UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

THETA IP, LLC, Plaintiff, v. MOTOROLA MOBILITY LLC and LENOVO (UNITED STATES) INC, Defendants.	)	No. 22 C 3441 Judge Sara L. Ellis

ORDER

The Court conditionally grants Defendants' motion to stay pending *inter partes review* [114]. The Court stays this case pending resolution of the Apple IPR proceedings, provided that Defendants agree to be bound by the same estoppel that limits IPR petitioners as set forth in 35 U.S.C. § 315(e). Defendants shall file a notice indicating their consent or declination to be bound by IPR estoppel by May 7, 2025. The Court strikes the status hearing set for April 30, 2025 and resets it to May 13, 2025. If Defendants file the consent to be bound, the Court will strike the May 13, 2025 status date. In the event that Defendants file the consent to be bound, the Court sets a further status date of December 4, 2025 and orders the parties to file a status report by December 2, 2025, providing the Court with information as to the actions taken by the USPTO and the parties' proposed modifications to the case schedule if necessary. See Statement.

STATEMENT

On June 30, 2022, Plaintiff Theta IP, LLC ("Theta") filed this lawsuit against Defendants Motorola Mobility LLC and Lenovo (United States) Inc., alleging infringement of U.S. Patent No. 7,010,330 (the "'330 Patent"), U.S. Patent No. 10,129,825 (the "'825 Patent"), and U.S. Patent No. 10,524,202 (the "'202 Patent"), which all involve technology used to preserve cell phone battery life. In August 2023, the Court stayed the case pending the Patent Trial and Appeal Board's ("PTAB") decision on whether to institute *inter partes* reviews ("IPRs") requested by Defendants on the asserted patents. In October 2023, the PTAB instituted IPRs on the '825 and '202 Patents, but it declined to review the '330 Patent. The Court then lifted the stay in November 2023, reasoning that Theta's claims against Defendants related to the '330 Patent would proceed regardless of the outcome of the IPRs for the other two asserted patents. The Court nonetheless agreed to postpone the claim construction hearing until after the PTAB issued its final decisions on the '825 and '202 Patents. In October 2024, the PTAB upheld all of the challenged claims with respect to those two patents. In November 2024, however, the PTAB granted IPR petitions related to all claims and patents asserted in this case, which Apple Inc. ("Apple") filed. Apple is a defendant in a parallel case Theta brought in the Western District of

Texas. *See Theta IP, LLC v. Apple Inc.*, No. 6:23-cv-00314 (W.D. Tex.). The Apple IPR proceedings should conclude by November 26, 2025. The Court had previously denied Defendants' motion to stay pending the PTAB's decision as to whether to institute the IPR proceedings requested by Apple, but Defendants have renewed their motion in light of the institution of those proceedings. Theta again opposes the motion.

District courts have inherent power to control their own dockets, including the power to stay proceedings before them. *Clinton v. Jones*, 520 U.S. 681, 706 (1997) ("The District Court has broad discretion to stay proceedings as an incident to its power to control its own docket."). How best to manage the court's docket "calls for the exercise of judgment, which must weigh competing interests and maintain an even balance." *Landis v. N. Am. Co.*, 299 U.S. 248, 254–55 (1936). Specifically, the decision "to stay proceedings pending inter partes review of a patent is a matter committed to the district court's discretion." *NFC Tech. LLC v. HTC Am., Inc.*, No. 2:13-CV-1058, 2015 WL 1069111, at *1 (E.D. Tex. Mar. 11, 2015) (citing *Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1426–27 (Fed. Cir. 1988)); *Beijing Choice Elec. Tech. Co. v. Contec Med. Sys. USA Inc.*, No. 18-cv-00825, 2024 WL 4784283, at *1 (N.D. Ill. Sept. 27, 2024). District courts consider three factors in determining whether to grant a stay: (1) whether the stay will unduly prejudice or tactically disadvantage the nonmoving party; (2) whether the stay will simplify the issues in question and streamline the trial; and (3) whether the stay will reduce the burden of litigation on the parties and on the court. *Ignite USA, LLC v. Pac. Mkt. Int'l, LLC*, No. 14 C 856, 2014 WL 2505166, at *2 (N.D. Ill. May 29, 2014) (citation omitted).

As for the first factor, the Court can discount "[t]he general prejudice of having to wait for resolution." *Sorensen v. Black & Decker Corp.*, No. 06cv1572, 2007 WL 2696590, at *5 (S.D. Cal. Sept. 10, 2007) ("The general prejudice of having to wait for resolution is not a persuasive reason to deny the motion for stay."); *see also Ignite USA*, 2014 WL 2505166, at *2 ("[T]he fact that the IPR will cause some degree of delay, in and of itself, is not dispositive of whether a party will suffer undue prejudice."). Theta points out that the *Apple* court in the Western District of Texas denied Apple's stay request despite the institution of the Apple IPRs, and so this case should also go forward. But the Court is not bound by the decision of the *Apple* court, particularly in light of the fact that the *Apple* case has progressed significantly further than this one, with that court having held a *Markman* hearing in 2024, discovery set to close in May 2025, and a jury trial set for December 8, 2025. This case has no similar schedule, with Theta recently requesting a seventy-day extension of all case deadlines to allow it additional time to complete discovery and prepare its contentions. As for Theta's concern that some witnesses and evidence may become unavailable, that concern exists with any stay, and Theta has not identified any particular evidence it fears will be lost if the Court stays this case.[1] *See Nantworks, LLC v. Niantic, Inc.*, No. 20-cv-06262, 2021 WL 3473934, at *2 (N.D. Cal. July 15, 2021) ("[S]peculation about the prejudice from disappearing evidence and deteriorating witness memories is insufficient to establish undue prejudice."). Further, as Defendants point out, Theta first contacted Motorola about licensing the '330 Patent in 2007 but only filed suit fifteen years later and did not seek preliminary injunctive relief. These actions undermine Theta's concerns about efficiency and the potential for lost evidence. *See Oil-Dri Corp. of Am. v. Nestle Purina Petcare Co.*, No. 1:15-cv-1067, 2015 WL 13650951, at *2 (N.D. Ill. May 5, 2015) ("A

[1] Theta does mention that its former chief operating officer recently passed away, but Defendants note that Theta has never indicated that he had discoverable information with respect to this case.

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'patentee's delays in pursuing suit and seeking preliminary injunctive relief belie its claims that it will be unduly prejudiced by a stay.'" (quoting *VirtualAgility Inc. v. Salesforce.com, Inc.*, 759 F.3d 1307, 1320 (Fed. Cir. 2014))). Therefore, the Court finds that the first factor weighs in favor of a stay.

As for the second factor, Theta contends that the PTAB is unlikely to invalidate any claims, given that Defendants' IPR proceedings with respect to two of the challenged patents were unsuccessful. But the Court nonetheless finds that the fact that the PTAB is considering all of the claims at issue in this litigation, including those of the '330 Patent that were not previously before it, suggests that its review may affect at least some of the claims in this litigation. *See, e.g.*, *Trading Tech. Int'l, Inc. v. BCG Partners, Inc.*, 186 F. Supp. 3d 870, 874 (N.D. Ill. 2016) ("The benefits of a stay certainly exist where all of the claims are under review, and would even exist if only some of the litigated claims were undergoing review."); *Ignite USA*, 2014 WL 2505166, at *4 (finding that because all of the claims challenged in the district court were also challenged before the PTAB, that favored that a stay would streamline and simplify the case). The Court, however, understands Theta's concern that IPR estoppel does not automatically apply to Defendants because they are not parties to the Apple IPR proceedings. *See Personalweb Techs., LLC v. Google Inc.*, No. 5:13-cv-01317, 2014 WL 4100743, at *5 (N.D. Cal. Aug. 20, 2014) ("In cases such as this one, where Defendants are not parties to the pending IPRs, the fact that the patent infringement defendants are not automatically estopped jeopardizes the IPRs' critical intended effects on any subsequent district court action. Indeed, should any claims survive the pending IPRs in this case, the expected efficiencies would be eviscerated should Defendants go on to bring invalidity arguments in this court that were raised or could have been raised before the PTAB."). To alleviate this concern, Defendants express a willingness to consider being bound by the PTAB's decisions with respect to invalidity. In its discretion, then, the Court will "us[e] its inherent power to condition a stay on Defendants' agreement to be bound as if they themselves had filed the relevant IPR petitions." *Id.* Assuming that Defendants agree to this condition, the second factor weighs in favor of a stay.

Finally, the Court finds that a stay may reduce the burden of litigation on the parties and the Court. Much work remains in this case, as the parties have not taken any depositions yet, nor have they even begun the claim construction process. If the IPR results in cancellation of all or some of Theta's claims, those claims would no longer be at issue and would not be subject to discovery, claim construction, or trial. *See Ignite USA*, 2014 WL 2505166, at *4 ("Without a stay, simultaneous proceedings present substantial risks that the parties and court will expend resources unnecessarily."); *JAB Distribs., LLC v. London Luxury, LLC*, No. 09 C 5831, 2010 WL 1882010, at *5 (N.D. Ill. May 11, 2010) (PTAB statistics "suggest a very real possibility that, if this litigation proceeds in tandem with the PTO reexamination proceedings, the parties will have wasted their resources litigating issues that ultimately may be mooted by the PTO's findings" (citation omitted)). And if the PTAB upholds the claims and Defendants agree to the estoppel condition, then this also would remove certain issues from the litigation. *See Beijing Choice*, 2024 WL 4784283, at *3 ("[I]f the claims are upheld, the litigation will be less burdensome because Contec will not be able to assert invalidity as a defense."). This factor favors a stay as well.

Therefore, the Court conditionally grants Defendants' motion to stay. The Court stays this case pending resolution of the Apple IPR proceedings, provided that Defendants agree to be bound by the same estoppel that limits IPR petitioners as set forth in 35 U.S.C. § 315(e). Defendants shall file a notice indicating their consent or declination to be bound by IPR estoppel by May 7, 2025.

Date: April 23, 2025 /s/ Sara L. Ellis

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