

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

PORTSMOUTH NETWORK
CORPORATION,

Plaintiff,

v.

CISCO SYSTEMS, INC.,

Defendant.

Civil Action No. 2:23-cv-00441-JRG

JURY TRIAL DEMANDED

**DEFENDANT'S MOTION FOR A STAY PENDING
INTER PARTES REVIEW PROCEEDINGS ON ALL FOUR ASSERTED PATENTS**

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I. INTRODUCTION

Defendant Cisco Systems, Inc. (“Cisco”) respectfully moves to stay this litigation until the Patent Trial and Appeal Board (“PTAB”) concludes its *inter partes* review (“IPR”) of four petitions filed by Cisco on every asserted claim of the Patents-in-Suit asserted by Plaintiff Portsmouth Network Corp. (“Portsmouth”). The PTAB has already instituted IPR proceedings on the three Patents-in-Suit that were included in the original complaint.¹ Cisco’s request for a stay will not unduly prejudice Portsmouth, comes early in the case (before any fact depositions have taken place and before the filing of any claim construction briefs), and stands to create the ultimate issue simplification, entirely mooted the case. This Court has found that these three factors—(1) no undue prejudice to the plaintiff, (2) early stage of the case, and (3) likelihood of simplifying the case—weigh in favor of granting a stay. *See Resonant Sys., Inc. v. Samsung Elecs. Co.*, No. 2:22-cv-00423-JRG, 2024 WL 1021023, at *2, 4 (E.D. Tex. Mar. 8, 2024) (granting opposed motion to stay where these three factors favored granting a stay).

First, Plaintiff Portsmouth Network Corp. (“Portsmouth”) faces no undue prejudice because it is a non-practicing entity that does not compete with Cisco. Money damages, including pre-judgment interest, would wholly compensate Plaintiff if warranted.

Second, the case is not in its late stages. Claim construction briefing has not yet begun, the *Markman* hearing is two months away, neither party has conducted any fact depositions, fact discovery does not close for over eleven weeks, expert discovery has not started, this Court has not adjudicated any disputed motions, and trial is eight months away. Additionally, Cisco’s motion

¹ Portsmouth added a fourth patent to the case six months after its original complaint. Cisco promptly filed an IPR petition there too as soon as practicable—within two months of receiving Portsmouth’s infringement contentions for the additional patents—and expects an institution decision on that patent by December 16, 2024.

timing is not strategic. Within a week of receiving its third institution decision, Cisco informed Portsmouth that Cisco planned to seek a stay and requested a meet and confer at Portsmouth's first availability.² Cisco filed this motion the day after the parties met and conferred and Plaintiff Portsmouth stated that it would not agree to a stay.

Third, staying this case will likely simplify the issues. Cisco's IPRs cover all asserted claims; thus, resolution of Cisco's IPRs could entirely moot this litigation, and will at the very least significantly narrow the issues. Because the PTAB has instituted Cisco's first three IPRs on all asserted claims and grounds, the likelihood of simplification is not speculative. A stay would avoid the risk of proceeding with a likely unnecessary and burdensome litigation—including claim construction, fact discovery, expert discovery, summary judgment, pre-trial filings, and trial. And even if some of the challenged claims were to survive the IPRs, a stay will simplify validity issues in this case. Such simplifications are particularly important given the incredibly complex nature of this case; Portsmouth accused Cisco of infringing almost 80 claims across four unrelated patents implicating over one hundred accused products and identified various foreign witnesses in its disclosures.

To the extent the Court believes that granting a stay would be premature before the PTAB issues an institution decision on the patent that Portsmouth added to the case six months after filing its original complaint, Cisco respectfully requests, that in the alternative, the Court sever and stay counts I, II, and III pertaining to the asserted patents subject to instituted IPR decisions.

² In a related case in this Court involving patents obtained from the same bankrupt entity, and believed to be controlled for the financial benefit of the same person, the plaintiff, Orckit Corp., agreed to dismiss the Complaint after the *Markman* hearing in light of the instituted IPR petitions. *Orckit Corp. v. Cisco Systems, Inc.*, C.A. No. 2:22-cv-00276-JRG-RSP.

II. FACTUAL BACKGROUND

A. The Present Litigation Is Not At A Late Stage

On September 26, 2023 Portsmouth filed its initial complaint accusing Cisco of infringing four patents, which together included 80 claims. Dkt. No. 1. On December 1, 2023, Cisco responded by filing a Motion to Dismiss Plaintiff's Count III Pursuant to Fed. R. Civ. P. 12(b)(6) Alleging Patent Infringement For An Unenforceable Patent. Dkt. No. 25. In response, Portsmouth voluntarily withdrew one of the original four asserted patents, and filed its first amended complaint on December 22, 2023, which only asserted the three remaining patents. Dkt. No. 41.³

The same day Portsmouth filed its first amended complaint, it also served infringement contentions identifying the 54 claims it accused Cisco of infringing. Dkt. No. 49.

Cisco filed its first IPR petition on January 26, 2024, less than five weeks after Portsmouth identified the asserted claims—a window that included the Christmas and New Years holidays. A few days later, on January 30, 2024, Cisco filed its second IPR petition.

On February 20, 2024, Cisco served its initial invalidity contentions. Dkt. No. 55.

On March 11, 2024, Portsmouth filed its second amended complaint adding U.S. Patent No. 8,199,637 (“the ‘637 patent”) to the case as a fourth patent. On March 31, 2024, less than three weeks after Portsmouth filed its second amended complaint, Cisco filed its third IPR petition.

On April 8, 2024, Portsmouth served its amended infringement contentions, adding contentions related to the claims of the ‘637 patent and including new products pertaining to the claims of the ‘986 and ‘394 patents. Dkt. No. 63. Because of Portsmouth’s nearly six-month delay in adding the ‘637 patent to this case, Cisco’s fourth and final IPR petition on the ‘637 patent was

³ After Portsmouth’s first amended complaint, the asserted patents were U.S. Patent Nos. 6,917,986 (the “‘986 patent”); 7,035,279 (the “‘279 patent”); and 8,014,394 (the “‘394 patent”) (collectively, the “Remaining Original Patents-in-Suit”).

filed on May 31, 2024, which is less than two months after Portsmouth served infringement contentions for the '637 patent.

With several months remaining until the close of fact discovery, the PTAB has now already instituted all three of the IPRs filed for the Remaining Original Patents-In-Suit. The PTAB instituted IPRs on Cisco's first and second petitions on August 6, 2024, and instituted an IPR on Cisco's third filed petition on October 03, 2024. A single IPR institution decision is pending on the '637 patent due to the late addition of that patent to this case.

Fact discovery in this case is still in the early stages. Each party has only served and responded to one set of interrogatories and neither party has taken any fact depositions. Furthermore, the parties have yet to submit any claim construction briefs or technology tutorial materials, and the claim construction hearing is not scheduled to take place until December 4, 2024. The deadline to complete fact discovery is approximately over eleven weeks away—on January 6, 2025—and expert discovery has not yet started. Dispositive motions are set for February 24, 2025, and the trial is set for eight months away on June 2, 2025.

B. Cisco's Pending IPRs Challenge All Asserted Claims

The following table summarizes the status of the IPR petitions for the four Patents-in-Suit. So far, the PTAB has granted institution on all asserted claims and grounds for which it has reached an institution decision:

IPR No.	Asserted Patent	Filing Date	Institution Date	Claims Challenged	Exhibits
IPR2024-00503	7,035,279	January 26, 2024	August 6, 2024 (instituted on all grounds)	1-31 (all claims)	Exs. 1–2
IPR2024-00505	6,917,986	January 30, 2024	August 6, 2024 (instituted on all grounds)	1–2, 4–7, 9–14, 16–19, 21–24 (all asserted claims)	Exs. 3–4
IPR2024-00506	8,014,394	March 31, 2024	October 3, 2024 (instituted on all grounds)	1, 2, 4–12, and 14–18 (all asserted claims)	Exs. 5–6
IPR2024-00954	8,199,637	May 31, 2024	Pending (expected in December 2024)	1-25 (all claims)	Ex. 7

The only remaining IPR to be instituted, IPR2024-00954, is on a patent that Portsmouth did not add to this case until it filed its second amended complaint, six months after initiating this action.

III. LEGAL STANDARD

The Court possesses the inherent power to control its own docket, including the power to stay proceedings. *Customedia Techs., LLC v. DISH Network Corp.*, No. 2:16-cv-129-JRG, 2017 WL 3836123, at *1 (E.D. Tex. Aug. 9, 2017) (citing *Clinton v. Jones*, 520 U.S. 681, 706 (1997)); *Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1426–27 (Fed. Cir. 1988). A goal of an IPR is “to limit unnecessary and counterproductive litigation costs.” *Regents of the Univ. of Minnesota v. LSI Corp.*, 926 F.3d 1327, 1335 (Fed. Cir. 2019) (citing H.R. Rep. 112-98, pt. I, at 40 (2011)). “A stay is particularly justified when the outcome of a PTO proceeding is likely to assist the court in determining patent validity or eliminate the need to try infringement issues.” *Onpoint Sys., LLC v. Protect Animals With Satellites, LLC*, No. 4:20-cv-657, 2022 WL 2704166, at *1 (E.D. Tex. July 12, 2022) (internal quotations omitted).

When deciding whether to stay a case pending IPR, district courts will consider “(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.” *Onpoint*, 2022 WL 2704166 at *2 (quoting *NFC Tech. LLC v. HTC Am., Inc.*, No. 2:13-cv-1058-WCB, 2015 WL 1069111, at *2 (E.D. Tex. Mar. 11, 2015)). “Based on those factors, courts determine whether the benefits of a stay outweigh the inherent costs of postponing resolution of the litigation.” *Id.* The Federal Circuit and courts in this District have also considered “whether a stay will reduce the burden of litigation on the parties and the court.” *See, e.g., Murata Mach. USA v. Daifuku Co.*, 830 F.3d 1357, 1362 (Fed. Cir. 2016) (internal quotations omitted); *Cywee Grp. Ltd. v. Samsung Elecs. Co.*, No. 2:17-cv-00140-WCB-RSP, 2019 WL 11023976, at *2 (E.D. Tex. Feb. 14, 2019).

Courts, including this Court, will typically grant motions to stay once the PTAB institutes *inter partes* review proceedings. *See e.g., NFC Tech.*, 2015 WL 1069111, at *6 (“In fact, since the [Federal] [C]ircuit court’s decision in *VirtualAgility*, courts have been nearly uniform in granting motions to stay . . . after the PTAB has instituted *inter partes* review proceedings.”); *STA Grp. LLC v. Motorola Sols., Inc.*, No. 2:22-cv-00381-JRG-RSP, 2024 WL 2852961, at *2 (E.D. Tex. June 5, 2024) (granting defendant’s opposed motion to stay where IPRs had been instituted on all asserted claims); *Village Green Techs., LLC v. Samsung Elecs. Co.*, No. 2:22-cv-00099-JRG, 2023 WL 416419, at *3 (E.D. Tex. Jan. 25, 2023) (granting defendant’s opposed motion to stay after the PTAB instituted the IPR proceeding for both asserted patents); *Commc’n Techs., Inc. v. Samsung Elecs. Am., Inc.*, No. 2:21-cv-00444-JRG, 2023 WL 1478447, at *5 (E.D. Tex. Feb. 2, 2023) (granting defendant’s opposed motion to stay “given that *inter partes* review has been

instituted on all claims of the '444 Patent and on multiple grounds,”); *Resonant Sys.*, 2024 WL 1021023, at *4 (granting defendant’s motion to stay because IPRs instituted on all asserted claims).

Furthermore, courts, including in this Court, will routinely grant stays prior to institution decisions on all patents-in-suit, particularly when the case is early enough to lead to considerable conservation of resources and when the IPRs will clarify and streamline the issues for the court. *See, e.g., Onpoint*, 2022 WL 2704166, at *4 (granting defendant’s opposed motion to stay where defendant filed IPRs on only three out of four patents-in-suit, and only one IPR had been instituted); *E-Watch, Inc. v. Lorex Canada, Inc.*, No. CIV.A. H-12-3314, 2013 WL 5425298, at *5 (S.D. Tex. Sept. 26, 2013) (granting defendant’s opposed motion to stay where two of three patents-in-suit were subject to instituted IPRs while the third institution decision was pending); *Meetrix IP, LLC v. Zoho Corp.*, No. 1:22-cv-588-LY, 2023 WL 11915698, at *2 (W.D. Tex. Feb. 28, 2023) (granting stay prior to institution because all three considered factors weighed in favor of a stay); *Finjan, Inc. v. Symantec Corp.*, 139 F. Supp. 3d 1032, 1037–38 (N.D. Cal. 2015) (granting stay “pending a decision by the PTO concerning whether to institute IPR” and noting “[w]ere the Court to deny the stay until a decision on institution is made, the parties and the Court would expend significant resources on issues that could eventually be mooted by the IPR decision”); *Wi-LAN, Inc. v. LG Elecs., Inc.*, No. 3:17-cv-00358, 2018 WL 2392161, at *2 (S.D. Cal. May 22, 2018) (granting a stay “pending the PTO’s decisions regarding institution of [Defendant’s] IPR petitions” and finding that a “stay would further promote the interest of justice and judicial economy”).

IV. ARGUMENT

The three stay factors—potential undue prejudice to the non-moving party, stage of the proceedings, and simplification of issues—all weigh in favor of granting a stay. ***First***, Portsmouth

is a non-practicing entity seeking monetary damages for alleged infringement by products that Cisco has sold for years and thus will not be prejudiced by a stay. **Second**, the case is not in its later stages; the end of fact discovery is months away and the vast majority of the work in the case lies in the future. **Third**, Cisco's IPRs cover all 78 asserted claims of the four Patents-in-Suit and the PTAB has already instituted IPRs on all asserted claims of three of the Patents-in-Suit; thus, the IPR proceedings stand to largely simplify, if not entirely moot, this case.

A. A Stay Will Not Prejudice Portsmouth.

A stay pending Cisco's IPRs will not unduly prejudice Portsmouth. Portsmouth and Cisco are not competitors. Indeed, Portsmouth was only formed in 2023, and in its second amended complaint Portsmouth does not allege that it sells any products. Dkt. No. 57. Portsmouth only claims that Corrigent-Systems Ltd., a now defunct former owner of the Patents-in-Suit, used to create telecommunications infrastructure systems before being liquidated. *Id.* at 3–4. Because Portsmouth does not manufacture or sell any products, Portsmouth does not—and cannot—allege that it would be harmed by customer losses or by injury to market share during a stay. *See Microlinc, LLC v. Intel Corp.*, No. 2:07-cv-488-TJW, 2010 WL 3766655, at *2 (E.D. Tex. Sept. 20, 2010). “Such a lack of competition weighs against a finding of undue prejudice.” *Village Green*, 2023 WL 416419, at *2 (citing *Uniloc 2017 LLC v. LG Elecs. U.S.A., Inc.*, No. 3:18-cv-3071-N, 2020 WL 374545, at *1 (N.D. Tex. Jan 23, 2020)).

Furthermore, mere delay, without more, is insufficient to establish undue prejudice. *See Cywee*, 2019 WL 11023976, at *4. In similar cases involving non-practicing entities this Court has observed that “a damages award, with pre-judgment interest, would [] fully compensate plaintiff for any injury served, even if there is some delay in the resolution of the litigation.” *Id.* Thus, Portsmouth could be made whole by damages for alleged infringement that may occur

during the stay for those products still being sold.⁴ And, further confirming no undue prejudice, two of the asserted patents, the '279 patent and '986 patent, are expired; thus, damages are not accruing on those patents. *See Kove IO, Inc. v. Amazon Web Servs., Inc.*, No. 18-cv-175, 2022 WL 683666, at *3 (N.D. Ill. Mar. 8, 2022) (finding that where the asserted patents are expired, “any prejudice resulting from a delay will not be undue prejudice”).

Moreover, *not* staying the case due to the pending institution of Cisco’s fourth IPR, would convert Portsmouth’s late addition of the '637 patent into an unfair tactical advantage for Portsmouth. Cisco did not oppose Portsmouth’s addition of the '637 patent to the case based on the assurance that it would not unfairly prejudice Cisco. Dkt. No. 56 at 3. If this Court were to deny Cisco’s motion to stay based on Portsmouth’s belated addition of a patent six months after initially filing its suit, that would not only give Portsmouth a tactical advantage that unfairly prejudices Cisco, but it would set a dangerous precedent—plaintiffs would be incentivized to strategically add patents late in a case in an effort to avoid otherwise prudent stays. Because of that, routine motions to amend the pleadings would likely be met with motion practice to resist such a tactical advantage, potentially causing plaintiffs to file separate follow-on cases, and thereby unnecessarily multiplying this Court’s docket.

Cisco’s request for a stay is not tactical. It is a straightforward motion that seeks to prevent spending unnecessary time, effort, and money litigating issues that likely will be moot after the resolution of the IPRs. Denying Cisco the ability to benefit from the efficiency of the IPR system

⁴ The accused products span decades, and some have not been sold by Cisco in some time. For example, Portsmouth includes the ASR 900, ASR 1000, and ASR 9000 Series Routers product families in its list of accused products, yet those product families have various models which are no longer sold. Ex. 8.

will unfairly prejudice Cisco and undermine the representations Portsmouth made to Cisco and this Court. Dkt. No. 56; *see also Regents of the Univ. of Minnesota*, 926 F.3d at 1335.

B. The Stage Of The Case Weighs In Favor Of A Stay.

Cisco has diligently pursued both its IPR petitions and a stay in this case. *See Village Green*, 2023 WL 416419, at *3 (“The Court also considers whether the defendant acted with reasonable dispatch in filing its petitions for *inter partes* review and then, after the petitions were granted, in filing its motion for a stay.”) (internal quotations omitted). Cisco filed its first three IPR petitions before even receiving Portsmouth’s amended infringement contentions, promptly filed its fourth IPR after receiving Portsmouth’s infringement contentions for the ’637 patent, requested a meet and confer with Portsmouth regarding a stay within a week of the third IPR institution, and promptly filed this motion after meeting and conferring with Portsmouth.

Most of the work for the parties and the Court in this case remains ahead, which favors granting Cisco’s request for a stay. *See, e.g., Norman IP Holdings, LLC v. TP-Link Techs., Co.*, No. 6:13-cv-384, 2014 WL 5035718, at *3 (E.D. Tex. Oct. 8, 2014) (“Courts often find the stage of litigation weighs in favor of a stay if there remains a significant amount of work ahead for the parties and the court, even when the parties and/or the court have already devoted substantial resources to the litigation.”) (internal citations omitted). The parties have yet to submit any claim construction briefing or technology tutorial materials, and the claim construction hearing will not be held for another two months—occurring just within two weeks of the last institution decision deadline for the final pending IPR. Moreover, the close of fact discovery is still over eleven weeks away, the parties have not deposed a single fact witness, expert discovery has not begun, summary judgment is five months away, and trial is eight months away. At this point, “[t]he most burdensome parts of the case—filing and responding to pretrial motions, preparing for trial, going

through the trial process, and engaging in post-trial motions practice—all lie in the future.” *Cywee*, 2019 WL 11023976, at *6. Indeed, Portsmouth stated in its motion to add the ’637 Patent, when the parties were in substantially the same position in the case, that “[t]his case is in its early stages.” Dkt. No. 56.

With claim construction briefing, the *Markman* hearing, and the discovery deadlines months away, the case is at an ideal stage for a stay. *See, e.g., Uniloc USA, Inc. v. Avaya Inc.*, No. 6:15-cv-01168-JRG, 2017 WL 2882725, at *2 (E.D. Tex. Apr. 19, 2017) (granting defendant’s motion to stay where the defendant filed its motion after the parties submitted a joint claim construction statement but before the *Markman* hearing, and before the close of fact or expert discovery). In fact, this Court routinely grants stays much later than the stage at which Cisco has filed this motion.⁵ *See e.g., NFC Tech.*, 2015 WL 1069111, at *3–4 (granting defendant’s opposed motion to stay when filed after the completion of claim construction briefing and only one month prior to the close of fact discovery); *CyWee*, 2019 WL 11023976, at *6 (granting defendant’s opposed motion to stay when it was filed after the completion of claim construction and just prior to the completion of fact discovery); *Armor All/STP Prod. Co. v. Aerospace Commc’ns Holdings Co.*, No. 6:15-cv-781, 2016 WL 6397269, at *4 (E.D. Tex. Oct. 28, 2016) (granting defendant’s opposed motion to stay which was filed after the *Markman* hearing). Furthermore, a stay would be especially useful to conserve resources here, where the IPRs have the potential to obviate the need for fact depositions, a claim construction hearing, and expert discovery in the District Court case entirely.

⁵ *CyWee*, 2019 WL 11023976, at *6 (“The state of the proceedings is generally assessed as of the date the motion to stay is filed.”) (internal citation omitted).

C. A Stay Will Simplify This Case.

Granting a stay would simplify this case by potentially eliminating all issues in this litigation. “[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.” *Onpoint*, 2022 WL 2704166, at *3. “A stay is particularly justified when the outcome of a PTO proceeding is likely to assist the court in determining patent validity or eliminate the need to try infringement issues.” *Id.* at *1 (internal quotations omitted). That purpose would be served here, as the pending IPR petitions address all 78 asserted claims in the four Patents-in-Suit, and three IPRs have already been instituted. Having three IPRs instituted on every asserted claim in those patents weighs heavily in favor of granting a stay because the potential to simplify this case is highly likely. *See Armor All/STP Prod.*, 2016 WL 6397269, at *3 (“The grant of *inter partes* review is treated as a highly significant factor in the Court’s determination of whether to stay cases pending PTAB review because this ordinarily means that there is a substantial likelihood of simplification of litigation.”). Indeed, Courts, including this Court, typically grant motions to stay in cases where institution decisions have already been granted. *See e.g., NFC Tech.*, 2015 WL 1069111, at *6. In this case, the only IPR yet to be instituted involves a patent that was added to the case late. If the Court stays this case and the PTAB later invalidates the asserted claims of the Patents-in-Suit in the IPR proceedings, the Court and the parties will have saved significant costs, time, and resources that they would otherwise expend litigating this case now.

Additionally, even if only a subset of the claims is ultimately invalidated, “there is a significant likelihood that the outcome of the IPR proceedings will streamline the scope of this case to an appreciable extent.” *Uniloc USA, Inc. v. Samsung Elecs. Am., Inc.*, No. 2:16-cv-642, 2017 WL 9885168, at *1 (E.D. Tex. June 13, 2017). For example, even if the PTAB only

invalidates some of the asserted claims, the issues and evidence related to those claims will fall away. *See Village Green*, 2023 WL 416419, at *3 (“[S]hould the IPRs result in the cancelation of some or all of the asserted claims, ‘either some portion of the litigation will fall away, or the litigation will come to an end altogether.’”) (quoting *NFC Tech.*, 2015 WL 1069111, at *4). Such streamlining of issues has the potential to reduce motion practice, discovery disputes, and party resources in responding to theories of the case. And should any claim remain valid after the final written decisions in the IPRs, a stay would still simplify the issues through the application of estoppel, whereby Cisco will be estopped from asserting invalidity defenses on “any ground that it raised or reasonably could have raised” during *inter partes* review. 35 U.S.C. § 315(e)(2); *see STA Grp.*, 2024 WL 2852961, at *2 (quoting *Resonant Systems*, 2024 WL 1021023, at *3) (granting a stay in part because “[i]f the PTAB were to find some or all of the claims under review to be valid, [d]efendants would be estopped from asserting invalidity defenses on any grounds they raised or reasonably could have raised during *inter partes* review. Further, the cancellation of some or all of the claims could result in simplification of issues in this case.”). The exclusion of such grounds from this litigation provides further simplification warranting a stay here.

Finally, regardless of any outcomes, statements made during the IPR proceedings are likely to narrow issues of both infringement and invalidity. *See Aylus Networks, Inc. v. Apple Inc.*, 856 F.3d 1353, 1362 (Fed. Cir. 2017) (“[S]tatements made by a patent owner during an IPR proceeding, whether before or after an institution decision, can be considered for claim construction and relied upon to support a finding of prosecution disclaimer.”); *NFC Tech.*, 2015 WL 1069111, at *7 (determining that even where all claims were not reviewed during IPR proceedings, “any disposition by the PTAB is likely to simplify the proceedings before this Court”). A stay will permit the case to proceed in light of all relevant intrinsic evidence. Not staying the case now

could mean expending the Court's and the parties' resources on completing claim construction that could be rendered futile if the PTAB finds certain claims invalid or Portsmouth takes positions during the IPR proceedings that impact claim scope. *See Anascope, Ltd. v. Microsoft Corp.*, 475 F. Supp. 2d 612, 615 (E.D. Tex. 2007) (“[C]ourts need not expend unnecessary judicial resources by attempting to resolve claims which may be amended, eliminated, or lucidly narrowed by the patent reexamination process and the expertise of its officers.”); *Ethicon LLC v. Intuitive Surgical, Inc.*, 2019 WL 1276029, at *2 (D. Del. Mar. 20, 2019) (finding stay pending IPR to be efficient because of additional prosecution history and potential amendments flowing from IPR proceedings).

Thus, this Court should grant a stay in this case in the interest of judicial efficiency due to the extremely high likelihood of case simplification.

D. In The Alternative The Court Should Sever and Stay Counts I, II, and III.

To the extent the Court believes a stay on all counts is not warranted because of the pending IPR institution decision on the late-added '637 patent, Cisco respectfully requests that the Court sever count IV of Portsmouth's second amended complaint related to the '637 patent, and grant Cisco's motion to stay on the remaining counts and patents. Doing so will help avoid the adverse incentives discussed above that would occur if plaintiffs were able to wait to add patents to a case just to prevent potential stays.

Severing the case and staying all but the late-added patent allows the Court to achieve the efficiencies of issue simplification for the three Remaining Original Patents-in-Suit, but prevents unintended prejudice to Cisco for agreeing to allow the four Patents-in-Suit to proceed as one action until now. Additionally, severing the case would not create additional inefficiencies; Portsmouth's late addition of the '637 patent meant that it has often been treated as a separate part

of the case. For example, infringement and invalidity contentions for the '637 patent were separately drafted and exchanged months after all other contentions were shared. Cisco's internal investigation and technical production relating to the '637 patent similarly had to occur months after those steps occurred for the other three Patents-in-Suit. Likewise, drafting and filing the IPR on the '637 patent was months removed from the other IPRs only because Portsmouth added the '637 patent months after filing its original complaint. Moreover, severing the case in order to stay counts related to the '986, '279, and '394 patents would greatly conserve time, funds, and resources because the parties will avoid further litigating issues pertaining to patents with instituted IPRs. *See Resonant Sys.*, 2024 WL 1021023, at *3 ("Given that *inter partes* review had been instituted on all Asserted Claims of all Asserted Patents on multiple grounds, there is a material likelihood of simplification of the issues in this case. . . . Further, the cancellation of some or all of the claims could result in simplification of issues in this case."). For these reasons, severance and stay of counts I, II, and III would be an appropriate alternative to denying Cisco's motion to stay on all counts.⁶

V. CONCLUSION

For the foregoing reasons, Cisco respectfully requests that the Court stay this matter pending the PTAB's resolution of the IPRs.

⁶ To the extent the Court chooses not to grant a full or partial stay at this time, Cisco respectfully requests that the Court withhold ruling on Cisco's motion until the fourth and final institution decision or deny Cisco's motion without prejudice, to refile after the PTAB issues its final institution decision. *Arbor Glob. Strategies LLC v. Samsung Elecs. Co.*, No. 2:19-cv-00333-JRG-RSP, 2021 WL 66531, at *1 (E.D. Tex. Jan. 7, 2021) (granting renewed motion to stay upon institution of Defendants' IPRs after previously denying motion without prejudice).

Dated: October 18, 2024

Respectfully submitted,

/s/ Melissa R. Smith

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that counsel of record who are deemed to have consented to electronic service are being served with a copy of this **DEFENDANT’S MOTION FOR A STAY PENDING INTER PARTES REVIEW PROCEEDINGS ON ALL FOUR ASSERTED PATENTS**, *via* the Court’s CM/ECF system per Local Rule CV-5(a)(3) on this the 18th day of October, 2024.

/s/ Melissa R. Smith

CERTIFICATE OF CONFERENCE

Counsel for Plaintiffs and counsel for Defendants participated in a meet and confer on October 17, 2024, and discussed the relief requested in this motion. Plaintiff is opposed to this motion and therefore the parties are at an impasse requiring Court resolution.

/s/ Melissa R. Smith