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

PROCOMM INTERNATIONAL PTE. LTD., Plaintiff, v. VERIZON COMMUNICATIONS, INC., CELLCO PARTNERSHIP D/B/A VERIZON, WIRELESS, TELEFONAKTIEBOLAGET LM ERICSSON, and ERICSSON INC., Defendants.	Case No. 2:24-cv-00009-RWS-RSP **JURY TRIAL DEMANDED**

PLAINTIFF PROCOMM'S OPPOSITION TO
DEFENDANTS' MOTION TO STAY PENDING *INTER PARTES* REVIEW

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I. INTRODUCTION

Defendants Ericsson Inc. and Telefonaktiebolaget LM Ericsson (collectively, "Ericsson") and Verizon Communications, Inc. and Cellco Partnership d/b/a Verizon Wireless (collectively, "Verizon," and together with Ericsson, "Defendants") have failed to meet their burden that a stay pending *inter partes* review (IPR) is warranted. This Court has a "universal practice" of denying pre-institution stay motions, and none of Defendants' pending IPR petitions have been instituted by the PTAB. Defendants' motion should be denied on this basis alone, and Defendants' reliance on the PTAB potentially invalidating claims in the future is sheer speculation. Further, Defendants filed their IPR petitions in the eleventh hour—eleven months after the complaint was originally filed. Even if instituted, no final written decision would issue from the Patent Office until eight months *after* the scheduled trial in this Court. Defendants have additionally failed to demonstrate that other factors weigh in favor of a stay when all parties have invested substantial resources into this case and Plaintiff Procomm International Pte. Ltd. ("Procomm") will be prejudiced by any further delay. In sum, all factors weigh against a stay, and Defendants' motion should be denied.

II. LEGAL STANDARD

"Courts have the inherent power to manage their dockets and stay proceedings." *Realtime Data LLC v. Actian Corp.*, No. 6:15-CV-463-RWS-JDL, 2016 WL 3277259, at *1 (E.D. Tex. June 14, 2016). Accordingly, there is "no per se rule that patent cases should be stayed pending PTO proceedings, because such a rule 'would invite parties to unilaterally derail litigation.'" *Id.* (quoting *Soverain Software LLC v. Amazon.com, Inc.*, 356 F. Supp. 2d 660, 662 (E.D. Tex. 2005)). A stay is appropriate only where "the benefits of a stay outweigh the inherent costs of postponing resolution of the litigation." *Parallel Networks Licensing, LLC v. Ramquest Software, Inc.*, No. 4:19-cv-487, 2020 WL 1236266, at *4 (E.D. Tex. Mar. 13, 2020).

In determining whether to grant a stay, courts consider three factors: (1) whether the stay will unduly prejudice or present a clear tactical disadvantage to the non-moving party; (2) whether the action has reached an advanced stage, including whether discovery is complete and a trial date has been set; and (3) whether the stay will simplify the issues in the litigation. *Realtime Data*, 2016 WL 3277259, at *1. The party seeking a stay "bears the burden of showing that such a course is appropriate." *AR Design Innovations LLC v. Ashley Furniture Indus., Inc.*, No. 4:20-CV-392-SDJ, 2021 WL 6496714, at *2 (E.D. Tex. Jan. 11, 2021) (internal citations omitted).

As discussed below, all three factors weigh against a stay.

III. ARGUMENT

A. Any Simplification of the Issues that May Result from a Stay is Speculative Given that IPRs Have Not Been Instituted

Simplification of the issues in this case is speculative given that none of Defendants' IPRs have been instituted. This alone warrants denial of Defendants' motion given this Court's "consistent practice of denying motions to stay when the PTAB has yet to institute post-grant proceedings." *Luminati Networks Ltd. v. Teso LT, UAB*, No. 2:19-CV-00395-JRG, 2020 WL 6803255, at *1 (E.D. Tex. Oct. 30, 2020); *Trover Grp., Inc. v. Dedicated Micros USA*, No. 2:13-CV-1047-WCB, 2015 WL 1069179, at *6 (E.D. Tex. Mar. 11, 2015) (Bryson, J.) ("it is the universal practice of courts in this District to deny pre-institution motions to stay); *Viavi Sols. Inc. v. Zhejiang Crystal-Optech Co.*, No. 2:21-CV-00378-JRG, 2022 WL 16856099, at *5 (E.D. Tex. Nov. 10, 2022) ("It is the Court's established practice to consider motions to stay pending IPR proceedings which have not been instituted are inherently premature and should be denied as such.").

To prevail on their motion, Defendants bear the burden "to show that every asserted claim has a reasonable likelihood of being invalidated by the [PTAB]." *Arbor Glob. Strategies LLC v.*

Samsung Elecs. Co., No. 2:19-CV-00333, 2020 WL 6305883, at *3 (E.D. Tex. Aug. 10, 2020). However, at this stage, the PTAB has not publicly determined that any of Procomm's asserted claims have a reasonable likelihood of being invalidated. *Id.* Accordingly, "[a]t this nascent stage of the PTAB proceedings, it is impossible for the Court to determine 'whether the stay will likely result in simplifying the case before the court." *Viavi*, 2022 WL 16856099, at *5. At this stage—prior to any institution decision—Defendants cannot show that the asserted claims have a reasonable likelihood of being invalidated.

In support of their argument that "it is likely that at least some of the Asserted Claims will be invalidated via the IPRs," Defendants cite only "historical trends at the PTAB." Dkt. 51 at 4. Defendants' arguments are based on nothing more than speculation that the PTAB will institute the IPR petitions and ultimately invalidate three separate patents which it has already deemed patentable. Absent institution, a stay will merely compress the later stages of the case with no benefit to the Court or the parties. Institution itself is too speculative at this stage, let alone whether the PTAB's decision would simplify the issues in this case. *See Trover*, 2015 WL 1069179, at *4 ("the overall statistics for the number of petitions that are reviewed and the number of claims that are invalidated are not especially enlightening as to the likely disposition of any particular patents or claims, since the likelihood of invalidation depends entirely on the particulars of the patents and claims in dispute."); *Cal. Inst. of Tech. v. Samsung Elecs. Co.*, No. 2:21-CV-00446-JRG, slip op., at 6 (D.I. 108) (E.D. Tex. Jan. 20, 2023) (rejecting reliance on generic PTAB statistics because "[t]he Court is not persuaded by such speculation"). For all the foregoing reasons, this factor strongly weighs against a stay.

B. The Parties Have Already Invested Substantial Resources into This Case and Thus the Stage of the Case Does Not Support a Stay

Procomm filed this case more than one year ago in January 2024. Since then, the parties

and Court have invested substantial resources into this case. The Court has held a scheduling conference, issued docket control orders, a protective order, and a discovery order. Discovery is well under way—the parties have produced documents and exchanged initial disclosures, written discovery, infringement and invalidity contentions—the number of documents produced by Procomm has no bearing on the fact that the parties have engaged in extensive discovery practice. Procomm has additionally served common and individual interrogatories.

Claim construction is also underway. The parties exchanged claim terms and proposed constructions and extrinsic evidence pursuant to P.R. 4-1 and 4-2. The Joint Claim Construction and Prehearing Statement was filed on February 12, 2025. Dkt. 43. Procomm filed its opening claim construction brief on March 4, 2025, and Defendants filed their responsive claim construction brief on March 12, 2025. Dkt 48; Dkt. 51.

Further, the Court has set a trial date for October 20, 2025. Dkt. 41-1. Defendants waited until December 2024 to file their IPR petitions and therefore, institution decisions are not expected until July 2025. Assuming institution, final written decisions would not issue until July 2026—well after trial in this case. This factor weighs against a stay. *Longhorn HD LLC v. NetScout, Sys., Inc.*, No. 2:20-cv-00349-JRG, 2022 WL 71652, at *4 (E.D. Tex. Jan. 6, 2022) ("Although it is true that the parties, and the Court, will still invest additional resources in this case, all dates for remaining case events—including trial—have been set and the Court intends to maintain those dates. Accordingly, the Court finds this factor does not favor a stay."); *Cal. Tech.*, slip op. at 5 (finding this factor weighed against a stay where the parties had engaged in discovery, exchanged contentions, and, as of the date of the order, had begun the claim construction process and were "nearing competition of document production"); *EON Corp. IP Holdings, LLC v. Sensus USA Inc.*, No. 6:09-CV-116, 2009 WL 9506927, at *4 (E.D. Tex. Dec. 18, 2009) ("Although this case is in

its early stages, it is not early as to weigh in favor of a stay" where the complaint was filed six months ago, the "parties in this case have begun the discovery process," and plaintiff "has completed its P.R. 3–1 and 3–2 disclosures").

Defendants attempt to muddy the waters by arguing that "significant portions of the case remain in the future," citing Procomm's motion to amend the infringement contentions. Dkt. 51 at 5. But that is not the proper inquiry—this factor looks to the resources that the parties and the Court have already invested. *See USC IP P'Ship, L.P. v. Facebook, Inc.*, No. 6-20-CV-00555-ADA, 2021 WL 6201200, at *2 (W.D. Tex. Aug. 5, 2021). Had Defendants filed their IPR petitions sooner, the parties and the Court could potentially have avoided some of this investment. But here, Defendants provided no explanation why they delayed filing their IPR petitions by nearly one year from the filing of the Complaint. *See Trover*, 2015 WL 1069179, at *3 (denying a stay pending IPR where, among other factors, "defendants waited for nearly a year after the complaints were filed against them before filing their petition for inter partes review") (collecting cases). Moreover, as explained in the briefing on Procomm's motion to amend the infringement contentions, Defendants have long known of Procomm's proposed amendments and cannot claim prejudice here. Dkt. 55 at 1.

Defendants' cases are distinguishable because they involved shorter timelines from the complaint to the IPR filing. *See Emed Techs. Corp. v. Repro-med Sys., Inc.,* No. 2:15-cv-1167-JRG-RSP, 2016 WL 2758112, at *2 (E.D. Tex. May 12, 2016) (defendant "filed its IPR petition approximately three months after the filing of the complaint in this action); *Cobblestone Wireless, LLC v. Cisco Sys., Inc.* No. 2:23-cv-00454-JRG-RSP, slip op. at 1 (D.I. 80) (E.D. Tex. Dec. 9, 2024), (IPR petition filed less than 6 months after complaint).

Additionally, Defendants delayed over three months from the filing of their IPR petitions

to file their stay motion. Defendants attempt to justify their delay by arguing that they "moved to stay promptly after it became clear the '721 Patent would be dismissed." Dkt. 51 at 9. But there is simply no reason for such delay. Defendants provide no case law supporting the proposition that a party was justified in delaying moving for a stay because they were waiting for a patent to be dismissed. Additionally, Defendants have been aware that settlement discussions regarding the '721 Patent have been occurring since November 2024 when Verizon first introduced Procomm to their suppliers and their interest in settling the case.

For the reasons stated above, the stage-of-the-case as well as Defendants' delay in filing their IPR petitions and their motion to stay weigh against a stay.

C. Procomm Would Be Substantially Prejudiced by Delaying this Case Potentially for Years Until the IPRs Are Resolved

This case has been pending for 15 months, and delaying resolution of Procomm's patent infringement claims potentially for years until the IPRs are concluded would substantially prejudice Procomm. Defendants incorrectly assert that Procomm cannot be prejudiced by a stay because it does not "have any business operations apart from maintaining and asserting a patent portfolio." Dkt. 51 at 6. But this Court has repeatedly recognized that "a patent holder has 'an interest in the timely enforcement of its patent right.'" *Lennon Image Techs., LLC v. Macy's Retail Holdings, Inc.*, No. 2:13-CV-00235-JRG, 2014 WL 4652117, at *2 (E.D. Tex. Sept. 18, 2014); *see also Realtime*, 2016 WL 3277259, at *2 ("The fact that Realtime is a non-practicing entity and is merely pursuing monetary damages would not preclude Realtime from experiencing prejudice if the Court granted Defendants' motion to stay."); *Sable Networks, Inc. v. Splunk Inc.*, No. 5:21-CV-00040-RWS slip op. at 3 (D.I. 80) (E.D. Tex. Nov. 1, 2021) (finding this factor weighed against a stay even though plaintiff was "not currently practicing the patents"); *Rembrandt Wireless Techs., LP v. Samsung Elecs. Co.*, No. 2:13CV213–JRG–RSP, 2015 WL 627887, at *2

(E.D. Tex. Jan. 29, 2015) ("the mere fact that [a plaintiff] is not currently practicing the patents does not mean that, as a matter of law, it is not prejudiced by a substantial delay of an imminent trial date.").

This Court has also previously rejected the argument that no prejudice exists when parties are not competitors. *See, e.g., Solas OLED Ltd. v. Samsung Display Co.*, No. 2:19-CV-00152-JRG, 2020 WL 4040716, at *2 (E.D. Tex. July 17, 2020) ("The Court is not persuaded by Samsung's argument that because Solas' is not a competitor of Samsung, a delay to this litigation will result in no prejudice to Solas."); *Koninklijke KPN N.V. v. Telefonaktiebolaget LM Ericsson*, No. 2:21-CV-00113-JRG, 2022 WL 17484264, at *2 (E.D. Tex. July 7, 2022) (same); and, *Force Mos Tech., Co., v. ASUSTek Computer, Inc.*, No. 2:22-CV-00460-JRG, 2024 WL 1586266, at *2 (E.D. Tex. Apr. 11, 2024) (same). Additionally, while a mere delay in monetary damages is not undue prejudice by itself, "this Court has repeatedly found that a delay in recovering monetary damages is far from non-prejudicial and is entitled to weight under this factor." *Koninklijke*, 2022 WL 17484264, at *2. (internal citations omitted).

For all the foregoing reasons, this factor weighs against a stay.

IV. CONCLUSION

For the foregoing reasons, Defendants' motion to stay should be denied.

Respectfully Submitted,

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/s/ Timothy K. Gilman (with permission by Robert Christopher Bunt)

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CERTIFICATE OF SERVICE

I hereby certify that on this 26th day of March 2025, I caused a true and correct copy of **PLAINTIFF PROCOMM'S OPPOSITION TO DEFENDANTS' MOTION TO STAY PENDING *INTER PARTES* REVIEW** to be served in accordance with the Federal Rules of Civil Procedure and/or the Local Rules of this Court upon all counsel of record, *via* the Court's ECF system.

/s/ Robert Christopher Bunt