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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION

SONOS, INC.,

Plaintiff,

v.

GOOGLE LLC,

Defendant.

Case No. 2:20-cv-00169-JAK (DFMx)

**SONOS, INC.'S NOTICE OF
MOTION AND MOTION TO
PARTIALLY LIFT STAY**

**MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT
THEREOF**

Hearing Date: Sept. 30, 2024
Hearing Time: 8:30 a.m.
Courtroom: 10C
Judge: Hon. John A. Kronstadt

Complaint Filed: Jan. 7, 2020
Trial Date: TBD

Case No. 2:20-cv-00169-JAK (DFMx)

SONOS'S MOTION TO PARTIALLY LIFT STAY

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NOTICE OF MOTION

TO ALL PARTIES AND THEIR COUNSEL OF RECORD:

PLEASE TAKE NOTICE that on September 30, 2024 at 8:30 a.m. or as soon thereafter as the matter may be heard, in Courtroom 10C of the above entitled Court, located at First Street Courthouse, 350 W. First Street, Courtroom 10C, Los Angeles, CA 90012, before the Honorable John A. Kronstadt, Plaintiff Sonos, Inc. (“Sonos”) will and hereby does move this Court, pursuant to the Court’s July 11, 2024 Order (Dkt. 55), to partially lift the stay in this action with respect to United States Patent Nos. 8,588,949 (the “’949 patent”), 9,195,258 (the “’258 patent”), and 10,209,953 (the “’953 patent”). The ’949, ’258, and ’953 patents expired on April 1, 2024 thereby rendering the determination of the United States International Trade Commission “final” and obviating the requirement that the Court continue the stay for those patents pursuant 28 U.S.C. § 1659(a). The Court should exercise its discretion to lift the stay for the expired patents because this case has already been extensively litigated and partially lifting the stay will streamline the proceedings and help prevent the ongoing undue prejudice to Sonos. This motion is based on this Notice of Motion, the accompanying Memorandum of Points and Authorities, the Declaration of Alyssa Caridis (“Caridis Decl.”), and exhibits thereto, all documents in the Court’s file, and such other written or oral evidence and argument as may be presented at or before the time this motion is heard by the Court.

Pursuant to Local Rule 7-3, Counsel for Sonos and Defendant Google LLC (“Google”) met and conferred on August 8, 2024, regarding this motion. Google’s counsel confirmed that Google will oppose Sonos’s Motion. Caridis Decl. ¶ 15, filed concurrently herewith.

MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

This case has been pending for an unusually long time due to circumstances beyond the parties' control. Indeed, the parties have spent more than four years litigating the asserted patents at the International Trade Commission (ITC) and on appeal before the Federal Circuit. Now, three of the five asserted patents have expired and are thus no longer subject to a mandatory stay pursuant to 28 U.S.C. § 1659(a). Nor should the stay be maintained on a discretionary basis—continuing the stay for the expired patents will not advance judicial economy or streamline this case. Instead, it will only prolong the inevitable and continue to unduly prejudice Sonos. Thus, the Court should partially lift the stay and allow this action to move forward on the expired patents.

II. BACKGROUND

On January 7, 2020, Plaintiff Sonos, Inc. ("Sonos") filed its complaint in this case alleging that Defendant Google LLC ("Google") infringes United States Patent Nos. 8,588,949 (the "'949 patent"), 9,195,258 (the "'258 patent"), 9,219,959 (the "'959 patent"), 10,209,953 (the "'953 patent"), and 10,439,896 (the "'896 patent") (collectively the "asserted patents"). Dkt. 1. On the same day, Sonos also filed a complaint in the ITC alleging a violation of Section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. § 1337 ("Section 337"), based on Google's infringement of the same five patents. The ITC instituted an investigation (the "1191 Investigation") on February 6, 2020.

On February 18, 2020, Google moved the Court to stay this case in full pursuant to 28 U.S.C. § 1659(a) pending completion of the ITC proceedings. Dkt. 26. The Court granted Google's motion and stayed this action on March 4, 2020. Dkt. 30.

On August 13, 2021, the Chief Administrative Law Judge ("CALJ") for the ITC issued an Initial Determination ("ID") finding that a violation of section 337

1 occurred as a result of Google’s imported audio products infringing of each and every
2 one of the asserted patents. The ID also found the asserted patents to be valid.
3 However, the CALJ found that at least one of Google’s design-arounds for each
4 asserted patent does not infringe.

5 On January 6, 2022, the ITC (or “Commission”) issued its Opinion and Final
6 Determination holding that it “determines that Sonos has established a violation of
7 Section 337 by Google with respect to claims 17, 21, 24, and 26 of the ’258 patent;
8 claims 7, 14, and 22-24 of the ’953 patent; claim 10 of the ’959 patent; claims 1, 2,
9 and 5 of the ’949 patent; and claims 1, 5, 6, and 12 of the ’896 patent.” The
10 Commission determined that “the appropriate remedy is a limited exclusion order
11 and cease and desist order,” and further found that “the public interest does not
12 preclude issuance of a remedy.” However, the Commission carved out from the relief
13 “an exemption for Google’s redesign products that were adjudicated in this
14 investigation and found to be non-infringing as to a particular Asserted Patent.”

15 On January 27, 2022 and March 3, 2022, Sonos and Google respectively
16 appealed certain findings of the Commission.

17 On April 1, 2024, more than four years after the 1191 Investigation was
18 instituted and this case was stayed, the ’949, ’258, and ’953 patents expired.

19 On April 8, 2024, the Federal Circuit issued its Opinion affirming all the
20 Commission’s findings that were appealed by Sonos and Google.

21 On June 24, 2024, Google filed a petition for rehearing *en banc* with the
22 Federal Circuit challenging a single ITC-specific issue: the Commission’s
23 jurisdiction over the ’959 and ’896 patents based on

24 [w]hether the International Trade Commission’s authority under 19
25 U.S.C. § 1337(a)(1)(B)(i) is limited to articles that infringe a patent as
26 imported, or instead extends to cases where infringement can occur only
27
28

1 when additional features are added or additional steps are performed
2 after importation.

3 Exhibit A¹ (Appeal No. 22-1421, Google Pet. for Rehearing *en banc*, ECF No. 98
4 (Fed. Cir. Jun. 24, 2024)) at 11.² Google’s petition emphasizes its narrow focus on
5 only this issue of ITC jurisdiction, explaining that “Google is not asking” for
6 “reconsider[ation] of other issues addressed by the panel. . . . including infringement
7 and validity of the ’896 claims.” *Id.* at 18 n.3. The Federal Circuit has not yet ruled
8 on the petition.

9 On July 3, 2024, the parties submitted a Joint Status Report in this case. Sonos
10 explained, among other things, that the stay should be lifted in full because the sole
11 ITC-specific jurisdictional issue remaining to be resolved on appeal will have no
12 impact on the proceeding before this Court. Dkt. 54. Google disagreed. *Id.*

13 On July 11, 2024, the Court issued an Order continuing the stay but inviting
14 either or both parties to file an “application” to “lift the stay prior to the completion
15 of the proceedings before the Federal Circuit, based on a material change to the
16 present circumstances that is independent of those proceedings.” Dkt. 55.

18 ¹ All exhibits cited herein are attached to the Declaration of Alyssa Caridis filed
19 concurrently herewith.

20 ² Google’s petition for rehearing *en banc* confusingly purports to implicate the ’959
21 patent, despite acknowledging that, unlike the ’896 patent, the Commission found
22 that Google’s accused products directly infringed the ’959 patent at the time of
23 importation. *See* Exhibit A at 17 (explaining that the Commission “nevertheless
24 found infringement because the accused products were *capable* of infringement
25 in post-importation use”) (emphasis in original) (citing Exhibit B (Inv. No. 337-
26 TA-1191, Initial Determination (USITC Aug. 13, 2021) at 76 (rejecting Google’s
27 argument that the accused products do not infringe at the time of importation
28 because “[a] user need not modify the software to render the ’959 Accused
Products capable of carrying out the operations recited by [the ’959 claims]. That
capability is present at the time of importation by virtue of the software installed
on the devices.”)). Google never challenged this time-of-importation finding in
its Federal Circuit appeal. Thus, the ITC-specific jurisdictional issue raised by
Google’s rehearing petition does not affect the Commission’s determination with
respect to the ’959 patent.

Two days before the Court issued its July 11, 2024 Order, the Federal Circuit invited Sonos and the ITC to file responses to Google’s petition for rehearing *en banc*. Sonos and the ITC filed responses on August 8, 2024.

Sonos now moves the Court for a partial lift of the stay with respect to the expired ’949, ’258, and ’953 patents.

III. ARGUMENT AND AUTHORITY

A. The Stay Can Be Partially Lifted for the Expired Patents

1. The Commission’s Determination with Respect to the Expired Patents Is “Final” Under § 1659(a)

The Commission’s determination with respect to the ’949, ’258, and ’953 patents is now moot and no longer subject to judicial review because the patents expired on April 1, 2024. Thus, as it relates to the expired patents, the Commission’s determination is “final” and this Court is not required to continue the stay pursuant to 28 U.S.C. § 1659(a).

More than four years ago, the Court stayed this case pursuant to § 1659(a), which requires a district court to “stay, until the determination of the Commission becomes final, proceedings in the civil action with respect to any claim that involves the same issues involved in the proceeding before the Commission.” Interpreting this statute, the Federal Circuit has explained that “§ 1659 requires that the stay of district court proceedings continue until the Commission proceedings are no longer subject to judicial review.” *In re Princo Corp.*, 478 F.3d 1345, 1355 (Fed. Cir. 2007). However, once the Commission proceedings are no longer subject to judicial review, the stay of district court proceedings is no longer required under § 1659(a). *Id.* That is precisely the case here for the expired ’949, ’258, and ’953 patents.

Indeed, Google does not challenge the Commission’s determination as to the expired patents in its petition for rehearing *en banc*. Instead, Google’s petition acknowledges that the ’949, ’258, and ’953 patents have expired and that the proceedings as to those patents are “now moot.” Exhibit A at 16 n.2. Google’s

1 failure to pursue appellate review as to the expired patents alone creates finality for
2 those patents. And Google’s admission that the Commission’s determination with
3 respect to the expired patents is “now moot” confirms that finality in accordance with
4 Federal Circuit precedent.

5 In similar situations involving an appeal of a determination by the
6 Commission, the Federal Circuit has repeatedly found that an expired patent renders
7 the related portion of the proceedings moot and not subject to judicial review. *See,*
8 *e.g., INVT SPE LLC v. Int’l Trade Comm’n*, 46 F.4th 1361, 1370 (Fed. Cir. 2022);
9 *Hyosung TNS, Inc. v. Int’l Trade Comm’n*, 926 F.3d 1353, 1358-59 (Fed. Cir. 2019);
10 *Tessera, Inc. v. Int’l Trade Comm’n*, 646 F.3d 1357, 1371 (Fed. Cir. 2011); *Tex.*
11 *Instruments, Inc. v. Int’l Trade Comm’n*, 851 F.2d 342, 344 (Fed. Cir. 1988). As the
12 Federal Circuit explained in *INVT*, the portion of the proceedings related to an
13 expired patent is moot and not subject to judicial review because “[t]he ITC can issue
14 only an exclusion order barring *future* importation or a cease and desist order barring
15 *future* conduct. If the violation of section 337 involves patent infringement, neither
16 of the above remedies is applicable once the patent expires.” *INVT*, 46 F.4th at 1370
17 (citing *Tex. Instruments*, 851 F.2d at 344) (emphasis in original). That the expired
18 patent is asserted in a pending district-court litigation makes no difference. *Id.*
19 (rejecting “argu[ment] that [] appeal regarding the ’590 patent is not moot even after
20 the patent’s expiration because of pending district-court litigation that was stayed in
21 favor of the ITC investigation” and explaining that “we have previously held that
22 because ITC decisions on patent infringement or invalidity do not have preclusive
23 effect on district court litigation, a decision by this court does not have enough
24 ‘collateral consequences’ to avert mootness, even though a pending district court case
25 involves the same issues”) (citations omitted).

26 This line of Federal Circuit cases is also consistent with the well-established
27 principle that courts are “not empowered to decide moot questions,” which further
28 confirms that the Commission’s determination with respect to the expired patents is

1 no longer subject to judicial review. *See, e.g., North Carolina v. Rice*, 404 U.S. 244,
2 246 (1971) (explaining that such “impotence ... derives from the requirement of
3 Article III of the Constitution under which the exercise of judicial power depends
4 upon the existence of a case or controversy”) (quotation marks and citations omitted);
5 *Veterans Contracting Grp., Inc. v. United States*, 743 F. App’x 439, 440 (Fed. Cir.
6 2018) (dismissing appeal as moot and citing *North Carolina*, 404 U.S. at 246); *U.S.*
7 *v. Julie Rsch. Labs., Inc.*, 881 F.2d 1067, 1068 (Fed. Cir. 1989) (dismissing appeal
8 as moot and citing *North Carolina*, 404 U.S. at 246).

9 Because the ’949, ’258, and ’953 patents have expired and the Commission’s
10 patent findings have no preclusive effect here, the Commission’s determination with
11 respect to the expired patents is moot and no longer subject to further judicial review.
12 Punctuating the point, Google has not even pursued further judicial review on the
13 expired patents. Accordingly, a continuance of the stay under 28 U.S.C. § 1659(a)
14 is no longer required.

15 **2. Partially Lifting the Stay Is Permitted Under § 1659(a)**

16 There is no statutory requirement that a district-court action involving the same
17 patents as an ITC proceeding continue to be stayed in full until the Commission’s
18 determination is “final” with respect to all asserted patents. *See* 28 U.S.C. § 1659(a).
19 Instead, as the District of Delaware recently explained, a district court has discretion
20 to partially lift such a stay with respect to any and all asserted patents that are no
21 longer subject to judicial review. *See Wirtgen Am., Inc. v. Caterpillar Inc.*, No. 17-
22 770-RGA, 2021 WL 7209780, *1-2 (D. Del. May 27, 2021).

23 In relevant part, the plaintiff in *Wirtgen* requested the court use its discretion
24 to at least partially lift the stay that was previously entered pursuant to § 1659(a)
25 because the Commission’s determination was final with respect to four of the five
26 patents asserted in both forums. *Id.* at *1; Exhibit C (Joint Status Letter, *Wirtgen*
27 *Am., Inc. v. Caterpillar, Inc.*, No. 17-770-RGA, Dkt. 24 (D. Del. May 14, 2021)).
28 The other patent was subject to a Federal Circuit remand for further proceedings by

1 the ITC. *Wirtgen*, 2021 WL 7209780 at *1. Despite the finality of the Commission’s
2 determination with respect to four of the five patents, the defendant in *Wirtgen* argued
3 that “28 U.S.C. § 1659(a) requires a mandatory stay for issues related to [all five
4 patents].” *Id.*

5 In rejecting the defendant’s argument, the court in *Wirtgen* explained, among
6 other things, that “[t]he Federal Circuit has held that the language of 28 U.S.C.
7 § 1659(a) ‘necessarily suggests that after a final determination by the Commission,
8 the district court may resume its consideration of the civil action’” and that
9 “§ 1659(a) and its legislative history show that the purpose of the statute is to avoid
10 duplicative proceedings in the district court and the ITC by issuing a mandatory stay
11 only ‘when parallel claims involve the same issues about the same patent.’” *Id.*
12 (citations omitted). The court then explained that “the only patent that now has any
13 overlapping issues is the [patent on remand]” and that “[t]he ITC’s handling of the
14 other four patents at issue in the ITC proceedings is ‘no longer subject to judicial
15 review.’” *Id.* Accordingly, the court held that it “is required to continue the stay
16 regarding claims involving the [patent on remand] pursuant to § 1659(a), but the stay
17 regarding the other four patents ... is committed to the [court’s] discretion.” *Id.*
18 (ordering “that the stay ... is lifted with respect to claims related to all the patents in
19 suit, excluding [the patent on remand]”).

20 The same analysis set forth in *Wirtgen* applies here. At most, only the stay as
21 to the ’959 and ’896 patents is required—although Sonos maintains that even that
22 portion of the stay is unnecessary. *See, e.g., Spansion, LLC v. Samsung Elecs. Co.,*
23 *Ltd.*, No. 10-CV-685-WMC, 2011 WL 13209596, at *2-3 (W.D. Wis. May 23, 2011)
24 (denying motion for mandatory stay because “the issues subject to review in [the
25 Commission] proceedings [were] not the same as those [in the district court],” such
26 that a stay was not required per “[t]he purpose of § 1659(a),” which “is to ‘prevent
27 separate proceedings on the same issues occurring at the same time’” (quoting
28 *Princo*, 478 F.3d at 1354)). Whatever the merits of the mandatory stay as to those

1 patents, however, the stay as to the expired '949, '258, and '953 patents that are no
2 longer subject to judicial review is committed to this Court's discretion.

3 **B. The Court Should Exercise Its Discretion to Partially Lift the Stay**

4 While a district court has "broad discretion to stay proceedings as an incident
5 to its power to control its own docket," the party requesting a stay "must make out a
6 clear case of hardship or inequity in being required to go forward." *Versata Software,*
7 *Inc. v. Configit A/S*, No. LA CV 20-09019 JAK, 2022 WL 3598158, at *2 (C.D. Cal.
8 Apr. 27, 2022) (citing *Clinton v. Jones*, 520 U.S. 681, 706 (1997) and *Landis v. N.*
9 *Am. Co.*, 299 U.S. 248, 254 (1936)). In other words, "[t]he party seeking a stay bears
10 the burden of demonstrating its necessity." *Rambus Inc. v. Broadcom Corp.*, No. C
11 10-05437 RS, 2011 WL 13267175, *2 (N.D. Cal. June 13, 2011) (citing *Clinton*, 520
12 U.S. at 708). In applying these standards, a district court must balance the competing
13 interests, including: "the possible damage which may result from the granting of a
14 stay, the hardship or inequity which a party may suffer in being required to go
15 forward, and the orderly course of justice measured in terms of the simplifying or
16 complicating of issues, proof, and questions of law which could be expected to result
17 from a stay." *Versata*, 2022 WL 3598158 at *2. (citing *Lockyer v. Mirant Corp.*, 398
18 F.3d 1098, 1110 (9th Cir. 2005)).

19 In determining whether to grant, continue, or lift a stay, district courts consider
20 several, non-exclusive factors: "(1) the stage of the litigation; (2) whether a stay will
21 simplify the issues; and (3) whether a stay would unduly prejudice the non-moving
22 party." *Id.* (citations omitted); *Separation Design Group IP Holdings, LLC v. Inogen,*
23 *Inc.*, No. LA CV15-08323 JAK, 2017 WL 11631525, at * 2 (C.D. Cal. July 11, 2017);
24 *Tire Hanger Corp. v. Shinn Fu Company of Am., Inc.*, No. ED CV16-02668 JAK,
25 2017 WL 3457122, at *2 (C.D. Cal. June 7, 2017); *Star Envirotech, Inc. v. Redline*
26 *Detection, LLC*, No. SA CV 12-01861 JCB, 2013 WL 1716068, at *2 (C.D. Cal. Apr.
27 3, 2013). Although many stay decisions focus on these factors, "the totality of the
28 circumstances governs." *Kim Laube & Co. v. Wahl Clipper Corp.*, No. LA CV 09-

00914 JAK, 2013 WL 12085169, at *2 (C.D. Cal. Sept. 18, 2013); *Universal Elecs., Inc. v. Universal Remote Control, Inc.*, 943 F. Supp. 2d 1028, 1030-31 (C.D. Cal. 2013). “When circumstances have changed such that the court’s reasons for imposing the stay no longer exist or are inappropriate, the court may lift the stay.” *Credit Acceptance Corp. v. Westlake Servs., LLC*, No. CV 13-01523 SJO (MRNx), 2015 WL 12860460, at *3 (C.D. Cal. July 2, 2015) (citation omitted).

Each of these factors, as well as the totality of the circumstances, favors lifting the stay in this case with respect to the expired ’949, ’258, and ’953 patents.

1. This Case Has Already Been Extensively Litigated

Although this case is technically in the pleadings stage, a parallel action on the same patents and infringing products has been fully litigated by the parties in the ITC. Specifically, the parties have already taken dozens of depositions, responded to hundreds of discovery requests, produced thousands of documents, served expert reports, and provided several days of trial testimony. There is no reason to redo that discovery here. The reality is that this litigation is in quite an advanced stage. *See Personal Audio LLC v. Google, Inc.*, 230 F.Supp.3d 623, 628 (E.D. Tex. 2017) (“Though at first blush the stage of litigation appears early (indeed, Google has not yet responded to the Complaint and no trial date has been set), the court previously concluded that, because there was significant overlap between this relatively new case and prior related litigations, this factor actually weighed against granting a stay. . . . The court’s reasoning before and the conclusion reached there has not changed.”).

Thus, the first factor favors lifting the stay on the expired patents.

2. Partially Lifting the Stay Will Streamline the Case

Continuing the stay for the expired patents will not streamline any issues or discovery in this action because the Commission’s determination is already final with respect to those patents. *See Wirtgen*, 2021 WL 7209780 at *2 (“Neither the issues nor the discovery in this action will be simplified by issuing a stay relating to the

1 claims involving . . . patents that are not now at issue in the ITC.”). Moreover,
2 continuing the stay for the expired patents will not streamline this action for the non-
3 expired patents because they involve different patent families that cover different
4 patented features. *Id.* (“Besides encompassing similar subject matter and having a
5 shared presence in the accused infringing products, the issues involving the [patent
6 at the ITC] are largely independent since that patent is in a different family from all
7 the other patents-in-suit.”); *Rambus*, 2011 WL 13267175 at *3 (“[T]he fact that the
8 ITC action involves different patents [from different patent families] means there
9 would be no reason to wait for a final decision, including any potential appeal to the
10 Federal Circuit, to move forward on the [patents that are not in the ITC action].”).

11 Not only will continuing the stay for the expired patents not help streamline
12 the case, lifting the stay for those patents will. For example, lifting the stay for the
13 expired patents will cut in half the number of different patent families and features
14 that the Court and the jury will need to address. *See Wirtgen*, 2021 WL 7209780 at
15 *2 (“[O]ne less patent from a different patent family provides less complications.”).
16 There are four patent families and features (across five patents) presently at issue in
17 this case: (1) the ’258 and ’953 “sync” patents; (2) the ’949 “group volume” patent;
18 (4) the ’959 “stereo pair” patent; and (5) the ’896 “setup” patent. Lifting the stay for
19 the expired sync and group volume patents, while continuing the stay for the stereo
20 pair and setup patents, will reduce the burden on both the Court and the jury.

21 In addition, because (during the ITC proceeding) Google created versions of
22 its products as “design-arounds” and because Sonos expects Google to argue here
23 that these designs are “acceptable non-infringing alternatives” which limit Sonos’s
24 damages, Sonos intends to add related patents from the same patent families that
25 cover Google’s “alternative” designs. Partially lifting the stay on only the sync and
26 group volume patents will help reduce any added complexity that results from
27 increasing the total number of patents.

1 This is not the first time that Sonos has been forced to assert a large number of
2 patents against a pervasive infringer like Google. For example, in its litigation
3 against D&M (*Sonos, Inc. v. D&M Holdings Inc. et al.*, No. 14-1330-WCB (D. Del.)),
4 D&M's infringement was so extensive that Sonos asserted eleven different patents
5 covering seven different patent families and features. United States Circuit Judge
6 William C. Bryson, stepping in to help out United States District Judge Richard G.
7 Andrews, found this number of patents and patent families/features to be too much
8 for a single jury trial. As Judge Bryson explained:

9 [I]n my experience it is virtually impossible for a jury to handle this
10 many patents, even in eight days were we to go to eight days, and come
11 up with a rational resolution of the case. . . . So in the interest of making
12 sure that we have a jury that understands something about the case by
13 the time they get to the deliberations, I just think that having eight
14 patents . . . it would be unmanageable and even with an eight-day trial.
15 So what I'm looking at is something more like what the Defendants have
16 proposed, a Bellwether trial with two and perhaps as many as three
17 patents.

18 Exhibit D (Oct. 5, 2017 Hearing Transcript) at 90, 9:1-21.

19 Judge Bryson's solution was to hold a bellwether trial on only Sonos's sync
20 and group volume patents (including the same '258 and '949 patents at issue here)
21 and stay the other patents-in-suit for a subsequent trial. Sonos proposes that the Court
22 follow a similar approach here – proceed on Sonos's sync and group volume patents
23 and maintain to stay the other patents.³

24 Accordingly, the second factor also favors lifting the stay on the expired
25 patents.

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28 ³ Sonos has no objection if the Court prefers to bifurcate or sever the stereo pair and
setup patents rather than stay them.

1 **3. Continuing the Stay in Full Will Continue to Unduly**
2 **Prejudice Sonos**

3 This case has been pending for way too long. Although the Commission and
4 the Federal Circuit found all five of the asserted patents in this case valid and
5 infringed by Google, Google escaped the Commission’s exclusion order by
6 introducing insubstantial “design-arounds” that infringe other Sonos patents.⁴ This
7 delay and continued infringement by Google are unduly prejudicial to Sonos. *See*
8 *Personal Audio*, 230 F.Supp.3d at 627 (“The thirteen-month stay, plus delay that will
9 result from appeals, would unduly deprive [patentee] of timely enforcement of its
10 rights. The time limit on its patent continues to run.”).

11 Sonos and Google are direct competitors in the smart speaker market. *See*,
12 *e.g.*, Exhibits E at 92 (“... Google took an enormous leap into the hardware market,
13 offering new products to compete with Sonos”); Exhibit F at 103 (“You can also
14 group multiple [Google] Home units together and play music though all of them
15 simultaneously, similar to how Sonos works.”); Exhibit G at 112 (characterizing
16 Google speaker as a “Sonos Clone”); Exhibit H at 114-119 (comparing Sonos and
17 Google speakers); Exhibit I at 125-133 (same). But Google is intentionally selling
18 its infringing products at a discount and/or as a “loss leader” (sometimes even giving
19 speakers away for free) to rob Sonos of its valuable market share. *See, e.g., id.*;
20 Exhibit J at 146 (Amazon and Google both “discounted their home speakers so
21 deeply over the holidays that they likely lost a few dollars per unit”); Exhibit K
22 at 157 (confirming that Sonos and Google are competitors and explaining that Google
23 is using its smart speaker devices as a “loss leader”); *see also* Exhibit E at 92 (“...
24 Google took an enormous leap into the hardware market, offering new products to
25 compete with Sonos”); Exhibit H at 114 (comparing Sonos and Google speakers

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⁴ Notwithstanding the Commission’s findings to contrary, Sonos respectfully submits
27 that Google’s insubstantial “design-arounds” continue to infringe all five asserted
28 patents either literally or under the doctrine of equivalents and Sonos reserves the
right to pursue such infringement in this case.

1 including price). Moreover, Google’s loss leader strategy also allows it to “lock”
2 consumers into Google’s multiroom audio system such that these consumers do not
3 purchase a similar multiroom audio product from a competitor like Sonos in the
4 future. *See, e.g.*, Exhibit L at 163 (“The business motivations are clear: Tech giants
5 like . . . Google . . . see the smart home as new territory to conquer through their
6 respective ecosystems As a result, the more you buy into one system, the more
7 you become locked out of others.”); Exhibit J at 146 (Amazon and Google both
8 “discounted their home speakers so deeply over the holidays that they likely lost a
9 few dollars per unit . . . hoping to lock in customers . . .”).

10 This unfair competition from Google continues to result in undue prejudice
11 and irreparable harm to Sonos. *See, e.g., VirtualAgility Inc. v. Salesforce.com, Inc.*,
12 759 F.3d 1307, 1318 (Fed. Cir. 2014) (“We agree with the district court that
13 competition between parties can weigh in favor of finding undue prejudice.”) citing
14 *Market-Alerts Pty. Ltd. v. Bloomberg Fin. L.P.*, 922 F.Supp.2d 486, 494-95 (D. Del.
15 2013); *Douglas Dynamics, LLC v. Buyers Prods. Co.*, 717 F.3d 1336, 1344 (Fed. Cir.
16 2013) (“Where two companies are in competition against one another, the patentee
17 suffers the harm – often irreparable – of being forced to compete against products
18 that incorporate and infringe its own patented inventions.”); *Polymer Techs., Inc. v.*
19 *Bridwell*, 103 F.3d 970, 975-76 (Fed. Cir. 1996) (finding irreparable harm because
20 “[y]ears after infringement has begun, it may be impossible to restore a patentee’s
21 . . . exclusive position by an award of damages and a permanent injunction.
22 Customers may have established relationships with infringers.”); *Centripetal*
23 *Networks, Inc. v. Cisco Sys., Inc.*, No. 2:18cv94, 2019 WL 8888195, at *3 (E.D. Va.
24 Sept. 18, 2019) (“As the stay of this case continues, the prejudice to Plaintiff grows.
25 Potential loss of market share and an erosion of goodwill are an ever-present concern,
26 especially when delay in a final resolution of the patent infringement action is
27 continued. In a highly competitive and innovative industry, such as the technology
28 industry implicated here, delay causes particular problems, because by the time

1 protracted proceedings come to a close, the value of the invention may not justify the
2 costs of the litigation.” (internal quotation and citation omitted).

3 Thus, the third factor also favors lifting the stay on the expired patents.

4 **IV. CONCLUSION**

5 For the foregoing reasons, Sonos respectfully requests the Court lift the stay
6 with respect to the expired '949, '258, '953 patents.

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8 Dated: August 15, 2024

ORRICK, HERRINGTON & SUTCLIFFE LLP
and
LEE SULLIVAN SHEA & SMITH LLP

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