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

CARBYNE BIOMETRICS, LLC, Plaintiff, v. APPLE INC., Defendant.	Case No. 1:23-CV-00324-ADA **JURY TRIAL DEMANDED**

APPLE INC.'S OPPOSED MOTION TO STAY PENDING TRANSFER

TABLE OF CONTENTS

I. INTRODUCTION 1

II. BACKGROUND 2

III. THIS CASE SHOULD BE STAYED PENDING RESOLUTION OF APPLE'S MOTION TO TRANSFER 2

IV. THE COURT SHOULD POSTPONE THE *MARKMAN* HEARING TO ALLOW CARBYNE THE OPPORTUNITY TO RESPOND TO THIS MOTION 8

V. CONCLUSION 8

TABLE OF AUTHORITIES

Page(s)

Cases

Aire Tech. Ltd., v. Apple Inc.,
No. 6:21-cv-01101-ADA (W.D. Tex. Nov. 8, 2022).....1, 4

In re Apple Inc.,
52 F.4th 1360 (Fed. Cir. 2022) ..... *passim*

In re Apple Inc.,
979 F.3d 1332 (Fed. Cir. 2020).....2, 3, 6

In re Apple Inc.,
No. 2022-163, 2022 WL 16754376 (Fed. Cir. Nov. 8, 2022) 4

In re Apple Inc.,
No. 2022-164, 2022 WL 16754153 (Fed. Cir. Nov. 8, 2022) 4

B & D Produce Sales, LLC v. Packman1, Inc.,
No. SA- 16-CV-99, 2016 WL 4435275 (W.D. Tex. Aug. 19, 2016) 5

Crossroads Sys., Inc. v. Dot Hill Sys. Corp.,
Nos. A-13-CA-800, 895, 1025, A-14-CA-148–150, 2015 WL 3773014 (W.D. Tex. June 16, 2015).....5

In re EMC Corp.,
501 F. App'x 973 (Fed. Cir. 2013) 3, 6, 7

In re Google Inc.,
No. 2015-138, 2015 WL 5294800 (Fed. Cir. July 16, 2015).....3, 4, 6, 7

In re Google,
58 F.4th 1379 (Fed. Cir. 2023) 6

In re Horseshoe Ent.,
337 F.3d 429 (5th Cir. 2003) 2, 3, 6

KOSS Corp. v. Plantronics, Inc.,
No. 6:20-cv-00663-ADA (W.D. Tex. Apr. 8, 2021) 3

In re Morgan Stanley,
417 F. App'x 947 (Fed. Cir. 2011) 5

NewFlux v. Best Buy Co.,
No. 6:20-cv-00732-ADA (W.D. Tex. Apr. 13, 2021) 3

Red Rock Analytics, LLC v. Apple Inc. et al.,
No. 6:21-cv-00346-ADA (W.D. Tex. June 13, 2022) 3, 4

Scramoge Tech. Ltd. v. Apple Inc.,
No. 6:21-cv-01071-ADA (W.D. Tex. Nov. 8, 2022).....1, 4

In re SK Hynix Inc.,
835 F. App'x 600 (Fed. Cir. 2021) 3

SpaceTime3D, Inc. v. Apple Inc.,
No. 6:22-cv-00149-ADA (W.D. Tex. Nov. 16, 2022).....1

In re TikTok, Inc.,
85 F.4th 352 (5th Cir. 2023) 2, 3

In re TracFone Wireless, Inc.,
848 F. App'x 899 (Fed. Cir. 2021) 3

Transmatic, Inc. v. Gulton Indus., Inc.,
180 F.3d 1343 (Fed. Cir. 1999).....6

Underwater Devices Inc. v. Morrison-Knudsen Co.,
717 F.2d 1380 (Fed. Cir. 1983), *overruled on other grounds by In re Seagate Tech., LLC*, 497 F.3d 1360 (Fed. Cir. 2007).....6

XR Commc'ns LLC v. Apple Inc.,
No. 6:21-cv-00620-ADA (W.D. Tex. Nov. 8, 2022).....1, 4

Yeti Coolers, LLC v. Home Depot U.S.A., Inc.,
17-cv-342, 2018 WL 2122868 (W.D. Tex. Jan. 8, 2018).....5

Other Authorities

N.C. Cal. Patent L.R. 3-8 7

Standing Order Governing Proceedings (OGP) 4.3—Patent Cases 8

I. INTRODUCTION

Apple respectfully moves to stay all case activity pending a decision on Apple's pending Motion to Transfer Venue Under 28 U.S.C. § 1404(a) to the Northern District of California (ECF No. 34). Apple further requests a postponement of the *Markman* hearing scheduled for December 11, 2023, to allow for full briefing and a hearing on this motion to stay before any further substantive proceedings, including an order on claim construction, occur in this suit.

Both the Federal Circuit and the Fifth Circuit have instructed district courts to prioritize transfer motions and address transfer before beginning fact discovery or addressing other substantive issues. The Federal Circuit recently reinforced this directive in granting three mandamus petitions involving unresolved motions to transfer before this Court and "directed [the Court] to postpone fact discovery and other substantive proceedings until after consideration of Apple's motion for transfer." *See, e.g.*, *In re Apple Inc.*, 52 F.4th 1360, 1363 (Fed. Cir. 2022). This Court has followed those directives, recently staying several cases pending resolution of those motions to transfer. *See Aire Tech. Ltd., v. Apple Inc.*, No. 6:21-cv-01101-ADA (W.D. Tex. Nov. 8, 2022), ECF No. 71; *Scramoge Tech. Ltd. v. Apple Inc.*, No. 6:21-cv-01071-ADA (W.D. Tex. Nov. 8, 2022), ECF No. 68; *XR Commc'ns LLC v. Apple Inc.*, No. 6:21-cv-00620-ADA (W.D. Tex. Nov. 8, 2022), ECF No. 83. This Court has also granted a request to postpone, and subsequently canceled, a *Markman* hearing scheduled for the next day when a motion to transfer remained pending and unresolved. *See SpaceTime3D, Inc. v. Apple Inc.*, No. 6:22-cv-00149-ADA (W.D. Tex. Nov. 16, 2022), ECF No. 55 (Motion to stay case pending transfer); ECF No. 58 (Order resetting *Markman* hearing); ECF No. 65 (Order cancelling *Markman* hearing).

The need to stay this case and, at minimum, postpone the imminent *Markman* hearing is just as strong here given the substantive matters quickly approaching. Apple's motion to transfer is briefed, venue discovery is complete, the *Markman* hearing is scheduled for December 11, and

final infringement and invalidity contentions are due in just over two months. Despite the Federal Circuit precedent, however, Plaintiff Carbyne Biometrics, LLC, ("Carbyne") is unwilling to consent to a stay to allow for resolution of Apple's pending transfer motion. Instead, Carbyne urges the Court to expend Court and party resources by proceeding with the *Markman* hearing, final contentions, and fact discovery. In view of both the appellate mandate to make transfer a "top priority" and the prejudice associated with proceeding into merits discovery without resolution of the motion to transfer, any further proceedings should be stayed pending a decision on transfer. *In re Apple Inc.*, 979 F.3d 1332, 1337 (Fed. Cir. 2020); *In re Horseshoe Ent.*, 337 F.3d 429, 433 (5th Cir. 2003); *In re TikTok, Inc.*, 85 F.4th 352, 362–63 (5th Cir. 2023).

II. BACKGROUND

Carbyne asserts that certain Apple iPhone, iPad, and Mac devices infringe one or more of the asserted patents. *See* ECF No. 1.

On May 24, 2023, Apple moved to dismiss Carbyne's Complaint for failure to state a claim under 35 U.S.C § 101. ECF No. 14. On July 19, 2023, Apple moved for transfer to the Northern District of California. ECF No. 34. Both motions are fully briefed and remain pending.

Initial Disclosures are due and fact discovery is scheduled to open on December 7, 2023. ECF No. 33 at 2. The *Markman* hearing is scheduled for December 11, 2023. Final infringement and invalidity contentions are due January 31, 2024. *Id.*

On November 28, 2023, Plaintiff indicated that it opposes this motion for stay.

III. THIS CASE SHOULD BE STAYED PENDING RESOLUTION OF APPLE'S MOTION TO TRANSFER

A. Like Other Cases Before This Court, Apple's Motion to Transfer Should Be Given Top Priority

It is this Court's practice to grant a stay of proceedings, including any imminent *Markman* hearing, while a transfer motion remains pending. *See, e.g.*, Text Order Granting Motion to Stay

Case, *KOSS Corp. v. Plantronics, Inc.*, No. 6:20-cv-00663-ADA (W.D. Tex. Apr. 8, 2021); Text Order Granting Motion to Stay Case, *NewFlux v. Best Buy Co.*, No. 6:20-cv-00732-ADA (W.D. Tex. Apr. 13, 2021); Order Staying Case, *Red Rock Analytics, LLC v. Apple Inc. et al.*, No. 6:21-cv-00346-ADA (W.D. Tex. June 13, 2022), ECF No. 130. That practice is consistent with the directive of both the Federal Circuit and the Fifth Circuit that district courts must prioritize transfer motions and address transfer before addressing other substantive issues. Indeed, in *In re Apple*, the Federal Circuit made clear that transfer should be handled before other substantive tasks—including *Markman*: "Although district courts have discretion as to how to handle their dockets, once a party files a transfer motion, disposing of that motion should unquestionably take top priority." *In re Apple*, 979 F.3d at 1337; *Horseshoe*, 337 F.3d at 433 ("[I]n our view disposition of that [transfer] motion should have taken a top priority in handling of this case by the . . . [d]istrict [c]ourt."); *In re TracFone Wireless, Inc.*, 848 F. App'x 899, 900–01 (Fed. Cir. 2021) (non-precedential) (citing *Horseshoe*, 337 F.3d at 433); *In re SK Hynix Inc.*, 835 F. App'x 600, 600–01 (Fed. Cir. 2021) (non-precedential); *In re Google Inc.*, No. 2015-138, 2015 WL 5294800, at *1–2 (Fed. Cir. July 16, 2015); *see also In re EMC Corp.*, 501 F. App'x 973, 975–76 (Fed. Cir. 2013) (non-precedential) ("Congress' intent 'to prevent the waste of time, energy and money and to protect litigants, witnesses and the public against unnecessary inconvenience and expense' may be thwarted where, as here, defendants must partake in years of litigation prior to a determination on a transfer motion." (citation omitted)); *cf. In re TikTok, Inc.*, 85 F.4th at 363 (finding long delay in resolving transfer motion was "a plain violation of our instruction to give § 1404(a) motions 'a top priority in the handling of a case'").[1]

[1] The Federal Circuit has recognized the importance of staying cases during the pendency of transfer motions, explaining that lengthy delays in deciding transfer motions can "frustrate 28 U.S.C. § 1404(a)'s intent to prevent the waste of time, energy, and money and protect litigants,

The Federal Circuit recently reinforced this directive in granting three mandamus petitions. *See In re Apple Inc.*, 52 F.4th at 1363; *In re Apple Inc.*, No. 2022-163, 2022 WL 16754376, at *1 (Fed. Cir. Nov. 8, 2022); *In re Apple Inc.*, No. 2022-164, 2022 WL 16754153, at *1 (Fed. Cir. Nov. 8, 2022). In each of these cases, Apple's fully briefed motion to transfer was pending, but Apple was ordered to proceed to fact discovery before resolution of its transfer motion. *See id.* The Federal Circuit explained that "precedent entitles parties to have their venue motions prioritized" and that a "decision of a transfer motion must proceed expeditiously as the first order of business." *In re Apple*, 52 F.4th at 1362–63. The Federal Circuit then instructed the District Court to "postpone fact discovery and other substantive proceedings until after consideration of Apple's motion for transfer." *Id.* at 1363. Following these orders, this Court issued orders in each of the underlying cases staying all deadlines, including fact discovery, pending resolution of the motions to transfer. *See Aire Tech. Ltd., v. Apple Inc.*, No. 6:21-cv-01101-ADA (W.D. Tex. Nov. 8, 2022), ECF No. 71; *Scramoge Tech. Ltd. v. Apple Inc.*, No. 6:21-cv-01071-ADA (W.D. Tex. Nov. 8, 2022), ECF No. 68; *XR Commc'ns LLC v. Apple Inc.*, No. 6:21-cv-00620-ADA (W.D. Tex. Nov. 8, 2022), ECF No. 83. Indeed, this Court last year postponed a *Markman* hearing scheduled to proceed within a week when a motion to transfer remained pending and unresolved. *See Red Rock Analytics, LLC v. Apple Inc.*, No. 6:21-cv-00346-ADA (W.D. Tex. June 13, 2022), ECF No. 130. The need for a stay is just as strong here, given the imminent *Markman* hearing, what is expected to be extensive fact discovery, and impending final contentions.

---

witnesses and the public against unnecessary inconvenience and expense when defendants are forced to expend resources litigating substantive matters in an inconvenient venue while a motion to transfer lingers unnecessarily on the docket." *In re Google*, No. 2015-138, 2015 WL 5294800, at *1–2 (Fed. Cir. July 16, 2015) (internal quotation marks and citation omitted) (granting writ of mandamus and ordering a magistrate judge in the Eastern District of Texas to stay proceedings pending final resolution of a transfer motion filed 8 months prior and issue a decision on transfer within 30 days).

B. All Relevant Factors Favor a Stay Pending a Decision on Transfer

In this District, courts typically consider three factors in determining whether a stay is warranted: (1) any potential prejudice to the non-moving party; (2) the hardship and inequity to the moving party if the action is not stayed; and (3) the judicial resources saved by avoiding duplicative litigation. *Yeti Coolers, LLC v. Home Depot U.S.A., Inc.*, 17-cv-342, 2018 WL 2122868, at *1 (W.D. Tex. Jan. 8, 2018); *B & D Produce Sales, LLC v. Packman1, Inc.*, No. SA-16-CV-99, 2016 WL 4435275, at *1 (W.D. Tex. Aug. 19, 2016). Here, all three factors favor a stay.

1. Factor One: A Stay Will Not Prejudice Carbyne

Carbyne will not suffer any meaningful prejudice from a stay pending a decision on transfer. The stay would not be indefinite or necessarily lengthy—it would last only until Apple's transfer motion is resolved by this Court. Carbyne may argue that even a short stay will cause prejudice by delaying recovery of the damages Carbyne is seeking. But this argument lacks merit for several reasons. First, a delay in recovering money damages cannot, by itself, constitute sufficient prejudice to deny a stay because a plaintiff will always face that possibility when a stay is ordered. *See, e.g.*, *Crossroads Sys., Inc. v. Dot Hill Sys. Corp.*, Nos. A-13-CA-800, 895, 1025, A-14-CA-148–150, 2015 WL 3773014, at *2 (W.D. Tex. June 16, 2015) ("[M]ere delay in collecting [monetary] damages does not constitute undue prejudice."). Second, Carbyne does not compete with Apple in the market. Indeed, Carbyne is not seeking an injunction in this case. *See* ECF No. 1. Third, Carbyne "does not . . . sell any product that practices the claimed invention [and i]t therefore is not in need of a quick resolution of this case because its position in the market is threatened." *In re Morgan Stanley*, 417 F. App'x 947, 950 (Fed. Cir. 2011) (non-precedential); *see In re Google*, 58 F.4th 1379, 1383 (Fed. Cir. 2023) (noting party "not engaged in product competition in the marketplace . . . is not

threatened in the market in a way that . . . might add to urgency to case resolution"). Fourth, Apple is seeking only a stay pending the resolution of Apple's Motion to Transfer, such that transfer issues are decided before other substantive issues are addressed and before further discovery is undertaken. *See In re Apple*, 52 F.4th at 1363 ("decision of a transfer motion must proceed expeditiously as the first order of business[;] the district court is directed to postpone fact discovery and other substantive proceedings until after consideration of Apple's motion for transfer"). To the extent Carbyne contends that it will suffer any economic disadvantage from a stay, it has a simple remedy in the form of prejudgment interest if ultimately successful on the merits. *See Underwater Devices Inc. v. Morrison-Knudsen Co.*, 717 F.2d 1380, 1389 (Fed. Cir. 1983), *overruled on other grounds by In re Seagate Tech., LLC*, 497 F.3d 1360 (Fed. Cir. 2007); *see also Transmatic, Inc. v. Gulton Indus., Inc.*, 180 F.3d 1343, 1347–48 (Fed. Cir. 1999). Therefore, this factor strongly favors a stay.

2. Factor Two: Apple Will Suffer Hardship Absent a Stay

The Federal Circuit and Fifth Circuit agree that deciding transfer should be the Court's top priority in handling the case. *In re Apple*, 52 F.4th at 1363 ("decision of a transfer motion must proceed expeditiously as the first order of business"); *In re Apple*, 979 F.3d at 1337; *EMC*, 501 F. App'x at 975-76; *Horseshoe*, 337 F.3d at 433. Moving forward now with the *Markman* hearing and fact discovery will risk the very same "waste of time, energy and money" cautioned against in *EMC*, *Apple*, and *Google*. *See In re Apple*, 979 F.3d at 1337; *EMC*, 501 F. App'x at 975–76; *In re Google*, 2015 WL 5294800, at *1–2.

Here, Apple will suffer hardship if a stay is not granted—being unnecessarily "forced to expend resources litigating substantive matters in an inconvenient venue while a motion to transfer" is pending. *In re Google*, 2015 WL 5294800, at *1. For example, Apple suffers continued prejudice given that it has been preparing for an upcoming *Markman* hearing (scheduled

for December 11). Numerous Apple employees, most of whom reside in the Northern District of California, have been identified in venue discovery and the parties' transfer briefs and remain subject to deposition in this case. Additionally, the parties' final infringement and invalidity contentions will be due on January 31, 2024, after which leave of Court will be required for any amendments. *See In re Apple*, 52 F.4th at 1362. But if this case is transferred to the Northern District of California, the parties will be subject to a different set of procedures for case management and different discovery requirements. For example, under the Northern District of California's local patent rules, Carbyne already would have been required 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." N.D. Cal. Patent L.R. 3-8. Here, in contrast, there is no such local rule. In addition, denying a stay would result in the scheduled *Markman* hearing going forward, while a transferee court may wish to conduct its own claim construction analysis, thus causing additional burden and expense.

Appellate courts have indicated that these are the very types of activities that should not proceed pending a transfer decision. *See In re Apple*, 52 F.4th at 1363 ("direct[ing] [the Court] to postpone fact discovery and other substantive proceedings until after consideration on Apple's motion for transfer"); *see also EMC*, 501 F. App'x at 975–76; *In re Google*, 2015 WL 5294800, at *1–2.

3. Factor Three: A Stay Will Conserve Judicial Resources

A stay pending a decision on transfer will also conserve judicial resources, minimizing the need for duplicative proceedings in both the transferor and transferee courts. *See In re Apple*, 52 F.4th at 1362–63. As explained above, several significant events in the litigation are soon approaching, including the imminent *Markman* hearing, final infringement and invalidity

contentions, and the opening of likely intensive fact discovery. As the Federal Circuit explained, "[j]udicial economy requires that another district court should not burden itself with the merits of the action until it is decided that a transfer should be effected and such consideration additionally requires that the court which ultimately decides the merits of the action should also decide the various questions which arise during the pendency of the suit instead of considering it in two courts." *Id.* at 1363. A stay will also avoid a situation where the parties proceed under this Court's Order Governing Proceedings only to have different rules and procedures apply in the transferee forum.

IV. THE COURT SHOULD POSTPONE THE *MARKMAN* HEARING TO ALLOW CARBYNE THE OPPORTUNITY TO RESPOND TO THIS MOTION

In view of the questions to be resolved by this stay motion, and to avoid the prejudice of *Markman* being decided prior to the resolution of Apple's transfer motion, 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. *See* Standing Order Governing Proceedings (OGP) 4.3—Patent Cases, at 6.

Specifically, Apple proposes that Carbyne be given one week, until December 5, to file an opposition to this motion for stay. Apple further proposes that, in lieu of Apple filing a reply, the Court hold a hearing on this motion for stay early the week of December 11, in advance of a postponed *Markman* hearing.

V. CONCLUSION

For the foregoing reasons, the Court should stay all case activity until a decision on Apple's motion for transfer has been rendered. In addition, Apple respectfully requests that the Court postpone the December 11 *Markman* hearing, allow Carbyne until December 5 to file an opposition

to this motion for stay, and hold a hearing on this motion for stay early the week of December 11 in advance of the postponed *Markman* hearing.

Dated: November 28, 2023

/s/ *Andrew Radsch*

Melissa R. Smith
Texas Bar No. 24001351
GILLAM & SMITH, LLP
303 South Washington Avenue
Marshall, Texas 75670
Telephone: (903) 934-8450
Facsimile: (903) 934-9257
Email: melissa@gillamsmithlaw.com

James Travis Underwood
Texas Bar No. 24102587
GILLAM & SMITH, LLP
102 North College, Suite 800
Tyler, Texas 75702
Telephone: (903) 934-8450
Facsimile: (903) 934-9257
Email: travis@gillamsmithlaw.com

James R. Batchelder (*pro hac vice*)
Andrew Radsch
James Mack
ROPES & GRAY LLP
1900 University Avenue
East Palo Alto, CA 94303-2284
Telephone: (650) 617-4000
Facsimile: (650) 617-4090
Email: James.Batchelder@ropesgray.com
Email: Andrew.Radsch@ropesgray.com
Email: James.Mack@ropesgay.com

Cassandra Roth (*pro hac vice*)
ROPES & GRAY LLP
1211 Avenue of the Americas
New York, NY 10036-8704
Telephone: (212) 596-9000
Facsimile: (212) 596-9090
Email: Cassandra.Roth@ropesgray.com

Allen S. Cross (*pro hac vice*)
Nicole Pobre (*pro hac vice*)

ROPES & GRAY LLP
2099 Pennsylvania Avenue, N.W
Washington, DC 20006
Telephone: (202) 508-4600
Facsimile: (202) 508-4650
Email: Allen.cross@ropesgray.com
Email: Nicole.Pobre@ropesgray.com

S. Lara Ameri (*pro hac vice*)
ROPES & GRAY LLP
Prudential Tower
800 Boylston Street
Boston, Massachusetts 02199-3600
Telephone: (617) 951-7000
Facsimile: (617) 951-7050
Email: Lara.Ameri@ropesgray.com

Attorneys for Defendant, Apple Inc

CERTIFICATE OF CONFERENCE

The undersigned certifies that pursuant to Local Rule CV-7(i), counsel for Apple has conferred with counsel for Carbyne in a good-faith effort to resolve the matter presented herein. Plaintiff Carbyne opposes the relief sought. Accordingly, the Motion is presented to the Court for resolution.

/s/ Andrew Radsch
Andrew Radsch

CERTIFICATE OF SERVICE

The undersigned certifies that all counsel of record are being served with a copy of the foregoing document via the Court's CM/ECF system on November 28, 2023.

/s/ Melissa R. Smith
Melissa R. Smith