

Fox Rothschild LLP
James Doroshow (SBN 112920)
jdoroshow@foxrothschild.com
Jeff Grant (SBN 218974)
jgrant@foxrothschild.com
10250 Constellation Blvd., Suite 900
Los Angeles, CA 90067
Tel: 310.598.4150
Fax: 310.556.9828

Marshall, Gerstein & Borun LLP
Benjamin T. Horton (admitted *pro hac vice*)
bhorton@marshallip.com
Ryan N. Phelan (admitted *pro hac vice*)
rphelan@marshallip.com
Isaku M. Begert (admitted *pro hac vice*)
IBegert@marshallip.com
233 South Wacker Drive
6300 Willis Tower
Chicago, IL 60606-6357
(312) 474-6300s

Attorneys for Defendant
Office Kick, Inc.

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

EP FAMILY CORP., a California
Corporation,

Plaintiff,

v.

OFFICE KICK, INC., a Colorado
Corporation,

Defendant.

Case No.: 2:24-cv-00667 AB (PVCx)

**DEFENDANT / COUNTERCLAIM
PLAINTIFF OFFICE KICK,
INC.'S OPPOSITION TO
PLAINTIFF / COUNTERCLAIM
DEFENDANT EP FAMILY
CORP.'S MOTION TO STAY
PROCEEDINGS PENDING *INTER
PARTES* REVIEW**

AND RELATED COUNTERCLAIMS

Hearing

Date: January 31, 2025

Time: 10:00 a.m.

Judge: Hon. André Birotte Jr.

Courtroom: 7B

Exhibit 2017
EP Family v Office Kick
IPR2025-00497

OPPOSITION TO MOTION TO STAY PROCEEDINGS PENDING *INTER PARTES* REVIEW

1 Rather than participate in the APEX procedure, on January 24, 2024, EP
2 Family filed this action for declaratory judgment of non-infringement of the
3 Asserted Patents to avoid Amazon removing EP Family's listings. *See* Dkt. 1.

4 After the parties held a Rule 26(f) conference and submitted a Joint Rule
5 26(f) Report (Dkt. 32), the Court entered a Scheduling Order on June 25, 2024.
6 Dkt. 35.

7 Pursuant to the Court's Scheduling Order (Dkt. 35), the parties identified
8 claim terms for construction, proposed claim constructions, and prepared and filed
9 a Joint Claim Construction Prehearing Statement (Dkt. 44). Opening claim
10 construction briefs were due on October 4, 2024. Dkt. 45. Responsive claim
11 construction briefs were due on October 18, 2024. Dkt. 45. A claim construction
12 hearing was scheduled for November 1, 2024. Dkt. 45.

13 On the eve of opening claim construction briefs, EP Family proposed staying
14 the case to negotiate a settlement, and on August 28, 2024, the parties met and
15 conferred and Office Kick agreed to stay the case for 90 days to negotiate
16 settlement. *See* Dkt. 45. On September 6, 2024, EP Family filed a Joint Stipulation
17 to Stay Proceedings Pending Settlement Discussions (Dkt. 45). On the same day
18 that EP Family filed the Stipulation, EP Family rejected Office Kick's settlement
19 offer and indicated that it was going to continue selling the allegedly infringing
20 products and file IPRs on the Asserted Patents. Declaration of Isaku M. Begert
21 ("Begert Decl.") at ¶2. On September 11, 2024, the Court granted the Joint
22 Stipulation to Extend all Deadlines and Court Hearings, staying the case for 90
23 days, to resume on December 10, 2024. Dkt. 47.

24 On the eve of the stay expiring, in late November, EP Family finally
25 responded to Office Kick's repeated inquiries about settlement, rejecting
26 settlement in favor of filing IPRs against the Asserted Patents. Begert Decl. at ¶3.
27

1 On December 10, 2024, the 90-day stay of the case expired, and Office Kick
2 promptly served discovery requests and deposition notice on EP Family. Begert
3 Decl. at ¶4.

4 On December 13, 2024, the parties met and conferred pursuant to L.R. 7-3
5 on EP Family’s Motion to Stay. *Id.* at ¶5. In an effort to avoid unnecessary motion
6 practice and expense, Office Kick made a generous offer, including licensing terms
7 for settlement based on the outcome of the IPRs, which EP Family accepted. *Id.* at
8 ¶6. When Office Kick attempted to have the parties formally execute the
9 aforementioned licensing terms (e.g., in a written term sheet), EP Family reneged,
10 threatened sanctions, and then filed its Motion to Stay on December 24, 2024. *See*
11 Dkt. 49.

12 **III. LEGAL STANDARD**

13 “A district court has the inherent power to stay its proceedings. The power
14 to stay is ‘incidental to the power inherent in every court to control the disposition
15 of the causes on its docket with economy of time and effort for itself, for counsel,
16 and for litigants.’” *Rivers v. Walt Disney Co.*, 980 F. Supp. 1358, 1360 (C.D. Cal.
17 1997) (quoting *Landis v. N. Am. Co.*, 299 U.S. 248, 254 (1936)). Conversely, “a
18 court is under no obligation to delay its own proceedings by yielding to ongoing
19 PTAB patent reexaminations—even if the reexaminations are relevant to the
20 infringement claims before the Court.” *Pinn, Inc. v. Apple, Inc.*, No. SA CV 19-
21 01805-DOC-JDE, 2020 WL 6064642, at *1 (C.D. Cal. Aug. 27, 2020) (quoting
22 *Robert Bosch Healthcare Sys., Inc. v. Cardiocom, LLC*, No. C-14-1575 EMC, 2014
23 WL 3107447, at *3 (N.D. Cal. July 3, 2014)); *see also Viskaske Corp. v. Am. Nat’l*
24 *Can Co.*, 261 F.3d 1316, 1328 (Fed. Cir. 2001).

25 District courts generally apply three factors to requests to stay pending IPR:
26 “(1) whether discovery is complete and whether a trial date has been set; (2)
27 whether a stay will 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 nonmoving party.” *Universal Elecs., Inc. v. Universal Remote Control, Inc.*, 943 F. Supp. 2d 1028, 1030-31 (C.D. Cal. 2013) (quotations omitted); *see also*, *e.g.*, *Finjan, Inc. v. Symantec Corp.*, 139 F. Supp. 3d 1032, 1035 (N.D. Cal. 2015). While these factors are important, ultimately “the totality of the circumstances governs.” *Allergan Inc. v. Cayman Chem. Co.*, No. 8:07-cv-01316 JVS (RNBx), 2009 WL 8591844, at *2 (C.D. Cal. Apr. 9, 2009). The party seeking a stay bears the burden to demonstrate that a stay is warranted. *See, e.g.*, *Finjan*, 139 F. Supp. 3d at 1035.

IV. ARGUMENT

On balance, considering the totality of the circumstances, EP Family’s motion to stay pending IPR is not warranted due to EP Family’s dilatory conduct and because any simplification of the issues is purely speculative.

A. Stage of Litigation

This factor considers “whether discovery is complete and whether a trial date has been set.” *See Universal Elecs.*, 943 F. Supp. 2d at 1030-31. This case was filed on January 24, 2024, a Scheduling Order has been entered, some party discovery has occurred, and some *Markman*-related work is underway. Nevertheless, “there is more work ahead of the parties and the Court than behind.” *Realtime Data LLC v. Teradata Operations, Inc.*, No. 2:16-cv-02743 AG (FFMx), 2017 WL 3453295, at *2 (C.D. Cal. Feb. 27, 2017).

Thus, this factor would normally slightly favor granting a stay. However, the only reason that the case is not farther along is because EP Family secured a 90-day stay of the case, under the guise of settlement negotiations. Now having concluded the 90-day stay of the case, EP Family’s reason to do so is clear: to give EP Family more time to prepare its IPR petitions and support its efforts to further delay resolution of its alleged infringement (which, as noted above, greatly benefits

1 EP Family since it continues to sell Accused Products on Amazon and elsewhere).
2 During the 90-day stay, EP Family did not meaningfully participate in settlement
3 negotiations nor timely respond to Office Kick’s proposals. Instead, EP Family
4 failed to conduct any negotiations with Office Kick whatsoever with respect to
5 licensing percentages or amounts for purposes of settlement. We now know that
6 EP Family used the 90-day stay to search for prior art to support a supposed IPR
7 defense (EP Family has yet to file any IPR). Thus, EP Family’s statements to this
8 Court regarding the 90-day stay for purposes of seeking settlement were not
9 entirely made in good faith.

10 In support of its Motion to Stay, EP Family notes that discovery is still in its
11 early stages and claim construction is not complete. EP Family also admits that the
12 reason that this case has not progressed farther is “because of the 90-day stay
13 entered.” Dkt. 49 at 5. EP Family conspicuously fails to acknowledge that, had it
14 not induced Office Kick to agree to a stay under false pretenses, claim construction
15 would have already been completed. *See* Dkt. 35 (Claim construction hearing
16 scheduled for November 1, 2024).

17 **B. Simplification of Issues**

18 This factor considers “whether a stay will simplify the issues in question and
19 trial of the case.” *Aten Int’l Co. Ltd. v. Emine Tech. Co., Ltd.*, No. 8:09-cv-00843
20 AG (MLGx), 2010 WL 1462110, at *6 (C.D. Cal. April 12, 2010).

21 Here, the PTAB’s decision whether to institute proceedings is not due until
22 some unspecified time more than 6 months in the future. Importantly, this is true
23 because EP Family has not yet filed its alleged IPRs and, even if EP Family does
24 file its IPR(s), the PTAB’s decision to institute would not come due until 6 months
25 after that filing. Although courts sometimes enter a stay before the PTAB has
26 instituted proceedings, EP Family has not even filed its IPRs yet, nor has it made
27 any case whatsoever for why institution would be likely. *See MZ Audio Sciences,*

1 *LLC v. Sony Grp. Corp.*, No. 2:22-cv-00866-AB-PD, at 3 (C.D. Cal. Oct. 27, 2022).
2 The requested stay is therefore based only on a ***potential*** filing of one or more IPR
3 petition(s), so any simplification of this case as a result of PTAB proceedings is
4 purely speculative. *See id.*; *see also Netlist, Inc. v. Swart Storage Sys., Inc.*, No.
5 13-cv-5889, 2014 WL 4145412, at *3 (N.D. Cal. Aug. 21, 2014) (“[T]he mere
6 filing of a petition for inter partes review tells the Court little about whether such
7 a decision is likely.”); *CANVS Corp. v. U.S.*, 118 Fed. Cl. 587, 592 (2014) (holding
8 burden is on moving party to show stay is appropriate, “and such showing must be
9 based on more than the mere fact that a petition for [IPR] was filed”). Counsel is
10 also unaware of any case in any district in which a stay pending IPR was granted
11 based on potential IPRs that had not yet been filed with the PTAB.

12 This factor weighs heavily against a stay.

13 **C. Undue Prejudice/Tactical Disadvantage**

14 When considering prejudice or a clear tactical disadvantage to Plaintiff, the
15 Court considers factors “such as the timing of the requests for reexamination and
16 a stay, the status of the reexamination proceedings, and the relationship of the
17 parties.” *See SCA Hygiene Prods. Aktiebolag (“AB”) v. Tarzana Enterprises, LLC*,
18 No. 2:17-cv-04395-AB (JPRx), 2017 WL 5952166, at *5 (C.D. Cal. Sept. 27,
19 2017).

20 Here, the parties are direct competitors who sell competing products,
21 including desk risers, on Amazon. OKI attempted to resolve EP Family’s
22 infringement via Amazon’s APEX procedure, but EP Family chose to file this
23 lawsuit instead so that it could keep selling the infringing products. EP Family
24 continues to sell and will continue to sell infringing products during a stay granted
25 by this Court. By selling its infringing products, EP Family causes OKI to lose
26 customers and goodwill. Knapp Decl. at ¶¶3-6.

1 The prejudice to OKI is further amplified by EP Family’s dilatory conduct.
2 For example, EP Family argues that a stay cannot prejudice OKI because OKI
3 agreed to stay the case for 90 days for settlement discussions. Dkt. 49 at 7. In other
4 words, and as discussed above, EP Family delayed the state of the case under the
5 guise of settlement for 90 days, only to turn around and use that same state of the
6 case to argue for further delay and an additional stay of the proceedings. *Id.* As
7 previously discussed, EP Family did not make a good faith effort to participate in
8 settlement negotiations and was presumably using the 90 days to search for prior
9 art while continuing to sell infringing products. Moreover, EP Family has NOT
10 EVEN FILED IPR petitions to date and has moved for a stay based purely on its
11 statement that it will file IPRs before the January 31, 2025 hearing date. *See* Dkt.
12 49 at 4 (“Plaintiff now moves to stay these proceedings pending final resolution of
13 its petitions for *inter partes* review of the Asserted Patents, **which will be filed**
14 **prior to the hearing on this Motion.**”) (emphasis added); *see also id.* at 6
15 (“Plaintiff’s petitions for the IPR Proceedings will be filed prior to the hearing on
16 this Motion”).

17 EP Family further attempts to obscure its dilatory conduct and confuse the
18 issue by making statements that false imply that EP Family has already filed IPRs
19 on the Asserted Patents. *See, e.g.,* Motion, Dkt. 49 at 3 (“seeks to stay this
20 proceeding pending the outcome of the *inter partes* reviews ... **filed with the**
21 **Patent Trial and Appeal Board**”) (emphasis added); *id.* at 6 (“Court would likely
22 face a second motion to stay once the IPR Proceedings are instituted”).

23 EP Family’s speculative and improper motion should be denied.

24 //

25 //

26 //

27 //

1 **V. CONCLUSION**

2 Based on the foregoing, Office Kick respectfully requests that the Court
3 deny Plaintiff's Motion to Stay Proceedings Pending *Inter Partes* Review.
4

5
6 DATED: January 3, 2025

Respectfully submitted,

7 By: /s/ Isaku Begert
8 James Doroshow
9 Jeff Grant
10 Benjamin T. Horton
11 Ryan N. Phelan
12 Isaku M. Begert
13 Attorneys for Defendant,
14 Office Kick, Inc.
15
16
17
18
19
20
21
22
23
24
25
26
27

CERTIFICATE OF COMPLIANCE

The undersigned, counsel of record for Defendant Office Kick, Inc.
certifies that this brief contains 2,190 words, which complies with the word limit
of L.R. 11-6.1.

Dated: January 3, 2025

/s/ Isaku Begert
Isaku Begert