

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS**

ZIKLAG IP LLC,

Plaintiff,

v.

APPLE INC.,

Defendant.

Case No. 1:24-cv-01787

JURY TRIAL DEMANDED

JOINT MOTION TO STAY DISCOVERY DEADLINES

Plaintiff Ziklag IP, LLC (“Ziklag”) and Defendant Apple Inc. (“Apple”), by and through their undersigned counsel, respectfully move the Court to stay discovery, including all deadlines under the Northern District of Illinois Local Patent Rules, and the corresponding obligation of the parties to provide a schedule for discovery and pretrial deadlines, pending disposition of Apple’s forthcoming motion to dismiss. In support of their joint motion, the parties respectfully state as follows.

1. Touchmusic Entertainment LLC (“Touchmusic”) filed the initial complaint in this action against Apple on March 2, 2024. (Dkt. 1.) In that complaint, Touchmusic alleged Apple infringed one patent—U.S. Patent No. 6,182,128 (the “’128 Patent”). (Dkt. 1 ¶¶ 4, 7.) The ’128 Patent expired on March 5, 2018. (Dkt. 20 ¶ 4.) Under 35 U.S.C. § 286, a plaintiff cannot recover for any alleged infringement committed more than six years prior to the filing of its complaint. (*Id.*) Thus, the last date on which any entity could have properly filed a complaint alleging infringement of the ’128 Patent was March 5, 2024, six years after the patent expired.

2. As of March 2, 2024, when Touchmusic filed its initial complaint—and at all times between August 1, 2014 and April 12, 2024—Touchmusic’s corporate status was suspended.

3. On April 18, 2024, Ziklag was organized in Tennessee as a limited liability corporation. (Dkt. 20 ¶ 2.) Ziklag alleges Touchmusic assigned the '128 Patent to it on the same day. (*Id.* ¶ 3.)

4. On May 24, 2024, Ziklag filed an amended complaint substituting itself for Touchmusic as the plaintiff. (Dkt. 20.) The amended complaint asserts the same claims for infringement of the '128 Patent as did the initial complaint. (*Id.* ¶ 3.)

5. Apple intends to file a motion to dismiss Ziklag's claims as time-barred in their entirety. Apple alleges that, as a suspended California LLC, Touchmusic lacked the power to file suit. Apple further alleges that, although Touchmusic states that it revived its status as a California LLC as of April 12, 2024, Touchmusic's "revival d[id] not prevent the running of the statute of limitations." *Ctr. for Self-Improvement and Cmty. Dev. v. Lennar Corp.*, 173 Cal. App. 4th 1543, 1554 (Cal. App. 1st Dist. 2009). And, as noted above, the six-year statute of limitations here expired on March 5, 2024, while Touchmusic's corporate powers were suspended. Finally, Apple contends that Touchmusic's alleged assignment of the '128 Patent to Ziklag and substitution of Ziklag as plaintiff after the statute of limitations expired does not defeat Apple's statute of limitations defense. Ziklag disagrees.

6. The parties have agreed to stay all deadlines, including those under the Local Patent Rules, until the Court reaches a decision on Apple's forthcoming motion to dismiss. While Ziklag disagrees with the substance of Apple's motion, the parties agree that due to the threshold nature of the issue raised, and the fact that the putative damages window in this case cannot exceed a period of three calendar days, it would be inefficient to engage in discovery, claim construction, and related motions practice before Apple's forthcoming motion to dismiss is resolved.

7. "In determining whether good cause exists to stay discovery during the pendency

of a motion to dismiss, courts consider the following factors: (1) whether a stay will prejudice the non-moving party; (2) whether a stay will simplify the issues in the case; and (3) whether a stay will reduce the burden of litigation for the parties or the court.” *Liggins v. Reicks*, Case No. 3:19-cv-50303, 2021 WL 2853359, at *1 (N.D. Ill. Jul. 8, 2021) (citing *Harper v. Cent. Wire, Inc.*, No. 19 CV 50287, 2020 WL 5230746, at *1 (N.D. Ill. Sept. 2, 2020)).

8. The parties agree that a stay of discovery will not unduly prejudice or tactically disadvantage any party.

9. The parties agree that a stay of discovery will simplify the issues in question and streamline trial. Apple’s forthcoming motion to dismiss will argue that Touchmusic’s alleged assignment of the ’128 Patent to Ziklag and subsequent substitution of Ziklag as the plaintiff in this suit after the statute of limitations expired does not defeat Apple’s statute of limitations defense acquired during the time Touchmusic’s right to act as a corporate entity was suspended. The parties agree that, if granted, Apple’s motion to dismiss would be dispositive of all Ziklag’s claims in this suit and would thus “resolve an important threshold issue.” *Bianchi v. Tonigan*, No. 12 C 0364, 2012 WL 5906536, at *1 (N.D. Ill. Nov. 26, 2012). Accordingly, “staying discovery during the pendency of [this] motion is ‘not disfavored and [is] [] appropriate.’” *Vital Proteins, LLC v. Ancient Brands, LLC*, No. 22-cv-02265, 2023 WL 5671857, at *3 (N.D. Ill. Sept. 1, 2023) (quoting *Bilal v. Wolf*, No. 06 C 6978, 2007 WL 1687253, at *1 (N.D. Ill. June 6, 2007)) (internal citations omitted).

10. The parties agree that a stay of discovery will reduce the burden of conducting discovery and litigating discovery issues on them and the Court. Absent a stay, fact discovery would open, and the parties would begin exchanging infringement and invalidity contentions, conducting document discovery and, thereafter, deposition discovery, as well as making filings

relating to claim construction. A stay will avoid the need for the parties to engage in this activity and any related motions practice before Apple's forthcoming motion to dismiss is resolved, and for the Court to expend resources addressing any motion practice that may arise or conducting claim construction proceedings.

WHEREFORE, the parties respectfully request that the Court grant their motion to stay discovery, including all deadlines under the Northern District of Illinois Local Patent Rules, pending disposition of Apple's motion to dismiss.

Date: May 31, 2024

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that all counsel of record who are deemed to have consented to electronic service are being served with a copy of this document via the Court's CM/ECF system on May 31, 2024.

Date: May 31, 2024

/s/ Michael T. Pieja
Michael T. Pieja