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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

X1 DISCOVERY, INC.,
Plaintiff,

v.

MICROSOFT CORPORATION,
Defendant.

Civil Action No. 8:23-cv-02415-GW-
JDE

**JOINT STATUS REPORT
STATUS CONFERENCE
SCHEDULED MARCH 17, 2025,
8:30 AM**

JOINT STATUS REPORT

1 In accordance with the Court’s Orders issued on March 1, 2024 (Dkt. No. 53)
2 and February 26, 2025 (Dkt. No. 56), Plaintiff X1 Discovery, Inc. (“Plaintiff” or
3 “X1”) and Defendant Microsoft Corporation (“Defendant” or “Microsoft”)
4 (collectively, “the Parties”), respectfully submit the following Joint Status Report in
5 anticipation of the Status Conference scheduled for March 17, 2025.

6 **I. Status of ITC Proceeding**

7 The Court stayed the above-captioned action in its entirety until a final
8 determination by the U.S. International Trade Commission (“ITC”) in the proceeding
9 *In the Matter of Certain Computing Devices Utilizing Indexed Search Systems and*
10 *Components Thereof*, Inv. No. 337-TA-1389 (“the ITC Proceeding”). On February
11 26, 2025, Administrative Law Judge Elliot entered a Final Initial Determination in
12 the ITC Proceeding, finding no violation of Section 337 of the Tariff Act of 1930, as
13 amended, 19 U.S.C. § 1337, by Respondents Acer Inc. and Acer America
14 Corporation; ASUSTek Computer Inc. and ASUS Computer International; and Dell
15 Technologies Inc. and Dell Products L.P.

16 X1 declined to petition for Commission review and certifies that it will not
17 appeal the determination once it becomes final.

18 **II. The Parties’ Positions Regarding Further Proceedings in the Above-**
19 **Captioned Matter**

20 **A. Plaintiff’s Position**

21 The ITC Proceeding has concluded. There are no petitions for review and
22 there will be no appeals to the Federal Circuit. This litigation is subject to a
23 discretionary stay and there is no reason to wait until the formality of the ITC’s
24 issuance of a final determination to lift the stay. The Court should exercise its
25 discretion to lift the stay and move this case forward so that Plaintiff’s rights are not
26 further delayed.
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1 Plaintiff maintains that a stay pending IPR, as Defendant requests, is
2 inappropriate at this time. The IPRs filed by Defendant have not yet instituted—an
3 institution decision is not due until July 27, 2025, over four months from now. As
4 there is no guarantee that the IPRs will be instituted, there is no compelling reason to
5 depart from this Court’s general practice of considering motions to stay pending IPRs
6 only *after* an institution decision. In addition, Microsoft waited until the last possible
7 day to file the IPRs, likely hoping to further delay this litigation.

8
9 Further, despite Defendant’s confidence, institution of Defendant’s IPRs is far
10 from guaranteed and the result of the ITC case does not provide a meaningful guide
11 as to the likelihood of institution or invalidation of the patents asserted in this
12 litigation and challenged in Defendant’s IPRs. These patents are all different from
13 those asserted in the related ITC Investigation and, not surprisingly, the prior art
14 asserted in the IPRs is different from that asserted in the ITC case. Indeed, none of
15 the art found to render obvious the sole patent tried in the ITC case is asserted in any
16 of the IPRs. There is no reason to believe that the outcome at the ITC has any bearing
17 on the validity of the asserted patents in this litigation.

18
19 Defendant has not presented a compelling reason to stay this case prior to an
20 institution decision on the Microsoft IPRs. In addition, a Joint Status Report is not
21 the proper mechanism for requesting a stay pending IPR—Defendant can seek a stay
22 pending IPR by filing a motion once the case is underway. Accordingly, Plaintiff
23 respectfully requests the Court lift the stay and adopt the proposed schedule attached

1 hereto as Exhibit A.

2 **B. Defendant's Position**

3
4 The ITC Proceeding has not concluded, and any request to lift the stay is
5 premature. Irrespective of X1's decision not to petition the commission or otherwise
6 appeal, there is no final determination, and the case should remain stayed at least
7 until the ITC issues its final determination, as previously negotiated between the
8 parties, stipulated and ordered. *See* Dkt. 53 ("This action is STAYED in its entirety
9 until a final determination by the ITC in the ITC Proceeding.") (emphasis added).
10 X1 cannot undo the parties' prior agreement.
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13 Separately, Microsoft filed petitions for *inter partes* review for three of the
14 patents asserted in this litigation (U.S. Patent Nos. 10,552,490; 7,370,035; and
15 9,633,139). These three asserted patents are all related to the patents already deemed
16 either not-infringed, invalid, or both, in the ITC Proceeding. The institution decisions
17 for the Microsoft IPRs are expected to issue no later than July 27, 2025, likely less
18 than three months after a final determination is expected to issue from the ITC. And
19 while true the prior art references are different in the Microsoft IPRs, the claim scope
20 overlaps with the one patent found invalid at the ITC, and the even stronger prior art
21 in the IPRs had not yet been discovered at the time of the invalidity contentions in
22 the ITC investigation. The ITC decision regarding invalidity for multiple reasons
23 (over prior art and under obviousness type double patenting) is reflective of the
24 strength of X1's patents. Indeed, the initial determination found no violation because
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1 the asserted claims of one asserted patent (U.S. Patent No. 8,498,977) were
2 determined not infringed at the summary determination stage (invalidity was not
3 addressed) and the asserted claims of the remaining asserted patent (U.S. Patent No.
4 8,856,093) were found both not infringed and invalid in view of the prior art.
5

6 Defendant therefore respectfully requests that even after the issuance of a Final
7 Determination, the case remain stayed until the resolution of Microsoft's IPRs. The
8 ITC invalidated all claims presented at the hearing, and it is thus likely the PTAB
9 will do the same, which would moot the current litigation. Resuming litigation,
10 including efforts such as claim construction, for patents that are likely to be
11 invalidated at the PTAB, is both inefficient and unnecessary unless and until either
12 the PTAB denies institution or any claim survives IPR. Even if the IPRs are not
13 successful, the additional intrinsic record will be relevant to and may simplify issues
14 to be addressed during the litigation, including early deadlines such as contentions
15 and claim construction. This is also not a typical case, at least because the IPR
16 institution decisions will issue so quickly after the case would otherwise resume, and
17 there is an opportunity to avoid those inefficiencies with a brief continuation of the
18 existing stay, to be further extended if the IPRs are instituted. There is also no
19 prejudice to X1, as its claims can be addressed through monetary damages.
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25 Defendant therefore proposes the parties jointly submit a status report, within
26 two weeks of any institution decision, to apprise the Court of the status of the IPRs.
27 In the event the PTAB declines to institute the Microsoft IPRs, Defendant suggests
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1 that the parties submit their proposed schedules as part of this joint status report. In
2 the event the PTAB institutes the Microsoft IPRs, Defendant respectfully requests
3 that the Court maintain the current stay through the resolution of the Microsoft IPRs.
4 Defendant would be happy to further brief the issue now or upon issuance of the final
5 determination from the ITC.
6

7
8
9 Dated: March 12, 2025

/s/ I. Neel Chatterjee

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ATTESTATION

All signatories listed, and on whose behalf the filing is submitted, concur in the filing's content and have authorized the filing.

/s/ I. Neel Chatterjee

I. Neel Chatterjee

EXHIBIT A

Proposed Schedule

Event	Date
Joint Status Report Due	March 12, 2025
Status Conference	March 17, 2025
Last Day for Defendant to File its Answer to the Complaint	April 7, 2025
Last Day to Amend Pleadings or Add Parties under Fed. R. Civ. P. 15	April 28, 2025
Rule 26(a)(1) Disclosures	May 12, 2025
Plaintiff's Initial Infringement Contentions	May 29, 2025
Defendant's Initial Invalidity Contentions	June 25, 2025
Service of Proposed Claim Terms for Construction	July 9, 2025
Service of Preliminary Claim Constructions	July 23, 2025
Joint Claim Construction Statement	July 30, 2025
Opening Claim Construction Briefs	August 20, 2025
Reply Claim Construction Briefs	September 3, 2025
Claim Construction Hearing	TBD