IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION

CARBYNE BIOMETRICS, LLC, **Plaintiff,** **vs.** **APPLE INC.,** **Defendant.**	**Civil Action No. 1:23-cv-00324** **JURY TRIAL**

PLAINTIFF CARBYNE BIOMETRICS, LLC'S RESPONSE TO DEFENDANT APPLE, INC.'S OPPOSED MOTION TO STAY PENDING TRANSFER

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I. INTRODUCTION

Apple seeks to stay all proceedings in this case pending resolution of its motion for transfer. Apple filed its transfer motion months ago, and undoubtedly recognized the timing implications before the last week of November when it first raised the specter of a stay. The transfer motion is now fully briefed, claim construction is fully briefed, the parties have already engaged in significant "early" discovery, and the Court could deny the transfer motion prior to the scheduled *Markman* hearing on December 11, 2023. Thus, Apple's motion to stay would be moot. Even if the Court does not rule on transfer before the *Markman* hearing, the Court should deny this untimely motion—filed on the eve of discovery officially opening—outright. Apple has not met its heavy burden of showing that a stay and the corresponding delay are warranted.

II. LEGAL STANDARD

This Court has discretionary authority to manage its docket, including by staying proceedings. "[T]he moving party bears a heavy burden to show why a stay should be granted." *Coastal (Bermuda) Ltd. v. E.W. Saybolt & Co.*, 761 F.2d 198, 203 n.6 (5th Cir. 1985); *see Clinton v. Jones*, 520 U.S. 681, 708 (1997) ("The proponent of a stay bears the burden of establishing its need."); *e-Watch, Inc. v. ACTi Corp., Inc.*, Civ. A. No. 12-CA-695, 2013 WL 6334372, at *8-9 (W.D. Tex. Aug. 9, 2013) ("The party seeking a stay bears the burden of showing that a stay is appropriate."). Adjudicating stay requests "calls for the exercise of judgment, which must weigh competing interests and maintain an even balance" based on relevant considerations. *Landis v. N. Am. Co.*, 299 U.S. 248, 254–55 (1936).

III. ARGUMENT

The Court should deny Apple's stay motion simply by applying the same reasoning supporting its own standing orders. Nothing in Apple's perfunctory motion suggests that this

case warrants special treatment. Indeed, a more granular examination of the issues only confirms that the Court should deny the motion for at least five reasons.

First, for the reasons explained in Carbyne's response and sur-reply to Apple's transfer motion, Dkts. 50 and 60 (Public Versions), Apple is not likely to succeed on its request for transfer. Apple's likelihood of success on the underlying transfer motion plainly informs the likelihood of any possible hardship or inefficiency should the case be transferred after further proceedings. If the Court determines that it likely will deny the transfer motion, then the expected "benefits" of a stay dissipate while the guaranteed delay in the proceedings (and associated change in the Court's schedule) remains. And at the extreme end, if the Court decides to deny the motion but has not yet finalized its written order doing so, a stay would cause delay without any corresponding "benefit," as the case would proceed before this Court either way. There is consequently little reason to stay these proceedings in the interim.

Second, Carbyne will be prejudiced by a stay. Most obviously, Carbyne has "an interest in the timely enforcement of its patent right." *MiMedx Grp., Inc. v. Tissue Transplant Tech. Ltd.*, No. SA-14-CA-719, 2015 WL 11573771, at *2 (W.D. Tex. Jan. 5, 2015) (internal quotation marks omitted); *cf.* Fed. R. Civ. P. 1 (Federal Rules "should be construed, administered, and employed . . . to secure the . . . speedy . . . determination of every action."). And that interest "weighs against a stay." *Unifi Sci. Batteries, LLC v. Sony Mobile Comm. AB*, No. 6:12-cv-224-JDL, 2014 WL4494479, at *2 (E.D. Tex. Jan. 14, 2014); *Ambato Media, LLC v. Clarion Co.*, No. 2:09-cv-242- JRG, 2012 WL 194172, at *1 (E.D. Tex. Jan. 23, 2012) ("[A] stay would unduly prejudice the patentee, who has an interest in the timely enforcement of its patent rights."). To be sure, this interest is not some sort of trump card that necessitates denying all stay requests, *contra* Stay Mot. at 5, but it is a fully appropriate consideration weighing against

granting a discretionary stay of indefinite duration. Indeed, a stay delaying the *Markman* hearing and the start of discovery past December 7, 2023 will threaten the December 2024 trial date that has been established for six months—nearly as long as Apple's transfer motion has been pending. *See* Scheduling Order, Dkt. 33 (July 14, 2023). Given the parties' and Court's need to plan around trials, that date should not be moved "except in extreme situations," and nothing about this run-of-the-mill situation is extreme. *Standing Order Governing Proceedings – Patent Cases*, at 9 (April. 14, 2023).

Third, Apple fails to demonstrate meaningful hardship if a stay is denied. It meekly argues that "different discovery requirements" between the two districts—such as when (1) final infringement and invalidity contentions are due or (2) the lack of a rule in WDTX requiring Carbyne to "identify for Apple 'each of the category(-ies) of damages it is seeking for the asserted infringement . . . and for each category of damages sought, provide a good faith explanation of the theory of damages and the factual basis for damages.'" (Stay Mot. at 7)—will create some kind of burden on Apple. But these differences are trivial. Apple undoubtedly will not feel constrained by its final invalidity contentions being due in late January since it has already served its preliminary contentions and is likely already working on any changes need to be made for the final contentions. And Carbyne is happy to provide its damages theories when discovery opens in this district—even while the transfer motion is pending. These alleged differences are mere red herrings.

Further, Apple suggests that another jurist might reconsider any claim construction decision issued by this Court upon transfer. Stay Mot. at 7. But Apple offers nothing but raw speculation that transfer would make that outcome likely. What is more, that speculation is a two-way street. Another jurist might well accept resolved claim constructions or, should claim

construction remain unresolved, order new briefing prior to holding its own claim construction hearing—thus rendering wasteful months of litigation and countless time and money spent briefing *Markman* issues before this Court. To the extent rank speculation is an appropriate basis for staying a case, these possibilities offset each other.

Fourth, Apple's own conduct counsels against a stay. The relevant timelines have been abundantly clear since Apple filed its transfer motion. But Apple waited—after having the strategic opportunity to review Carbyne's claim construction brief and sur-reply—to seek a stay. Now, Apple requests this Court expedite the briefing on its Motion and postpone the *Markman* hearing a mere week before it is scheduled. Stay Mot. at 8 ("Apple respectfully proposes that the December 11 *Markman* hearing be postponed until after this stay motion has been fully briefed and decided by the Court . . . Specifically, Apple proposes that Carbyne be given one week, until December 5, to file an opposition to this motion for stay."). Apple's poor planning does not justify staying the case and in particular staying the *Markman* hearing at this late stage.

Lastly, Apple's suggestion that denying its stay motion will waste judicial resources is wholly unpersuasive. It assumes quite a string of contingencies: (1) that the Court will grant the transfer motion and (2) that there will be some unnamed "duplicative proceeding" in the transferee forum. Stay Mot. at 7-8. This mere speculation does not support a stay.

Perhaps because so many relevant considerations point against a stay, Apple conjures what it calls an "appellate mandate" to stay this case. Stay Mot. at 2. There is no such "mandate." Each of Apple's cited cases supporting its so-called "appellate mandate" (to the extent they indirectly inform stay considerations when reviewing largely non-stay issues) involved delays in resolving transfer motions quite unlike the facts here, where the transfer motion has been ripe for consideration for less than a month. *See In re Apple*, 979 F.3d 1332, 1336–37 (Fed. Cir. 2020)

(transfer motion pending for 7 months and ripe for decision for 4 months); *In re Horseshoe Ent.*, 337 F.3d 429, 433 (5th Cir. 2003) (transfer motion pending for 13 months for "reasons not readily discernable"). To be sure, Carbyne agrees that the Court should resolve Apple's transfer motion in a timely manner rather than letting that motion linger needlessly on the docket. But the question here is not whether the Court should punctually resolve the transfer motion, it is instead whether everything else in the case must come to a screeching halt because the transfer motion that became ripe less than a month ago. There is no "appellate mandate" to do so.

IV. CONCLUSION

For the reasons above, the Court should deny Apple's motion to stay this case. In the alternative, if the Court is inclined to stay claim construction issues, it should permit the parties to begin discovery, which will be necessary regardless of the Division in which this case is tried.

Dated: December 5, 2023.

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing document has been served on all counsel of record via the Court's ECF system on December 5, 2023.

/s/ Joshua W. Budwin
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