United States District Court
Northern District of California

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

JAWBONE INNOVATIONS, LLC, Plaintiff, v. GOOGLE LLC, Defendant.	Case No. 23-cv-00466-TLT **ORDER GRANTING MOTION TO STAY PENDING *INTER PARTES* REVIEW** Re: ECF No. 132 **RELATED TO** Case No. 3:22-cv-06727-TLT

Before the Court is Defendant Google LLC's ("Defendant") motion to stay the entire action pending *inter partes* review ("IPR"). *See* Mot. to Stay ("Mot."), ECF No. 132. In its discretion, the Court finds this motion suitable for determination without oral argument. Civ. L.R. 7-1(b). Accordingly, the hearing set for May 2, 2023, is **VACATED**.

Having carefully considered the parties' briefs, the relevant legal authority, and for the reasons below, the Court hereby **GRANTS** Defendant's motion to stay.

I. BACKGROUND

On September 23, 2021, Plaintiff sued Defendant in the Western District of Texas, alleging infringement of eight of Plaintiff's patents: U.S. Patent Nos. 8,019,091 (the "'091 Patent"); 7,246,058 (the "'058 Patent"); 8,280,072 (the "'072 Patent"); 8,321,213 (the "'213 Patent"); 8,326,611 (the "'611 Patent"); 10,779,080 (the "'080 Patent"); 11,122,357 (the "'357 Patent"); and 8,467,543 (the "'543 Patent"). *See* Compl., ECF No. 1. On December 23, 2022, Plaintiff filed an amended complaint alleging infringement of an additional patent: U.S. Patent No. 8,503,691 (the "'691 Patent"). *See* Am. Compl., ECF No. 23.

GOOGLE EXHIBIT 1021

Upon Defendant's motion, the case was transferred to this Court on February 1, 2023. ECF Nos. 105-107. Before the case was transferred, the Patent Trial and Appeal Board ("PTAB") instituted IPR on eight of the nine asserted patents. On March 13, 2023, Defendant filed this motion seeking to stay this case pending final resolution of the IPR proceedings. ECF No. 132.

II. LEGAL STANDARD

"Courts have inherent power to manage their dockets and stay proceedings, including the authority to order a stay pending conclusion of a [Patent and Trademark Office] reexamination." *Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1426–27 (Fed. Cir. 1988) (citation omitted). "While courts are 'under no obligation to stay proceedings pending parallel litigation in the PTAB, judicial efficiency and the desire to avoid inconsistent results may, after a careful consideration of the relevant factors, counsel in favor of a limited stay, even before the PTAB has acted on a petition for IPR.'" *Finjan, Inc. v. Symantec Corp.*, 139 F. Supp. 3d 1032, 1035 (N.D. Cal. 2015) (quoting *Delphix Corp. v. Actifio, Inc.*, No. 13-cv-04613-BLF, 2014 WL 6068407, at *2 (N.D. Cal. Nov. 13, 2014). The moving party bears the burden. *Nken v. Holder*, 556 U.S. 418, 433–34 (2009).

"Courts traditionally consider three main factors in determining whether to stay a case pending the conclusion of IPR proceedings: '(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 non-moving party.'" *Trusted Knight Corp. v. Int'l Bus. Machines Corp.*, No. 19-CV-01206-EMC, 2020 WL 5107611, at *1 (N.D. Cal. Aug. 31, 2020) (quotation omitted).

III. DISCUSSION

1. Stage of the Litigation

This case is in the early stages of litigation, which weighs in favor of a stay. Discovery has begun but is not completed, and no trial date has been set. Although a claim construction order has been issued (ECF No. 88), courts routinely grant stays even when claim construction has already occurred. *See, e.g., PersonalWeb Techs., LLC v. Facebook, Inc.*, No. 13-CV-01356-EJD, 2014 WL 116340, at *3-4 (N.D. Cal. Jan. 13, 2014) (granting stay when claim construction had occurred but fact discovery remained open); *Contour IP Holding, LLC v. GoPro, Inc.*, No. 17-CV-

04738-WHO, 2018 WL 6574188, at *3 (N.D. Cal. Dec. 12, 2018) (granting stay when claim construction was complete and "some substantial discovery" had occurred, but "several costlier stages of pretrial preparation remain, not to mention the trial itself"); *Trusted Knight Corp.*, 2020 WL 5107611, at *2 (granting stay where claim construction had already occurred). Accordingly, the Court finds this factor weighs in favor of granting a stay.

2. Simplification of the Issues

"A stay is favored under the second factor when the outcome of the reexamination would be likely to assist the court in determining patent validity and, if the claims were canceled in the reexamination, would eliminate the need to try the infringement issue." *Contour IP Holding*, 2018 WL 6574188, at *3 (internal quotations omitted). Courts have also found a stay is appropriate in one action "in view of the stay already imposed in [a] related action." *See Ruckus Wireless, Inc. v. Netgear, Inc.*, No. C 09-5271 PJH, 2010 WL 1222151, at *4 (N.D. Cal. Mar. 25, 2010) ("A stay…ameliorates the court's concerns over the duplicative litigation that could result from allowing the present action to go forward before the earlier filed but closely related litigation.").

Here, the IPR proceedings will likely simplify the issues in this case. The PTAB instituted IPR on eight of the nine asserted patents, and it may cancel certain claims, which would eliminate the need to try the infringement issue. Thus, a stay may save the parties time and money by avoiding "going through expert discovery and dispositive motion practice with patent claims that PTAB has already determined are likely invalid." *Huawei Techs., Co., Ltd. v. Samsung Elecs. Co.*, Ltd., No. 16-CV-02787-WHO, 2018 WL 1471715, at *2 (N.D. Cal. Mar. 26, 2018); *see also Int'l Test Sols., Inc. v. Mipox Int'l Corp.*, No. 16-cv-00791-RS, 2017 WL 1316549, at *2 (N.D. Cal. Apr. 10, 2017) (Where discovery has not yet been completed and a trial date has not been set, courts are more likely to issue stays to save the parties and the Court unnecessary expenditures.).

In addition, on March 21, 2023, the Court imposed a stay in the related action *Jawbone Innovations, LLC v. Amazon.com, Inc.*, No. 3:22-cv-06727-TLT (the "*Amazon* Action"). This action and the *Amazon* Action involve substantially the same asserted patents. *See id.*, ECF No. 105 at 2-3. Thus, "[a]llowing [this case] to proceed while the [the *Amazon* Action is] stayed would also be needlessly inefficient." *Uniloc USA, Inc. v. Apple Inc.*, No. 18-cv-00361-PJH, 2018

WL 2387855, at *3 (N.D. Cal. May 25, 2018) ("Moving forward with a single case now creates a real risk of highly inefficient discovery that could require the same individuals—including third parties—to undergo multiple rounds of overlapping depositions and discovery requests."). Accordingly, this factor also weighs in favor of granting a stay.

3. Undue Prejudice to Plaintiff

To determine prejudice, courts consider four subfactors: "(1) the timing of the petition for review; (2) the timing of the request for the stay; (3) the status of review proceedings; and (4) the relationship of the parties." *Uniloc USA Inc. v. LG Elecs. U.S.A. Inc.*, No. 18-CV-06737-JST, 2019 WL 1905161, at *5 (N.D. Cal. Apr. 29, 2019). First, Defendant here timely filed its IPR petitions. *See Finjan, Inc.*, 139 F. Supp. 3d at 1036 (declining to "condition a stay on [defendant] seeking IPR earlier than the end of its statutory deadline, or to read a dilatory motive into the timely exercise of its statutory rights"). Second, Defendant filed its motion less than six weeks from when the case was transferred to this Court. ECF Nos. 106, 132. Thus, "[t]his is not a case where reexamination is sought on the eve of trial or after protracted discovery." *Sorensen v. Dig. Networks N. Am., Inc.*, No. C 07-05568 JSW, 2008 WL 152179, at *2 (N.D. Cal. Jan. 16, 2008).

Third, the status of the IPR proceedings does not prejudice Plaintiff. As the Court previously noted in the *Amazon* Action, "Google's IPRs have been instituted and written final decisions are expected from September 2023 to January 2024." *Amazon* Action, ECF No. 105.

Finally, the parties do not argue that they are direct competitors. Compare Mot. 14 and Pl. ['s] Opp'n to Mot. ("Opp'n") 6-7, ECF No. 133. Thus, a stay would not unduly prejudice the business dealings between two direct competitors. *See Zomm, LLC v. Apple Inc.*, 391 F. Supp. 3d 946, 958 (N.D. Cal. 2019). In addition, because Plaintiff does not argue that it is practicing entity, *see* Opp'n 6-7, as a nonpracticing entity, it "cannot be prejudiced by a stay because monetary damages provide adequate redress for infringement." *Contour IP Holding*, 2018 WL 6574188, at *6; *see also Amazon* Action, ECF No. 105 at 7 ("[Plaintiff] argues that it is developing products that practice the asserted patents[.] [T]he Court is unaware of any authority, and [Plaintiff] does not cite any, for the proposition that [Plaintiff]'s intention to compete should be given weigh.). In sum, the Court finds Plaintiff is not likely to suffer undue prejudice.

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IV. CONCLUSION

For the above reasons, Defendant's motion to stay is **GRANTED**, and this entire action is stayed pending final resolution of Defendant's IPR proceedings. Accordingly, all pending dates and deadlines are **VACATED**. The parties shall file joint status reports every 120 days apprising the Court of the status of Defendant's IPR proceedings, with the first report due August 25, 2023.

The parties are further **ORDERED** to file a joint status report within fourteen days after issuance of the PTAB's final written decisions for Defendant's IPRs and notify the Court at that time whether the stay should be lifted.

This Order terminates docket number 132.

IT IS SO ORDERED.

Dated: April 27, 2023

TRINA L. THOMPSON
United States District Judge