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

FORCE MOS TECHNOLOGY, CO., LTD., **Plaintiff,** **v.** **ASUSTEK COMPUTER, INC.,** **Defendant.**	**Civil Action No. 2:22-cv-00460-JRG** **JURY TRIAL DEMANDED**

DEFENDANT ASUSTEK COMPUTER, INC.'S MOTION TO STAY PENDING RESOLUTION OF *INTER PARTES* REVIEWS

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I. Introduction

Defendant ASUSTek Computer, Inc. ("Defendant" or "ASUS") respectfully moves to stay this litigation pending the resolution of the *inter partes* review ("IPR") of two patents-in-suit, U.S. Patent Nos. 7,812,409 (the "'409 Patent") and 7,629,634 (the "'634 Patent") (collectively the "IPR Patents").

On October 27, 2023, Petitioner Inergy Technology, Inc. ("Petitioner" or "Inergy")[1] filed two IPRs on the '409 Patent (IPR2024-00094) and '634 Patent (IPR2024-00093) respectively before the Patent Trial and Appeal Board ("PTAB") challenging all claims of the IPR Patents. All factors considered by this Court favor an immediate stay of this proceeding pending the resolution of the IPRs. First, the IPRs would greatly simplify this case by resolving invalidity issues related to two of the three asserted patents in this litigation. A stay will preserve both the Court and parties' resources. Second, a stay would not unduly prejudice Force MOS Technology, Co., Ltd. ("Plaintiff" or "Force MOS"), as Force MOS does not directly compete with ASUS and has not moved for a preliminary injunction. Third, this case is in its early stages. Fact discovery is open, the parties have not yet exchanged proposed claim terms, and the claim construction hearing will not take place for over four months. Importantly, expert discovery, dispositive motion practice, and trial are in the future, with jury selection ultimately scheduled for late next year.

II. Factual Background

Force MOS filed its original complaint on November 28, 2023 (ECF 1) alleging patent infringement of the '634 Patent and U.S. Patent No. 7,847,346 (the "'346 Patent"). Force MOS filed its first amended complaint on March 7, 2023 (ECF 13), alleging and asserting patent

[1]Inergy is not a party to this proceeding. However, ASUS is a real party-in-interest to the IPRs under 37 C.F.R. § 42.8(b)(1).

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infringement of an additional patent, the '409 Patent (together, with the '634 Patent and the '346 Patent, the "Asserted Patents"). None of the Asserted Patents are related by patent family. On May 16, 2023, Force MOS served its infringement contentions asserting Claims 1-9 of the '634 Patent, Claim 1 of the '409 Patent, and Claims 1-20 of the '346 Patent. On July 18, 2023, ASUS served its invalidity contentions.

On October 27, 2023, Inergy filed two IPR petitions, to which ASUS is listed as a real party-in-interest:

Asserted Patents	**IPR Case No.**
The '634 Patent	IPR2024-00093
The '409 Patent	IPR2024-00094
The '346 Patent	N/A

(Petition for *Inter Partes* Review of Claims 1-9 of U.S. Patent No. 7,629,634, No. IPR2024-00093, Paper No. 1 (P.T.A.B. Oct. 27, 2023), attached as Ex. 1; Petition for *Inter Partes* Review of Claims 1-6 of U.S. Patent No. 7,812,409, No. IPR2024-00094, Paper No. 1 (P.T.A.B. Oct. 27, 2023), attached as Ex. 2.) The petitions establish that the respective prior art references, alone or combined, anticipate or render obvious every claim of the IPR Patents. (Exs. 1-2.) Dr. David Liu submitted declarations in support of both, explaining that the prior art references anticipate the challenged claims and/or the challenged claims would have been obvious to a person of ordinary skill in the art. (Declaration of David Kuan-Yu Liu, Ph.D., No. IPR2024-00093, Ex. 1003 (P.T.A.B. Oct. 27, 2023), attached as Ex. 3; Declaration of David Kuan-Yu Liu, Ph.D., No. IPR2024-00094, Ex. 1003 (P.T.A.B. Oct. 27, 2023), attached as Ex. 4.) Petitioner received the Notices of Filing Date Accorded for the IPRs on November 27, 2023. The deadline for Force MOS to file its preliminary response, should it so choose, is February 27, 2024, with an

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anticipated institution decision by the PTAB by May 27, 2024. If instituted, the final written decision is expected by May 27, 2025. 37 C.F.R. § 42.107(b); 35 U.S.C. §§ 314(b)(1), 316(a)(11).

On June 15, 2023, the Court entered the discovery order and docket control order (ECF Nos. 23-24), ultimately scheduling jury selection on October 7, 2024. As of the filing of this motion, fact discovery is in its early stages and is scheduled to close on May 20, 2024, and expert discovery is scheduled to close on June 24, 2024. The parties have not yet exchanged claim terms for claim construction (the exchange deadline is December 5, 2023), and the *Markman* hearing is scheduled for April 9, 2024. Dispositive motions are due July 1, 2024, and jury selection for trial is scheduled on October 7, 2024.

III. Argument

A district court "has the inherent power to control its own docket, including the power to stay proceedings." *Commc'n Techs., Inc. v. Samsung Elecs. Am., Inc.*, No. 2:21-CV-00444-JRG, 2023 U.S. Dist. LEXIS 17778, at *2 (E.D. Tex. Feb. 2, 2023). To determine whether to grant a stay pending IPRs, this Court considers "(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." *NFC Tech. LLC v. HTC Am., Inc.*, No. 2:13-CV-1058-WCB, 2015 U.S. Dist. LEXIS 29573, at *5 (E.D. Tex. Mar. 11, 2015). Based on the balance of these factors, the Court determines "whether the benefits of a stay outweigh the inherent costs of postponing resolution of the litigation." *Id.* Here, all factors favor a stay.

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A. The IPRs Will Simplify the Issues in this Case, Streamline the Case, and Reduce the Burden on the Parties and Resources of the Court.

"[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." *NFC Tech.*, 2015 U.S. Dist. LEXIS 29573, at *12. The recently-filed IPRs cover all claims, and therefore all asserted claims, of two of three Asserted Patents in this case. The resolution of the IPRs in favor of Petitioner will simplify this case by narrowing the issues to one patent—the '346 Patent. Though the case would not be entirely resolved because of the one remaining patent, the resolution by IPR of two asserted patents nonetheless simplifies the case and favors a stay. *Koninklijke KPN N.V. v. Telefonaktiebolaget LM Ericsson*, No. 2:21-CV-00113-JRG, 2022 U.S. Dist. LEXIS 222809, at *9 (E.D. Tex. July 7, 2022) (determining that the resolution by IPR of two patents of three asserted patents factored in favor of a stay).

Moreover, denial of an immediate stay would cause parallel claim construction proceedings with the PTAB on the IPR Patents. Opening claim construction briefs are currently due February 27, 2024, with the *Markman* hearing scheduled on April 9, 2024. (ECF No. 23.) Meanwhile, Patent Owner's preliminary response to the IPR petitions is also due on February 27, 2024 with an anticipated institution decision on the IPR petitions on May 27, 2024. An immediate stay of the case would therefore avoid potential complications with different constructions. *See Nike, Inc. v. Skechers U.S.A.*, No. 2:19-CV-09230-FLA (JDEx), 2021 U.S. Dist. LEXIS 206354, at *18, 20-21 (C.D. Cal. June 30, 2021) (favoring a stay because parallel claim construction proceedings "would likely duplicate efforts and waste judicial resources, and could result in different claim constructions and conflicting decisions between the two proceedings").

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An immediate stay would also allow the Court to avail itself to a complete claim construction record at the PTAB, including, for example, if Force MOS takes positions or makes amendments during the IPRs that impact claim construction and/or the scope of the claims. Force MOS's statements in its responses are dispositive and, in particular, are material evidence to claim construction. *Huawei Techs. Co. v. T-Mobile US, Inc.*, No. 2:16-CV-00052-JRG-RSP, 2017 U.S. Dist. LEXIS 161488, at *9-10 (E.D. Tex. Sep. 9, 2017) (finding that statements made in a patent owner's preliminary response to an IPR petition constituted prosecution disclaimer), *report and recommendation adopted*, No. 2:16-CV-00052-JRG-RSP, ECF No. 433 (E.D. Tex. Sep. 28, 2017) (Gilstrap, J.); *Aylus Networks, Inc. v. Apple, Inc.*, 856 F.3d 1353, 1360 (Fed. Cir. 2017). More broadly, a stay would potentially result in the parties and Court avoiding the burden and expense of claim construction briefing (which begins February 27, 2024) and a *Markman* hearing (currently scheduled for April 9, 2024) on terms in two of three Asserted Patents.

Finally, there is a high likelihood that the PTAB will institute the IPR petitions. According to the USPTO's End of Year 2023 trial statistics, the PTAB instituted 67% of the petitions filed in fiscal year 2023 and 70% of the petitions filed in the Electrical/Computer technology area (the relevant technology area of the IPR Patents) in fiscal year 2023. USPTO, *PTAB Trial Statistics FY23 End of Year Outcome Roundup IPR, PGR*, 6, 8 (2023) https://www.uspto.gov/sites/default/files/documents/ptab_aia_fy2023__roundup.pdf (attached as Ex. 5).

Even if the IPR petitions are not instituted, the resulting delay would, at most, be a few months, as the PTAB will issue the anticipated institution decision on or before May 27, 2024. *Evolutionary Intelligence, LLC v. Facebook, Inc.*, No. C 13-4202 SI, 2014 U.S. Dist. LEXIS 9149, at *9-10 (N.D. Cal. Jan. 23, 2014) ("[A]ny concern that the motions are premature is

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alleviated by the short time frame of the initial stay and the Court's willingness to reevaluate the stay if *inter partes* review is not instituted for all of the asserted claims."). Accordingly, this factor favors a stay.

B. A Stay Will Not Unduly Prejudice Plaintiff.

Plaintiff will not be unduly prejudiced by a stay. Delay caused by a stay pending resolution of an IPR, without more, does not justify denying a stay. *Commc'n Techs.*, 2023 U.S. Dist. LEXIS 17778, at *6 ("While a delay in enforcement of patent rights is certainly an interest entitled to weight, 'that factor 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.") (citing *NFC Tech.*, 2015 U.S. Dist. LEXIS 29573, at *7, and *VirtualAgility Inc. v. Salesforce.com*, 759 F.3d 1307, 1318 (Fed. Cir. 2014)). In fact, Force MOS itself waited over two years after the most recently launched accused products launched to bring suit.[2] *VirtualAgility*, 759 F.3d at 1319 (finding that the patentee's delay in bringing suit for almost a year after the patent issued to weigh against undue prejudice).

Force MOS and ASUS are not direct competitors, which weighs against undue prejudice. As such, "monetary relief provides adequate compensation for any alleged infringement." *NFC Tech.*, 2015 U.S. Dist. LEXIS 29573, at *7-8; *VirtualAgility*, 759 F.3d at 1318. The "mere delay in collecting those damages does not constitute undue prejudice." *Stragent LLC v. BMW of N. Am., LLC*, No. 6:16-CV-446, 2017 U.S. Dist. LEXIS 192695, at *6 (E.D. Tex. July 11, 2017) (citations omitted). Moreover, Force MOS did not move for preliminary injunction, cutting against any argument that it needs expeditious injunctive relief. *VirtualAgility*, 795 F.3d at 1319.

[2]Force MOS asserts three accused products, ASUS's E410 laptop, E410M laptop, and ASUSPRO P5430U. The E410/E410M laptop launched in August 2020. The ASUSPRO P543U was never sold in the United States.

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In contrast, denial of a stay will unduly prejudice and burden ASUS, who will necessarily expend significant expenses and resources to defend against infringement on all three Asserted Patents. Specifically, ASUS is a foreign corporation with a principal place of business in Taiwan. And Force MOS alleges infringement by multiple accused products with allegedly infringing components from overseas suppliers. Thus, this case is particularly burdensome as it involves overseas witnesses that require interpreter and travel considerations. *Smartflash LLC v. Apple Inc.*, 621 Fed. Appx. 995, 1005 (Fed. Cir. 2015) (finding the added complexities and cost of a trial involving "fact witnesses from overseas and . . . the use of interpreters for some foreign witnesses" factor into the simplification of the issues and reduction of burden on the parties and the Court, and favor the grant of a stay). This factor therefore favors a stay.

C. The Case is in its Early Phases.

ASUS filed this motion promptly after receiving the Notices of Filing Date Accorded on November, 27, 2023. As of the filing of this motion, the most burdensome parts of the case, including trial, are all in the future. *Commc'n Techs.*, 2023 U.S. Dist. LEXIS 17778, at *7-9 (finding this factor weighs in favor of a stay when the close of discovery, the claim construction hearing, and the trial were "all in the future"); *Smartflash*, 621 Fed. Appx. at 1005. Here, fact discovery is still open, *Markman* briefing has not begun, and depositions have yet to be scheduled. (ECF No. 23.) Parties may still file amended pleadings without seeking leave from the Court. (*Id.*) Expert discovery, summary judgment, and trial have yet to occur. (*Id.*) Thus, a stay is appropriate, because the parties and the Court have yet to expend significant resources. *See Empl. Law Compliance, Inc. v. Compli, Inc.*, No. 3:13-CV-3574-N, 2014 U.S. Dist. LEXIS 107449, at *6 (N.D. Tex. May 24, 2014) (granting a pre-institution stay where the parties had

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engaged in written discovery, but "[t]he Court and the parties have not yet expended substantial resources").

IV. Conclusion

For all the foregoing reasons, ASUS respectfully request that the Court grant its motion to stay this proceeding pending the resolution of the IPRs.

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Dated: November 30, 2023

Respectfully submitted,

/s/ *Mackenzie M. Martin*

Mackenzie M. Martin
Texas Bar No. 24066659
E-Mail: mackenzie.martin@bakermckenzie.com
Nicholas O. Kennedy
Texas Bar No. 24087841
E-Mail: nicholas.kennedy@bakermckenzie.com

BAKER & McKENZIE LLP
1900 N. Pearl Street, Suite 1500
Dallas, TX 75201
Telephone: +1 214 978 3000
Facsimile: +1 214 978 3099

Dorian Ojemen
Texas Bar No. 24096473
E-Mail: dorian.ojemen@bakermckenzie.com

BAKER & McKENZIE LLP
800 Capitol Street, Suite 2100
Houston, Texas 77002
Telephone: +1 713 427 5000
Facsimile: +1 713 427 5099

Ellen Y. Cheong
pro hac vice application pending
E-Mail: ellen.cheong@bakermckenzie.com

BAKER & McKENZIE LLP
452 Fifth Ave
New York, NY 10018
Telephone: +1 212 626 4100
Facsimile: +1 212 310 1600

Attorneys for ASUSTek Computer, Inc.

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CERTIFICATE OF SERVICE

The undersigned certifies that on this 30th day of November, 2023, all counsel of record in the relevant member case (Civil Action No. 2:22-cv-00460-JRG) are receiving this document via email.

/s/ Mackenzie M. Martin
Mackenzie M. Martin

CERTIFICATE OF CONFERENCE

Pursuant to Local Rules CV-7(h) and (i), Ellen Y. Cheong on behalf of ASUSTek and Joshua G. Jones on behalf of Force MOS met and conferred on November 24, 2023 by teleconference means. The parties discussed the relief requested in this motion and their respective positions. The discussions conclusively ended in an impasse, leaving an open issue for the Court to resolve. Force MOS opposes this motion.

/s/ Mackenzie M. Martin
Mackenzie M. Martin

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