

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

DALI WIRELESS, INC.,

Plaintiff,

vs.

T-MOBILE US, INC., et al.

Defendants.

Case No. 2:22-cv-00414-RWS-RSP

JURY TRIAL DEMANDED

DEFENDANTS' OPPOSED MOTION TO STAY PENDING *INTER PARTES* REVIEW

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	2:22-cv-12 (EDTX)	2:23-cv-161 (EDTX)	2:23-cv-2 (EDTX)	6:22-v-1313 (WDTX)	2:22-cv-414 (EDTX)	
Patent	CommScope/ AT&T	Ericsson/ AT&T	CommScope/ Verizon	Ericsson/ Verizon ¹	CommScope/ T-Mobile	Ericsson/ T-Mobile
'232	X	X	X	X ²		X
'499	X	X	X	X	X	X
'343				X		X
'3383		X		X		X
'358	X				X	
'171					X	X
'382					X	X

Key:

IPR instituted
IPR filed & awaiting institution decision

¹ The case has been stayed as to Verizon. *See* Case No. 6:22-v-1313, Dkt. 22 (W.D. Tex.).

² Dali has agreed to drop the '232 patent based upon the claim construction issued in that case. The parties are currently negotiating the particulars of the dismissal.

³ Dali also asserts the '338 patent against CommScope in the District of Delaware. *Dali Wireless, Inc. v. CommScope Technologies, Inc.*, 1:19-cv-00952 (D. Del.). Following the court's *Markman* rulings as to the '338 Patent, Dali stipulated to judgment of non-infringement. The court's claim constructions are currently on appeal. *See Dali Wireless Inc. v. CommScope Technologies LLC*, 22-1699, Dkt. 17, at 2 (Fed. Cir.) (Statement of the Issues).

The PTAB has instituted IPRs as to four of the seven patents-in-suit - the '232, '499, '338, and '343 patents - and CommScope and Ericsson timely filed IPRs as to the remaining three patents - the '358, '382, and '171 patents - and are simply awaiting institution decisions. Defendants thus respectfully request the Court stay this case pending the PTAB's review of the patents-in-suit.

The unique facts and current posture of the case - and in particular the existence of several co-pending, related cases involving an overlapping subset of patents and parties - strongly suggest that a stay would substantially simplify the issues in dispute. Specifically, this is one of five cases currently pending before this Court and the Western District of Texas involving one or more of the same patents-in-suit and involving the same defendants and accused products - *i.e.*, CommScope and Ericsson as vendors to each of AT&T, Verizon, and T-Mobile. As summarized in the Table of Related Cases and Pending IPRs, in each of the five pending, related actions, IPRs have been instituted as to all patents-in-suit or a substantial majority (in which case IPRs have been filed and are simply awaiting institution decisions). In each order instituting *inter partes* review, the PTAB granted institution as to all claims (and thus all asserted claims) and on all grounds, which in some IPRs included up to *seven* invalidity grounds. Indeed, the PTAB has already expressly held that the merits of the IPRs challenging the validity of the '232 and '499 patents are "compelling." A stay while the PTAB reviews the validity of each of the patents-in-suit would therefore relieve this Court (and the Western District) from, for example, trying the validity of the '232 and '499 patents five times, the '338 patent three times, and the '343 and '358 patents two times, all while the same work is being conducted by the PTAB.

A stay is also appropriate because this case is in its infancy. Dali only just served its infringement contentions on April 10, and a scheduling conference has not yet occurred (April 24). Moreover, although Dali initially filed actions against CommScope and Ericsson on five of the

seven patents-in-suit in January 2022, it delayed an additional ten months before bringing the present suit and asserting two new patents (the '171 and '382 patents), which are now also subject to pending IPR petitions. Thus, Dali itself has not shown any diligence in bringing this action. A stay would also not unduly prejudice Dali, which does not practice the patents-in-suit and is thus only seeking a monetary recovery.

I. FACTUAL AND PROCEDURAL BACKGROUND

A. Dali's Prior And Pending Actions Against CommScope And Ericsson Involving One Or More Of The Patents-In-Suit

Dali's procedural wrangling has created a web of actions across multiple jurisdictions involving an overlapping set of patents, as described more fully below. Defendants seek to simplify these multiple actions by staying the cases and allowing the PTAB a short period of time to evaluate the validity of Dali's patents.

1. *Dali Wireless, Inc. v. CommScope Techs., LLC, et al.*, 1:19-cv-952 (D. Del.)

In 2019, Dali alleged that CommScope infringed four of its patents related to distributed antenna systems ("DAS"), one of which was the '338 patent that it asserts in this case against Ericsson/T-Mobile. *Dali Wireless, Inc. v. CommScope Techs., LLC, et al.*, 1:19-cv-952, Dkt. 1 (D. Del.). On March 24, 2022, following a claim construction ruling and a supplemental claim construction, Dali admitted that it could not make a case of infringement as to the '338 patent, and the District of Delaware subsequently entered final judgment of non-infringement in favor of CommScope. *Id.*, Dkt. 326. Dali has since appealed the claim constructions that led to its stipulated judgment of non-infringement, which appeal is currently fully briefed and awaiting oral argument before the Federal Circuit. *Dali Wireless, Inc. v. CommScope Techs., LLC*, 22-1699, Dkt. 17 at 2 (Fed. Cir.) (Statement of the Issues). Those same constructions are at issue in related

proceedings pending before this Court. *See* 2:22-cv-12, Dkt. Nos. 113, 118, 122 (discussing the '338 patent terms).

2. *Dali Wireless, Inc. v AT&T Corp., et al.*, 2:22-cv-12 (E.D. Tex.)

On January 7, 2022, Dali brought suit against AT&T, CommScope, and Ericsson, alleging infringement of four of the seven patents-in-suit here—the '232, '499, '338, and '358 patents—based upon AT&T's use of the same products accused in this case. Following the parties' stipulation, the Court severed the AT&T action into two cases. *Id.*, Dkt. 123. Dali served its infringement contentions on July 12, 2022, and served amended contentions on Ericsson on December 14, 2022. Both cases have yet to have a *Markman* hearing (scheduled for April 25 before this Court), and fact discovery remains open. The tables below show the patents asserted in each of the severed cases, where red indicates at least one IPR has been instituted, and yellow indicates that an IPR has been filed and is simply awaiting an institution decision.

<i>Dali Wireless, Inc. v. AT&T Corp., et al. (Ericsson/AT&T), 2:23-cv-161 (E.D. Tex.)</i>		
'232	'499	'338

<i>Dali Wireless, Inc. v. AT&T Corp., et al. (CommScope/AT&T), 2:22-cv-12 (E.D. Tex.)</i>		
'232	'499	'358

Defendants moved to stay the cases pending the resolution of the IPRs, which motion remains pending before the Court. 2:22-cv-12, Dkt. 119 (E.D. Tex.).

3. *Dali Wireless, Inc. v. Cellco Partnership, et al.*, 6:22-cv-104 (W.D. Tex.)

On January 27, 2022, Dali filed suit against, *inter alia*, Verizon, CommScope, and Ericsson and alleged infringement of four of the seven patents-in-suit here—the '232, '499, '343, and '338 patents—based upon Verizon's use of the same CommScope and Ericsson products accused here. Per the parties' stipulation, the court severed the action into two cases, transferred the severed

action against CommScope/Verizon to this Court (6:22-cv-104, Dkt. 95 (W.D. Tex.)), and then later stayed Dali's claims against Verizon in the remaining action against Ericsson/Verizon (6:22-cv-1313, Dkt. 30 (W.D. Tex.)). The two below tables show the patents asserted in each of the severed cases and use the same color format as the above tables to confirm that IPRs have been instituted as to all patents at issue in those cases.

<i>Dali Wireless, Inc. v. Celco Partnership, et al. (CommScope), 2:23-cv-2 (E.D. Tex.)</i>	
'232	'499

This case is currently set for *Markman* on April 25, 2023 (with the AT&T action), but no schedule has been entered. Defendants moved to stay the case pending IPRs. 2:23-cv-2, Dkt. 114.

<i>Dali Wireless, Inc. v. Ericsson Inc., et al., 6:22-cv-1313 (W.D. Tex.)</i>			
'232 ⁴	'499	'343	'338

Fact discovery remains ongoing, and no depositions have yet been scheduled. Ericsson moved to stay this case pending the IPRs on March 14, 2023. 6:22-v-1313, Dkt. 33 (W.D. Tex.). That motion is fully briefed and is awaiting a decision in the Western District.

4. *Dali Wireless, Inc. v. T-Mobile US, Inc., 2:22-cv-414 (E.D. Tex.)*

Dali brought the present case on October 21, 2022—over ten months after it first brought suit against CommScope and Ericsson in the AT&T action—alleging infringement of the same five patents it previously asserted against these defendants—the '232, '499, '343, '338, and '358 patents—plus two newly-asserted patents—the '171 and '382 patents, both of which also involve DAS technology. Dali served its infringement contentions on April 10, 2023, and a scheduling

⁴ Dali has agreed to stipulate to judgment of non-infringement of the '232 patent based upon the Western District's claim construction. The parties are currently negotiating the specifics of that dismissal. Ericsson is advocating for that same construction in the AT&T action. 2:22-cv-12, Dkt. 118 at 13.

conference is currently set for April 24, 2023. The table below shows the patents asserted against each vendor as set forth in Dali's infringement contentions, and uses the same color format as the above tables to depict the status of the IPRs.⁵

<u>Patents asserted against CommScope/T-Mobile</u>					
	'499		'358	'171	'382

<u>Patents asserted against Ericsson/T-Mobile</u>						
'232	'499	'343	'338		'171	'382

B. IPRs On The Patents-In-Suit

As discussed further below, the PTAB has instituted *inter partes* review as to four of the patents-in-suit, and institution decisions are upcoming as to the remaining three.

1. '499 patent

a. IPR2022-01293 (by CommScope)

CommScope filed for IPR of the '499 patent on July 20, 2022, challenging all claims. Ex. A. The PTAB instituted on March 9, 2023. Ex. B. The final decision is expected by March 9, 2024. CommScope asserted *seven* separate invalidity grounds and the PTAB instituted on "all the grounds set forth in the petition," and all claims. *Id.* at 8, 41. The PTAB also conducted an additional analysis to determine if the merits of the invalidity argument presented a "compelling-merits challenge," which is a "higher standard" than normally required for institution and requires invalidity be "highly likely," not just likely. *Id.* at 16-17 (citing *OpenSky Indus., LLC v. VLSI*

⁵ The infringement contentions differ from the Complaint in several material respects as to CommScope/T-Mobile. Specifically, the infringement contentions do not include allegations as to the '232 and '343 patents, but add assertions as to the '171 patent. Dali has yet to move to amend the complaint to reflect these new assertions.

Tech. LLC, IPR2021-01064, Paper 102, 49–50 (Oct. 4, 2022) (precedential)). Under this standard, the PTAB expressly found the “merits of this case to be compelling.” *Id.* According to the PTAB, “Claim 1 does not appear to encompass a high level of detail, and each element of the claimed system is persuasively shown to be present in [the prior art].” *Id.* at 17. The PTAB thus concluded it was “highly likely” that CommScope would “prevail” on this representative claim and thus presented a “compelling, meritorious challenge that plainly leads to a conclusion that at least one challenged claim is unpatentable.” *Id.* at 18. T-Mobile has moved to join this IPR. Exs. E, F.

b. IPR2022-01419 (by Ericsson)

Ericsson filed IPR2022-01419 on August 15, 2022. Ex. C. The PTAB instituted review on all claims (1-19) and on all asserted grounds, on March 9, 2023. Ex. D. The Ericsson petition relies on the same reference that the PTAB found to present a “compelling” invalidity case in the CommScope petition. Ericsson further agreed that if the IPR was instituted, it would not pursue in this Court “any ground raised or that could have been reasonably raised in an IPR for the challenged patent.” *Id.* at 28. The final written decision is expected by March 2024.

2. ’232 patent

a. IPR2022-01242 (by CommScope)

CommScope filed for IPR of the ’232 patent on July 1, 2022. Ex. G. As with the ’499 patent, the PTAB instituted on all *seven* grounds and as to all claims. Ex. H, at 7-8, 76. The PTAB also determined this IPR met the higher “compelling” case standard. *Id.* at 74 (“Petitioner has set forth a compelling, meritorious challenge”). In doing so, the PTAB conducted a 14-page analysis of the strength of the challenge to representative claim 1 and held that it was “highly likely” that CommScope would “prevail” on this representative claim. *Id.* at 60-74. The final decision is expected by March 2024.

b. IPR2022-01570 (by Ericsson)

Ericsson filed IPR2022-01570 on September 23, 2022. Ex. I. An institution decision is expected by May 2023. In its petition, Ericsson agreed that if instituted, it would not pursue in this Court any ground raised or that could have been reasonably raised in an IPR. *Id.* at 72.

3. '343 patent (IPR2022-01345 by Ericsson)

Ericsson filed IPR2022-01345 on August 3, 2022 (Ex. J), and the PTAB instituted review on all claims (1-22) and all grounds, on March 9, 2023. Ex. K. A final written decision is expected by March 2024. In its petition, Ericsson agreed that if instituted, it would not pursue in this Court any ground raised or that could have been reasonably raised in an IPR. Ex. K. at 44-45. CommScope and T-Mobile timely moved to join this IPR. Exs. L, M, N, O.

4. '338 patent (IPR2022-01212 by Ericsson)

Ericsson filed IPR2022-01212 on July 22, 2022 (Ex. P), and the PTAB instituted a review on February 1, 2023 on all claims (1-12) and on all asserted grounds (Ex. Q, at 57). As to asserted claims 1-2, Ericsson presented two invalidity challenges, and the PTAB undertook a limitation-by-limitation analysis as to both grounds and rejected each of Dali's arguments. *See generally id.* at 20-54. Ericsson agreed that if the IPR was instituted, it would not pursue in this Court "any ground raised or that could have been reasonably raised in an IPR for the challenged patent." *Id.* at 55-56. The final written decision is expected by February 1, 2024.

5. '358 patent (IPR2023-00466 by CommScope)

CommScope filed for IPR on the '358 patent on January 12, 2023. Ex. R. The institution decision is expected in July 2023. The petition alleges that all asserted claims are invalid on four or more grounds. *Id.*

6. '171 patent (IPR2023-00700 by Ericsson)

The '171 patent is related to the '338 patent. Ericsson filed for IPR on all claims of the '171 patent on March 15, 2023. Ex. S. An institution decision is expected by September. In its

petition, Ericsson notes that the claims of the '171 patent were initially rejected based on non-statutory double patenting over the '338 patent (which, as noted above, is itself subject to an instituted IPR). *Id.* at 14. Ericsson agreed that if the IPR is instituted, it would not pursue in this Court any ground raised or that could have been reasonably raised. *Id.* at 81.

7. '382 patent (IPR2023-00795 by Ericsson)

Ericsson filed for IPR on all claims of the '382 patent on April 4, 2023. Ex. T. A filing date has not yet been accorded. In its petition, Ericsson agreed that if instituted, it would not pursue in this Court any ground raised or that could have been reasonably raised in an IPR. *Id.* at 88-89.

The below table summarizes the current status of each of the IPRs:

Patent	IPR	Challenged Claims	Date Instituted	Final Written Decision
'232	IPR2022-01242	1-20 (all)	March 17, 2023	March 2024
	IPR2022-01570	1-20 (all)	Expected May 2023	TBD (5/2024)
'499	IPR2022-01293	1-19 (all)	March 9, 2023	March 2024
	IPR2022-01419	1-19 (all)	March 9, 2023	March 2024
'343	IPR2022-01345	1-22 (all)	March 9, 2023	March 2024
'338	IPR2022-01212	1-12 (all)	Feb. 1, 2023	Feb. 2024
'358	IPR2023-00466	7- 9, 11, 15, 17, 18, 20-21 (all asserted)	Expected July 2023	TBD (7/2024)
'171	IPR2023-00700	1-20 (all)	Expected September 2023	TBD (9/2024)
'382	IPR2023-00795	1-19 (all)	IPR filed April 4, 2023	TBD

II. ARGUMENT AND CITATIONS TO AUTHORITY

A. Legal Standard

Whether to grant a stay pending IPR is “committed to the district court’s discretion.” *NFC Tech. LLC v. HTC Am.*, 2:13-cv-1058, 2015 WL 1069111, at *1 (E.D. Tex. Mar. 11, 2015). District courts consider three main factors:

- (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. The “most important factor” is the prospect that the IPRs “will result in simplification of the issues before the Court.” *Id.* at *12; *see also Intellectual Ventures II LLC v. BITCO Gen. Ins. Corp.*, 6:15-CV-59, 2016 WL 4394485, at *3 (E.D. Tex. May 12, 2016) (same).

B. The Court Should Stay The Entire Case

1. There Is A Substantial Likelihood A Stay Will Simplify The Case

The PTAB’s decision to institute *inter partes* review “ordinarily means that there is a substantial likelihood of simplification of the district court litigation.” *NFC Techs.*, 2015 WL 1069111, at *4; *see also Uniloc USA, Inc. v. Avaya Inc.*, 6:15-cv-01168-JRG, 2017 WL 2882725, at *3 (E.D. Tex. Apr. 19, 2017) (“[I]n light of the fact that the PTAB has instituted review on all claims asserted ... the ‘simplification’ factor weighs strongly in favor of granting a stay in this case pending the completion of the IPR process.”). This District has explained:

Congress’s purpose in creating an inter partes review procedure was to allow the administrative agency that issues patents to consider new information bearing on whether those patents should be canceled or confirmed. Giving the agency the authority to consider the validity of patents in the inter partes review process was designed in large measure to simplify proceedings before the courts and to give the courts the benefit of the expert agency’s full and focused consideration of the effect of prior art on patents being asserted in litigation.

NFC Techs., 2015 WL 1069111, at *4. A stay “may eliminate the need for trial entirely. ... If the examiner invalidates the claims, that will fully resolve this case.” *TC Tech. LLC v. T-Mobile USA, Inc.*, 6-20-cv-00899-ADA, 2021 WL 8083373, at *3 (W.D. Tex. Dec. 7, 2021).

Here, the PTAB has already instituted one or more IPRs on four of the seven patents-in-suit. As to these patents, at a minimum, the question to be answered is not whether a stay is

appropriate: the “near-uniform line of authority reflects the principal point made by [the Federal Circuit] in *VirtualAgility*—that after the PTAB has instituted review proceedings, the parallel district court litigation ordinarily should be stayed.” *NFC Techs.*, 2015 WL 1069111, at *7. Rather, the issue before the Court is “whether there are circumstances in this case that would call for a departure from that general practice and make a stay inappropriate.” *Id.* Here, there are no such special circumstances and, indeed, this case presents additional reasons to follow the general practice even as to the three patents for which institution decisions are still pending.

First, the PTAB has found it likely that all claims of the ’499, ’232, ’343, and ’338 patents are invalid based on multiple invalidity grounds. Exs. B, D, H, K, Q. In doing so, the “PTAB has, in essence, indicated that the asserted claims are likely unpatentable.” *Scorpcast, LLC v. Boutique Media*, No. 2:20-cv-00193-JRG-RSP (lead case), 2021 WL 3514751, at *3 (E.D. Tex. June 8, 2021) (defendants met their burden to show a substantial likelihood of simplification where PTAB granted institution on more than one asserted ground).

Second, as to the ’232 and ’499 patents in particular, the PTAB expressly found the IPR petitions met the even higher “compelling merit” standard. Exs. B, H. This weighs strongly in favor of a stay.

Third, each of the ’499, ’232, ’343, ’338, and ’358 patents is involved in multiple cases, across two jurisdictions. *See* § I.A., *infra*. CommScope and Ericsson have moved to stay each of those cases pending final written decisions in the IPRs. By entering a stay, the parties and the courts will be relieved of having to undertake duplicative invalidity determinations across multiple cases and forums. *See SSL Servs., LLC v. Cisco Sys., Inc.*, 2:15-cv-433-JRG-RSP, Dkt. 123 (E.D. Tex. June 27, 2016) (“If Cisco prevails in the IPR, then one or more asserted claims will be invalidated and eliminated from this case. To the extent claims are not invalidated, the IPR

proceeding will remove prior art from this case under the estoppel provisions of 35 U.S.C. § 315(e)(2). Accordingly, the Court finds there is a high likelihood of issue simplification in this case. This factor weighs heavily in favor of a stay.”). A stay presents the best opportunity to conserve limited judicial resources. *CyWee Grp. Ltd. v. Samsung Elecs. Co.*, 2:17-cv-00140-WCB-RSP, 2019 WL 11023976, at *9 (E.D. Tex. Feb. 14, 2019) (“[A]llowing the PTO to adjudicate the validity of the six claims before it in the two IPR proceedings reduces what otherwise would be unavoidable duplication of effort and a possibility of inconsistent results between the administrative agency and the court.”); *see also Evolutionary Intelligence, LLC v. Apple, Inc.*, 13-cv-04201, 2014 WL 93954, at *3 (N.D. Cal. Jan. 9, 2014) (“There is also little benefit to be gained from having two forums review the validity of the same claims at the same time.”).

Fourth, as noted above, the claim constructions of the ’338 patent are currently being appealed to the Federal Circuit as part of Dali’s case against CommScope pending in the District of Delaware. *Dali Wireless Inc. v. CommScope Techs. LLC*, Case No. 22-1699 (Fed. Cir.). To the extent the ’338 patent survives Ericsson’s IPR, a stay would provide this Court the benefit of both the PTAB’s and the Federal Circuit’s guidance. *See id.*, Dkt. 17 (Dali’s opening brief, challenging the D. Del. claim constructions that formed the basis of the judgment of non-infringement).

This “most important factor” weighs heavily in favor of a stay.

2. A Stay Would Not Unduly Prejudice Dali

A short stay of the district court proceedings while the PTAB renders its final decisions on the pending petitions would not unduly prejudice Dali. To be sure, a “plaintiff’s interest in proceeding in a timely manner is given weight in the analysis of whether a stay should be granted pending IPR.” *Stragent LLC v. BMW of N. Am., LLC*, 6:16-cv-446, 2017 WL 3709083, *2 (E.D. Tex. July 11, 2017) (weighing all factors and granting motion to stay pending IPR). But “[d]elay

alone does not usually constitute undue prejudice, because ‘parties having protection under the patent statutory framework may not complain of the rights afforded to others by that same statutory framework.’” *Asetek Holdings, Inc. v. Cooler Master Co.*, 13-cv-457, 2014 WL 1350813, at *4 (N.D. Cal. Apr. 3, 2014) (quoting *KLA-Tencor Corp. v. Nanometrics, Inc.*, 05-cv-03116-JSW, 2006 WL 708661, at *3 (N.D. Cal. Mar. 16, 2006)). Indeed, a patentee’s interest in the timely enforcement of its patents is “present in every case in which a patentee resists a stay, and it is therefore not sufficient, standing alone, to defeat a stay motion.” *NFC Techs.*, 2015 WL 1069111, at *2; *see also Stragent*, 2017 WL 3709083, at *2; *Uniloc*, 2017 WL 2882725, at *2.

Dali’s choice to forgo a preliminary injunction additionally weighs against a finding of undue prejudice. *See, e.g., Stingray Music USA, Inc. v. Music Choice*, 2:16-cv-00586-JRG-RSP, 2017 WL 9885167, *2 (E.D. Tex. Dec. 12, 2017) (“The present facts are similar to those in *VirtualAgility Inc. v. Salesforce.com, Inc.*, 759 F. 3d 1307 (Fed. Cir. 2014), in which the Federal Circuit noted that a stay does not diminish the monetary damages to which a successful infringement plaintiff is entitled. And here, as in *VirtualAgility*, the plaintiff did not move for a preliminary injunction, which contradicts [plaintiff’s] assertion it cannot wait for a decision on infringement.”). Moreover, Dali does not compete with Defendants or sell any products that practice the patents-in-suit. Its only remedy will be thus monetary, and “[i]n such cases, the Federal Circuit has held, ‘a stay will not diminish the monetary damages to which the plaintiff will be entitled if it succeeds in its infringement suit—it only delays realization of those damages’” *CyWee Grp.*, 2019 WL 11023976, at *4 (quoting *VirtualAgility*, 759 F.3d at 1318); *see also Stragent*, 2017 WL 3709083, at *2 (“mere delay in collecting those damages does not constitute undue prejudice.”).

Finally, Dali chose to wait to bring suit against CommScope and Ericsson as to the '171 and '382 patents, rather than asserting them in its first set of actions. In contrast, Ericsson promptly filed its IPRs as to these patents.

Accordingly, to the extent Dali would suffer any prejudice as a result of the stay, it would certainly not be *undue*, thus making this factor favor a stay or, at worse, neutral. *See Scorpcast*, 2021 WL 3514751, at *2 (“The Court previously weighed this factor as neutral since it found that a stay would not cause any case-specific prejudice.”).

3. The Case Is In Its Infancy, Thus Weighing In Favoring Of A Stay

The stage of the case weighs heavily in favor of a stay: “Nothing significant has been done in the district court cases. A scheduling conference has not occurred, no discovery has taken place, and a trial date has not been scheduled. Accordingly, the third factor weighs in favor of a stay.” *Veraseal LLC v. Costco Wholesale Corp.*, 2:17-cv-713-RWS-RSP, 2018 WL 4524122, at *2 (E.D. Tex. May 18, 2018).

C. That Institution Decisions Have Yet To Issue As To A Minority Of The Patents-In-Suit Does Not Outweigh The Potential Simplification

The PTAB has instituted one or more IPRs as to the majority of the patents-in-suit, and Defendants have filed IPRs as to each of the remaining and are just awaiting institution decisions. That a minority of the patents-in-suit are not yet subject to an instituted IPR does not outweigh the above analysis.

As a threshold matter, “courts in this district have regularly issued stays in cases in which IPR proceedings have been instituted on fewer than all the claims asserted in the related litigation.” *CyWee Grp.*, 2019 WL 11023976, at *8 (collecting cases).⁶ As do “[c]ourts in other districts.” *Id.*

⁶ *Stingray Music USA, Inc. v. Music Choice*, 2:16-cv-586, 2017 WL 9885167, at *2 (E.D. Tex. Dec. 12, 2017); *Image Processing Techs., LLC v. Samsung Elecs. Co.*, 2:16-cv-505, 2017 WL 7051628, at *1 (E.D. Tex. Oct. 8, 2014); *Uniloc USA, Inc. v. Samsung Elecs. Am., Inc.*, 2:16-cv-

(collecting cases).⁷ “As those cases make clear, even when IPRs are instituted on fewer than all the asserted claims, the policies favoring simplification and the reduction of litigation burdens on the parties and the court are often applicable.” *Id.* In *Uniloc USA, Inc. v. Samsung Electronics America, Inc.*, 2:16-cv-642-JRG, 2017 WL 9885168 (E.D. Tex. June 13, 2017), for example, the PTAB had only instituted IPR on three of the four patents-in-suit. *Id.* at *1. Nevertheless, the Court granted the motion stay, holding that “the benefits of a stay outweigh the costs of postponing resolution of the litigation in this case.” *Id.* at *1. The Court noted that the stage of the case—much later than in the present case—favored a stay: “Here, the patent claims have not yet been construed by the Court, and discovery is not yet complete.” *Id.* at *1. Similarly, in *Realtime Data, LLC v. Hewlett Packard Entertainment*, 6:16-cv-00086-RWS-JDL, 2017 WL 3712916, (E.D. Tex. Feb. 3, 2017), the Court granted a stay where IPR was instituted for a majority of the patents (5 of 7) with a minority (2 of 7) pending. In granting the stay, the Court made a commonsense point: “the fact that the PTAB has already instituted review of five of the seven Asserted Patents makes it highly likely that there will be at least some simplification of the issues in this case overall.” *Id.* at *4. The same principles apply here in even greater force given the number of related cases, the related nature of the patents, and the overlapping technology and accused products.

642, 2017 WL 9885168, at *1 (E.D. Tex. June 13, 2017); *Realtime Data, LLC v. Hewlett Packard Enter. Co.*, 6:16-cv-86, 2017 WL 3712916, at *3 (E.D. Tex. Feb. 3, 2017); *Intellectual Ventures II LLC v. BITCO Gen. Ins. Corp.*, 6:15-cv-59, 2016 WL 4394485, at *3 (E.D. Tex. May 12, 2016); *Personal Audio LLC v. Google, Inc.*, 1:15-cv-350, 2015 WL 12915558, at *3 (E.D. Tex. Nov. 3, 2015); *NFC Tech.*, 2015 WL 1069111, at *7.

⁷ *Parsons Xtreme Golf LLC v. Taylor Made Golf Co.*, 17-cv-3125, 2018 WL 6242280, at *5 (D. Ariz. Nov. 29, 2018); *Clinicomp Int'l, Inc. v. Cerner Corp.*, 17-cv-2479, 2018 WL 5617694, at *4–5 (S.D. Cal. Oct. 30, 2018); *Canfield Sci., Inc. v. Drugge*, 16-cv-4636, 2018 WL 2973404, at *2 (D.N.J. June 13, 2018); *E.Digital Corp. v. Arcsoft, Inc.*, 15-cv-56, 2016 WL 452152, at *1–2 (S.D. Cal. Feb. 3, 2016); *PersonalWeb Techs., LLC v. Apple Inc.*, 69 F. Supp. 3d 1022, 1027–28 (N.D. Cal. 2014).

Should the Court nevertheless be inclined to wait until institution decisions have been issued as to the '358, '171, and '382 patents before staying those patents, Defendants respectfully request that the Court sever those patents from the present action and stay the case as to the '232, '499, '343, and '338 patents for which IPRs have been instituted. *See* Defendants' Opposed Motion to Stay Pending *Inter Partes* Review, *Dali Wireless, Inc. v. AT&T Corp., et al.*, Case No. 2:22-cv-12, Dkt. 119 at 14-15 (E.D. Tex.).

III. CONCLUSION

Because the “most important factor”—the likelihood that the PTAB proceedings will substantially simplify the case—weighs heavily in favor of a stay, and because the other factors likewise favor a stay or are neutral, Defendants respectfully request the Court stay the case pending IPR review of the patents-in-suit.

Dated: April 17, 2023

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned counsel hereby certifies that on April 17, 2023, a true and correct copy of the foregoing was served on all counsel of record who have appeared in this case via the Court's CM/ECF system per Local Rule CV-5.

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CERTIFICATE OF CONFERENCE

I hereby certify that counsel for Defendants conferred with counsel for Plaintiff, and this motion is opposed.

/s/ John R. Gibson
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