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

ASUS TECHNOLOGY LICENSING INC. AND CELERITY IP, LLC, Plaintiffs, v. **AT&T CORP.,** **AT&T MOBILITY LLC,** **AT&T MOBILITY II LLC, AND** **AT&T SERVICES, INC.,** Defendants. **ERICSSON INC.,** **NOKIA CORPORATION OF AMERICA,** Intervenors.	Civil Action No. 2:23-cv-486 LEAD CASE **JURY TRIAL**
ASUS TECHNOLOGY LICENSING INC. AND CELERITY IP, LLC, Plaintiffs, v. **T-MOBILE USA, INC.,** Defendant. **ERICSSON INC.,** **NOKIA CORPORATION OF AMERICA,** Intervenors.	Civil Action No. 2:23-cv-487 **JURY TRIAL**

ASUS TECHNOLOGY LICENSING INC. AND CELERITY IP, LLC, Plaintiffs, v. **CELLCO PARTNERSHIP D/B/A VERIZON WIRELESS,** Defendant. **ERICSSON INC.,** **NOKIA CORPORATION OF AMERICA,** Intervenors.	Civil Action No. 2:23-cv-488 **JURY TRIAL**
INNOVATIVE SONIC LIMITED AND CELERITY IP, LLC, Plaintiffs, v. **AT&T CORP.,** **AT&T MOBILITY LLC,** **AT&T MOBILITY II LLC, AND** **AT&T SERVICES, INC.,** Defendants. **ERICSSON INC.,** **NOKIA CORPORATION OF AMERICA,** Intervenors.	Civil Action No. 2:23-cv-489 **JURY TRIAL**

INNOVATIVE SONIC LIMITED AND CELERITY IP, LLC, Plaintiffs, v. **T-MOBILE USA, INC.,** Defendant. **ERICSSON INC.,** **NOKIA CORPORATION OF AMERICA,** Intervenors.	Civil Action No. 2:23-cv-490 **JURY TRIAL**
INNOVATIVE SONIC LIMITED AND CELERITY IP, LLC, Plaintiffs, v. **CELLCO PARTNERSHIP D/B/A VERIZON WIRELESS,** Defendant. **ERICSSON INC.,** **NOKIA CORPORATION OF AMERICA,** Intervenors.	Civil Action No. 2:23-cv-491 **JURY TRIAL**

PLAINTIFFS' MOTION TO LIFT STAY

Plaintiffs respectfully request the Court lift the stay issued December 6, 2024. Dkt. 328. The Court stayed this case pending "resolutions of the motions to dismiss" in *Celerity IP LLC v. AT&T Corp.*, 2:24-cv-00721-JRG-RSP (the "-721 Case") because the Court found the unfair competition and anti-trust claims in the -721 Case presented a "chilling effect" on the joint defense of this case. *Id.* Plaintiffs appreciate that the Court took the time to consider the unfair competition claims against all Defendants and antitrust claims against Ericsson and has concluded these claims are inconsistent with the rapid resolution of the patent infringement claims.

Given that the most important aspect of the dispute between the parties is patent infringement, immediately following the stay Order, Plaintiffs sought leave to file a revised Second Amended Complaint in the -721 Case, which seeks to dismiss with prejudice ***all*** claims that are subject to the pending Motion to Dismiss in that action, including the antitrust claims, tortious interference claims, and unfair competition claims. Dkt. 84 (-721 Case). Plaintiffs are therefore seeking leave to dismiss with prejudice all the claims the Court found may present a "chilling effect" on this case. Dkt. 328.

Plaintiffs do seek leave to add claims relating to a declaratory judgment of breach of obligations set out by standard settings organizations against Defendants. Plaintiffs are not seeking monetary damages, nor are they seeking any injunctive relief that would bar the joint defense. These claims are not based on any joint legal advice provided by Defendants' counsel. Defendants maintain that Plaintiffs' negotiating positions violate post-litigation obligations to standards settings organizations ("SSOs"). Plaintiffs seek leave to assert claims that express the same position as to Defendants' negotiating behavior. This, however, is not a basis to maintain the stay, because if the Court believes the declaratory judgment of breach of SSO obligations is too chilling, it can simply decline to allow the amendment.

I. ARGUMENT

"In deciding whether to stay a given action or lift the stay of an already-stayed action, the court considers: (1) whether the stay would unduly prejudice or present a clear tactical disadvantage to the non-moving party; (2) whether a stay will simplify the issues in question and trial of the case; and (3) whether discovery is complete and whether a trial date has been set." *Realtime Data LLC v. Hewlett Packard Enter. Co.*, No. 6:16-cv-00086, 2018 WL 3608544, at *2 (E.D. Tex. July 27, 2018) (citing *Soverain Software LLC v. Amazon.com, Inc.*, 356 F. Supp. 2d 660, 662 (E.D. Tex. 2005)). A stay may be lifted "if the circumstances that persuaded the court to impose the stay in the first place have changed significantly." *Pers. Audio LLC v. Google, Inc.*, 230 F. Supp. 3d 623, 626 (E.D. Tex. 2017).

The circumstances that the Court found justified a stay in this Action are resolved. The Court's basis for staying this Action was the "chilling effect" of the claims in the -721 Case on Defendants' joint defense here. Dkt. 328 at 5. Plaintiffs' revised Second Amended Complaint unambiguously resolves these issues for two reasons. First, Plaintiffs dismiss with prejudice every claim that is subject to the pending motions to dismiss which the Court found presented a chilling effect. Second, Plaintiffs make clear that the joint defense and acting on joint advice is not an element of any claim. *See* -721 Case, Dkt. 86 at ¶ 19:

> No liability in this complaint arises from receiving common legal advice or participation in a common defense agreement by the Service Providers or Ericsson. Instead, it relates to the substantive positions taken in negotiations.

The ***only*** claims asserted by Plaintiffs in the revised Second Amended Complaint are for declaratory judgment regarding compliance with SSO policies, which are proper counterclaims to the noninfringement claims brought by Defendants in that action. Defendants cannot claim any "chilling effect" from these claims because they are mirrored by claims already asserted by the Defendants. *See e.g.* Dkt. 36 at Count V (T-Mobile Counterclaim asserting breach of FRAND); Dkt. 35 at Count V (Verizon Counterclaim asserting breach of FRAND); Dkt. 34 at Count V (AT&T Counterclaim

asserting breach of FRAND); Dkt. 213 at Count V (Ericsson Counterclaim asserting breach of FRAND). The breach claims asserted by Defendants and Intervenors target the relationships between the Plaintiffs, including their "licensing framework." *See e.g.* Dkt. 213 ¶ 25. In other words, Defendants are attacking the joint relationship of the Plaintiffs (*id.*):

> Counterclaim Defendants have devised a licensing framework to avoid their obligation to negotiate a cross-license with Ericsson for patents they own that may be essential to the 3G, 4G, or 5G standards. ATL is a wholly owned subsidiary of ASUS and under ASUS's control. Innovative Sonic is ASUS's corporate trust, obliged to act for the benefit of ASUS. Rather than continue to engage in licensing negotiations with Ericsson regarding its portfolios or the portfolios of its subsidiary and corporate trust, however, ASUS retained Celerity for the purpose of asserting its patents against Ericsson's customers. Further, despite being ASUS's licensing agent, Celerity has refused to engage in cross-license negotiations with Ericsson concerning ASUS's infringement of Ericsson's standard-essential patents.

Plaintiffs' Amended Complaint thus seeks a declaration that they have complied with their own SSO obligations and a declaration that Defendants have breached their SSO obligations based on the ***substantive positions*** taken by the Defendants (not their communications or joint defense). These claims are directly linked to the noninfringement claims asserted by the Defendants in the -721 Case, and do not include the communications or joint defense efforts between the Defendants as a factual predicate for the claims.

The predicates for the breach of standard setting organizations do not include anything related to concerted action by Defendants based on their joint defense. Instead, they relate solely to the negotiation positions of each individual plaintiff, not that these positions are coordinated or the same. In specific, at the same time Service Providers and Ericsson are claiming that Plaintiffs have an obligation under ETSI policy to negotiate a license in a certain manner, Service Providers and Ericsson are taking the following steps which violate SSOs' patent policy:

- Service Providers are refusing to negotiate with the Plaintiffs unless third party ASUSTeK, who has no control over the licensing of the Plaintiffs' patents, takes a license to Service Providers' own patents.
- Service Providers are falsely claiming ignorance as to how their systems operate and using this a basis for not negotiating.
- Service Providers are refusing to provide information that would be necessary to conduct a negotiation.
- Service Providers are claiming that ETSI gives then contractual rights to patents that do not meet the definition of ESSENTIAL in the ETSI Patent Policy.
- Ericsson has attempted to extort Plaintiffs to provide rights to their patents by tying access to patents that it claims are essential under various SSO polices. For example, Ericsson is refusing to grant rights to HVEC patents it claims are essential to ASUSTeK, unless it receives a royalty free license to patents held

The Defendants' claims of prejudice giving rise to the stay were exclusively tied to their position that the claims pending Motions to Dismiss in the -721 Case chilled their ability to jointly defend this case. Those claims have been withdrawn with prejudice, and the Motions to Dismiss are now moot. Thus, there is no possible remaining prejudice to Defendants and no remaining justification for staying this case.

II. CONCLUSION

Plaintiffs respectfully request that the Court grant this Motion to Lift the Stay.

DATED: December 7, 2024

Respectfully submitted,

/s/ Jason Sheasby

Robert C. Bunt
Texas State Bar No. 00787165
rcbunt@pbatyler.com

PARKER, BUNT & AINSWORTH, P.C.
100 E. Ferguson, Suite 418
Tyler, Texas 75702
Tel: (903) 531-3535

Jason Sheasby
California State Bar No. 205455
(*pro hac vice* to be filed)
jsheasby@irell.com
Rebecca Carson
California State Bar No. 254105
(*pro hac vice*)
rcarson@irell.com
Christopher Abernethy
California State Bar No. 275986
(*pro hac vice*)
cabernethy@irell.com
Tony Rowles
California State Bar No. 301209
(*pro hac vice*)
trowles@irell.com
Benjamin Manzin-Monnin
California State Bar No. 325381
(*pro hac vice*)
bmonnin@irell.com
Jordan Nafekh
California State Bar No. 328151
(*pro hac vice*)
jnafekh@irell.com
Russell Hoover
California State Bar No. 334913
(*pro hac vice*)
rhoover@irell.com
IRELL & MANELLA LLP
1800 Avenue of the Stars, Suite 900
Los Angeles, CA 90067-4276
Tel: (310) 277-1010

M. Jill Bindler
Texas Bar No. 02319600
jbindler@grayreed.com
GRAY REED & McGRAW, P.C.
1601 Elm Street, Suite 4600
Dallas, Texas 75201
Telephone: (214) 954-4135
Facsimile: (214) 953-1332

ATTORNEYS FOR PLAINTIFFS ASUS TECHNOLOGY LICENSING INC., INNOVATIVE SONIC LIMITED, AND CELERITY IP, LLC

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 email on December 7, 2024.

/s/ *N. Isabella Chestney*
N. Isabella Chestney

CERTIFICATE OF CONFERENCE

Pursuant to Local Rule CV-7(h), I hereby certify that, on December 6 and December 7, 2024, counsel for Plaintiffs sought to meet and confer with counsel for Defendants on the substance of this motion. Defendants ignored repeated requests to meet and confer.

/s/ *Jason Sheasby*
Jason Sheasby