IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

U.S. WELL SERVICES, LLC, U.S. WELL SERVICES HOLDINGS, LLC, PROFRAC MANUFACTURING, LLC, PROFRAC SERVICES, LLC, Plaintiffs, v. LIBERTY ENERGY, INC., LIBERTY OILFIELD SERVICES LLC, LIBERTY ADVANCED EQUIPMENT TECHNOLOGIES LLC, ST9 GAS AND OIL LLC, ST9, INC., CHRIS BUCKLEY, and PAUL LIGHTFOOT, Defendants.	Case No. 4:24-CV-00839-KPE JURY TRIAL DEMANDED

DEFENDANTS' MOTION TO STAY PENDING *INTER PARTES* REVIEW

TABLE OF CONTENTS

I. INTRODUCTION 1

II. BACKGROUND 1

- **A. The Parties and the Patents** 1
- **B. The Status of the Present Case** 2
- **C. The IPR Petitions** 3
- **D. Plaintiffs' Intention to Drop the '992 Patent in This Litigation and Moot the '992 Patent's IPR** 4

III. LEGAL STANDARD 4

IV. THIS COURT SHOULD GRANT A STAY PENDING RESOLUTION OF THE IPR PETITIONS 5

- **A. There Is No Potential Undue Prejudice.** 6
- **B. A Stay Will Significantly Simplify the Issues in Question and Trial of the Case.** 7
- **C. The Status of the Case Weighs in Favor of a Stay.** 10

V. CONCLUSION 12

TABLE OF AUTHORITIES

Page(s)

Cases

Blephex LLC v. Pain Point Med. Sys., Inc.,
Civ. No. 3:16-CV-0410-N, 2016 WL 7839343 (N.D. Tex. Nov 3, 2016).....11

E-Watch, Inc. v. Lorex Canada, Inc.,
No. CIV.A. H-12-3314, 2013 WL 5425298 (S.D. Tex. Sept. 26, 2013).....6, 11, 12

Kustom Signals, Inc. v. Applied Concepts, Inc.,
No. 3:23-CV-1937-N, 2024 WL 3434570 (N.D. Tex. July 16, 2024).....11

Landis v. N. Am. Co.,
299 U.S. 248 (1936).....5

Locata LBS, LLC v. Yellowpages.com, LLC,
No. CV 13-7664 JAK, 2014 WL 8103949 (C.D. Cal. July 11, 2014).....12

Murata Mach. USA v. Daifuku Co., Ltd.,
830 F.3d 1357 (Fed. Cir. 2016).....5

Neuro Cardiac Techs., LLC v. LivaNova, Inc.,
No. CV H-18-1517, 2018 WL 4901035 (S.D. Tex. Oct. 9, 2018).....5, 7, 11, 12

Nike, Inc. v. Skechers U.S.A., Inc.,
No. CV 23-09346-AB, 2025 WL 439935 (C.D. Cal. Feb. 4, 2025).....10

Pi-Net Int'l, Inc. v. Hertz Corp.,
No. CV 12-10012 PSG 12

Procter & Gamble Co. v. Kraft Foods Glob., Inc.,
549 F.3d 842 (Fed. Cir. 2008).....5

Tewari De-Ox Sys., Inc. v. Mountain States/Rosen, L.L.C.,
637 F.3d 604 (5th Cir. 2011) 9

Topstone Commc'ns, Inc. v. Xu,
729 F. Supp. 3d 701 (S.D. Tex. 2024) 9

Transocean Offshore Deepwater Drilling, Inc. v. Seadrill Americas, Inc.,
No. CIV.A. H-15-144, 2015 WL 6394436 (S.D. Tex. Oct. 22, 2015) ..... *passim*

In re U.S. Well Services, LLC,
No. 2023-1799, 2025 WL 798863 (Fed. Cir. Mar. 13, 2025).....10

VirtualAgility Inc. v. Salesforce.com, Inc.,
759 F.3d 1307 (Fed. Cir. 2014).....7, 11

Wonderland Nursery Goods Co. v. Baby Trend, Inc.,
No. ED CV 14-01154-VAP-(SPx), 2015 WL 1809309 (C.D. Cal. Apr. 20, 2015).....12

Statutes

35 U.S.C. § 6.....3

35 U.S.C. § 256.....2

35 U.S.C. § 311.....4, 5, 6

35 U.S.C. § 314.....3, 5, 6, 9

35 U.S.C. § 315(e)(2).....8

35 U.S.C. § 316.....3, 4, 6

35 U.S.C. § 316(a)(11).....4, 6

Other Authorities

37 C.F.R. § 42.107(b).....3

IPR2021-01034 (U.S. Patent No. 10,337,308).....10

IPR2021-01035 (U.S. Patent No. 9,970,278).....10

IPR2021-01036 (U.S. Patent No. 9,611,728).....10

IPR2021-01037 (U.S. Patent No. 9,745,840).....10

IPR2021-01038 (U.S. Patent No. 10,408,030).....10

IPR2021-01065 (U.S. Patent No. 9,840,901).....10

IPR2021-01066 (U.S. Patent No. 10,020,711).....10

IPR2021-01238 (U.S. Patent No. 10,526,882).....10

IPR2021-01315 (U.S. Patent No. 9,893,500).....10

IPR2022-00074 (U.S. Patent No. 10,254,732).....10

IPR2022-00610 (U.S. Patent No. 10,934,824).....10

U.S. Patent No. 11,091,992.....3, 4, 10

U.S. Patent No. 11,459,863.....2, 7

U.S. Patent Nos. 11,959,533.....2, 3, 4, 7

I. INTRODUCTION

At the heart of this dispute are patent infringement claims stemming from a series of related patents. Starting in September 2024, Defendants filed petitions for *inter partes* review ("IPR") for all asserted patents, and the Patent Trial and Appeal Board ("PTAB") will determine whether to institute the IPR petitions starting in April 2025.

The parties are reaching the critical juncture in the case when substantial resources will need to be dedicated to extensive discovery and other litigation tasks related to the patent infringement claims. Before the Court and the parties expend more time and resources on this case, Defendants Liberty Energy, Inc., Liberty Oilfield Services LLC, Liberty Advanced Equipment Technologies LLC, ST9 Gas and Oil LLC, and Chris Buckley[1] (collectively, "Defendants") respectfully request a stay pending resolution of the IPR petitions. All relevant stay factors weigh in favor of granting a stay. If granted, the stay would not unduly prejudice Plaintiffs—in fact, it would save both parties and the Court substantial resources, and the PTAB's ruling on the IPR petitions would significantly reduce and simplify the issues of the case. This Court therefore should grant a stay pending resolution of the IPR petitions.

II. BACKGROUND

A. The Parties and the Patents

The companies involved in this case provide hydraulic fracturing services and related technologies in oil and natural gas basins. Plaintiffs allegedly market and sell an all-electric hydraulic fracturing system called Clean Fleet. Doc. 56, ¶ 21. The Liberty defendants have a fully integrated electric frac pump system called "digiFrac." *Id.*, ¶¶ 24–25.

[1] Counsel for Defendants Liberty Energy, Inc., Liberty Oilfield Services LLC, Liberty Advanced Equipment Technologies LLC, ST9 Gas and Oil LLC, and Chris Buckley do not currently represent Defendants ST9, Inc. or Paul Lightfoot. As such, this motion is not filed on behalf of Defendants ST9, Inc. or Paul Lightfoot.

Plaintiffs obtained the patents asserted in the Second Amended Complaint between March 2020 and April 2024. *Id.*, ¶¶ 43–48. The patents are U.S. Patent Nos. 11,959,533 ("Multi-Plunger Pumps and Associated Drive Systems"); 10,598,258 ("Multi-Plunger Pumps And Associated Drive Systems"); 11,091,992 ("System For Centralized Monitoring And Control Of Electric Powered Hydraulic Fracturing Fleet"); 10,655,435 ("Smart Fracturing System And Method"); and 11,208,878 ("Modular Switchgear System And Power Distribution For Electric Oilfield Equipment") (collectively, "the Asserted Patents"). *Id.*

B. The Status of the Present Case

On March 6, 2024, Plaintiffs filed their original Complaint (Doc. 1) against Defendants Liberty Energy, Inc., Liberty Oilfield Services LLC, Liberty Advanced Equipment Technologies LLC, and ST9 Gas and Oil LLC. On April 29, 2024, Defendants filed their Partial Motion to Dismiss, or In the Alternative, Motion for a More Definite Statement (Doc. 19).

On June 3, 2024, Plaintiffs filed their First Amended Complaint adding ST9, Inc. as a defendant, asserting a new patent (the '533 Patent), and dropping U.S. Patent No. 11,459,863 (the "'863 Patent") (Doc. 32). On July 1, 2024, Defendants filed their Answer and Counterclaims (Doc. 39) to Plaintiffs' First Amended Complaint. Defendants asserted two counterclaims against Plaintiffs, including correction of inventorship under 35 U.S.C. § 256 for the '258 Patent and '533 Patent. *See* Doc. 39, at 26–28. On July 22, 2024, Plaintiffs filed their Answer (Doc. 40) to Defendants' Counterclaims.

On November 14, 2024, Plaintiffs filed their Second Amended Complaint, which added Mr. Chris Buckley and Mr. Paul Lightfoot as defendants and asserted an inequitable conduct claim against them (Doc. 56). On December 6, 2024, Defendants filed their Motion to Dismiss the Newly Added Inequitable Conduct Claim (Doc. 60), which remains pending.

The parties have prepared claim construction briefs (Doc. 69, 73, 75), but the Court has not yet scheduled a claim construction hearing or issued its claim construction ruling. Pursuant to the Scheduling Order, the remaining dates are dependent on the Court's decision on claim construction. *See* Doc. 30.

C. The IPR Petitions

Starting on September 5, 2024, Defendants filed five IPR petitions challenging the claims of the Asserted Patents in the Second Amended Complaint:

Proceeding Number	Challenged Patent	Filing Date	Date of Notice
IPR2024-01274	'992 Patent	September 5, 2024	September 25, 2024
IPR2025-00031	'435 Patent	October 11, 2024	October 30, 2024
IPR2025-00066	'258 Patent	October 31, 2024	November 21, 2024
IPR2025-00105	'533 Patent	November 5, 2024	November 21, 2024
IPR2025-00139	'878 Patent	November 20, 2024	December 16, 2024

IPR proceedings are conducted by a panel of three specially qualified—both legally and scientifically—administrative patent judges of the PTAB. *See* 35 U.S.C. § 6 ("The administrative patent judges shall be persons of competent legal knowledge and scientific ability who are appointed by the Secretary, in consultation with the Director."). The IPR process was specifically established to proceed in a timely fashion. *See* 35 U.S.C. § 316. The PTAB is required to decide whether to institute an IPR ***within three months*** after receiving the patentee's preliminary response (or within three months after last date on which such response may be filed). *See* 35 U.S.C. § 314(b); *see also* 37 C.F.R. § 42.107(b) (the patentee's preliminary response to a petition is due within three months after the date of a notice granting a filing date of the petition). The PTAB therefore must decide whether to institute review on each of Defendants' petitions by the estimated following dates:

Proceeding Number	Challenged Patent	Preliminary Response Deadline	Estimated Expected Decision on Petition
IPR2024-01274	’992 Patent	December 26, 2024	**March 26, 2025**
IPR2025-00031	’435 Patent	January 30, 2025	**April 30, 2025**
IPR2025-00066	’258 Patent	February 21, 2025	**May 21, 2025**
IPR2025-00105	’533 Patent	February 21, 2025	**May 21, 2025**
IPR2025-00139	’878 Patent	March 17, 2025	**June 17, 2025**

If the PTAB decides to institute review, it has one year to determine whether the challenged claims are valid. 35 U.S.C. § 316(a)(11). Therefore, at the latest, the IPR process should conclude in March 2026 for the ’992 Patent through June 2026 for the ’878 Patent.

D. Plaintiffs’ Intention to Drop the ’992 Patent in This Litigation and Moot the ’992 Patent’s IPR

On Friday, March 7, 2025, in accordance with the meet and confer requirement of Local Rule 7.1, Defendants’ counsel informed Plaintiffs’ counsel that Defendants intended to file a motion to stay this case pending IPR. *See* Exhibit A at 2. The same day, Plaintiffs’ counsel responded asking whether Defendants were intending to ask to stay the entire case or only the patent claims. *Id.* On the following Monday, March 10, 2025, Defendants’ counsel responded that their stay request would cover all claims. *Id.* at 1. Later that day, Plaintiffs’ counsel informed Defendants’ counsel that “Profrac intends to drop U.S. Patent No. 11,091,992 (the ’992 Patent’) in the litigation,” thereby mooting the associated IPR. *Id.*

III. LEGAL STANDARD

The Leahy-Smith America Invents Act (“AIA”) provides for *inter partes* review of existing patents. *See* 35 U.S.C. § 311. A party may challenge a patent’s validity for anticipation or obviousness “on the basis of prior art consisting of patents or printed publications.” *See id.* Review

is granted if there is "a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition." *See* 35 U.S.C. § 314.

A court may stay an infringement case pending *inter partes* review. *See, e.g.*, *Procter & Gamble Co. v. Kraft Foods Glob., Inc.*, 549 F.3d 842, 848–49 (Fed. Cir. 2008) (citing 35 U.S.C. § 318). The district court has the inherent power to control its own docket, including the power to stay proceedings. *Neuro Cardiac Techs., LLC v. LivaNova, Inc.*, No. CV H-18-1517, 2018 WL 4901035, at *1–2 (S.D. Tex. Oct. 9, 2018). Management of the court's docket requires "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).

Courts deciding whether to stay litigation pending *inter partes* review typically consider "(1) whether a stay will unduly prejudice or present a clear tactical disadvantage to the nonmoving party, (2) whether a stay will simplify issues in question and trial of the case, and (3) whether discovery is complete and whether a trial date has been set." *Neuro Cardiac Techs.*, 2018 WL 4901035, at *1–2. The Federal Circuit has emphasized that district courts may balance considerations beyond those captured by the three-factor stay test, including "[t]he burden litigation places on the court and the parties when [*inter partes* review] proceedings loom." *Murata Mach. USA v. Daifuku Co., Ltd.*, 830 F.3d 1357, 1362 (Fed. Cir. 2016).

IV. THIS COURT SHOULD GRANT A STAY PENDING RESOLUTION OF THE IPR PETITIONS

A stay pending resolution of the IPR petitions is appropriate here because all factors weigh in favor of a stay. Plaintiffs will not suffer any undue prejudice, the stay will significantly simplify the issues of the case, and the status of the case reveals that there is substantially more work ahead than behind the parties. Accordingly, the Court should grant a stay pending resolution of the IPR petitions.

A. There Is No Potential Undue Prejudice.

A stay will not unduly prejudice or present a clear tactical disadvantage to Plaintiffs. First, mere delay that inherently results from a stay does not constitute prejudice sufficient to deny a request for stay, and by statute the IPR process guarantees a timely resolution. *See Transocean Offshore Deepwater Drilling, Inc. v. Seadrill Americas, Inc.*, No. CIV.A. H-15-144, 2015 WL 6394436, at *2–3 (S.D. Tex. Oct. 22, 2015); *E-Watch, Inc. v. Lorex Canada, Inc.*, No. CIV.A. H-12-3314, 2013 WL 5425298, at *2 (S.D. Tex. Sept. 26, 2013). The IPR process was specifically established under the AIA to proceed in a timely fashion. *See* 35 U.S.C. § 316(A)(11) (requiring "the final determination in an *inter partes* review be issued not later than 1 year after the date on which the Director notices the institution of a review" unless good cause can be shown for an extension, not to exceed 6 months). The IPR petitions have been on file with the PTAB since September, October, and November of last year. Thus, a decision on whether to accept the applications for IPR is imminent. *See* 35 U.S.C. § 314(b) (decision whether to accept review must be made within three months of receiving a preliminary response or the last date on which such response may be filed). If the PTAB declines the petitions for IPR, the stay will quickly be lifted resulting in little delay. However, if the PTAB accepts the IPR petitions, the continuation of this litigation in parallel with the PTAB review will most likely result in the unnecessary expenditure of the parties' and Court's time and resources on claims that may be fundamentally altered by the PTAB's determination regarding the Asserted Patents.

Second, the record shows that Defendants' motion to stay is not a dilatory tactic. A central question in considering prejudice to the nonmoving party is whether the stay motion appears to be a dilatory tactic, such as when a party delays filing its IPR petition until long after receiving the infringement contentions. *See Neuro Cardiac Techs.*, 2018 WL 4901035, at *2–3. That is not what happened here. After Plaintiffs filed their original complaint in March 2024, the '533 Patent was

issued on April 16, 2024. Doc. 56, ¶ 44. In June 2024, Plaintiffs filed their First Amended Complaint that added the ’533 Patent and removed the ’863 Patent, for a total of five Asserted Patents. Plaintiffs provided infringement contentions in July 2024, and Defendants started filing the IPR petitions in September 2024, within three months of receiving the First Amended Complaint and within two months of receiving the infringement contentions. In short, when Defendants were served in this case and received notice of Plaintiffs’ amended infringement allegations, Defendants diligently began preparing their IPR petitions and filed them well before the statutory deadline.

Third, Defendants would not enjoy a competitive advantage at Plaintiffs’ expense if a stay is granted, which is bolstered by the fact that Plaintiffs waited three years after the launch of Liberty’s digiFrac to file suit and have not sought a preliminary injunction. The Federal Circuit has acknowledged that courts can consider the competition between parties when considering undue prejudice, but “[a] patentee’s delays in pursuing suit and seeking preliminary injunctive relief [can] belie its claims that it will be unduly prejudiced.” *VirtualAgility Inc. v. Salesforce.com, Inc.*, 759 F.3d 1307, 1320 (Fed. Cir. 2014). As such, “[a] stay will not diminish the monetary damages to which [Plaintiffs] will be entitled if it succeeds in its infringement suit—it only delays realization of those damages and delays any potential injunctive remedy.” *Id.* at 1318.

Because Plaintiffs would not experience undue prejudice from a stay, this factor weighs in favor of granting the stay.

B. A Stay Will Significantly Simplify the Issues in Question and Trial of the Case.

A stay will certainly simplify the issues of this case and trial of the case. Defendants’ IPR petitions seek the PTAB’s review of all of the asserted claims of the Asserted Patents in this case. In Plaintiffs’ Second Amended Complaint, five of the nine counts are for infringement of the Asserted Patents. Doc. 59, ¶¶ 49–109. Defendants have asserted the affirmative defense of

invalidity, and all of Defendants' counterclaims relate to the Asserted Patents. *See* Doc. 39, at 13–14, 26–28. If the petitions are granted for review, the issues could be significantly simplified because the PTAB's decision may change the terms or scope of the patents at issue. Indeed, if the PTAB in any way alters or cancels a claim of any of the Asserted Patents, the matters at issue before this Court will change. Even assuming that all of the Asserted Patents survive the IPR intact, "the PTAB's insight and expertise regarding the validity of the patents would be of invaluable assistance to this [C]ourt." *Transocean*, 2015 WL 6394436, at *3. Defendants also will be bound to any grounds raised or that reasonably could have been raised during the IPR, streamlining the invalidity portion of the case. 35 U.S.C. § 315(e)(2).

Moreover, the remaining claims all have the same operative set of facts as the patent infringement claims and are all related to the at-issue hydraulic fracturing technology. *See* Doc. 56, ¶¶ 19–42 (alleging the same set of facts as relevant to all claims). In addition to the claims of patent infringement, the Second Amended Complaint asserts claims of trade secret misappropriation under state and federal law (for allegedly misappropriating Plaintiffs' trade secrets related to the at-issue hydraulic fracturing technology); breach of contract (for allegedly violating an NDA and sharing Plaintiffs' confidential information related to the at-issue hydraulic fracturing technology); and inequitable conduct (for allegedly improperly using Plaintiffs' confidential information related to the at-issue hydraulic fracturing in patent applications). Doc. 56, ¶¶ 69–109. All of these claims tie into the patent infringement claims and are directly impacted by the scope of the patented technology.

Discovery on these remaining related claims also has been minimal. For the trade secret misappropriation claims (Doc. 56, ¶¶ 69–98), Plaintiffs have continued to fail to "describe the trade secrets with enough clarity for 'defendants [to] understand how each claimed trade secret

differs from information in the public domain.'" *Topstone Commc'ns, Inc. v. Xu*, 729 F. Supp. 3d 701, 706 (S.D. Tex. 2024) (quoting *UOP LLC v. Exterran Energy Sols., L.P.*, No. 4:21-cv-02804, 2021 WL 8016712, at *1 (S.D. Tex. Sept. 28, 2021)). Namely, it remains unclear whether the alleged trade secrets are disclosed in the Asserted Patents, the presence of which would strip them of their trade secret status. *See, e.g.*, *Tewari De-Ox Sys., Inc. v. Mountain States/Rosen, L.L.C.*, 637 F.3d 604, 612 (5th Cir. 2011). Consequently, the PTAB's ruling on the scope and validity of the patents would be crucial in determining the scope of the alleged trade secrets. For the inequitable conduct claim (Doc. 56, ¶¶ 105–109), the crux of the claim is a dispute over who has patentable material, which the IPR will help answer. This claim also is subject to a pending motion to dismiss (Doc. 60, 68, 70), and Mr. Lightfoot has not even responded to the complaint. Because the remaining claims are so closely related to patent infringement claims, the IPR process undoubtedly will reduce the burden of litigation by simplifying the issues.

Further, the negative IPR history for Plaintiffs' related patents demonstrates there is a high likelihood that the PTAB will institute Defendants' IPRs. In determining whether to institute an IPR, the PTAB considers whether the petition filed "shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition." 35 U.S.C. § 314(a). As discussed in Defendants' Responsive Claim Constructive Brief, USWS in the past has asserted related hydraulic fracturing patents against competitors, and the IPRs historically have not gone in Plaintiffs' favor—for instance, ***at least eleven*** other USWS patents

have been found unpatentable during IPR proceedings.[2] *See* Doc. 73, at 2–3. Plaintiffs' actions demonstrate that they also think IPR institution is imminent: When confronted with Defendants' stay motion, Plaintiffs were more willing to drop the '992 Patent a year after filing this case and not litigate the alleged infringement on the merits rather than allow the IPR to continue. *See generally* Exhibit A, Exhibit B. Given the high success rate of IPR proceedings for Plainitffs' related patents and the high rate at which the PTAB grants petitions for IPR,[3] "even a petition requesting review is likely to simplify the issues in the case." *Transocean*, 2015 WL 6394436, at *3–4 (quoting *Brixham Sols. Ltd. v. Juniper Networks, Inc.*, No. 13-CV-00616-JCS, 2014 WL 1677991, at *1 (N.D. Cal. Apr. 28, 2014)).

In this way, "the risk of delay attending an unnecessary stay is minimal relative to the risk of unnecessary expenditure of resources should the stay be denied and an IPR subsequently commence." *Nike, Inc. v. Skechers U.S.A., Inc.*, No. CV 23-09346-AB (PVCX), 2025 WL 439935, at *3 (C.D. Cal. Feb. 4, 2025) (internal citation omitted). The simplification of the issues factor therefore favors granting a stay.

C. The Status of the Case Weighs in Favor of a Stay.

Finally, a stay is appropriate here because discovery is not complete, trial is only tentatively set in February 2026, and all scheduling order dates are in flux pending the Court's decision on

[2] *See* IPR2021-01034 (U.S. Patent No. 10,337,308); IPR2021-01035 (U.S. Patent No. 9,970,278); IPR2021-01036 (U.S. Patent No. 9,611,728); IPR2021-01037 (U.S. Patent No. 9,745,840); IPR2021-01038 (U.S. Patent No. 10,408,030); IPR2021-01065 (U.S. Patent No. 9,840,901); IPR2021-01066 (U.S. Patent No. 10,020,711); IPR2021-01238 (U.S. Patent No. 10,526,882); IPR2021-01315 (U.S. Patent No. 9,893,500); IPR2022-00074 (U.S. Patent No. 10,254,732); IPR2022-00610 (U.S. Patent No. 10,934,824). Additionally, the Federal Circuit recently upheld the PTAB's determination that the term "high pressure" is indefinite in two of Plaintiffs' related patents. *See In re U.S. Well Services, LLC*, No. 2023-1799, 2025 WL 798863 (Fed. Cir. Mar. 13, 2025) (affirming PTAB's final written decisions for IPR2021-01316 (U.S. Patent No. 10,280,724) and IPR 2022-00074 (U.S. Patent No. 10,254,732)).

[3] In FY24, 68% of petitions were instituted. *See* "Statistics," USPTO, https://www.uspto.gov/patents/ptab/statistics (last visited February 26, 2025).

claim construction. In examining this factor, courts consider what resources the parties have invested in the case and whether the parties have completed discovery and set a trial date. *See Kustom Signals, Inc. v. Applied Concepts, Inc.*, No. 3:23-CV-1937-N, 2024 WL 3434570, at *2 (N.D. Tex. July 16, 2024); *Neuro Cardiac Techs.*, 2018 WL 4901035, at *4. This assessment typically is fixed at the point in time when the movant filed the motion to stay. *VirtualAgility*, 759 F.3d at 1317.

At this point in time in the case, it is evident that "there is more work ahead of the parties and the Court than behind the parties and the Court." *E-Watch*, 2013 WL 5425298, at *3 (quoting *Semiconductor Energy Lab. Co. v. Chimei Innolux Corp.*, No. SACV 12–21–JST JPRX, 2012 WL 7170593, at *2 (C.D. Cal. Dec. 19, 2012)). The parties will know in the upcoming months whether the PTAB will institute the IPRs. Yet the parties are at the critical point in the case where they will start to incur substantial expense and burdens associated with extensive fact and expert discovery and other litigation tasks, including the *Markman* hearing, witness depositions, expert reports, email discovery, and third party discovery.

If the Court grants a stay and the PTAB denies the petitions, the stay would not substantially impact the litigation because it would be "relatively short"—at most, four months to receive the PTAB's decisions on all of the Asserted Patents. *Blephex LLC v. Pain Point Med. Sys., Inc.*, Civ. No. 3:16-CV-0410-N, 2016 WL 7839343, at *2 (N.D. Tex. Nov 3, 2016); *see also Transocean*, 2015 WL 6394436, at *4–6 (noting that "[plaintiffs] can easily be compensated for any costs it incurs as a result of a five month litigation stay").

On the other hand, if the Court delays granting a stay and the PTAB decides to institute IPR, the parties will have already incurred significant expenses related to discovery and the *Markman* hearing. In addition, if this case and the IPRs proceed independently, there is the risk of

receiving inconsistent results regarding the validity and scope of the Asserted Patents, which would lead to an even greater waste of resources and time for the parties and the Court. The status of the case therefore weighs in favor of granting a stay. *See, e.g.*, *Pi-Net Int'l, Inc. v. Hertz Corp.*, No. CV 12-10012 PSG JEMX, 2013 WL 7158011, at *2 (C.D. Cal. June 5, 2013) (finding the stage of the litigation factor favored a stay where the parties had exchanged infringement contentions, served discovery requests, and produced a repository of documents); *Locata LBS, LLC v. Yellowpages.com, LLC*, No. CV 13-7664 JAK, 2014 WL 8103949, at *2–3 (C.D. Cal. July 11, 2014) (finding case was in early stages where neither party had requested nor taken any depositions and expert discovery had not yet commenced); *Wonderland Nursery Goods Co. v. Baby Trend, Inc.*, No. ED CV 14-01154-VAP-(SPx), 2015 WL 1809309, at *3 (C.D. Cal. Apr. 20, 2015) (stay favored where *Markman* hearing had not yet taken place).

In sum, all factors weigh in favor of grating a stay. Courts in this district have granted stays in similar circumstances. *Neuro Cardiac Techs.*, 2018 WL 4901035, at *1 (granting pre-institution stay); *Transocean*, 2015 WL 6394436, at *1 (same); *E-Watch*, 2013 WL 5425298, at *1 (same). This Court should do the same.

V. CONCLUSION

For all of the foregoing reasons, Defendants respectfully request that the Court grant Defendants' motion to stay pending *inter partes* review.

Dated: March 19, 2025

Respectfully submitted,

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CERTIFICATE OF SERVICE

Pursuant to the Federal Rules of Civil Procedure and Local Rule 5.3, I hereby certify that, on March 19, 2025, all counsel of record who have appeared in this case are being served with a copy of the foregoing via the Court's CM/ECF system.

/s/ Robert H. Reckers
Robert H. Reckers