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

SK NEXILIS CO., LTD.,

Plaintiff,

v.

SOLUS ADVANCED MATERIALS CO., LTD., VOLTA ENERGY SOLUTIONS S.A.R.L., VOLTA ENERGY SOLUTIONS EUROPE KFT., VOLTA ENERGY SOLUTIONS HUNGARY KFT., AND VOLTA ENERGY SOLUTIONS CANADA INC.,

Defendants.

Civil Action No. 2:23-cv-00539-JRG-RSP

JURY TRIAL DEMANDED

DEFENDANTS' REPLY IN SUPPORT OF MOTION TO STAY PENDING *INTER PARTES* REVIEW (DKT. 63)

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No. 6:16-CV-00961-RWS-JDL, 2017 WL 772654 (E.D. Tex. Feb. 28, 2017) 2

Uniloc USA v. Samsung Elecs. Am., Inc.,
No. 2:16-CV-642-JRG, 2017 WL 9885168 (E.D. Tex. June 13, 2017) 2

TABLE OF ABBREVIATIONS

Abbreviation	Description
’541 Patent	U.S. Patent No. 9,457,541
’090 Patent	U.S. Patent No. 10,480,090
’689 Patent	U.S. Patent No. 10,811,689
’706 Patent	U.S. Patent No. 11,591,706
’014 Patent	U.S. Patent No. 11,346,014
Asserted Patents	’541 Patent, ’090 Patent, ’689 Patent, ’706 Patent, and ’014 Patent
SKN	SK Nexilis Co., Ltd.
Solus	Solus Advanced Materials Co., Ltd.
VES Canada	Volta Energy Solutions Canada Inc.
VES Europe	Volta Energy Solutions Europe KFT
VES Hungary	Volta Energy Solutions Hungary KFT
VES S.A.R.L.	Volta Energy Solutions S.A.R.L.
Volta	Solus, VES Canada, VES Europe, VES Hungary, and VES S.A.R.L.
IPR	*Inter Partes* Review
PTAB	Patent Trial and Appeal Board

I. INTRODUCTION

SKN's opposition (Dkt. 64) highlights that the three factors that courts consider when deciding whether to stay a case all weigh in favor of a stay here. ***First***, SKN does not dispute that Defendants' IPR petitions cover all of the asserted claims of the Asserted Patents, such that if instituted, the IPRs will yield efficiencies for the Court and the parties. ***Second***, SKN faces no prejudice because it would be able to proceed with its claim for damages if any patents survive IPR. ***Third***, SKN cannot dispute that this case is still in its early stages. There is substantial work remaining before the case is ready for trial. Because all three factors weigh in favor of granting a stay, Defendants respectfully request that the Court stay this case pending a final decision in the IPRs regarding the Asserted Patents.

II. ARGUMENT

A. A Stay Will Significantly Simplify or Eliminate Issues

The simplification factor favors a stay, as resolution of Defendants' IPR petitions could eliminate this case entirely. SKN's argument that the simplification analysis is premature prior to institution, Dkt. 64 at 4, ignores that courts in this District have granted pre-institution stays where, as here "the issues . . . will be greatly streamlined" if the petitions are instituted, and, if the petitions are not instituted, "the Court can lift the stay with minimal delay[.]" *Chart Trading Dev., LLC v. Tradestation Grp., Inc.*, No. 6:15-CV-1136-JDL, 2016 WL 1246579, at *4 (E.D. Tex. Mar. 29, 2016) (as to CBMs). As noted in Volta's motion—although the Court's typical practice is to deny pre-institution motions to stay pending IPR—a stay is sensible at this stage. Moreover, this Court has credited defendants for having promptly moved to stay when ruling on a post-institution motion. *See, e.g.*, *Arbor Global Strategies LLC v. Samsung Elecs. Co.*, No. 2:19-CV-0333-JRG-RSP, Dkt. 175 (E.D. Tex. Jan. 7, 2021) ("[T]he Court considers the diligence shown by Samsung in pursuing the IPR process . . . . Furthermore, Defendant did not

delay in notifying the Court of its desire to seek a stay of the litigation while the IPR proceeds.").

Here, regardless of the outcome of the PTAB's decisions on Defendants' IPR petitions, there are efficiencies that will result from a stay. *Contra* Dkt. 64 at 2-5. For example, the IPR proceedings will provide the Court with a more fully-developed record for all of the patents. *See NFC Tech. LLC v. HTC Am., Inc*., No. 2:13-CV-1058-WCB, 2015 WL 1069111, at *4, *7 (E.D. Tex. Mar. 11, 2015) ("[A]ny disposition by the PTAB is likely to simplify the proceedings before this Court."); *Uniloc USA v. Samsung Elecs. Am., Inc.*, No. 2:16-CV-642-JRG, 2017 WL 9885168, at *1 (E.D. Tex. June 13, 2017) ("[E]ven if the PTAB does not invalidate every claim on which it has instituted IPR, there is a significant likelihood that the outcome of the IPR proceedings will streamline the scope of this case to an appreciable extent."). This is true even if the PTAB denies institution; the patents' intrinsic records will be supplemented by SKN's arguments made during the IPR proceedings and the PTAB will have provided guidance on the prior art and scope of the claims at issue. *See Aylus Networks, Inc. v. Apple Inc.*, 856 F.3d 1353, 1364 (Fed. Cir. 2017) ("[S]tatements made by a patent owner during an IPR proceeding, whether before or after an institution decision, can be relied upon to support a finding of prosecution disclaimer."). Thus, the simplification factor weighs in favor of a stay.

B. SKN Will Not Suffer Undue Prejudice From a Stay

The delay caused by a stay pending Defendants' IPRs would not cause undue prejudice to SKN. SKN cannot identify any prejudice beyond the mere delay in seeking relief, Dkt. 64 at 5-7; however, this issue is "present in every case in which a patentee resists a stay, and it is therefore not sufficient, standing alone, to defeat a stay motion," *NFC Tech.*, 2015 WL 1069111, at *2. SKN has not—and cannot—provide any case-specific prejudice beyond these generic concerns. *See Realtime Data, LLC v. Rackspace US, Inc.*, No. 6:16-CV-00961-RWS-JDL, 2017 WL 772654, at *4 (E.D. Tex. Feb. 28, 2017) ("[C]oncerns such as timely enforcement of patent

rights are generally too generic, standing alone, to defeat a stay motion."). Waiting until resolution of Defendants' IPRs to proceed with SKN's claims would not cause SKN undue prejudice, and the public has a strong interest in conserving judicial resources.

C. The Stage of the Case Weighs in Favor of a Stay

This case remains in the early stages—trial is not until November 2025. Despite SKN's attempts to inflate the parties' progress by listing required exchanges under the local patent rules and attaching emails regarding deposition scheduling, "[t]he most burdensome parts of the case . . . all lie in the future." *Cywee Grp. Ltd. v. Samsung Elecs. Co.*, No. 2:17-CV-140-WCB-RSP, 2019 WL 11023976, at *1 (E.D. Tex. Feb. 14, 2019). SKN's opposition largely ignores that a substantial portion of the work in this case has not yet been completed, such as fact and expert depositions, expert reports, summary judgment and *Daubert* briefing, pre-trial preparation, and the trial itself. Furthermore, fact discovery does not close until June 4, 2025, under the current schedule, expert discovery does not close until July 21, 2025, and trial is not set to begin until a year from now. Although some initial work on the case has taken place, it cannot be disputed that the most substantive, costly portions of this case have not yet occurred, favoring a stay. The stage of the case weighs in favor of staying this case pending resolution of Defendants' IPRs.

III. CONCLUSION

Defendants respectfully request that the Court grant their motion to stay this case until Defendants' IPRs are fully resolved with respect to each of the Asserted Patents.

Date: November 14, 2024

Respectfully submitted,

By */s/ Daniel Tishman*

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was filed electronically in compliance with Local Rule CV-5 on November 14, 2024. As of this date, all counsel of record have consented to electronic service and are being served with a copy of this document through the Court's CM/ECF system under Local Rule CV-5(a)(3)(A).

/s/ Daniel Tishman