not the case here.” *Id.* at 8 (citing *Verinata Health, Inc. v. Ariosa Diagnostics, Inc.*, No. C 12-05501 SI, 2014 WL 121640, at *3 (N.D. Cal. Jan. 13, 2014)).² Because the claims of only the ’739 Patent are being challenged, Vivint contends that “[a] stay [would] derail[] the July trial on [its] claims regarding the ’343 Patent without simplifying anything with respect to those claims.” *Id.*

Here, the Court would agree with SkyBell that a short stay would conserve party and Court resources if the PTAB invalidates any of the claims of the ’739 Patent. This would narrow the

² The Court notes that it did not decide the *Verinata* case that Vivint relies on. What Vivint really means to say is *another district court in the Northern district* has reached this conclusion.

scope of the litigation in this case. *See Universal Elecs*, 943 F. Supp. 2d at 1032 (“[W]aiting for the outcome of the reexamination could eliminate the need for trial if the claims are cancelled or, if the claims survive, facilitate trial by providing the court with expert opinion of the PTO and clarifying the scope of the claims.” (quoting *Target Therapeutics, Inc. v. SciMed Life Sys., Inc.*, No. C-94-20775 RPA (EAI), 1995 WL 20470, at *2 (N.D. Cal. Jan. 13, 1995))). Therefore, the simplification factor likely favors a stay.

Though a stay will likely simplify the issues, two factors warrant additional discussion. First, ADT seeks review of all of the claims of the ’739 Patent, but none of the claims of the ’343 Patent – the other patent at issue in this litigation. Vivint argues that the IPR proceeding on the ’739 Patent will not meaningfully simplify the issues in this case as to the ’343 Patent. “[T]he rationale for a stay is lessened when IPR proceedings are asserted against some, but not all, of the claims at issue.” *Telesign Corp. v. Twilio, Inc.*, CV 15-3240 PSG (SSx), 2016 WL 6821111, at *3 (C.D. Cal. Mar. 9, 2016). Even assuming that the IPR proceeding will have no effect on the ’343 Patent, the Court would find that the potential simplification of issues related to the ’739 Patent outweighs the delay that will result in the adjudication of the ’343 claims. Indeed, it would make little sense to proceed only on the ’343 Patent, thereby risking a second trial on the ’739 Patent if it survives IPR, nor would it make sense to proceed with both patents when one of them may later be invalidated.

Second, because SkyBell is not a party to ADT’s petition, it is not subject to estoppel under 35 U.S.C. § 315(e)(2). Typically, failure to be bound weakens the simplification factor as to a non-party defendant’s motion to stay. *See Evolutionary Intel., LLC v. Facebook, Inc.*, No. C 13-4202 SI, 2014 WL 261837, at *2 (N.D. Cal. Jan. 23, 2014). However, the Court can alleviate Vivint’s estoppel concerns by using its inherent power to condition a stay on SkyBell’s agreement to be bound as if it itself had filed the IPR petition. *See Pi-Net Int’l, Inc. v. Focus Bus. Bank*, No. 12-cv-4958-PSG, 2013 WL 4475940, at *5 (N.D. Cal. Aug. 16, 2013) (“To avoid [the] possibility [that defendants are attempting to take multiple bites at the invalidity apple while avoiding the estoppel provisions of 35 U.S.C. § 315(e)], the court finds it appropriate to condition a stay on the defendants agreeing to be bound by an estoppel similar to the provisions of Section 315(e) such that they may not assert in this suit that the claim is invalid on any ground that [IPR petitioner] raised or reasonably could have raised during the IPR.”). But, until SkyBell agrees to be bound as if it were a party to the IPR, “there would not be simplification of the issues because [SkyBell who

is not subject to estoppel] would be able to re-raise in this litigation any of the same invalidity arguments made by [ADT who filed the IPR] during the instituted IPR.” *Document Sec. Sys., Inc. v. Seoul Semiconductor Co.*, No. 2:17-cv-04263-JVS-JCG, 2018 WL 10670109, at *4 (C.D. Cal. Mar. 26, 2018).

On balance, the Court would conclude that this factor overall is neutral.³

C. Undue Prejudice and Tactical Advantage

Finally, the Court considers “whether a stay would unduly prejudice or present a clear tactical disadvantage to the non-moving party.” *Universal Elecs.*, 943 F. Supp. 2d at 1031 (citations omitted). Four sub-factors guide the prejudice analysis: “(1) the timing of the petition for review; (2) the timing of the request for the stay; (3) the status of the review proceedings; and (4) the relationship of the parties.” *Telesign Corp.*, 2016 WL 6821111, at *4 (quoting *E.Digit. Corp. v. Dropcam, Inc.*, No. 14-cv-04922-JST, 2016 WL 658033, at *4 (N.D. Cal. Feb. 18, 2016)).

SkyBell argues that no prejudice to Vivint would arise from a brief stay because the PTAB will provide its final written decision in three months – on or before February 15, 2023. Mot. at 8. Additionally, SkyBell avers that because “Vivint is not seeking an injunction or otherwise arguing that any alleged ongoing infringement is causing Vivint irreparable harm . . . there is no significant adverse impact to Vivint by staying this case by a few months.” Reply at 4.

Vivint responds that SkyBell tactically delayed its stay request to delay trial as it could have moved for a stay when the IPR petition was first filed in August 2021 or when the PTAB instituted an IPR proceeding in February 2022. Opp. at 10.

Although Vivint argues that SkyBell “could have moved for a stay over a year ago when the petition was first filed in August 2021,” *id.*, this Court’s normal practice is to consider IPR-related stay motions only *after* the PTAB decides to institute proceedings. As such, the Court would not fault SkyBell for not seeking a stay immediately after the IPR petition was filed. However, the Court would agree with Vivint that SkyBell unnecessarily delayed in filing *this* motion. Despite the PTAB instituting an IPR proceeding on February 15, 2022, SkyBell did not file the present motion for a stay until nearly eight months later. The Court would find that

³ SkyBell also argues that “a stay would mitigate the risk of inconsistent validity findings with respect to the ’739 Patent . . . resulting from the different constructions Vivint argued for in this matter versus in the IPR proceeding.” Mot. at 7-8. Vivint responds that its “claim construction brief before this Court is consistent with positions argued before the PTAB.” Opp. at 8. Because it is disputed whether or not there are any inconsistencies between Vivint’s positions in this action and in the IPR, this argument neither favors nor disfavors a stay.

SkyBell's delay in filing this motion weighs against a stay. *See e.g., Jiaxing Super Lighting Elec. Appliance Co. v. MaxLite, Inc.*, No. CV 19-4047 PSG (MAAx), 2020 WL 5079051, at *4 (C.D. Cal. June 17, 2020) (holding that the undue prejudice factor weighed against a stay where defendant delayed in bringing the request for a stay for six months after bringing its IPRs); *UPL NA, Inc.*, 2021 WL 663128, at *3 (finding that defendants' delay in filing a motion to stay more than seven months after petitioning for IPR weighed against a stay).

However, where a review has been instituted already, this weighs in favor of a stay. *See Zomm, LLC v. Apple Inc.*, 391 F. Supp. 3d 946, 957 (N.D. Cal. 2019). Here, review has been instituted on the '739 Patent, and a decision is expected in about three months – weighing in favor of a stay. In addition, while not dispositive, Vivint has not sought an injunction in this case, suggesting monetary damages will suffice if Vivint prevails. *Medtronic, Inc. v. Axonics Modulation Techns., Inc.*, No. SA CV 19-02115-DOC-JDE, 2020 WL 5087820, at *2 (C.D. Cal. May 8, 2020) (granting a stay where the plaintiffs “[did] not explain why they did not move for a preliminary injunction”).

While SkyBell delayed in filing this motion, Vivint has not established that it will be unduly prejudiced if the Court stays the litigation, other than delaying the currently-set trial. However, “[t]he general prejudice of having to wait for resolution is not a persuasive reason to deny [a] motion for stay.” *Wonderland Nursery Goods Co. v. Baby Trend, Inc.*, No. EDCV 14-01153-VAP (SPx), 2015 WL 1809309, at *4 (C.D. Cal. Apr. 20, 2015); *see also PersonalWeb Techs., LLC v. Apple Inc.*, 69 F. Supp. 3d 1022, 1029 (N.D. Cal. 2014) (“Courts have repeatedly found no undue prejudice unless the patentee makes a specific showing of prejudice beyond the delay necessarily inherent in any stay.”).

In addition, Vivint argues that if a stay is granted SkyBell will “have a significant tactical advantage” because it is not a petitioner to the IPR. Opp. at 12. As such, “SkyBell will be free to re-litigate the same invalidity grounds before this Court that presumptively failed before the PTAB.” *Id.* As discussed above, the Court would agree with Vivint that it would suffer a tactical disadvantage if SkyBell does not agree to be bound as if it were a party to the IPR. Accordingly, the Court would only stay this case if it is conditioned on such an agreement. *IXI Mobile (R & D) Ltd. v. Samsung Elecs. Co.*, No. 15-CV-03752-HSG, 2015 WL 7015415, at *4 (N.D. Cal. Nov. 12, 2015) (granting a stay pending IPR “conditioned on [defendant’s] agreement to be bound as if it were a party to the IPR petitions”).

Therefore, this factor neither favors nor disfavors a stay.

D. Totality of the Circumstances

Based on a review of the relevant factors, the Court would find that the stage of the proceedings slightly favors a stay, and the likelihood of simplification and the undue prejudice factors are neutral. Although SkyBell's delay in seeking a stay makes this a close call, the Court would conclude that, in view of these factors, and considering all of the circumstances presented by the parties, a brief stay of about three months is warranted. *See DMF, Inc. v. AMP Plus, Inc.*, No. 2:18-cv-07090-CAS(GJSx), 2019 WL 9077477, at *6 (C.D. Cal. Dec. 13, 2019) ("Many courts have 'recognized a liberal policy in favor of granting motions to stay pending IPR.'" (quoting *Zomm*, 391 F. Supp. 3d at 956)).

IV. Conclusion

Based on the foregoing discussion, the Court would tentatively **GRANT** SkyBell's motion, conditioned on SkyBell stipulating to be bound by 35 U.S.C. § 315(e)(2) as if it were a party to the IPR.

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No. CV 22-1712-GW-PDx

Date April 28, 2022

Title *Stratosaudio, Inc. v. Hyundai Motor America*

Present: The Honorable GEORGE H. WU, UNITED STATES DISTRICT JUDGE

Javier Gonzalez

Chia Mei Jui

Deputy Clerk

Court Reporter / Recorder

Tape No.

Attorneys Present for Plaintiffs:

Attorneys Present for Defendants:

Jonathan J. Lamberson

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**PROCEEDINGS: TELEPHONIC HEARING ON DEFENDANT HYUNDAI MOTOR
AMERICA'S MOTION TO STAY PENDING COMPLETION OF *INTER
PARTES* REVIEW AND EX PARTE REEXAMINATION [128]**

The Court's Tentative Ruling was issued on April 26, 2022 [135]. Court and counsel confer. The Tentative Ruling is adopted as the Court's Final Ruling. Defendant's Motion is granted.

The Court sets a status conference for November 3, 2022 at 8:30 a.m. The parties are to file a joint status report by October 28, 2022. All previously set deadlines and hearing dates are vacated and taken off-calendar.

Initials of Preparer JG

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