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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

YANGTZE MEMORY TECHNOLOGIES COMPANY, LTD.,

Plaintiff,

v.

MICRON TECHNOLOGY, INC., and MICRON CONSUMER PRODUCTS GROUP, LLC,

Defendants.

MICRON TECHNOLOGY, INC.,

Counterclaim Plaintiff,

v.

YANGTZE MEMORY TECHNOLOGIES COMPANY, LTD., and YANGTZE MEMORY TECHNOLOGIES, INC.,

Counterclaim Defendants.

Case No. 3:23-cv-05792-RFL

PLAINTIFF/COUNTERCLAIM DEFENDANT YANGTZE MEMORY TECHNOLOGIES COMPANY, LTD.'S AND COUNTERCLAIM DEFENDANT YANGTZE MEMORY TECHNOLOGIES, INC.'S OPPOSITION TO MICRON'S MOTION TO STAY CASE PENDING INTER PARTES REVIEW AND POST-GRANT PROCEEDINGS

Date: March 4, 2025
Time: 10:00 a.m. PT
Judge: Hon. Rita F. Lin
Courtroom: 15, 18th Floor

YMTC
Exhibit 2002
Micron v. YMTC
IPR2025-00118
Ex. 2002-001

[redacted]

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I. INTRODUCTION

This patent infringement lawsuit involves competitors in the 3D NAND memory space who sell competing products globally. For well over a year, since November 2023, the parties have been hotly litigating YMTC's claims against Micron, as well as Micron's counterclaims against YMTC. Like the parties, the Court has expended substantial resources on this suit. More than a year after YMTC filed its first Complaint in this lawsuit, Micron now seeks a stay of this entire lawsuit—including claims that are not being, and will not be, reviewed by the Patent Trial and Appeal Board ("PTAB")—for an indefinite amount of time.

The Court should deny Micron's motion. Courts in this District regularly deny requests to stay litigation before the PTAB decides whether to institute post-grant proceedings where, as here, the parties are competitors and have already expended substantial resources in the litigation. Of the 70 claims YMTC is now asserting (YMTC recently focused its asserted claims to 70, per the Court's Scheduling Order, Dkt. 141), the PTAB has instituted proceedings reviewing ***only 23*** of them, while denying review of 11 others. As to YMTC's remaining 36 asserted claims—more than half—Micron only recently filed IPR petitions and one PGR petition, and the PTAB will not finish issuing institution decisions on those petitions for at least six more months from now. The percentage of claims asserted in this litigation that are under review at the PTAB is even less when factoring in the 83 claims from five patents that Micron has asserted against YMTC. In total, only 15% of the presently asserted claims are under review, while the Board has not even decided whether to institute on 78% of them.

All relevant factors considered in this District confirm that Micron's motion should be denied. First, this case is already at an advanced stage and a trial date is set. YMTC's original complaint was filed more than a year ago, in 2023. Since then, the parties have engaged in substantial motion practice, discovery, and claim construction activities (twice). Likewise, the Court has held several hearings and invested substantial time and resources into this suit, adjudicating issues ranging from motions to dismiss, to protective order provisions and case composition and management, to various discovery disputes. Indeed, the case has progressed far enough that YMTC has already complied with the Court's order to narrow its asserted claims to no more than 70. The substantial effort expended on this case reflects the advanced stage of this litigation, which weighs firmly against a stay.

Second, the only purported simplification of the issues that Micron identifies affects only a small fraction of the 70 claims asserted by YMTC, and none of the claims asserted by Micron. The PTAB has declined to institute proceedings on 11 of YMTC's asserted claims. And for those claims that are instituted (as well as any that may be in the future), Micron has already stipulated that it will not raise the same invalidity grounds from those instituted IPRs before this Court—meaning that there will be no duplication of effort. As to the remainder of the parties' claims, any arguments about purported simplification are premature and speculative: the PTAB has yet to decide whether to institute proceedings on the vast majority of asserted claims in this litigation. It is entirely possible—if not likely—that at least some of the remaining IPR and PGR petitions challenging YMTC's claims will not be instituted. Moreover, under this Court's scheduling order, prior to trial YMTC already must limit its case against Micron to assert only eight claims—fewer than even the number of claims that the PTAB already declined to review. The narrowing of asserted claims already imposed by the Court's scheduling order is likely to subsume any additional speculative simplification that might come from a stay.

Third, YMTC would suffer substantial prejudice from a stay. Micron and YMTC are global competitors in the 3D NAND memory space, but YMTC is a relative newcomer compared to Micron. YMTC's success relies on using its innovations to compete with larger competitors, including Micron. 3D NAND technology is fast moving; if Micron is allowed to use YMTC's patented technology without consequence during a stay of indeterminate length—stays pending IPRs may last several years, especially if extended through appeals—this would allow Micron to continuously secure design wins at YMTC's expense, which would severely prejudice YMTC by undermining its ability to compete.

Micron's motion to stay should be denied.

II. STATEMENT OF ISSUES TO BE DECIDED

Whether the Court should stay this competitor litigation where IPR proceedings have been instituted for only 23 of YMTC's 70 asserted claims, and none of Micron's 83 asserted claims; more institution decisions are still pending; and the parties and Court have already expended substantial resources on the case.

III. STATEMENT OF RELEVANT FACTS

YMTC is a global developer and manufacturer of 3D NAND memory products, whose innovations

the industry repeatedly has recognized as important. Dkt. 29 ("FAC"), ¶ 7. Because of its innovative technologies, YMTC was able to advance from an upstart newcomer to a key player in the global 3D NAND market. *Id.* ¶ 8. Micron is another player in the global 3D NAND market and competes against YMTC globally, including by using YMTC's patented technologies without authorization. *Id.* ¶ 10. While YMTC no longer sells products in the United States due to the Department of Commerce Entity List, YMTC does continue to sell its 3D NAND products—and to compete with Micron—throughout the rest of the world. *See* Dkt. 53 at 1, 3 n.4. As part of this competition, Micron and YMTC have several overlapping customers who purchase competing products from both companies. Radsch Decl., ¶ 13.

On November 9, 2023, YMTC filed its first complaint ("*YMTC I*") against Micron asserting eight patents[1] from seven different patent families directed to innovative aspects of YMTC's 3D NAND technology. *See generally* Dkt. 1. Eight months later, after completing additional diligence, on July 12, 2024, YMTC filed its second complaint ("*YMTC II*") against Micron asserting eleven more patents,[2] ten of which are directed to additional innovative aspects of 3D NAND technology, and one of which is related to DRAM technology—a different type of memory technology. *See generally* Case No. 3:24-cv-04223-RFL ("*YMTC II*"), Dkt. 1. On August 21, 2024, the Court consolidated *YMTC I and II*. Dkt. 106. Following consolidation, the Court also issued a scheduling order imposing rigorous claim narrowing deadlines focusing the case. YMTC was required to narrow its asserted claims to 70 claims by January 22, 2025, which it did. Dkt. 141, 194. YMTC must further narrow its case to 40 claims after the Court issues its claim construction order, 10 claims by January 9, 2026, and 8 claims by April 7, 2026. Dkt. 141.

The parties have extensively litigated YMTC's claims. The parties heavily disputed the terms of the protective order, resulting in Court intervention to rule on a disagreement over Micron's demands that the Court called "probably the most grossly overreaching discovery argument that the [Court] has ever seen." Dkt. 73, at 4. In addition to the discovery obligations set forth by Patent L.R. 3-4, the parties have

[1] U.S. Pat. Nos. 10,950,623 ("'623 Patent"), 11,501,822 ("'822 Patent"), 10,658,378 ("'378 Patent"), 10,937,806 ("'806 Patent"), 10,861,872 ("'872 Patent"), 11,468,957 ("'957 Patent"), 11,600,342 ("'342 Patent"), and 10,868,031 ("'031 Patent") (collectively "the *YMTC I* Patents").

[2] U.S. Pat. Nos. 10,879,254 ("'254 Patent"), 11,581,322 ("'322 Patent"), 10,886,291 ("'291 Patent"), 11,482,532 ("'532 Patent"), 11,145,666 ("'666 Patent"), 11,450,604 ("'604 Patent"), 10,672,711 ("'711 Patent"), 11,101,276 ("'276 Patent"), 11,568,941 ("'941 Patent"), 12,010,838 ("'838 Patent"), and 10,879,164 ("'164 Patent") (collectively "the *YMTC II* Patents").

also served over 117 requests for production, resulting in the production of around 113,000 pages of documents. The parties have served and responded to 38 interrogatories. And the parties have each made substantial amounts of source code available for inspection. As a result of this significant discovery, the Court has addressed three different discovery disputes—including one dispute for which Micron has also involved the Federal Circuit via a Petition for Writ of Mandamus—and has three more discovery disputes currently pending. *See* Dkts. 163, 186, 197, 202, 203, 205, 207-208. By the time of the hearing on Micron's Motion to Stay, Micron will have narrowed its invalidity grounds, claim construction discovery will be closed, and the *Markman* hearing will be less than two months away. *See* Dkt. 141. And by the time that institution decisions are issued on YMTC's remaining asserted patents, which will be no earlier than August 2025, the Court will have held the *Markman* hearing; all fact depositions will have been noticed; and the parties will be on the cusp of the end of fact discovery. *See id.*

Even as Micron seeks to stay the case, it is also expanding it. On January 29, Micron filed its unopposed motion for leave to amend its counterclaims to reassert infringement of three patents that it had dropped. Dkt. 212-1(sealed), 213 (redacted). If that motion is granted, the scope of this case will be substantially expanded: together with the 33 claims that Micron is asserting from its two presently-asserted patents, Micron will be asserting a total of 83 patent claims. Dkt. 212-3, ¶¶ 56, 63, 71, 78, 87-88.

Micron also spent most of 2024 filing petitions for *inter partes* review ("IPR") challenging YMTC's asserted patents. From April to May 2024, Micron filed 12 IPR petitions against the *YMTC I* Patents.[3] Between May 2024 and when the Court consolidated *YMTC I* and *YMTC II* in August 2024, Micron did not move to stay pending the *YMTC I* Patent IPRs. While several of those petitions were instituted between October 2024 and January 2025, the PTAB denied institution of Micron's IPR petitions challenging the '342 Patent, and one of its petitions challenging the '872 Patent. Radsch. Decl., Exs. A-C. As a result, 11 of YMTC's still-asserted claims are not the subject of IPR proceedings.

From October 2024 to January 2025, Micron also filed 13 petitions for IPR and one petition for post-grant review ("PGR") against the *YMTC II* Patents.[4] As of the filing of this opposition, the PTAB has

[3] Two petitions for each of the '378, '806, '872 and '342 Patents, and one petition for each of the '623, '822, '957, and '031 Patents.

[4] Two IPR petitions for each of the '254 and '291 Patents, and one IPR petition for each of the remaining *YMTC II* Patents, in addition to one PGR petition for the '838 Patent.

not rendered institution decisions on any of the petitions against the *YMTC II* Patents, and also has not accorded Micron's most recently-filed petition a filing date. Radsch Decl., ¶ 9.

YMTC likewise filed IPRs challenging the 33 asserted claims of Micron's two asserted patents, in November 2024. Radsch Decl., ¶ 10. While YMTC has not yet filed IPRs challenging claims from Micron's three newly reasserted patents, its statutory bar for doing so has not yet passed.

Across all of Micron's petitions, Micron has stipulated that it will be estopped from asserting in this Court any invalidity grounds it raised in instituted IPR proceedings. Dkt. 201, ¶ 7. Put differently, regardless of whether this Court stays the case, this Court will not need to consider, and the parties will not need to address here, the invalidity arguments already being considered by the PTAB in any instituted proceedings on Micron's IPRs.

IV. LEGAL STANDARD

There is a "strong public policy favoring expeditious resolution of litigation." *Kahn v. Gen. Motors Corp.*, 889 F.2d 1078, 1080 (Fed. Cir. 1989). That said, the "decision to stay a patent case pending IPR rests entirely within a court's discretion." *Int'l Test Sols., Inc. v. Mipox Int'l Corp.*, No. 16-cv-00791-RS, 2017 WL 1316549, at *1 (N.D. Cal. Apr. 10, 2017). The Court "is under no obligation to delay its own proceedings" in view of parallel proceedings before the PTAB, even if those proceedings "are relevant to the infringement claims before the Court." *Robert Bosch Healthcare Sys., Inc. v. Cardiocom, LLC*, No. C-14-1575-EMC, 2014 WL 3107447, at *3 (N.D. Cal. July 3, 2014). Indeed, there is "no *per se* rule that patent cases should be stayed pending" such proceedings, since "such a rule 'would invite parties to unilaterally derail' litigation." *Verinata Health, Inc. v. Ariosa Diagnostics, Inc.*, No. 12-cv-05501, 2014 WL 121640, at *2 (N.D. Cal. Jan. 13, 2014) (quoting *Esco Corp. v. Berkeley Forge & Tool, Inc.*, 2009 WL 3078463 (N.D. Cal. Sept. 28, 2009)). This is particularly true where the PTAB has yet to render institution decisions on the pending post-grant proceedings at issue. *Aylus Networks, Inc. v. Apple, Inc.*, No. 13-cv-4700, 2014 WL 5809053, at *1 (N.D. Cal. Nov. 6, 2014) (citing *Virtual Agility Inc. v. Salesforce.com, Inc.*, 759 F.3d 1307, 1315–16 (Fed. Cir. 2014)).

This District considers the following factors when deciding a request for a stay pending IPR:

> (1) whether discovery in the case is complete and whether a trial date has been set; (2) whether a stay would simplify the issues in question and trial of the case; and (3) whether a stay would unduly prejudice or present a clear tactical disadvantage to the non-moving party.

Entangled Media, LLC v. Dropbox Inc., 732 F. Supp. 3d 1120, 1123 (N.D. Cal. 2024) (citations omitted). The Court's consideration is "not limited to those factors, but rather 'the totality of the circumstances governs.'" *Everlight Elecs. Co. v. Bridgelux, Inc.*, No. 17-cv-03363-JSW, 2018 WL 5606487, at *4 (N.D. Cal. Sept. 14, 2018) (quoting *Univ. Elecs., Inc. v. Univ. Remote Control, Inc.*, 943 F. Supp. 2d 1028, 1030-31 (C.D. Cal. 2013)). "The proponent of a stay bears the burden of establishing its need." *Haptic, Inc. v. Apple, Inc.*, No. 3:24-cv-02296-JSC, 2024 WL 4859080, at *1 (N.D. Cal. Nov. 20, 2024) (quoting *Clinton v. Jones*, 520 U.S. 681, 708 (1997)).

V. ARGUMENT

Micron cannot satisfy its burden of establishing the need to stay this litigation. The PTAB has already denied institution as to 11 of the asserted claims, and with its decisions still pending as to more than half of YMTC's asserted claims and all of Micron's presently asserted claims, more claims are likely to survive institution. The parties and Court have already expended substantial resources in this case. The only purported benefit of such a stay—simplification of the issues—is speculative because the PTAB has yet to even decide whether to institute IPR proceedings on most of Micron's IPR petitions. Moreover, even that speculative benefit is, at best, attenuated and likely subsumed by the Court's scheduling order, which will already simplify this case. And because YMTC is a direct competitor of Micron's, it will suffer substantial prejudice from a stay. All relevant factors thus weigh heavily against a stay.

A. The Late Stage of This Litigation Weighs Against a Stay

The first factor asks the Court to determine "whether litigation has progressed significantly enough for a stay to be disfavored." *Entangled*, 732 F. Supp. 3d at 1123 (citation omitted). When addressing this factor, the Court generally considers the state of litigation at the time the motion was filed, including whether a trial date has been set, and "may also consider subsequent progress in the case." *Id.* (citation omitted).

This case has progressed significantly. First, the Court has already set a trial date, twice. It first did so nearly one year ago, in February 2024. Dkt. 42. Then, in September 2024, after the Court consolidated *YMTC I* with *YMTC II*, the Court reset the trial date. Dkt. 141 (setting June 15, 2026 trial date). That the Court has set a trial date weighs firmly against a stay. *See, e.g.*, *Entangled*, 732 F. Supp. 3d at 1123 (distinguishing cases granting stays despite the parties having "engaged in substantial discovery and even

undertaken claim construction" because in those cases the court had not "set a trial date"); *see also Haptic*, 2024 WL 4859080, at *3 (distinguishing cases where "no trial date had been set").

Second, contrary to Micron's assertion that the parties have "barely begun to address the merits" (Dkt. 200 ("Mot."), 7), the parties and Court have invested substantial effort into the merits of this case. This litigation began over a year ago in November 2023 (Dkt. 1), and YMTC served its first discovery requests a year ago, on January 31, 2024. *See Haptic*, 2024 WL 4859080, at *2 (the "stage of litigation weighs against a stay" where parties engaged in 11 months of discovery); *Entangled*, 732 F. Supp. 3d at 1123 (14 months was "significant discovery" weighing against stay). Since then, the parties have negotiated a protective order, requiring Court intervention to resolve several disputes (Dkt. 73, 80); collectively propounded, responded to, and supplemented responses to 38 interrogatories and 117 requests for production; and produced over 113,000 pages of documents. Radsch Decl., ¶¶ 16-19. The parties have also engaged in extensive source code discovery, which has involved 14 days of YMTC expert and/or attorney review of code in this District and, more recently, three weeks and counting of code review at Micron's headquarters in Boise, ID. Radsch Decl., ¶¶ 20-24. The Court has already ruled on three different discovery disputes, as well as certain objections to those rulings, *see* Dkts. 163, 186, 197, along with motions to dismiss, sever, and consolidate, *see* Dkts. 78, 106, 146.[5] And per the Court's order, YMTC has narrowed of its claims of infringement to 70 asserted claims, which has required extensive analysis of infringement, validity, and damages issues. Dkt. 194. This activity dwarfs that in *Entangled*, where the Court found that "the production of over 47,000 pages of documents, the issuance of subpoenas, and extensive negotiation of a protective order" weighed against a stay. *Entangled*, 732 F. Supp. 3d at 1123.

Claim construction proceedings have also progressed substantially—twice. First, over six months ago, the parties exchanged proposed constructions and intrinsic and extrinsic evidence for the *YMTC I* patents, culminating in the parties' submission of their Joint Claim Construction and Prehearing Statement back in August 2024 (Dkt. 105).[6] Second, more recently, the parties have engaged in claim construction exchanges in the consolidated case, culminating in the recent submission of their Joint Claim Construction

[5] Three more discovery disputes are currently pending. *See* Dkts. 202, 203, 205.

[6] Had the Court not ordered consolidation of *YMTC I* with *YMTC II*, the Court would already have held a claim construction hearing and likely would have issued a claim construction. *See* Dkt. 42.

and Prehearing Statement. Dkt. 216. Micron noticed this Motion to be heard on March 4, 2025, one day after the deadline for completion of claim construction discovery and less than two months before the Court's claim construction hearing.

This extensive progress and activity belies Micron's assertions that this case is in its "early stages" and that the parties have engaged in only "procedural and administrative disputes." Mot., 7. And contrary to Micron's assertions, the extensive negotiations over the protective order and the substantial confidential information produced since then underscores the advanced stage of this case. *See Haptic*, 2024 WL 4859080, at *2-3 ("extensive negotiation of a protective order" weighed against a stay). Indeed, the delays in entering the protective order were largely attributable to Micron advancing what the Court called "probably the most grossly overreaching discovery argument that the [Court] has ever seen." Dkt. 73, at 4. Beyond these overreaching discovery restrictions Micron sought to impose, YMTC Ltd.'s presence on the Entity List has no bearing on the fact that the parties have engaged in substantial discovery. *Contra* Mot., 7-8. Micron's reference to YMTC's source code production (Dkt. 200, at 8) does not support Micron's request for a stay, but instead demonstrates that Micron has had access to YMTC source code for months already.

Each of the cases Micron cites for the proposition that this case is in its "early stages" is distinguishable. In several, the Court had not set a trial date. *E.g.*, *PersonalWeb Techs., LLC v. Apple Inc.*, 69 F. Supp. 3d 1022, 1026 (N.D. Cal. 2014); *TAS Energy, Inc. v. San Diego Gas & Elec. Co.*, No. 12-cv-2777-GPC, 2014 WL 794215, at *3 (S.D. Cal. Feb. 26, 2014); *DSS Tech. Mgmt., Inc. v. Apple, Inc.*, No. 14-cv-05330-HSG, 2015 WL 1967878, at *2 (N.D. Cal. May 1, 2015) (also noting "no substantive motions [had] been filed"); *see also Entangled*, 732 F. Supp. 3d at 1123 (denying motion to stay and distinguishing cases where court had not set trial date). And in the remainder, the parties had engaged in only minimal discovery. *E.g.*, *Droplets, Inc. v. Yahoo! Inc.*, No. 12-cv-03733-JST, 2013 WL 5116002, at *1 (N.D. Cal. Sept. 13, 2013) (parties engaged in only "minimal discovery" during pendency of the case, and procedural motion practice resulted in delays due to the case being "transferred between districts and between judges"); *Uniloc USA Inc. v. LG Elecs. U.S.A. Inc.*, No. 18-cv-06737-JST, 2019 WL 1905161, at *2 (N.D. Cal. Apr. 29, 2019) ("[T]he parties agree that 'very little discovery' has occurred."). In contrast, in this case, a trial date has been set, and substantial discovery has occurred.

The stage of this case weighs against a stay.

B. Any Purported Simplification of the Issues Is Speculative—Weighing Against a Stay

Micron's basis for contending that a stay might simplify the issues in this case is speculative: its petitions challenging more than half of YMTC's asserted claims are still pending, and its petitions challenging 11 asserted claims have already been denied. But "the filing of an IPR request does not by itself simplify the issues in a case." *DiCon Fiberoptics, Inc. v. Precisely Microtech. Corp.*, No. 15-cv-1362, 2015 WL 12859346, at *2 (N.D. Cal. Oct. 13, 2015). And "complaints involving multiple patents are less likely to be resolved by a PTO decision." *Kilopass Tech. Inc. v. Sidense Corp.*, No. 10-cv-2066, 2011 WL 13153233, at *3 (N.D. Cal. Feb. 8, 2011). That is certainly true here, where the PTAB has already denied institution on many of the asserted claims. And if past is prologue, it is likely that many more asserted claims will survive institution in those decisions yet to be rendered by the PTAB.

Courts in this District routinely deny motions to stay pending IPRs or other post-grant proceedings where institution decisions have not yet been issued. *See, e.g.*, *Entangled*, 732 F. Supp. 3d at 1124 (characterizing arguments about simplification as "premature" "[b]ecause the PTO has not yet instituted proceedings," and denying motion to stay); *Skillz Platform Inc. v. Aviagames Inc.*, No. 21-cv-02436-BLF, 2022 WL 1189882, at *3–4, *5 (N.D. Cal. Apr. 21, 2022) (denying motion to stay, stating that any simplification from IPRs "is purely speculative at this stage," and "the cost of non-institution would be delay without benefit"); *GoPro, Inc. v. C&A Mktg., Inc.*, No. 16-cv-03590-JST, 2017 WL 2591268, at *6 (N.D. Cal. June 15, 2017) (giving "significant weight to the fact that the PTAB has not yet decided to institute review"); *Int'l Test Sols.*, 2017 WL 1316549, at *3 (the fact that IPRs are pending institution "weighs against a finding of likelihood of simplification of issues."); *SAGE Electrochromics, Inc. v. View, Inc.*, No. 12–cv–06441–JST, 2015 WL 66415, at *3 (N.D. Cal. Jan. 5, 2015) ("[T]he uncertainty surrounding whether the PTO will elect to institute IPR proceedings weighs against a finding of likelihood of simplification of the issues."); *see also VirtualAgility*, 759 F.3d at 1315–16 ("[I]t was not error for the district court to wait until the PTAB made its decision to institute CBM review before it ruled on the motion [to stay]."). Indeed, while Micron relies on general PTAB statistics to dress up its speculation (*e.g.*, Mot., 9), these "general statistics" are "untethered from the specific facts of this case," and "provide[] little guidance." *See Entangled*, 732 F. Supp. 3d at 1124. In any event, Micron's statistic that 32% of IPRs

are not instituted suggests that even more of YMTC's asserted claims are likely to survive even the institution stage, rendering a stay particularly inappropriate.

The cases Micron cites to show that stays are granted in this district prior to institution are inapposite. *Contra* Mot., 5-6. In each of those cases, either the court had not set a trial date;[7] the asserted patents were all related and shared a common specification such that "a single IPR petition [would] be informative as to all of the Patents-in-Suit";[8] or the parties were not competitors.[9] In contrast, in this case, a trial date is already set for next year; the 19 asserted YMTC patents come from many different patent families; and YMTC and Micron are direct competitors.

Micron's own claims asserted against YMTC—and YMTC's IPRs challenging those claims—further demonstrate that any determination of the simplification of the issues is premature at this stage. The PTAB has yet to issue institution decisions on the IPR petitions YMTC filed in November 2024 challenging two of Micron's asserted patents. And Micron just re-added three more patents to this case for which the statutory bar for filing IPRs has not yet passed. *See* Dkt. 212-3. As such, "granting a stay would be premature at this juncture" because the "state of the pleadings is in flux and the PTAB has not granted the petitions on the counterclaim patents." *Everlight Elecs.*, 2018 WL 5606487, at *4.

What is certain is that a stay is far more likely to complicate rather than simplify the issues. Micron has a two-to-three year cadence for launching a new generation of 3D NAND products: it launched 32-layer 3D NAND product in 2015, 64-layer 3D NAND in 2018, 128-layer 3D NAND in 2019, 176-layer 3D NAND in 2020, and 232-layer 3D NAND in 2022. Dkt. 170 (Amended Counterclaims), ¶¶ 15-16. A stay pending final resolution of IPRs through appeals could take four years or more. *See Verinata Health*, 2014 WL 121640, at *3 (PTAB's final written decision "is still subject to appeal to the Federal Circuit,"

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[7] *Regents of Univ. of Mich. v. Novartis Pharm. Corp.*, No. 22-cv-04913-AMO, 2023 WL 6795971, at *1-2. (N.D. Cal. Oct. 12, 2023) (also no date for the close of fact discovery); *Dialect, LLC v. Google, LLC*, No. 24-cv-04388-JSC, 2024 WL 4314206, at *2–3, 5 (N.D. Cal. Sept. 26, 2024) (also parties admitted the case was in its infancy, and there had been no discovery or initial case management hearing); *Cortex MCP, Inc. v. Visa, Inc.*, No. 5:23-cv-05720-EJD, 2024 WL 3511637, at *2–3 (N.D. Cal. July 22, 2024) (also no dates for the close of fact or expert discovery); *Apple Inc. v. AliveCor, Inc.*, No. 22-cv-07608-HSG, 2023 WL 9187388, at *3 (N.D. Cal. Dec. 29, 2023); *Topia Tech., Inc. v. Dropbox Inc.*, No. 23-cv-00062-JSC, 2023 WL 3437823 at *1 (N.D. Cal. May 12, 2023).

[8] *Cortex*, 2024 WL 3511637, at *2–3; *see also PersonalWeb Techs.*, 69 F. Supp. 3d at 1027; *Topia*, 2023 WL 3437823, at *4.

[9] *Regents*, 2023 WL 6795971, at *1-2 (plaintiffs were "non-practicing entities"); *Cortex*, 2024 WL 3511637, at *2–3; *AliveCor*, 2023 WL 9187388, at *3.

and therefore "it may still be years before the inter partes review is truly final"); *see also Universal Elecs., Inc. v. Universal Remote Control, Inc.*, 943 F. Supp. 2d 1028, 1033 (C.D. Cal. 2013) ("There could be a two year delay [in waiting for an IPR to conclude], even before any appellate proceedings that will likely arise…."). Because the PTAB has already denied institution on many asserted claims, and is likely to do so for many others, it is a certainty that there will be claims left to litigate here. By the time a stay is lifted, it is inevitable that Micron will have launched new product lines, which may continue to practice claims of the asserted patents—requiring re-doing much of discovery, contentions, and potentially claim construction, to account for those new products that would need to be added to this suit. Further, that passage of time may well lead to the fading of memories, departure of knowledgeable employees, and loss of records relating to the products currently at issue today. Accordingly, staying the case is far more likely to introduce added complexity, while reducing the efficient administration of justice, contrary to the foundational principle of the Federal Rules. FED. R. CIV. P. 1 (rules designed to secure the "just, speedy, and inexpensive determination of every action and proceeding").

Even with respect to the 23 claims that have been instituted (and any that may be in the future), the purported simplification of issues is minimal, at best. For those instituted claims, Micron has committed that, regardless of a stay, Micron will not pursue here the invalidity grounds presented in the instituted IPRs. Dkt. 201, ¶ 7. That concession substantially mitigates any simplification that would have arisen from estoppel due to a final written decision. *Contra* Mot., 11. And the Court has already issued a scheduling order requiring YMTC to limit its claims to only eight asserted claims before trial—fewer than the 11 claims that have already survived institution. Dkt. 141. Even more claims are likely to survive IPRs. It is therefore entirely possible that most, if not all, claims that will by tried by this Court either will not be subject to instituted IPR proceedings or would have survived those proceedings anyway.

Each of Micron's arguments for simplification of the issues thus lacks merit. While in some cases the lack of a stay could result in "wasted time and effort" (Mot., 9), the PTAB already denied institution of IPR proceedings for YMTC's 11 asserted claims, substantially reducing the risk of any such wasted time and effort. In addition, the potential of "develop[ing] the intrinsic record" during IPRs is minimal here (*contra* Mot., 9), as the parties are construing only eight claim terms total from YMTC's 19 asserted patents. *See* Dkt. 216. Of those eight constructions, most have not been raised as claim construction

disputes in the IPRs and thus appear to be immaterial to the issues before the PTAB, and instead appear to relate to Micron's non-infringement positions. These disputes will not be resolved in IPRs because the PTAB will address only those claim construction disputes that are material to the invalidity grounds being asserted in the PTAB—which will not be litigated before this Court. *See Nidec Motor Corp. v. Zhongshan Broad Ocean Motor*, 868 F.3d 1013, 1017 (Fed. Cir. 2017) (the PTAB need only resolve claim constructions "material to the obviousness dispute") (citation omitted). And even with respect to the "dummy source structures" term that Micron cites as being addressed in an IPR, Micron acknowledges that the intrinsic record is already developed, and fails to explain how that development has any material impact on the Court's analysis. *See* Mot., 10. To the contrary, the possibility that the parties might take a position in IPRs that would necessitate the Court revisiting any *Markman* ruling is speculative, at best. And while Micron asserts that the IPRs might "moot" Micron's derivation defenses and ownership counterclaims (Mot., 11-12), this assertion depends on IPRs being instituted and finding unpatentable ***all*** asserted claims that are the subject of those defenses and counterclaims—an even more speculative argument than Micron's other arguments. Micron's arguments about overlapping subject matter (Mot., 12) likewise lack merit because the asserted patents have different claims, specifications, asserted prior art, and infringement theories. And the fact that Micron may need to produce the same discovery in response to multiple patents means that a stay is ***less*** likely to simplify the issues because that discovery will still be relevant if only some, but not all, of the asserted patents are found unpatentable.

The lack of any non-speculative simplification of the issues weighs against a stay.

C. The Prejudice that YMTC Will Suffer Weighs Heavily Against a Stay

In evaluating prejudice, courts typically consider "(1) the timing of the petition for review; (2) the timing of the request for the stay; (3) the status of review proceedings; and (4) the relationship of the parties." *Skillz Platform*, 2022 WL 1189882, at *4 (citation omitted). Considering that Micron's most recent petitions were filed over a year after the original Complaint was filed, Micron's Motion came even later, and the parties are global competitors, the substantial prejudice YMTC would suffer weighs strongly against a stay.

The timing of the petitions and the stay request weigh against a stay. The *YMTC I* Complaint was filed in November 2023. Micron finished filing the *YMTC I* IPRs in May 2024 and never sought to

stay the *YMTC I* claims before the *YMTC I* and *II* cases were consolidated in August 2024. And even after seeking consolidation of that case with *YMTC II*, Micron did not finish filing petitions challenging YMTC's patents until January 2025—roughly 14 months after the *YMTC I* Complaint was filed. This delay of over a year since the original Complaint demonstrates prejudice that weighs against a stay. *See Zomm, LLC v. Apple Inc.*, 391 F. Supp. 3d 946, 957 (N.D. Cal. 2019) ("[T]he Court must consider that Apple's third IPR petition, even if filed diligently, has added another level of delay. Accordingly, the Court finds that this consideration weighs against a stay, at least as to Apple's recently submitted petition for IPR."). Micron's argument that it submitted petitions against the *YMTC I* Patents within six months of *YMTC I*'s filing and submitted petitions against the *YMTC II* Patents within the statutory time frame misses the point. Micron did not seek separate stays for *YMTC I* and *YTMC II*, but instead deliberately sought and received consolidation of those two cases, and only now seeks a stay of the ***entire*** consolidated case. *See* Mot., 1 n.1,13. Micron cites no case granting a stay in similar circumstances.

Most of the proceedings that are the subject of the stay have not been instituted—weighing against a stay. As noted above, 14 of Micron's petitions, covering 36 of YMTC's presently asserted claims, are awaiting institution decisions. And four of Micron's most recently filed petitions have not even been accorded a filing date yet, and as a result, the statutory deadline for the PTAB to issue an institution decision has not even been set in these proceedings. Radsch Decl., ¶ 9. Because none of the deadlines for those proceedings are triggered until the filing date is accorded, if the proceedings are instituted, a final decision likely will not issue for at least another 18 months. *See* 37 C.F.R. §§ 42.107(b), 42.207(b); 35 U.S.C. §§ 314(b), 316(a)(11), 324(c), 326(a)(11) (setting forth preliminary response, institution, and final decision deadlines adding up to roughly 18 months from accordance of a filing date). That extends the duration of this stay until at least August 3, 2026—over a month after trial is scheduled to begin on June 15, 2026. Dkt. 141. Moreover, any appeals of these final written decisions to the Federal Circuit would extend such a stay—meaning it "may still be years before the inter partes review is truly final." *See Verinata Health*, 2014 WL 121640, at *3 (PTAB's final written decision "is still subject to appeal to the Federal Circuit," and therefore "it may still be years before the inter partes review is truly final"); *see also Universal Elecs.*, 943 F. Supp. 2d at 1033 ("There could be a two year delay [in waiting for an IPR to conclude], even before any appellate proceedings that will likely arise ….").

YMTC and Micron are global competitors – weighing against a stay. While YMTC currently does not sell its 3D NAND products in the United States,[10] YMTC and Micron remain global direct competitors, but YMTC is a relative newcomer that has relied on innovation to outcompete more established competitors, including Micron. FAC, ¶¶ 7-8, 10. Micron acknowledges that YMTC, like Micron, sells 3D NAND products on a global basis. *See* Dkt. 170 (Amended Counterclaims), ¶ 19.[11] Indeed, both Micron's public filings and [redacted] call out YMTC as a competitor. *See* Radsch Decl., Exs. D-E. Several of YMTC's 3D NAND customers are also Micron customers. Radsch Decl., ¶ 13. And Micron has asserted infringement of its own patents against YMTC (Dkt. 170), contending that Micron is entitled to "recover for foreign sales if those sales bear a causal relationship to U.S. infringement"—recognizing that the parties compete for international sales, including via infringing efforts that Micron undertakes in the United States, such as product testing and qualification. Dkt. 147, at 3 (citing *Brumfield v. IBG, LLC*, 97 F.4th 854 (Fed. Cir. 2024)); *see also* Dkt. 163, at 2 ("A big issue in dispute between the parties is whether Micron can take discovery into YMTC's worldwide sales of the accused products. The Court thinks the answer is yes.").

Competition in the 3D NAND memory market makes any stay particularly prejudicial because of how quickly 3D NAND technology develops. For example, as explained above, Micron has a two-to-three year cadence for launching new generations of products. Dkt. 170 (Amended Counterclaims), ¶¶ 15-16. Similarly, YMTC's asserted patents relating to 3D NAND technology were all filed within the past seven years, and granted within the past five, with the most recent, the '838 Patent, being granted in June 2024. By the time all appeals are exhausted, the earlier versions of 3D NAND technology at issue may be out of date and information about them lost or unavailable. Moreover, the parties may have developed further technology, and YMTC may obtain additional issued patents, that could further expand the dispute against Micron. Staying YMTC's claims—including its later-raised claims such as those in *YMTC II*—and allowing Micron to concurrently grow its customer relationships, technology, and market share while

[10] If YMTC is later removed from the Department of Commerce's Entity List, it may resume selling products in the US.

[11] *See also, e.g.*, https://www.techinsights.com/blog/ymtc-leading-pioneer-3d-nand (YMTC technology "may lead to the future of 3D NAND technology" over other leaders including Micron; "YMTC is now one of the leading companies in 3D NAND technology").

infringing YMTC patents would severely prejudice YMTC.

Further, Micron is a chip designer that competes for sales in the 3D NAND space in a "design win" market.[12] As explained by the Federal Circuit:

> Chip designers … sell customized chips with designs specifically tailored for incorporating into customers' products. … Because of the customized nature of the chips, designers and potential customers put themselves through a lengthy "sales cycle," involving extensive joint work over several years, before any sale is made and chips enter mass production. Only at the end of that sales cycle, if the chip designer is successful, does it secure a "design win," but that win generally results in a customer's exclusive use of that designer's customized chip for a certain period, amounting to tens or hundreds of millions of chips over several years. … One executive from a now-defunct chip maker called the industry a "winner takes all business."

Carnegie Mellon Univ. v. Marvell Tech. Grp., Ltd., 807 F.3d 1283, 1309 (Fed. Cir. 2015) (citations omitted). As a result, should a stay be granted, YMTC will be forced to compete against its own patented technology at the risk of being shut out of entire customer bases by Micron.

Micron's arguments about purported delays by YMTC in bringing its own claims and the fact that YMTC has been added to the Entity List lack merit. While the political issues surrounding YMTC's claims do not affect the merits of those claims, YMTC was of course mindful before bringing claims in the U.S. in view of the unique issues surrounding this case. These circumstances do not give Micron leeway to infringe YMTC's validly-obtained U.S. patents. And Micron's arguments disputing the scope of Micron's and YMTC's competitive relationship "do not undermine the … prejudice" that YMTC suffers. *See Haptic*, 2024 WL 4859080, at *7 (denying motion to stay); *Entangled*, 732 F. Supp. 3d at 1125.

In sum, the timing of the petitions, Micron's motion to stay, and the competitive relationship between the parties all demonstrate undue prejudice that strongly disfavors a stay.

VI. CONCLUSION

Each of the factors that the Court considers case weighs against a stay in this case. YMTC respectfully requests that the Court deny Micron's motion to stay. To the extent the Court is inclined to grant a stay, any such stay should be limited to only claims for which IPRs have been instituted.

[12] *See, e.g.*, Radsch Decl., Exs. F (identifying YMTC design win), G at 17 (third party monitor referring to "Design win identification" in memory space).

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Respectfully submitted,

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[redacted]

CERTIFICATE OF SERVICE

I hereby certify that on February 3, 2025, I caused the foregoing document and all attachments thereto to be served via the Court's ECF system upon all counsel of record per Civil L.R. 5-1(h).

DATED: February 3, 2025

/s/ Andrew T. Radsch
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