IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

Shenzhen Shokz Co., Ltd., *Plaintiff,* v. Shenzhen Wenming Technology Co., Ltd., guizhoushengxinhongshengshangmaoyouxiangongsi, Shenzhen Youbo Technology Co., Ltd., Shanghai Kushi Information Technology Co., Ltd., Suzhou Mojawa Intelligent Electronic Co., Ltd., MRNEIO LLC *Defendants*.	Case No. 1:24-cv-06717 **JURY TRIAL DEMANDED**

DEFENDANT SUZHOU MOJAWA INTELLIGENT ELECTRONIC CO., LTD.'S
MOTION TO STAY PENDING RESOLUTION OF IPR PROCEEDINGS

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I. INTRODUCTION

Suzhou Mojawa Intelligent Electronic Co., Ltd. ("Mojawa") respectfully requests that the Court stay this case pending resolution of two pending *inter partes* review ("IPR") proceedings. Mojawa's IPR petitions challenge the validity of 17 of the total 20 asserted claims of the two asserted patents and have the potential to significantly reduce Shenzhen Shokz Co., Ltd.'s ("Shokz") infringement claims. In deciding whether to grant a stay, courts generally consider three factors. Each relevant factor weighs in favor of staying the case.

First, a stay will simplify the issues of the case and streamline trial. Mojawa has challenged the majority of the asserted claims of each asserted patent. If Mojawa's IPR petitions are successful, Shokz's infringement allegations will be reduced to three total claims. Even if some claims survive Mojawa's petitions, the issues in this case will still be narrowed by the Patent Trial and Appeal Board ("PTAB") of the United States Patent and Trademark Office decisions and the positions Shokz takes regarding the scope of its claims and the prior art in responding to the petitions.

Second, a stay would reduce the burden of litigation on the parties and on the court. The case is still in the early stages. No depositions have been taken and the claim construction process has yet to begin. If Mojawa's IPRs result in cancellation of the majority of Shokz's claims, the scope of the case would be narrowed significantly, resulting in less issues for discovery, claim construction, or trial. This would reduce expenditure of time and resources by the parties and the court, while also preventing any wasted resources litigating the same issues in two different forums.

Third, a stay will not unduly prejudice or cause any tactical disadvantage to Shokz. Courts have found that delay caused by the IPR process is neither unduly prejudicial nor a

compelling reason to deny a motion for stay. Also, the requested stay will be relatively short because the PTAB must decide whether to institute the IPRs within six months of the accorded filing dates and must make a final decision on the IPRs withing one year after institution, if instituted.

As all factors weigh in favor of staying the case, Mojawa respectfully requests the Court grant its motion to stay the case until the PTAB decides whether to institute the IPRs. If the PTAB institutes Mojawa's petitions, Mojawa requests that the case be stayed until the PTAB proceedings are complete.

II. BACKGROUND

Shokz filed its complaint against Mojawa on July 31, 2024, asserting two patents: U.S. Patent Nos. 11,310,582 (the "'582 patent") and 11,197,084 (the "'084 patent"). Dkt. No. 1. Shokz's complaint also named other defendants[1], including MRNEIO LLC ("MRNEIO") who moved to dismiss Shokz's claims on September 18, 2024. Dkt. No. 20. While MRNEIO's motion to dismiss was pending, discovery was stayed as to MRNEIO. Dkt. No. 24.

On December 18, 2024, Mojawa answered Shokz's complaint. Dkt. No. 35. Mojawa filed petitions for *inter partes* review of both the '582 patent and the '084 patent on April 30, 2025 and May 8, 2025, respectively. *See* Declaration of Matthew Satchwell at Exhibit A (the '582 Petition), Exhibit B (the '084 Petition). On May 29, 2025, Shokz served an identification of its asserted claims pursuant to the Court's order (Dkt. No. 50) and Local Patent Rule 3.1(a)(1). Mojawa's petitions challenge the validity of 37 claims of the asserted patents, including eight of the ten asserted claims of the '582 patent and nine of the ten asserted claims of the '084 patent,

[1] The other named defendants failed to respond to any filings and Shokz's motion for entry of default (Dkt. No. 40) was granted by the Court. Dkt. No. 43.

as shown in the table below. Only three asserted claims, *i.e.*, claims 13 and 15 of the '582 patent and claim 11 of the '084 patent, are not challenged in Mojawa's IPR petitions.

Asserted Patent	IPR No.	Challenged Claims	Asserted Claims
11,310,582	IPR2025-00843	1-12, 14, 16-20	1, 7-11, 13-15, 19
11,197,084	IPR2025-00842	1-10, 12-20	1, 7-15

The PTAB is expected to issue institution decisions by November 30, 2025, for the '582 patent and December 8, 2025, for the '084 patent; final written decisions would be expected around December 8, 2026.[2]

Fact discovery is not scheduled to close until January 29, 2026. Dkt. No. 50. The parties have not engaged in any claim construction or expert discovery, no depositions have been taken, and no trial date has been set. *Id*. On June 9, 2025, the parties met and conferred, and Shokz confirmed that it would oppose Mojawa's motion to stay the case.

III. LEGAL STANDARD

"The ability to stay cases is an exercise of a court's inherent power to manage its own docket." *Murata Mach. USA v. Daifuku Co.*, 830 F.3d 1357, 1361 (Fed. Cir. 2016); *see also Black & Decker Inc. v. Positec USA, Inc.*, No. 13-cv-3075, 2013 WL 5718460, at *1 (N.D. Ill. Oct. 1, 2013) ("This court has the authority to stay, at its discretion, an action pending PTO review." (citing *Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1427 (Fed. Cir. 1988)); *Ignite USA, LLC v. Pac. Mkt. Int'l, LLC*, No. 14 C 856, 2014 WL 2505166, at *2 (N.D. Ill. May 29, 2014) (staying case pending IPR institution decisions). In determining whether a stay is appropriate, district courts look to the following three factors: (1) whether a stay will simplify the issues in

[2] These dates are estimates based on the PTAB's typical timeframes. *See* 37 C.F.R. § 42.100.

question and streamline the trial; (2) whether a stay will reduce the burden of litigation on the parties and the court; and (3) whether a stay will unduly prejudice or tactically disadvantage the non-moving party. *See Ignite*, 2014 WL 2505166, at *2.

This Court has previously recognized the appropriateness of staying a case even prior to IPR institution. *See, e.g., Black & Decker*, 2013 WL 5718460; *Ignite*, 2014 WL 2505166; *Medline Indus., Inc. v. C.R. Bard, Inc.*, No. 14 C 3618, 2015 WL 13955997, at *2 (N.D. Ill. Feb. 11, 2015); *T-Rex Prop. AB v. Adaptive Micro Sys., LLC*, No. 16-cv-5667, 2017 WL 372311 (N.D. Ill. Jan. 26, 2017); *Putco, Inc. v. Carjamz Com Inc.*, No. 20-CV-50109, 2021 WL 4926499, at *3 (N.D. Ill. Mar. 2, 2021).

IV. ARGUMENT

All three factors favor staying this case. First, a stay is certain to simplify the issues of the case due to Mojawa's IPRs challenging the majority of the asserted claims. Even if some claims survive the IPR proceedings, the scope of the remaining claims will be narrowed by the PTAB's statements in its written decisions and by the positions taken by Shokz in opposing the IPR petitions. Second, this case is still in the early stages of discovery and staying the case now has the ability to preserve the resources of the parties and the court while the PTAB decides whether to institute Mojawa's IPRs. Third, Shokz will not be prejudiced by a stay because any delay caused by a stay is not considered unduly prejudicial, and Shokz's actions thus far supports a finding that a stay would not be prejudicial. Therefore, Mojawa's request to stay the case is warranted and well within the Court's discretion.

A. Factor No. 1: A Stay Will Simplify the Issues of the Case.

The first factor – simplification of the issues – weighs in favor of staying the case. A stay of the case will simplify the issues and streamline the litigation because any claims found invalid

by the PTAB will be removed from this litigation altogether. "One purpose of the PTO's review process is 'to eliminate trial of that issue (when the claim is canceled) or to facilitate trial of that issue by providing the district court with the expert view of the PTO (when a claim survives the reexamination proceeding." *Oil-Dri Corp. of Am. v. Nestle Purina Petcare Co.*, No. 15-cv-1067, 2015 WL 13650951, at *2 (N.D. Ill. May 5, 2015) (citing *Gould v. Control Laser Corp.*, 705 F.2d 1340, 1342 (Fed. Cir. 1983)); *see also Ignite*, 2014 WL 2505166, at *4 ("If the USPTO cancels all or some of the asserted claims, then the issue of infringement for those claims would no longer exist."). Even if the PTAB finds some or all challenged claims to be valid, the PTAB's review of the challenged claim "may narrow or dispose of claims, arguments, and defenses." *Oil-Dri Corp. of Am.*, 2015 WL 13650951 (stating "this factor weighs in favor of the Court staying the proceedings during reexamination"). Further, "[t]he fact that the PTAB has not yet rendered institution decisions does not eliminate the benefits of a stay. *T-Rex Prop. AB v. Adaptive Micro Sys., LLC*, No. 16 C 5667, 2017 WL 372311, at *3 (N.D. Ill. Jan. 26, 2017).

Although Mojawa's IPRs do not challenge all asserted claims, the case can still be simplified by the PTAB's review of the challenged claims which may be found invalid and reduce both the quantity and scope of the asserted claims, thereby simplifying the case. Indeed, in weighing this factor, "[t]he court evaluates whether review would simplify the issues in question, not whether it could eliminate every issue in the case." *Black & Decker*, 2013 WL 5718460, at *2; *Trading Techs. Int'l, Inc. v. BCG Partners, Inc.*, 186 F. Supp. 3d 870, 874 (N.D. Ill.), *aff'd sub nom. Trading Techs. Int'l, Inc. v. Rosenthal Collins Grp., LLC*, 669 F. App'x 568 (Fed. Cir. 2016) (finding the benefits of a stay "would even exist if only *some* of the litigated claims were undergoing review."). Given that Mojawa's IPRs challenge both asserted patents, including 17 of the 20 asserted claims (as well as 20 additional unasserted claims), simplification

of the issues is nearly certain, and any arguments to the contrary ring hollow because "the relevant inquiry here, however, is not whether the IPR would completely resolve this case, but rather whether it could make this litigation simpler and more efficient." *Intell. Ventures II LLC v. Com. Bancshares, Inc.*, No. 2:13-CV-04160-NKL, 2014 WL 2511308, at *3 (W.D. Mo. June 4, 2014) (citing *Black & Decker*, 2013 WL 5718460, at *2).

Thus, this factor weighs in favor of staying the case.

B. <u>Factor No. 2</u>: This Case Is in Its Infancy and A Stay Would Conserve Resources.

The second factor also weighs in favor of staying the case. "Staying a case at an early juncture can be said to advance judicial efficiency and maximize the likelihood that neither the Court nor the parties expend their assets addressing invalid claims." Trading Techs. Int'l, 2015 WL 1396632. This case is still in the early stages of discovery and neither party has noticed any depositions, taken expert discovery, or engaged in claim construction briefing. Indeed, no trial date has been set and fact discovery does not close until next year. Dkt. No. 50. This early stage favors staying the litigation. *See VirtualAgility Inc. v. Salesforce.com, Inc.*, 759 F.3d 1307, 1317 (Fed. Cir. 2014) (finding the stage of litigation factor favored a stay where no trial date had been set, fact discovery had yet to be completed, and claim construction statements had yet to be filed). Similarly, defendant MRNEIO is at an even earlier stage of the case given that discovery between Shokz and MRNEIO was stayed since September 26, 2024. Dkt. No. 24. This factor likewise favors staying the case for MRNEIO as well.

Additionally, the parties and the Court would benefit from a stay because the stay would prevent any waste of resources or time. Claim construction is scheduled to begin over a month from now, and a stay of the case would allow the parties to conduct claim construction with

additional intrinsic evidence and insight provided by the PTAB by way of its institution decisions. Moreover, Shokz's responses to Mojawa's petitions will shed additional light as to the scope of the asserted claims. *Aylus Networks, Inc. v. Apple Inc.*, 856 F.3d 1353, 1359-61 (Fed. Cir. 2017) (holding statements made in IPRs can operate as prosecution history disclaimer, noting that extending prosecution disclaimer doctrine to IPR proceedings "promotes the public notice function of the intrinsic evidence" (quoting *Omega Eng'g, Inc. v. Raytek Corp.*, 344 F.3d 1314, 1323-24 (Fed. Cir. 2003)). Conducting claim construction without this information would hinder the parties from sufficiently arguing the proper scope of the asserted claims and would serve as an inefficient and wasteful exercise because the parties would likely need to file supplemental briefing to address the new intrinsic evidence.

Further, if Mojawa's IPRs are successful, a majority of the asserted claims would be invalidated and removed from this litigation. These invalid claims would no longer be at issue and would not be subject to additional discovery, claim construction, or trial. Without a stay of the case, the parties would continue litigating issues regarding claims that may be eliminated altogether. Thus, a stay in the early stages of this case would promote judicial efficiency and conserve the Court's and the parties' resources by not litigating patent claims that may ultimately be found unpatentable by the PTAB. *Ignite*, 2014 WL 2505166, at *4 (granting pre-institution stay because "simultaneous proceedings present[ed] substantial risks that the parties and this court would expend resources unnecessarily"); *see also Jab Distribs., LLC v. London Luxury, LLC*, No. 09 C 5831, 2010 WL 1882010, at *5 (N.D. Ill. May 11, 2010) ("if this litigation proceeds, in tandem with the [PTAB] reexamination proceedings, the parties will have wasted their resources that ultimately may be mooted by the [PTAB]'s findings.").

The arguments in favor of staying the case are likewise applicable to MRNEIO who would also benefit from a stay of the case. MRNEIO who has yet to engage in any discovery or serve invalidity contentions. Because discovery was stayed for MRNEIO September 26, 2024, Mojawa's request for a stay is nothing more than status quo for Shokz's claims against MRNEIO. Indeed, the stay would prevent MRNEIO and Shokz from expending resources engaging in discovery and serving contentions on claims that may be invalidated by the PTAB.

This factor also weighs in favor of staying the case.

C. Factor No. 3: A Stay Will Not Be Unduly Prejudicial or Be Tactically Disadvantageous to Shokz.

Shokz will not suffer any undue prejudice or tactical disadvantage from a stay of litigation. As this district has recognized, the delay associated with a stay is not inherently unduly prejudicial. *Ignite*, 2014 WL 2505166, at *2 ("the fact that an IPR will cause some degree of delay, in and of itself, is not dispositive of whether a party will suffer undue prejudice."); *Black & Decker*, 2013 WL 5718460, at *2.

To the extent Shokz contends it will suffer undue prejudice as a result of the stay, its actions to date undermine any such arguments. Shokz has not aggressively pursued discovery or sought preliminary injunctive relief to prevent any sales or allegedly infringing acts by Mojawa, even the parties have been litigating in a dozen of patent infringement and validity cases in a foreign jurisdiction—China—since several years ago. Shokz's failure to do so confirms that it will not suffer undue prejudice by any delay associated with a stay of litigation. *See, e.g.*, *Medline Indus., Inc.*, 2015 WL 13955997, at *1 ("[Plaintiff] has not sought a preliminary injunction in this litigation, which suggests that any prejudice to [Plaintiff] that might result from delaying the ultimate resolution of this dispute is not as severe as it now contends.");

VirtualAgility, Inc. v. Salesforce.com, Inc., 759 F.3d 1307, 1320 (Fed. Cir. 2014) ("patentee's delays in pursuing suit and seeking preliminary injunctive relief belie its claims that it will be unduly prejudiced by a stay."); *Visual Interactive Phone Concepts, Inc. v. Samsung Telecomms. Am., LLC*, No. 11-12945, 2012 WL 1049197, at *3 (E.D. Mich. Mar. 28, 2012) (failure to move for injunction "further supports a finding that a stay would not be unduly prejudicial."). Mojawa, on the other hand, timely filed its petitions for *inter partes* review as soon as practicable after this litigation began and well before the one year statutory period. 35 U.S.C. § 315(b).

Similar to the first two factors, the third factor of undue prejudice also weighs in favor of staying the case.

V. CONCLUSION

For the foregoing reasons, the Court should stay this case pending a decision from the PTO on whether to institute *inter partes* review of the asserted Patents.

Dated: June 12, 2025

Respectfully submitted,

By: */s/ Matthew Satchwell*

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CERTIFICATE OF SERVICE

I, Matthew Satchwell, hereby certify that on June 12, 2025, a copy of the foregoing was served on all counsel of record via electronic mail.

/s/ *Matthew Satchwell*
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