IN THE 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**

PLAINTIFF SK NEXILIS CO., LTD.'S OPPOSITION TO DEFENDANTS' MOTION TO STAY PENDING *INTER PARTES* REVIEW

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I. INTRODUCTION

Defendants have identified no legitimate reason to stay this case pending *inter partes* review. To the contrary, Defendants' Motion all but admits that a stay would be improper based on the facts and governing law.

As Defendants concede multiple times in the Motion, courts in the Eastern District of Texas routinely deny pre-institution motions to stay pending *inter partes* review. Defendants have offered no reason for the Court to deviate from this considered practice, and failed to provide any example of a court in this district granting a pre-institution motion to stay. All of the Motion's other arguments in support of a stay have also been rejected repeatedly. Accordingly, the request for a stay should be denied.

II. BACKGROUND

Plaintiff SK nexilis ("SKn") filed its Complaint alleging infringement of four patents against Defendants on November 21, 2023. Dkt. 1. SKn filed an amended complaint on May 15, 2024, adding a fifth patent.[1] Dkt. 9. Discovery is underway, and the Court has adopted the parties' proposed docket control order. Dkt. 60. *Markman* hearing is set for May 14, 2025, and trial is less than a year away, on November 3, 2025. *Id.*

Defendants filed petitions on September 20, 2024 and October 4, 2024 for *inter partes* review as to the asserted claims of the Asserted Patents. *See* Dkt. 63 ("Mot.") at 2. Institution decisions are not expected until April and May 2025. *Id.* On October 24, 2024, Defendants filed this motion to stay pending *inter partes* review. *Id.* at 1.

[1] SKn has asserted U.S. Patent Nos. 9,457,541 ("the '541 Patent"), 10,480,090 ("the '090 Patent), 10,811,689 ("the '689 Patent"), 11,346,014 ("the '014 Patent"), and 11,591,706 ("the '706 Patent") (the "Asserted Patents").

III. LEGAL STANDARD

"The party seeking a stay bears the burden of showing that such a course is appropriate." *MPHJ Tech. Invs., LLC v. Rsch. Now, Inc.*, No. 2:13-CV-00962-JRG, 2014 WL 11514323, at *1 (E.D. Tex. June 10, 2014); *Peloton Interactive, Inc. v. Flywheel Sports, Inc.*, No. 218-CV-390-RWS-RSP, 2019 WL 3826051, at *1 (E.D. Tex. Aug. 14, 2019) (same). When determining whether to grant a motion to stay pending *inter partes* review, district courts typically consider (1) whether a stay will "simplify[] the case before the court," (2) whether a stay will "unduly prejudice the nonmoving party," and (3) whether the case proceedings "have reached an advanced stage, including whether discovery is complete and a trial date has been set." *Force Mos Tech., Co. v. ASUSTek Computer, Inc.*, No. 2:22-CV-00460-JRG, 2024 WL 1586266, at *1 (E.D. Tex. Apr. 11, 2024) (quoting *NFC Tech. LLC v. HTC Am., Inc.*, No. 2:13-CV-01058-WCB, 2015 WL 1069111, at *2 (E.D. Tex. Mar. 11, 2015)).

IV. ARGUMENT

Each of the three stay factors weigh in SKn's favor. Even if the court were to find that some of the factors were neutral, on balance, a stay would still be improper at this pre-institution juncture.

A. A Stay Will Not Simplify The Issues Before The Court

The simplification factor weighs heavily in favor of SKn and against a stay of the case. As Defendants themselves acknowledge repeatedly in the Motion, courts in the Eastern District of Texas, including this Court, uniformly deny pre-institution motions to stay. *See* Mot. at 1 (acknowledging "[t]he Court's typical practice is to deny pre-institution motions to stay pending IPR"); *id.* at 6 (same).

Indeed, "this Court has a consistent practice of denying motions to stay when the PTAB has yet to institute post-grant proceedings." *Force Mos Tech.*, 2024 WL 1586266, at *4 (quoting *Nanoco Techs. Ltd. v. Samsung Elecs. Co.*, No. 2:20-CV-00038-JRG, 2021 WL 3027335, at *1 (E.D. Tex. Jan. 8, 2021)); *see also Intell. Ventures II LLC v. Sprint Spectrum, L.P.*, No. 2:17-CV-00662-JRG-RSP, 2018 WL 11363368, at *1 (E.D. Tex. Nov. 19, 2018) ("Courts within this district 'have uniformly denied motions to stay' when the motions are filed before the PTAB has granted … review." (quoting *Trover Grp., Inc. v. Dedicated Micros USA*, No. 2:13-CV-1047-WCB, 2015 WL 1069179, at *1 (E.D. Tex. Mar. 11, 2015))).

Defendants have offered no reason why the Court should deviate from its established practice here. They point to no case from this district where the court granted a pre-institution motion to stay. *See* Mot. 3–4. And each of Defendants' cited authorities only reinforces the proposition that a pre-institution motion to stay is premature and should not be granted. *See Customedia Techs., LLC v. DISH Network Corp.*, No. 2:16-CV-129-JRG, 2017 WL 3836123, at *1 (E.D. Tex. Aug. 9, 2017) (Court had denied the prior motion without prejudice to be refiled within 14 days of the PTAB's last institution decision); *NFC Tech. LLC v. HTC Am., Inc.*, No. 2:13-CV-1058-WCB, 2015 WL 1069111, at *7 (E.D. Tex. Mar. 11, 2015) ("the grant of inter partes review has been treated as a highly significant factor in the courts' determination of whether to stay" and therefore it was "important to the Court's decision that in this case the PTAB ha[d] acted on two of the defendants' three petitions for inter partes review and in doing so ha[d] instituted inter partes review proceedings on most of the claims"); *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) ("the likelihood of simplification of issues is high" where "the PTAB has instituted review of almost all

of the claims at issue in this case"); *cf. Uniloc USA, Inc. v. LGES Elecs. Am., Inc.*, No. 2:16-CV-0642-JRG, 2017 WL 9885168, at *1 (considering a post-institution motion to stay).

This Court previously has stated that a motion to stay's pre-institution posture is "reason alone" to deny the motion. *Force Mos Tech.*, 2024 WL 1586266, at *4. That rule ought to hold true here, and Defendants' attempts to argue otherwise are unavailing. Defendants assert that "resolution of the IPR petitions will not only simplify the issues but may dispose of this entire case." Mot. 4; *id.* at 5 ("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."). But courts give little credit to such speculation as a reason for a stay prior to institution because "a strong possibility exists that IPR institution is denied and that the issues are not simplified at all." *See Intell. Ventures II LLC*, 2018 WL 11363368, at *3 ("Because of this uncertainty, this factor weighs in favor of denying this Motion to Stay."); *see also NFC Tech. LLC*, 2015 WL 1069111, at *4 ("While the PTAB's decision to institute inter partes review ordinarily means that there is a substantial likelihood of simplification of the district court litigation, that likelihood is far more speculative before the PTAB decides whether to institute inter partes review."). Insofar as Defendants do not even suggest that the PTAB is likely to institute *inter partes* review or ultimately invalidate any claims, their arguments are particularly premature. Defendants' speculation that a stay will simplify issues in this case is further undermined by the fact that there are five asserted patents, making institution on all asserted patents highly unlikely. *See Flywheel Sports*, 2019 WL 3826051, at *2 ("[T]he simplification factor weigh[s] against a stay where the PTAB ha[s] not instituted IPR proceedings for all asserted patents.").

Defendants have offered no reason the Court should depart from the considered practice of the Eastern District of Texas and grant a premature pre-institution motion to stay. The Court should therefore find the simplification factor favors SKn, and to the extent it is not "reason alone" to deny Defendants' motion, afford this factor heavy weight in its ultimate determination. *See Force Mos Tech.*, 2024 WL 1586266, at *4.

B. A Stay Will Unduly Prejudice SKn

A stay will unduly prejudice SKn. Defendants' arguments that SKn will *not* suffer undue prejudice have been rejected by this Court already. *See* Mot. 4–5.

First, Defendants argue that SKn will not suffer prejudice because it did not file a motion for preliminary injunction and thus does not really want prompt resolution of its claims. *Id.* at 4. Yet Defendants rely on *VirtualAgility Inc. v. Salesforce.com, Inc.*, 759 F.3d 1307 (Fed. Cir. 2014)—another post-institution case. In the pre-institution context, this Court has found that "the failure to seek an injunction does not amount to an admission by plaintiff that it will not be prejudiced by a stay." *Force Mos Tech.*, 2024 WL 1586266, at *2 (quoting *Saint Lawrence Comms. LLC v. ZTE Corp.*, No. 2:15-CV-00351-JRG, 2017 WL 3396399, at *2 (E.D. Tex. Jan. 17, 2017)); *see also VirtualAgility*, 759 F.3d at 1319 ("We acknowledge, as the district court did, that there could be a variety of reasons that a patentee does not move for a preliminary injunction.").

This Court has also found that a delay in recovering monetary damages is "far from non-prejudicial" and entitled to weight in analysis of the prejudice factor. *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) (quoting *Garrity Power Servs. LLC v. Samsung Elecs. Co. Ltd.*, No. 2:20-CV-269, Dkt. No. 227 at 3 n.1 (E.D. Tex. Dec. 10, 2021)). A delay in recovering damages arising from

Defendants' infringement will unduly prejudice SKn, which weighs against granting a stay. *See id.*

Second, Defendants' arguments that *they* will suffer prejudice absent a stay are misplaced. Mot. 5. As this Court has explained, such arguments are "inapposite, as the present factor in the stay analysis looks to 'whether a stay will unduly prejudice or present a clear tactical disadvantage *to the nonmoving party*.'" *Clear Imaging Rsch., LLC v. Samsung Elecs. Co.*, No. 2:19-CV-00326-JRG, 2020 WL 13886381, at *1 (E.D. Tex. Dec. 21, 2020) (quoting *Tessera Adv. Techs., Inc. v. Samsung Elecs. Co.*, No. 2:17-CV-671, 2018 WL 3472700, at *1 (E.D. Tex. July 19, 2018)).

Defendants' arguments as to the potential benefits of a stay to both parties "by allowing them to benefit from the IPR system" and avoid litigation costs (Mot. 5), are similarly inapposite. *See id.* (analysis looks to prejudice to the nonmoving party). The Court should ignore these irrelevant and unsupported arguments in its analysis of prejudice. Even if the Court were to consider them, any benefits identified by Defendants would be outweighed by the prejudice of delay in arriving at a verdict.

Finally, although not addressed by the Motion, it is undisputed that the parties "compete in the market supplying battery copper foils for use in electrical vehicle . . . batteries." Am. Compl. ¶ 10, Dkt. 9; *see also* Answer ¶ 10, Dkt. 27 (admitting "that SKN and VES Europe compete to supply battery copper foils for use in electrical vehicle … batteries"). Courts in this district have found that "[t]he delay caused by a stay is especially burdensome where, like here, the parties are competitors in the marketplace." *3rd Eye Surveillance, LLC v. City of Frisco*, No. 6:14-CV-533-JDL, 2015 WL 179101, at *2 (E.D. Tex. Jan. 14, 2015); *see also Flywheel Sports*, 2019 WL 3826051, at *3 (collecting cases).

SKn seeks and is entitled to prompt vindication of its rights—including its claims for injunctive relief and monetary damages arising from ongoing infringement. *Clear Imaging Rsch.*, 2020 WL 13886381, at *1. And because the parties are competitors, the prejudice to SKn that would be caused by a stay of prolonged duration is especially great. The PTAB will not even issue its decisions as to institution until April and May 2025, just months before Jury Selection begins on November 3, 2025. *See* Dkt. 60. ***If*** one or more of the petitions are granted, the proceedings before the PTAB will last at least another year until April or May 2026. *See Flywheel Sports*, 2019 WL 3826051, at *3 (final determinations are generally issued within a year of institution decisions). Accordingly, the Court should find that this second factor weighs heavily against a stay, as the parties are competitors and the potential final-determination date far postdates the anticipated trial date.

C. The Stage Of The Case Does Not Favor A Stay

Finally, the stage of the case does not favor a stay. Here, "the parties have already invested a substantial amount of time and money in preparing the case." *Intell. Ventures II LLC*, 2018 WL 11363368, at *2. The parties have already conducted jurisdictional and venue discovery (including the taking of depositions); the parties have exchanged initial disclosures pursuant to the Local Patent Rules; and fact discovery is well underway. Already, both parties have exchanged thousands of documents and shipped sample products to one another for testing. Defendants have served SKn deposition notices, asking SKn to produce at least one witness for deposition before the end of this calendar year. Straka Decl., Ex. A, 10/22/2024 Tishman E-mail to Rose 1, 5. Preparations for the upcoming *Markman* proceedings are also ongoing, with the parties set to exchange proposed claim terms and preliminary claim constructions in January 2025. *See* Dkt. 60.

Neither of Defendants' authorities supports the argument that a stay is appropriate at this juncture on such facts. *See* Mot. 5–6. In *Norman IP Holdings, LLC v. TP-Link Techs.*, Co., No. 6:13-CV-0384, 2014 WL 5035718 (E.D. Tex. Oct. 8, 2014), the court considered an ***unopposed*** post-institution motion to stay. And *IXI Mobile (R & D) Ltd., v. Samsung Elecs. Co. Ltd.*, No. 15-CV-3752-HSG, 2015 WL 7015415 (N.D. Cal. Nov. 12, 2015), is out of district (and circuit)—and in that case, the Court had not yet even set a schedule. *See also Wireless Protocol Innovations, Inc. v. TCT Mobile (US) Inc.*, No. 6:15-CV-918-JRG-KNM, 2017 WL 11630762, at *2 (E.D. Tex. Feb. 9, 2017) (finding an argument relying "exclusively on case law from districts outside of the Eastern District of Texas" was "insufficient to displace this district's general practice of denying pre-institution motions to stay").

Given the stage of the proceedings, the Court should find that this factor weighs in favor of SKn. At the very least, as the case cannot credibly be said to be in its early stages, this factor is neutral and does not affirmatively support a stay of the case.

V. CONCLUSION

Defendants have not met their burden to show a stay is appropriate. To the contrary, it is well settled in the Eastern District of Texas that a motion to stay pre-institution should be denied. Defendants have identified neither reason nor authority for the Court to depart from its longstanding practice. And the three pertinent factors all weigh against a stay. Defendants' Motion to Stay should be denied.

Dated: November 7, 2024

/s/ Brianne Straka (with permission)

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that all counsel of record who have consented to electronic service are being served with a copy of this document via e-mail on November 7, 2024.

Dated: November 7, 2024

/s/ Harrison B. Rose
Harrison B. Rose

CERTIFICATE OF AUTHORIZATION TO FILE UNDER SEAL

I certify that pursuant to Local Rule CV-5(a)(7), a motion to seal this document has been filed.

Dated: November 7, 2024

/s/ Harrison B. Rose
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