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' MOTION TO STAY PENDING *INTER PARTES* REVIEW

TABLE OF CONTENTS

I. INTRODUCTION 1

II. FACTUAL BACKGROUND 1

III. LEGAL STANDARD 2

IV. ARGUMENT 3

A. A Stay Will Significantly Simplify or Eliminate Issues 3

B. SKN Will Not Suffer Undue Prejudice from a Stay 4

C. The Stage of the Case Weighs in Favor of a Stay 5

V. CONCLUSION 6

TABLE OF AUTHORITIES

Page(s)

Cases

Arbor Global Strategies LLC v. Samsung Elecs. Co.,
No. 2:19-CV-0333-JRG-RSP, Dkt. 175 (E.D. Tex. Jan. 7, 2021) 1

Aylus Networks, Inc. v. Apple Inc.,
856 F.3d 1353 (Fed. Cir. 2017) 4

Customedia Techs. LLC v. DISH Network Corp.,
No. 2:16-CV-0129, 2017 WL 3836123 (E.D. Tex. Aug. 9, 2017) 2, 3

Ericsson Inc. v. TCL Commc'n Tech. Holdings, Ltd.,
No. 2:15-CV-0011, 2016 WL 1162162 (E.D. Tex. Mar. 23, 2016) 2

Intell. Ventures II LLC v. Bitco Gen. Ins. Corp.,
No. 6:15-CV-0059-JRG, 2016 WL 4394485 (E.D. Tex. May 12, 2016) 3

NFC Tech. LLC v. HTC Am. Inc.,
No. 2:13-CV-1058-WCB, 2015 WL 1069111 (E.D. Tex. Mar. 11, 2015) 3, 4, 5

Norman IP Holdings, LLC v. TP-Link Techs., Co.,
No. 6:13-CV-0384, 2014 WL 5035718 (E.D. Tex. Oct. 8, 2014) 6

Uniloc USA, Inc. v. LGES Elecs. Am., Inc.,
No. 2:16-CV-0642-JRG, 2017 WL 9885168 (E.D. Tex. June 13, 2017) 3

VirtualAgility Inc. v. Salesforce.com, Inc.,
759 F.3d 1307 (Fed. Cir. 2014) 4, 5

XI Mobile (R & D) Ltd., v. Samsung Elecs. Co. Ltd.,
No. 15-CV-3752-HSG, 2015 WL 7015415 (N.D. Cal. Nov. 12, 2015) 6

Other Authorities

Changes To Implement Inter Partes Review Proceedings, Post-Grant Review Proceedings, and Transitional Program for Covered Business Method Patents, 77 Fed. Reg. 48680-01 (Aug. 14, 2012) (codified at 37 C.F.R. pt. 42) 5

TABLE OF EXHIBITS

#	Description
1	Petition for *Inter Partes* Review of the ’090 Patent (IPR2024-01460)
2	Petition for *Inter Partes* Review of the ’689 Patent (IPR2024-01461)
3	Petition for *Inter Partes* Review of the ’706 Patent (IPR2024-01463)
4	Petition for *Inter Partes* Review of the ’014 Patent (IPR2024-01462)
5	Petition for *Inter Partes* Review of the ’541 Patent (IPR2025-00005)
6	PTAB, Office Patent Trial Practice Guide, 77 Fed. R. 48756, *available at* https://www.uspto.gov/sites/default/files/aia_implementation/trial_practice_guide_48756.pdf

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

Defendants Solus, VES Canada, VES Europe, VES Hungary, and VES S.A.R.L. have challenged all asserted claims of the Asserted Patents by petitioning the PTAB to institute IPRs. To avoid unnecessary or duplicative effort, Volta respectfully requests that the Court stay this case pending the PTAB's issuance of final written decisions on these IPR petitions. The IPRs will significantly narrow the scope of the case, as they cover the asserted claims of all Asserted Patents. The IPRs will also be relevant to claim construction. SKN faces no prejudice by a stay because SKN would be able to proceed here with its claim for damages if any patents survive IPR. The factors the Court considers in evaluating a stay—simplification of the issues, state of the proceedings, and risk of undue prejudice to the plaintiff—weigh in favor of a granting a stay.

Although Volta recognizes that the Court's typical practice is to deny pre-institution motions to stay pending IPR, a stay is sensible at this stage, and 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."). Accordingly, Volta has promptly filed the present motion after filing petitions for IPR against the Asserted Patents.

II. FACTUAL BACKGROUND

SKN filed its complaint against Volta on November 21, 2023, with respect to the four of the five Asserted Patents. Dkt. 1. On May 15, 2024, SKN filed its Amended Complaint, adding the '541 patent. Dkt. 9. On June 11, 2024, all defendants but VES Canada filed their Answer to

the Amended Complaint.[1] Dkt. 27. Shortly thereafter, on June 13, 2024, Volta filed a Motion To Transfer Venue, which is fully-briefed. Dkt. 33; Dkt. 57. The Court entered a Docket Order Control on October 8, 2024. Dkt. 60.

This case is in the early stages. The *Markman* hearing is set for May 14, 2025; fact discovery closes on June 4, 2025; expert discovery ends on July 21, 2025; dispositive motions are due July 28, 2025; and trial is set to begin on November 3, 2025. Dkt. 60.

Volta filed IPRs on all asserted claims for the Asserted Patents as summarized below:

IPR	Patent	Filing Date	Notice of Filing Date Accorded	Anticipated Institution Date
IPR2024-01460	’090	Sept. 20, 2024	Oct. 23, 2024	April 23, 2025
IPR2024-01461	’689	Sept. 20, 2024	Oct. 24, 2024	April 24, 2025
IPR2024-01462	’014	Sept. 20, 2024	TBD	April or May 2025
IPR2024-01463	’706	Sept. 20, 2024	TBD	April or May 2025
IPR2025-00005	’541	Oct. 4, 2024	TBD	April or May 2025

See Ex. 1-5 (IPR petitions). As noted in the above table, institution decisions for the five IPRs are expected in either April or May 2025, depending on the filing dates accorded to the remaining IPR petitions. *See* Ex. 6 at 48757 (providing timeline for IPR proceedings).

III. LEGAL STANDARD

The Court “has the inherent power to control its own docket, including the power to stay proceedings before it.” *Ericsson Inc. v. TCL Commc’n Tech. Holdings, Ltd.*, No. 2:15-CV-0011, 2016 WL 1162162, at *1 (E.D. Tex. Mar. 23, 2016). In determining how to manage its docket, the district court “must weigh competing interests and maintain an even balance.” *Customedia Techs. LLC v. DISH Network Corp.*, No. 2:16-CV-0129, 2017 WL 3836123, at *1 (E.D. Tex. Aug. 9, 2017) (citing *Landis v. N. Am. Co.*, 299 U.S. 248, 254-55 (1936)).

[1] VES Canada filed a motion to dismiss on June 11, 2024, and later withdrew it. Dkt. 25. VES Canada filed its separate response to the Amended Complaint on August 1, 2024. Dkt. 44.

The Court has inherent authority to stay an action where issues presented can be resolved in a pending IPR. A stay pending IPR is especially justified where the outcome of the proceedings will likely simplify the case by helping the court determine validity issues or eliminating the need to try infringement issues. *Customedia*, 2017 WL 3836123, at *1 (citing *NFC Tech. LLC v. HTC Am. Inc.*, No. 2:13-CV-1058-WCB, 2015 WL 1069111, at *2 (E.D. Tex. Mar. 11, 2015)). When deciding whether to stay a case pending IPR, courts 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." *NFC Tech.*, 2015 WL 1069111, at *2.

IV. ARGUMENT

The relevant factors favor a stay pending the institution and results of Volta's IPRs. A stay will simplify or dispose of the issues, not cause any prejudice, and conserve resources.

A. A Stay Will Significantly Simplify or Eliminate Issues

A stay will likely eliminate all the 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." *NFC Tech.*, 2015 WL 1069111, at *4; *see also Intell. Ventures II LLC v. Bitco Gen. Ins. Corp.*, No. 6:15-CV-0059-JRG, 2016 WL 4394485, at *3 (E.D. Tex. May 12, 2016). "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." *NFC Tech.*, 2015 WL 1069111 at *1 (internal quotations omitted); *see also Uniloc USA, Inc. v. LGES Elecs. Am., Inc.*, No. 2:16-CV-0642-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.”).

The pending IPR petitions address every asserted claim. Thus, resolution of the IPR petitions will not only simplify the issues but may dispose of this entire case.

If the Court stays this case and the PTAB later invalidates the asserted claims in the IPR proceedings, the Court and the parties will save significant costs, time, and resources that they would otherwise expend litigating this case. Even if only some of the claims or patents are invalidated, the IPR proceedings will inform this Court on issues of construction of claim terms that may impact issues of infringement and invalidity. *See 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”); *see also 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.”). Further, an immediate stay would allow the parties and the Court to avoid the burden and expense of the claim construction briefing and hearing process. If Volta’s motion is denied, the time spent by the Court deciding claim construction issues may be futile if the PTAB finds certain claims invalid or SKN takes positions in the IPRs that impact claim scope, such as amending the claims.

B. SKN Will Not Suffer Undue Prejudice from a Stay

SKN will not suffer undue prejudice if the Court stays the case. “[W]hether the patentee will be unduly prejudiced by a stay in the district court proceedings . . . focuses on the patentee’s need for an expeditious resolution of its claim.” *VirtualAgility Inc. v. Salesforce.com, Inc.*, 759 F.3d 1307, 1318 (Fed. Cir. 2014). Here, SKN did not file a motion for a preliminary injunction, and monetary relief will sufficiently compensate SKN for any purported damages. A “stay will not diminish the monetary damages to which [SKN] will be entitled if it succeeds in its

infringement suit—it only delays realization of those damages . . . ." *VirtualAgility*, 759 F.3d at 1318; *see also id.* at 1319 ("Although this is not dispositive [of the plaintiff's arguments regarding prejudice from delay], we note that VA did not move for a preliminary injunction against Defendants."). As this Court has stated, a mere delay of the vindication of patent rights alone cannot defeat a motion to stay. *See, e.g.*, *NFC Techs.*, 2015 WL 1069111, at *2.

In contrast, Volta will suffer prejudice without a stay by incurring the burden of continuing to defend against infringement allegations of five patents that the PTAB may ultimately invalidate. Without a stay, this case will advance toward trial, and the parties and the Court will continue to invest significant time and resources in preparing the case, especially as claim construction proceeds over the next few months.

Rather than cause prejudice, a stay will benefit both parties by allowing them to benefit from the IPR system that Congress intended to aid courts as an essential part of an "efficient and streamlined patent system that will improve patent quality and limit unnecessary and counterproductive litigation costs." *Changes To Implement Inter Partes Review Proceedings, Post-Grant Review Proceedings, and Transitional Program for Covered Business Method Patents*, 77 Fed. Reg. 48680-01 (Aug. 14, 2012) (codified at 37 C.F.R. pt. 42). Because Volta filed its IPR petitions within four months of answering the complaint, while the case is still in its infancy, a stay would be particularly effective in limiting litigation costs.

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

Volta has pursued IPRs during the early stages of this case, before any substantive depositions or claim construction disclosures have occurred, and while Volta's motion to transfer to the Northern District of California is still pending. Dkt. 33. "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." *Norman IP Holdings, LLC v. TP-Link Techs., Co.*, No. 6:13-CV-0384, 2014 WL 5035718, at *3 (E.D. Tex. Oct. 8, 2014) (internal citations omitted). Further, a stay may be "particularly justified where the outcome of the [administrative proceeding] would be likely to assist the court in determining patent validity and, if the claims were canceled in the [administrative proceeding], would eliminate the need to try the infringement issue." *Id.* at *2 (internal citations omitted).

The institution decisions for the Asserted Patents are expected in and around April or May 2025, before the close of fact discovery, which is scheduled for June 4, 2025. Dkt. 60. The trial is set to begin several months later, on November 3, 2025. *Id.* This case is thus at an ideal stage for a stay. *See, e.g.*, *XI Mobile (R & D) Ltd., v. Samsung Elecs. Co. Ltd.*, No. 15-CV-3752-HSG, 2015 WL 7015415, at *2-3 (N.D. Cal. Nov. 12, 2015) (granting motion to stay pending IPR institution decision). A stay would not only avoid the risk of relitigating claim construction and engaging in unnecessary discovery; the PTAB's final decisions may dispose of the entire case.

Although Volta recognizes that it is this Court's typical practice to deny pre-institution motions to stay, Volta respectfully submits that the best course of action is to stay this case pending IPR.

V. CONCLUSION

Volta respectfully asks this Court to stay this case until the IPRs currently pending at the PTAB are fully resolved with respect to each of the Asserted Patents.

Date: October 24, 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 October 24, 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

CERTIFICATE OF CONFERENCE

Pursuant to Local Rule CV-7(G), counsel for the parties met and conferred telephonically on October 17, 2024. Harrison Rose attended for Plaintiff. Jacqueline Tio, Daniel Tishman, and Taylor Reeves attended for Defendants. The parties discussed their positions on this motion. The discussions conclusively ended in an impasse, leaving an open issue for the court to resolve. Counsel for Plaintiff indicated that Plaintiff opposes this motion.

/s/ Daniel Tishman