IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION

RESONANT SYSTEMS, INC., d/b/a RevelHMI, *Plaintiff*, v. SONY GROUP CORPORATION and SONY INTERACTIVE ENTERTAINMENT INC., *Defendants*.	§ § § § § § § § § § § §	CIVIL ACTION NO. 2:22-CV-00424-JRG

ORDER

Before the Court is Defendants Sony Group Corporation and Sony Interactive Entertainment Inc.'s (collectively, "Sony" or "Defendants") Motion to Stay Pending IPR (the "Motion to Stay"). (Dkt. No. 54.) In the Motion, Defendants asks the Court to stay this case pending final decisions in third party Samsung's petitions for *inter partes* review ("IPR") of U.S. Patent Nos. 9,369,081 and 9,941,830. (*Id.* at 1.) Having considered the Motion to Stay, and for the reasons stated herein, the Court finds that the Motion to Stay should be and hereby is **DENIED**.

On October 26, 2022, Resonant Systems, Inc. d/b/a RevelHMI ("RevelHMI" or "Plaintiff") filed a Complaint against Defendants, accusing Defendants of directly and indirectly infringing U.S. Patent Nos. 8,860,337; 9,369,081; and 9,941,830 (collectively, the "Asserted Patents"). (Dkt. No. 1.)

In another litigation before this Court, Plaintiff asserts the '081 and '830 patents against Samsung. *See Resonant Sys. d/b/a RevelHMI v. Samsung Elec.*, No. 2:22-cv-00423-JRG, Dkt. No.

1 (E.D. Tex. Oct. 26, 2022). Following the institution of Samsung's IPRs on the '081 and '830 patents ("the Samsung IPRs"), this Court stayed proceedings in that case. (*Id.* at Dkt. No. 83.)

On February 16, 2024, Defendants filed three IPR petitions against each of the asserted claims across all three Asserted Patents. (Dkt. No. 54 at 4.) Institution decisions on Defendants' IPRs are expected in August 2024. (Dkt. No. 58 at 4.)

The Court conducted a Claim Construction hearing on June 13, 2024. (Dkt. No. 81.) Trial is scheduled for December 9, 2024. (Dkt. No. 24.)

I. LEGAL STANDARD

The district court has the inherent power to control its own docket, including the power to stay proceedings. *Clinton v. Jones*, 520 U.S. 681, 706 (1997). How to best manage the court's docket "calls for the exercise of judgment, which must weigh competing interests and maintain an even balance." *Landis v. N. Am. Co.*, 299 U.S. 248, 254–55 (1936). "District courts typically consider three factors when determining whether to grant a stay pending *inter partes* review of a patent in suit: (1) whether the stay will unduly prejudice the nonmoving party, (2) whether the proceedings before the court have reached an advanced stage, including whether discovery is complete and a trial date has been set, and (3) whether the stay will likely result in simplifying the case before the court." *NFC Techs. LLC v. HTC Am., Inc.*, Case No. 2:13-cv-1058-WCB, 2015 WL 1069111, at *2 (E.D. Tex. Mar. 11, 2015) (Bryson, J.).

II. DISCUSSION

A. Likelihood of Simplification of the Issues

Defendants move for a stay in this litigation pending the conclusion of non-party Samsung's IPRs. (Dkt. No. 54 at 1.) Defendants argue that a stay will simplify the issues in this case if the PTAB invalidates one or more asserted claims in the Samsung IPRs against the '081 and '830 patents. As to the remaining '337 patent, Defendants concede that the Samsung IPRs do

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not cover that patent but contend that claims 2 and 3 of the '337 patent are of "identical scope" as claims 15 and 16 of the instituted '081 patent. (Dkt. No. 54 at 3.) Defendants contend that given the overlap in claim scope, there is a high likelihood that the PTAB will institute Defendants' IPR on the '337 patent.[1] (*Id.* at 4.) Defendants note that final written decisions of the Samsung IPRs are expected by January 10, 2025, only 3 months after trial is currently scheduled in this case. (*Id.*) Defendants further argue that a stay would clarify the issues of infringement, validity, and claim construction even if some of the asserted claims survive the pending IPR proceedings. (*Id.* at 8.)

In response, Plaintiff argues that there are no instituted IPRs for the '337 patent and that none of Sony's IPR petitions have been instituted. (Dkt. No. 58 at 4-5.) Accordingly, under the current schedule, this case will proceed to trial on the '337 patent regardless of the outcome of the Samsung IPRs. (*Id.* at 4.) In Plaintiff's view, Defendants' motion to stay should be denied on this basis alone. (*Id.*) Plaintiff further points out that Samsung's IPR challenges claim 16 of the '081 patent on different grounds than Sony's challenge to claim 3 of the '337 patent. (*Id.* at 7.) Obviously, Plaintiff sees the issue of overlapping claim scope very differently than Defendants do. According to Plaintiff, the institution of the '081 patent says little to nothing about the likelihood of institution on the '337 patent. (*Id.*) Plaintiff further notes that Sony has not agreed to be bound by the full statutory estoppel with respect to the Samsung IPRs, which further decreases the likelihood of simplification of the issues. (*Id.* at 9.)

The Court finds that this factor weighs against a stay. None of Sony's IPRs have been instituted, and there is no institution decision for the '337 patent IPR. This Court routinely denies pre-institution motions to stay as premature. *See, e.g.*, *Viavi Sols. Inc. v. Zhejiang Crystal-Optech Co.*, No. 2:21-cv-00378-JRG, 2022 WL 16856099, at *5 (E.D. Tex. Nov. 10, 2022). That principle

[1] As discussed above, Defendants filed its own IPRs as to the three Asserted Patents in February 2024. (Dkt. No. 58 at 12.) Institution decisions are expected in August 2024. (*Id.*)

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holds true here as only a portion of the asserted patents have decisions instituting IPRs. *See, e.g.*, *Netlist, Inc. v. Samsung Electronics Co. Ltd.*, No. 2:22-cv-00293-JRG, Dkt. 180 (E.D. Tex. Oct. 17, 2023).

Further, Defendants' attempt to rely on non-party Samsung's IPRs is misguided. The fact that the claims of the '337 patent and the '081 patent may share some common language does not guarantee that the PTAB will institute IPR on the '337 patent. Moreover, Samsung challenges the '081 patent using different grounds than Sony's challenge to the '337 patent. That fact further diminishes the impact of the Samsung IPR as to the likelihood of institution for the remaining '337 patent. The possibility of institution on the '337 patent is speculative at this point in time. Accordingly, a stay is premature at this stage. In addition, Defendants' refusal to be fully estopped by the Samsung IPRs further weighs against a stay here. Defendants should not be able to bootstrap off Samsung's IPRs unless they are willing to be fully bound by the result.

B. Stage of the Litigation

Defendants argue that the stage of the case weighs in favor of a stay because the parties have not yet completed claim construction, fact discovery, or expert discovery. (Dkt. No. 54 at 10.)

Plaintiff responds that claim construction is underway, and that trial is set for December 9, 2024. (Dkt. No. 58 at 12.) Plaintiff further notes that Defendants waited until February 2024 (16 months after the Complaint was filed) to file its IPR petitions. (*Id.*) Accordingly, institution decisions would not occur until August 2024 and final written decisions would likely not issue until August 2025—well after the trial date. (*Id.* at 12-13.) Plaintiffs contend that Defendants' delay in filing their IPRs weighs against a stay.

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In response, Defendants point out that Plaintiff did not serve Defendants with the Complaint until April 2023, despite the Complaint being filed in October 2022. (Dkt. No. 60 at 4.)

The Court finds that the stage of the case disfavors a stay. Even considering Defendants' representation that they were not served with the Complaint until April 2023, the fact remains that Defendants waited 10 months after service of this lawsuit to file its IPRs. (Dkt. No. 60 at 4.) Defendants' delay has necessarily extended the potential resolution of the IPRs until well after the scheduled trial date of December 9, 2024. That fact weighs against a stay.

C. Prejudice

Defendants argue that Plaintiff waited two years to file suit and did not even serve Defendants with the Complaint until almost 6 months after the date of the lawsuit. (Dkt. No. 54 at 12.) Defendants further argue that Plaintiff is not a competitor of Defendants and seeks only monetary relief. (*Id.* at 12-13.)

Plaintiff responds that the fact that it does not manufacture video game controllers does not preclude it from being prejudiced by a stay. (Dkt. No. 58 at 14.) In addition, that Plaintiff seeks only monetary damages similarly does not preclude a finding of prejudice. (*Id.* at 15.) Plaintiff further argues that imposing a lengthy delay of the trial while the IPRs are pending would significantly prejudice Plaintiff. (*Id.* at 16.)

The Court finds that this factor disfavors a stay. As this Court has recognized, a plaintiff has a right to the timely enforcement of its patent rights, regardless of whether it seeks monetary damages or an injunction. *Trover Grp. Inc. v. Dedicated Micros USA*, 2015 WL 1069179, at *2 (E.D. Tex. Mar. 11, 2015); *Chrimar Sys., Inc. v. Adtran, Inc.*, No. 6:15-cv-00618-JRG, 2016 WL 11746525, at *1 (E.D. Tex. Dec. 28, 2016). Granting a stay in this case could delay its resolution by more than two years, as the PTAB decision is not due until over 8 months after jury trial is set

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to begin. Such a delay would prejudice Plaintiff's ability to vindicate its patent rights. Accordingly, this factor weighs against a stay.

II. CONCLUSION

Having weighed all the factors relevant to whether a stay pending IPR is warranted, the Court finds that the balance of those factors weighs against granting a stay. Accordingly, the Court finds that the Motion to Stay should be and hereby is **DENIED**. Having resolved the Motion to Stay on the merits, the Court further finds that Defendants' Motion for Hearing regarding the Motion to Stay (Dkt. No. 72) should be and hereby is **DENIED AS MOOT**.

So ORDERED and SIGNED this 9th day of July, 2024.

RODNEY GILSTRAP
UNITED STATES DISTRICT JUDGE

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