

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

1LSS INC.,

Plaintiff,

v.

APPLE INC.,

Defendant.

Case No. 2:24-cv-08769-SRM-JPR

**ORDER GRANTING, IN PART,
DEFENDANT APPLE INC.’S MOTION
TO STAY PENDING IPR [47]**

Before the Court is Defendant Apple Inc.’s (“Apple’s”) Motion to Stay Pending IPR. Dkt. 47. Plaintiff 1LSS Inc. (“1LSS”) opposes the motion. Dkt. 50. The Court has considered the parties’ arguments, the relevant law, and the record in this case. The Motion to Stay Pending IPR is **GRANTED, IN PART**, pending the Patent Trial and Appeal Board’s decision to proceed with *inter partes* review.

I. BACKGROUND

On October 11, 2024, 1LSS filed a complaint against Apple alleging infringement of its 11,864,641 Patent (“’641 Patent”). Dkt. 1. The ’641 Patent relates to magnetic wallet attachments to mobile devices. Compl. at 3. Apple filed a Motion to Dismiss, after which 1LSS filed a First Amended Complaint pursuant to Federal Rule of Civil Procedure 15(a)(1)(B) that rendered Apple’s Motion to Dismiss moot. Dkt. 30. On July

24, 2025, Apple filed a petition for *inter partes* review (“IPR”) of the ’641 Patent before the Patent Trial and Appeal Board (“PTAB”). The PTAB is expected to decide whether to institute IPR on or before February 7, 2026.

II. LEGAL STANDARD

“A district court has the inherent power to stay its proceedings. The power to stay is ‘incidental to the power inherent in every court to control the disposition of the causes on its docket with economy of time and effort for itself, for counsel, and for litigants.’” *Rivers v. Walt Disney Co.*, 980 F. Supp. 1358, 1360 (C.D. Cal. 1997) (quoting *Landis v. N. Am. Co.*, 299 U.S. 248, 254 (1936)). In deciding whether to grant a stay pending IPR, courts consider “(1) whether discovery is complete and whether a trial date has been set; (2) 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). While these factors are important, “the totality of the circumstances governs.” *Allergan Inc. v. Cayman Chem. Co.*, No. 8:07-cv-01316, 2009 WL 8591844, at *2 (C.D. Cal. Apr. 9, 2009).

III. DISCUSSION

Upon balancing the relevant factors and considering the totality of the circumstances, the Motion to Stay Pending IPR is granted, in part, until the PTAB decides whether to institute IPR.

A. The Litigation is in Early Stages

The first factor considers “whether discovery is complete and whether a trial date has been set.” *Universal Elecs. Inc.*, 943 F. Supp. 2d at 1030–31. Courts often consider whether “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, 2017 WL 3453295, at *2 (C.D. Cal. Feb. 27, 2017).

Here, the litigation is undoubtedly in its earliest stages. In their Joint Rule 26(f) Report, the parties proposed November 3, 2026, as the trial date. Dkt. 43. The parties

1 agree that initial written discovery was exchanged, and pursuant to the parties' proposed
2 schedule, Apple was to serve its preliminary infringement contentions on September 15,
3 2025. *Id.* Although 1LSS contends that the parties have already invested substantial
4 resources into this case, the litigation has not progressed considerably.

5 Apple asserts that the parties have not produced any documents nor requested or
6 taken any depositions. Moreover, the parties have not exchanged claim construction
7 disclosures, claim construction briefs, or commenced expert discovery. Courts have
8 routinely held that this factor favors a stay in cases where the litigation was in a similar
9 stage or significantly further along. *See, e.g., Locata LBS, LLC v. Yellowpages.com, LLC*,
10 No. CV 13-7664, 2014 WL 8103949, at *2–3 (C.D. Cal. July 11, 2014) (finding the stage
11 of litigation favored a stay where the parties proposed a trial date and engaged in
12 preliminary discovery, but neither party had taken depositions and expert discovery had
13 not yet started); *Wonderland Nursery Goods Co. v. Baby Trend, Inc.*, No. CV 14-01154,
14 2015 WL 1809309, at *3 (C.D. Cal. Apr. 20, 2015) (finding the stage of litigation
15 favored a stay where the parties submitted claim construction briefs); *Pi-Net Int'l, Inc. v.*
16 *Hertz Corp.*, No. CV 12-10012, 2013 WL 7158011, at *2 (C.D. Cal. June 5, 2013)
17 (finding the stage of litigation favored a stay where the parties had exchanged
18 infringement contentions, served discovery requests, and produced a repository of
19 documents).

20 This factor therefore favors a stay because there is substantially more work ahead
21 of the parties and the Court than behind.

22 **B. IPR Proceedings May Simplify the Issues in this Litigation**

23 The second factor considers “whether a stay will simplify the issues in question
24 and trial of the case.” *Universal Elecs. Inc.*, 943 F. Supp. 2d at 1030–31. Apple argues
25 that the IPR may simplify the issues in this litigation by cancelling or narrowing the
26 number of claims that may be asserted. Even if the PTAB does not invalidate 1LSS's
27 patent claims, Apple contends that the IPR proceedings may still simplify the issues.
28 Apple asserts that PTAB's expert analysis of the '641 Patent and prior art would be

1 insightful to this Court and 1LSS's statements in the IPR proceedings could develop the
2 prosecution history to inform on issues such as claim construction. The Court agrees.

3 Although 1LSS argues that the IPR would not simplify the issues unless the PTAB
4 invalidates *all* asserted claims, courts have consistently held otherwise. *See, e.g., id.* at
5 1032 (finding that IPR may “eliminate the need for trial if the claims are cancelled or, if
6 the claims survive, facilitate trial by providing the court with expert opinion of the PTO
7 and clarifying the scope of the claims”) (quoting *Target Therapeutics, Inc. v. SciMed Life*
8 *Sys., Inc.*, No. C-94-20775, 1995 WL 20470, at *2 (N.D. Cal. Jan. 13, 1995)); *Sandpiper*
9 *CDN, LLC v. Google LLC*, No. 2:24-CV-03951, 2025 WL 1932504, at *2 (C.D. Cal.
10 June 24, 2025) (finding that even if all claims survive IPR, the IPR proceedings could
11 streamline claim construction before the court, the court would benefit from the PTAB's
12 expert review, and the defendant would be estopped from raising invalidity grounds that
13 were raised in IPR); *Core Optical Techs., LLC v. Fujitsu Network Commc'ns, Inc.*, No.
14 SACV 16-00437, 2016 WL 7507760, at *2 (C.D. Cal. Sept. 12, 2016) (“Even if no
15 patent claim is eliminated, the intrinsic record developed during the IPR may inform on
16 issues like claim construction.”). Apple further acknowledges that, if the '641 Patent
17 claims survive IPR, Apple would be estopped from raising any invalidity grounds in this
18 Court that it raised or reasonably could have raised during IPR. *See* 35 U.S.C.
19 § 315(e)(2).

20 Moreover, 1LSS argues that this factor disfavors a stay because simplification of
21 the issues is speculative as the PTAB has not yet decided whether to proceed with IPR.
22 1LSS asserts that under the PTAB's recent memorandum, entitled “Interim Process for
23 PTAB Workload Management” (“Memo”), the Director is likely to issue a discretionary
24 denial and decline to institute IPR of the '641 Patent, thus creating a months-long delay
25 that will not simplify any issues. However, the Court declines to consider the *Fintiv*
26 factors in determining the merits of Apple's IPR petition, leaving that task to the PTAB.
27 *Weserve Drone, LLC v. SZ DJI Tech. Co.*, No. CV1904382, 2020 WL 4373365, at *3
28 (C.D. Cal. Mar. 17, 2020). And simplification is still possible. “[C]ourts in this District

1 have adopted the majority position that even if an IPR has not yet been instituted, the
2 simplification factor may still weigh in favor of a stay.” *Purecircle USA Inc. v. SweeGen,*
3 *Inc.*, No. SACV181679, 2019 WL 3220021, at *3 (C.D. Cal. June 3, 2019); *accord Doc.*
4 *Sec. Sys., Inc. v. Seoul Semiconductor Co.*, SACV 17-00981, 2018 WL 10670109, at *4
5 (C.D. Cal. Mar. 26, 2018); *but see JBF Interlude 2009 Ltd. v. Quibi Holdings LLC*, No.
6 2:20-CV-02250, 2020 WL 6203555, at *7 (C.D. Cal. Oct. 19, 2020) (citing *Polaris*
7 *Innovations Ltd. v. Kingston Tech. Co., Inc.*, No. SACV1600300, 2016 WL 7496740, at
8 *2 (C.D. Cal. Nov. 17, 2016)).

9 Further, if an IPR is not instituted, the risk of delay is minimal relative to the “risk
10 of unnecessary expenditure of resources” where the stay is brief. *Wonderland Nursery*
11 *Goods*, 2015 WL 1809309, at *3. Here, the PTAB will decide whether to institute review
12 in less than four months, on or before February 7, 2026. Thus, a stay until the PTAB
13 decides to institute IPR is brief, and if the IPR is not instituted, the risk of delay is
14 minimal. *Id.*; *see EP Fam. Corp. v. Off. Kick, Inc.*, No. 2:24-CV-00667, 2025 WL
15 1712355, at *4 (C.D. Cal. Feb. 4, 2025) (finding the PTAB deciding whether to institute
16 review in less than six months to be a minimal delay).

17 Given the likelihood of simplification if the PTAB does institute review, evolving
18 circumstances unfolding at the PTAB, and the minimal delay if the PTAB does not
19 institute IPR, this factor favors a brief stay. *See Nike, Inc. v. Skechers U.S.A., Inc.*, No.
20 CV 23-09346, 2025 WL 439935, at *3 (C.D. Cal. Feb. 4, 2025).

21 **C. A Brief Stay Will Not Unduly Prejudice 1LSS**

22 “The final factor considers whether a stay would unduly prejudice or present a
23 clear tactical disadvantage to the non-moving party.” *TeleSign Corp. v. Twilio, Inc.*, No.
24 CV 15-3240, 2016 WL 6821111, at *4 (C.D. Cal. Mar. 9, 2016) (citing *Wonderland*
25 *Nursery Goods*, 2015 WL 1809309, at *2). Accordingly, courts consider “(1) the timing
26 of the petition for review; (2) the timing of the request for the stay; (3) the status of the
27 review proceedings; and (4) the relationship of the parties.” *Id.*

1 *First*, the timing of Apple’s IPR petition falls within 35 U.S.C. Section 315(b)’s
2 statutory deadline. Apple was served with the complaint on October 14, 2024, and filed
3 the IPR petition on July 24, 2025, three months before the statutory deadline. 1LSS
4 asserts that Apple was put on notice of 1LSS’s infringement claims as early as February
5 2024 and did not file its IPR petition until 17 months thereafter, but this is irrelevant to
6 Section 315(b)’s prescribed statutory deadline. *See Nike, Inc.*, 2025 WL 439935, at *5
7 (finding the timing factor weighed in favor of a stay because the defendant complied with
8 the statutory period); *see also DSS Tech. Mgmt., Inc. v. Apple, Inc.*, No. 14-CV-05330,
9 2015 WL 1967878, at *4 (N.D. Cal. May 1, 2015) (declining to read a “dilatory motive”
10 into the defendant’s timely exercise of its statutory rights). *Second*, Apple promptly filed
11 this Motion on August 19, 2025, only weeks after the IPR petition’s accorded filing date
12 on July 25, 2025.

13 *Third*, the PTAB has not yet decided whether to grant Apple’s IPR petition, thus
14 the status of the review proceedings is at its earliest stage. However, the Court is mindful
15 of the evolving circumstances at the PTAB and the concerns arising from the “current
16 workload and needs of the PTAB” cited in the Memo. *See Sandpiper CDN*, 2025 WL
17 1932504, at *3. Due to this temporary concern, this factor favors a brief stay rather than a
18 full stay, until the PTAB decides whether to institute IPR.

19 *Fourth*, the parties are direct competitors because they both sell magnetic wallets
20 for use with mobile devices. In cases involving direct competitors, “courts are often
21 reluctant to stay proceedings.” *Nike, Inc.*, 2025 WL 439935, at *4. A primary concern
22 with direct competitors is whether a stay would cause harm to the patentee in the market
23 that is “not compensable by readily calculable money damages.” *TeleSign Corp.*, 2016
24 WL 6821111, at *4; *Core Optical Techs., LLC*, 2016 WL 7507760, at *2 (“a primary
25 issue... is whether a stay would cause irreparable harm to the patentee in the market.”).

26 1LSS recites its contentions of irreparable harm in the FAC as a showing of undue
27 prejudice in the market. Opp’n at 21; *see* FAC at 10–11. But 1LSS fails to provide any
28 evidence to establish a “causal nexus” between the alleged infringement and the alleged

1 harm. *See TeleSign Corp.*, 2016 WL 6821111, at *5 (finding the plaintiff's irreparable
2 harm claims did not support its contention of undue prejudice because the claims relied
3 on testimony from the plaintiff's vice president). Apple counters with evidence of
4 non-party competitors that also exist in the relevant market. Whether the parties are sole
5 competitors in the relevant market is pertinent to a patentee's claim of undue harm.
6 *Wonderland Nursery Goods*, 2015 WL 1809309, at *4 (citing *Karl Storz v. Stryker Corp.*,
7 No. 14-cv-00876, at *7 (N.D. Cal. Mar. 30, 2015)). Additional participants may
8 undermine any contentions of undue harm on a patentee's sales and market share. *Id.*;
9 *Inogen, Inc. v. Inova Labs, Inc.*, No. SACV 11-1692, 2012 WL 4748803, at *3 (C.D. Cal.
10 Mar. 20, 2012). 1LSS argues that it would suffer undue harm because Apple is the market
11 leader but does not contest that non-party competitors in the market exist. *Cf. Haptic, Inc.*
12 *v. Apple, Inc.*, No. 3:24-CV-02296, 2024 WL 4859080, at *4 (N.D. Cal. Nov. 20, 2024)
13 (weighing this factor in favor of the plaintiff because the plaintiff "is much smaller *and*
14 the [patented product] is its flagship product.") (emphasis added). Apple's evidence of
15 additional non-party competitors in the market therefore lessens the concern for 1LSS's
16 claim of undue prejudice.

17 Moreover, courts consider whether the plaintiff sought injunctive relief as an
18 indication of undue prejudice in the market. *See UPL NA, Inc. v. Tide Int'l (USA), Inc.*,
19 No. CV 19-1201, 2021 WL 663128, at *4 (C.D. Cal. Feb. 19, 2021) ("Plaintiff's failure
20 to seek a preliminary injunction belies its claims of undue prejudice in the marketplace.")
21 Although Apple argues that 1LSS did not seek a preliminary injunction, 1LSS sought
22 injunctive relief in the FAC. FAC at 11; *see Haptic, Inc.*, 2024 WL 4859080, at *4
23 (finding that the defendant incorrectly argued that the plaintiff did not seek injunctive
24 relief where the plaintiff sought injunctive relief in the complaint).

25 Lastly, 1LSS argues that it has an interest in the timely enforcement of its patent
26 rights and that it may become more difficult to prove its case as evidence may be lost.
27 However, 1LSS has not shown any unique prejudice beyond what any plaintiff
28 necessarily experiences when its litigation is stayed pending IPR. "Courts have

1 repeatedly found no undue prejudice unless the patentee makes a specific showing of
2 prejudice beyond the delay necessarily inherent in any stay.” *EP Fam. Corp.*, 2025 WL
3 1712355, at *4 (citing *PersonalWeb Techs., LLC v. Apple, Inc.*, 69 F. Supp. 3d 1022,
4 1029 (N.D. Cal. 2014)); *see also Sorensen ex rel. Sorensen Rsch. & Dev. Tr. v. Black &*
5 *Decker Corp.*, No. 06–cv–1572, 2007 WL 2696590, at *4 (S.D. Cal. Sept. 10, 2007)
6 (“Protracted delay is always a risk inherent in granting a stay, yet courts continue to stay
7 actions pending reexamination.”); *Wonderland Nursery Goods*, 2015 WL 1809309, at *4
8 (“The general prejudice of having to wait for resolution is not a persuasive reason to deny
9 the motion for stay.”).

10 Weighing the foregoing, a brief stay will not unduly prejudice or present a clear
11 tactical disadvantage to 1LSS.

12 **D. The Totality of the Circumstances Favor a Brief Stay**

13 Considering the relevant factors and the totality of the circumstances, including
14 balancing judicial economy and the PTAB’s increase in discretionary denials pursuant to
15 the Memo, a brief stay is warranted. Accordingly, the relevant factors and totality of the
16 circumstances weigh in favor of a stay pending the PTAB’s decision to institute IPR.

17 **IV. CONCLUSION**

18 For the above reasons, Apple’s Motion to Stay Pending IPR is **GRANTED, IN**
19 **PART**. The case is **STAYED** pending the PTAB’s decision to institute IPR. The parties
20 must submit a joint status report within 14 days after the PTAB’s decision to institute
21 IPR. If the PTAB institutes IPR, the parties may file an *ex parte* application to continue
22 the stay.

23 **IT IS SO ORDERED.**

24
25 Dated: November 19, 2025



26 HON. SERENA R. MURILLO
27 UNITED STATES DISTRICT JUDGE
28