

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

TRUESIGHT COMMUNICATIONS,
LLC,

Plaintiff,

v.

SAMSUNG ELECTRONICS CO., LTD.
AND SAMSUNG ELECTRONICS
AMERICA, INC.,

Defendants.

Case No. 2:23-cv-00643-JRG

JURY TRIAL DEMANDED

**DEFENDANTS SAMSUNG ELECTRONICS CO., LTD.'S
AND SAMSUNG ELECTRONICS AMERICA, INC.'S
MOTION TO STAY PROCEEDINGS PENDING *INTER PARTES* REVIEW**

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I. INTRODUCTION

Plaintiff Truesight Communications, LLC (“Plaintiff”) filed a Complaint asserting U.S. Patent Nos. 8,949,879 (the “’879 Patent”), 8,898,803 (the “’803 Patent”), 9,595,300 (the “’300 Patent”), and 8,745,749 (the “’749 Patent”) (together, “the Asserted Patents”) against Samsung Electronics Co., Ltd. (“SEC”) and Samsung Electronics America, Inc. (“SEA”) (together, “Defendants”) on December 29, 2023. D.I. 1.

On September 27, 2024, a petition for *inter partes* review (“IPR”) was filed challenging all Asserted Claims¹ of the ’803 Patent. On November 1, 2024, a petition for *inter partes* review was filed challenging claims 1-8, 13-16, 17-25 of the ’749 Patent. On December 17, 2024, a petition for *inter partes* review was filed challenging all Asserted Claims² of the ’300 Patent. On December 27, 2024, a petition for *inter partes* review was filed challenging all Asserted Claims³ of the ’879 patent. Defendants respectfully move to stay the above-captioned litigation pending final resolution of the IPRs.

All of the factors considered by this Court favor a stay. First, a stay will not unduly prejudice Plaintiff because Plaintiff does not compete with Defendants and can be adequately compensated through monetary damages. *See VirtualAgility Inc. v. Salesforce.com*, 759 F.3d 1307, 1318 (Fed. Cir. 2014). Second, the case is in its early stages, and staying the case now would conserve the Court’s and the parties’ resources. Third, the IPRs are likely to simplify the issues in this matter. The IPR petitions cover all Asserted Claims of the Asserted Patent and rely on primary prior art references and prior art combinations that were not considered by the Patent

¹ The Asserted Claims are claims 1-14.

² The Asserted Claims are claims 1-20.

³ The Asserted Claims are claims 1-19.

Office. Moreover, Plaintiff's statements in the IPR proceedings will be relevant to the issues in this case, including claim construction.

Given the substantive effect the IPR petitions will have on the Asserted Patent, the interests of efficiency favor staying this case now. Defendants respectfully request that the Court stay this matter pending final resolution of the IPRs.

On January 7, 2025, the parties discussed the relief sought by this motion. Counsel for Plaintiff indicated that Plaintiff opposes a stay and would oppose this motion.

II. BACKGROUND

This case is still in its early stages. The parties have not yet engaged in claim construction discovery, and the claim construction hearing is not scheduled until April 2, 2025. D.I. 34 at 4. The parties have not yet taken any depositions, the deadline to substantially complete document production is not until February 19, 2024 (*id.* at 5), and fact discovery does not close until May 5, 2025 (*id.* at 4). Burden expert reports are not due to be served until May 19, 2025. *Id.* at 4. Trial is scheduled to commence on October 6, 2025. *Id.* at 1.

On September 27, 2024, IPR2024-01477 challenging claims 1-14 of the '803 Patent was filed. Ex. 1. On November 1, 2024, IPR2025-00123 challenging claims 1-8, 13-16, 17-25 of the '749 Patent was filed. Ex. 2. On December 17, 2024, IPR2025-00024 challenging claims 1-20 of the '300 Patent was filed. Ex. 3. On December 27, 2024, IPR2025-00025 challenging claims 1-19 of the '879 Patent was filed. Ex. 4. The IPR petitions challenge the validity of the above recited claims of the Asserted Patents and present new arguments that the examiners did not consider during prosecution.⁴

⁴ All of the above recited IPR petitions are based on prior art that was not before the examiner except that one reference used to challenge claim 13 of the '749 patent was previously cited by the examiner.

III. LEGAL STANDARD

This Court possesses “the inherent power to control its own docket, including the power to stay proceedings.” *Customedia Techs., LLC, v. DISH Network Corp.*, No. 2:16-cv-129-JRG, 2017 WL 3836123, at *1 (E.D. Tex. Aug. 9, 2017) (citing *Clinton v. Jones*, 520 U.S. 681, 706 (1997); *Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1426-27 (Fed. Cir. 1988)). In determining how to manage its docket, a district court “must weigh competing interests and maintain an even balance.” *Id.* (quoting *Landis v. N. Am. Co.*, 299 U.S. 248, 254-55 (1936)). “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. LLC v. HTC Am., Inc.*, No. 2:13-cv-1058, 2015 WL 1069111, at *1 (E.D. Tex. Mar. 11, 2015) (quoting *Evolutionary Intel., LLC v. Millennial Media, Inc.*, No. 5:13-cv-4206, 2014 WL 2738501, at *2 (N.D. Cal. June 11, 2014)).

When deciding whether to stay a case pending IPR, district 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. “Based on those factors, courts determine whether the benefits of a stay outweigh the inherent costs of postponing resolution of the litigation.” *Id.*

Here, as discussed in detail below, each of these factors weighs in favor of granting a stay.

IV. ARGUMENT

All of the pertinent factors weigh in favor of granting a stay pending the results of the IPRs because a stay will not cause any undue prejudice, will conserve this Court's and the parties' resources, and will simplify this litigation.

A. Plaintiff Will Not Suffer Any Undue Prejudice

Plaintiff will not suffer any undue prejudice if the Court stays this case pending resolution of the IPRs. “[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.*, 759 F.3d at 1318 (emphasis in original). Here, Plaintiff does not compete with Defendants in the market for the accused products (i.e., smartphones, tablets, smart TVs). Thus, monetary relief will be sufficient to compensate Plaintiff, and a “stay will not diminish the monetary damages to which [Plaintiff] will be entitled if it succeeds in its infringement suit—it only delays realization of those damages and delays any potential injunctive remedy.” *Id.* “When a patentee seeks exclusively monetary damages, as opposed to a preliminary injunction or other relief, ‘mere delay in collecting damages does not constitute undue prejudice.’” *Cellular Commc’ns Equip., LLC v. Samsung Elecs. Co., Ltd.*, No. 6:14-cv-759, 2015 WL 11143485, at *2 (E.D. Tex. Dec. 16, 2015) (quoting *Crossroads Sys., Inc. v. Dot Hill Sys. Corp.*, No. 13-CA-1025, 2015 WL 3773014, at *2 (W.D. Tex. June 16, 2015)).

Defendants, by contrast, would suffer undue prejudice in the absence of a stay because they would continue to incur the expense and burden of defending against infringement allegations based on patent claims that the PTAB may invalidate. This is particularly true because the IPR petitions have been filed promptly, less than twelve months after Plaintiff filed its Complaint—well within the statutory deadline and ten months before the scheduled October

2025 trial. Because the IPR petitions have been filed promptly, neither party has invested significant resources—further diminishing any potential prejudice to Plaintiff.

Thus, a stay will benefit both parties by allowing them to take advantage of the IPR system, which constitutes “a more efficient and streamlined patent system that will improve patent quality and limit unnecessary and counterproductive litigation costs.” *MCM Portfolio LLC v. Hewlett-Packard Co.*, 812 F.3d 1284, 1290-91 (Fed. Cir. 2015) (quoting H.R. Rep. No. 112-98, 2011 U.S.C.C.A.N. 67, 69, at 39-40).

Accordingly, this factor favors granting Defendants’ motion to stay.

B. Significant Work Remains in the Case

Because this case is at an early stage, “there remains a significant amount of work ahead for the parties and the court,” which also weighs in favor of a stay. *Norman IP Holdings, LLC v. TP-Link Techs., Co.*, No. 6:13-cv-384-JDL, 2014 WL 5035718, at *3 (E.D. Tex. Oct. 8, 2014) (quotations omitted). Significant work remains to be done in fact discovery, including all depositions. Moreover, the claim construction hearing is not scheduled until April 2, 2025. The parties will not serve burden expert reports until May 19, 2025. *See, e.g., AGIS Software Dev. LLC v. Google LLC*, No. 2:19-CV-00359-JRG, 2021 WL 465424, at *3 (E.D. Tex. Feb. 9, 2021) (granting stay pending *ex parte* reexamination because even “late in the progression of [the] case—with discovery complete, pretrial briefing submitted, and jury selection pending—there remain significant resources yet to be expended by the parties ...”).

A stay would also conserve judicial resources, including by avoiding any need to revisit claim construction or other orders in view of arguments advanced before the PTAB. *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.”). In addition, a stay would allow the parties to avoid incurring significant expense if the litigation continues. *See, e.g., Versata Software, Inc. v. Callidus Software, Inc.*, 771 F.3d 1368, 1374 (Fed. Cir. 2014) (finding that the court should “be mindful of the burden on the parties and the court in completing both fact and expert discovery, resolving summary judgment motions, completing the *Markman* process, and preparing for trial” and that such circumstances “strongly favor[] a stay”) (opinion vacated because the parties settled the case before the opinion issued); *Smartflash LLC v. Apple, Inc.*, No. 6:13-CV-447-JRG, 2015 WL 3453343, at *20-21 (E.D. Tex. May 29, 2015) (granting Amazon defendants’ motion to stay pending CBM review after finding the case is “in its very early stages and has only recently had its scheduling conference”), *order corrected sub nom. Smartflash LLC v. Google, Inc.*, No. 6:14-CV-435-JRG-KNM, 2015 WL 13884196 (E.D. Tex. June 2, 2015), and *aff’d in part, rev’d in part on other grounds*, 621 F. App’x 995 (Fed. Cir. 2015).

The significant amount of work remaining in this case favors granting Defendants’ motion to stay.

C. IPR Proceedings Will Simplify or Eliminate Issues, Streamlining Litigation and Reducing the Burden on the Parties and This Court

“[T]he most important factor bearing on whether to grant a stay in this case is the prospect that the [IPR] proceeding will result in simplification of the issues before the Court.” *NFC Tech.*, 2015 WL 1069111, at *4. The pending IPR petitions here concern every Asserted Claim of the Asserted Patent. Thus, the pending IPRs will simplify the issues in this case and potentially resolve them altogether.

Moreover, “[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.” *Id.* at *1 (quotations omitted). As the Federal Circuit and courts in this district have

observed, “an auxiliary function [of the proceeding] is to free the court from any need to consider prior art without the benefit of the [PTAB]’s initial consideration.” *Norman IP Holdings*, 2014 WL 5035718, at *2 (quoting *In re Etter*, 756 F.2d 852, 857 (Fed. Cir. 1985)).

According to the PTO’s most recent trial statistics from October 2024, the PTAB instituted IPR proceedings on approximately 68% of all petitions filed thus far in 2024, and similarly instituted 69% of petitions in the Electrical/Computer technology area (which is the area of the patents-in-suit). Ex. 5, PTAB Trial Statistics FY2024 End of Year Outcome Roundup IPR, PGR at 6, 8.

Instituted IPRs generally lead to claim cancellation—according to outcomes by petition during the fiscal year of 2024, 83.9% (349 out of 416) of Final Written Decisions resulted in at least one claim being found invalid, and 68.3% (284 out of 416) of Final Written Decisions found all instituted claims invalid. *Id.* at 11. Therefore, it is highly likely that the IPRs will affect this case significantly.

If the PTAB invalidates the Asserted Claims, then a stay will have saved significant time and resources for the Court and the parties. If only some of the claims are invalidated, then IPR will have narrowed the issues and will also add prosecution history that may inform the proper construction of claim terms, as well as the issues of infringement and invalidity. *See NFC Tech.*, 2015 WL 1069111, at *7 (“[A]ny disposition by the PTAB is likely to simplify the proceedings before this Court ...”).

Accordingly, this factor weighs in favor of granting Defendants’ motion to stay.

V. CONCLUSION

Defendants submit that the balance of factors favors staying these proceedings, and respectfully request that the Court grant their motion to stay this case pending final resolution of the IPRs.

DATE: January 8, 2025

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CERTIFICATE OF CONFERENCE

Pursuant to Local Rules CV-7(h) and (i), counsel for Defendants met and conferred with counsel for Plaintiff on January 7, 2025. Counsel for Plaintiff indicated that Plaintiff opposes a stay and would oppose this motion. As such, this issue has come to an impasse requiring the Court's intervention.

/s/ Melissa R. Smith

Melissa R. Smith

CERTIFICATE OF SERVICE

I hereby certify that on January 8, 2025, I electronically filed the foregoing Defendants' Samsung Electronics Co., Ltd. and Samsung Electronics America Inc.'s Motion to Stay Proceedings Pending *Inter Partes* Review with the Clerk of the Court for the Eastern District of Texas using the Court's ECF System, which will send notification to the registered participants of the ECF System as listed on the Court's Notice of Electronic Filing.

/s/ Melissa R. Smith

Melissa R. Smith

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MARSHALL DIVISION**

TRUESIGHT COMMUNICATIONS LLC,

Plaintiff,

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SAMSUNG ELECTRONICS CO. LTD., and
SAMSUNG ELECTRONICS AMERICA,
INC.,

Defendants.

Civil Action No. 2:23-cv-643-JRG

**ORDER GRANTING MOTION TO STAY PROCEEDINGS PENDING INTER PARTES
REVIEW**

Before the Court is Defendants Samsung Electronics Company, Ltd. and Samsung Electronics America, Inc.'s Motion to Stay Proceedings Pending Inter Partes Review. After considering same, the Court is of the opinion that the Motion should be GRANTED.