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

PAYGEO, LLC, Plaintiff, v. **SAMSUNG ELECTRONICS CO. LTD., AND SAMSUNG ELECTRONICS AMERICA, INC.,** Defendants.	**CASE NO. 2:25-CV-00334-RWS-RSP** **JURY TRIAL DEMANDED**

DEFENDANTS' MOTION TO STAY PENDING *INTER PARTES* REVIEW

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I. INTRODUCTION

Defendants Samsung Electronics Co., Ltd. and Samsung Electronics America, Inc. (collectively, "Defendants" or "Samsung") respectfully move to stay this litigation until the Patent Trial and Appeal Board ("PTAB") concludes its *inter partes* reviews ("IPR") of the patents-in-suit, U.S. Patent Nos. 8,554,671 ("'671 patent"), 10,796,296 ("'296 patent"), 10,937,018 ("'018 patent"), 11,087,307 ("'307 patent"), and 12,014,347 ("'347 patent") (collectively, the "Asserted Patents").

Within a week of the Court issuing a Docket Control Order, Samsung had already filed five IPR petitions, challenging all but one of the Asserted Claims in all five Asserted Patents. All three factors that this Court considers favor staying this case. ***First***, this case is in its infancy. Very little fact discovery has occurred; no claim construction deadlines arise until June of this year; the *Markman* hearing is not scheduled until October of this year; and trial is not scheduled to begin until after all Final Written Decisions of the PTAB issue. ***Second***, the IPRs, if instituted, will simplify many issues. The IPR petitions challenge the patentability of all but one of the Asserted Claims in all five Asserted Patents and rely on new prior art grounds that were not before the patent office. Staying this case now will promote judicial economy and avoid potentially wasteful discovery efforts. ***Third***, staying the case will not unduly prejudice PayGeo. The parties do not directly compete, and PayGeo can be adequately compensated by monetary damages for any alleged infringement. Every factor supports and warrants a stay.

II. FACTUAL BACKGROUND

PayGeo sued Samsung on April 2, 2025, alleging that various Samsung services and devices infringe the Asserted Patents. Dkt. 1. Samsung timely answered on July 29, 2025. Dkt. 18.

PayGeo served its Disclosure of Asserted Claims and Preliminary Infringement Contentions on August 25, 2025. Ex. 6. Samsung then moved for judgment on the pleadings on

August 29, 2025, explaining that all Asserted Claims are invalid under 35 U.S.C. § 101. Dkt. 35. Shortly thereafter, on October 1 and 2, 2025, Samsung expeditiously filed five petitions for IPR against all but one of the Asserted Claims in all five Asserted Patents,[1] as shown in the chart below. Exs. 1-5.

Asserted Patent	IPR Case No.	Asserted Claims	Challenged Claims
'671 patent	IPR2025-01551	1-3, 22, and 24	1-3 and 22
'296 patent	IPR2025-01552	1-2, 4, 6-9, 11, and 13-14	1-14
'018 patent	IPR2025-01553	1-2, 4, 6-9, 11, and 13-14	1-14
'307 patent	IPR2025-01554	1-2, 4, 6-9, 11, and 13-14	1-14
'347 patent	IPR2025-01555	1-3, 5-8, and 10	1-10

In each IPR petition, none of the prior art grounds were considered by the Patent Office during prosecution of the applications leading to the Asserted Patents. *See generally* Exs. 1-5. In support of each petition, an expert declaration explaining why the challenged claims are unpatentable was submitted—Mr. Stu Lipoff for the '671, '296, '018, and '307 IPRs, and Dr. Andrew Cockburn for the '347 IPR. *Id*.

The PTAB accorded the filing date on October 6, 2025 for the '296 IPR, and on October 7, 2025 for the '671, '018, '307, and '347 IPRs. Institution Decisions are due by April 6, 2026 for the '296 IPR, and by April 7, 2026 for the '671, '018, '307, and '347 IPRs. PayGeo filed requests for discretionary denial in each of the IPRs on December 8, 2025, but it has not yet filed a preliminary response in any of the IPRs. If the PTAB institutes the IPRs, Final Written Decisions

[1] The only claim not challenged in the IPRs is claim 24 of the '671 patent.

are expected no later than one year from the dates of institution (April 6, 2027, and April 7, 2027, respectively).

This district court case is still in its earliest of stages. Samsung served its Invalidity Contentions on November 3, 2025. Since then, the parties have engaged in only minimal discovery. For example, PayGeo only recently began reviewing Samsung's source code and served its first set of interrogatories on December 3, 2025. Fact discovery does not close until November 18, 2026. Additionally, the first claim construction deadline is not until June 17, 2026, with the *Markman* hearing not scheduled until October 21, 2026; expert discovery ends on January 6, 2027; dispositive motions are not due until January 11, 2027; and jury selection is not until April 19, 2027. Dkt. 52.

III. ARGUMENT

A district court "has the inherent power to control its own docket, including the power to stay proceedings." *Customedia Techs., LLC, v. DISH Network Corp*., No. 2:16-cv-129-JRG, 2017 WL 3836123, at *1 (E.D. Tex. Aug. 9, 2017) (citing *Clinton v. Jones*, 520 U.S. 681, 706 (1997)). In doing so, the Court "must weigh competing interests and maintain an even balance." *Id.* (quoting *Landis v. N. Am. Co.*, 299 U.S. 248, 254–55 (1936)). When deciding whether to grant a stay pending IPR, courts consider "(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 Tech. LLC v. HTC Am., Inc.*, No. 2:13-cv-1058-WCB, 2015 WL 1069111, at *2 (E.D. Tex. Mar. 11, 2015). "Based on those factors, courts determine whether the benefits of a stay outweigh the inherent costs of postponing resolution of the litigation." *Id.* (citing *EchoStar Techs. Corp. v. TiVo, Inc.,* No. 5:05–cv–81, 2006 WL 2501494 (E.D. Tex. July 14, 2006)).

Here, all three factors favor a stay.

A. The Case Is in Its Earliest of Stages

The case is in its infancy. "Staying a case at an early juncture can advance judicial efficiency and maximize the likelihood that neither the court nor the parties expend their assets addressing invalid claims." *Landmark Tech., LLC v. iRobot Corp.*, No. 6:13-cv-411-JDL, 2014 WL 486836, at *3 (E.D. Tex. Jan. 24, 2014) (cleaned up); *see also Chart Trading Dev., LLC v. Tradestation Grp., Inc.*, No. 6:15-CV-1136-JDL, 2016 WL 1246579, at *4 (E.D. Tex. Mar. 29, 2016) (same).

Only minimal fact discovery has occurred so far. The parties have each served their respective Disclosures and contentions, and PayGeo only just recently began reviewing Samsung's source code and served its first set of interrogatories. Beyond that, no meaningful discovery has occurred. No depositions have occurred. Staying the case would conserve not only the Court's and party resources but also third-party resources.

The next deadline under the Court's Docket Control Order is not until June 17, 2026, when the parties exchange proposed claim terms for claim construction. Dkt. 52. The *Markman* hearing is not scheduled until October 21, 2026. *Id.* The scheduled start of trial is still more than a year away on April 19, 2027. *Id.* Notably, all Final Written Decisions in the IPRs would issue *before* the start of trial. Thus, staying this case now would save substantial judicial and party resources and would potentially save non-party resources as well. *Smartflash LLC v. Apple Inc.*, 621 F. App'x 995, 1005 (Fed. Cir. 2015) ("A determination from the PTAB that all the asserted claims are patent ineligible will spare the parties and the district court the expense of any further litigation, including a trial."). Indeed, "the most burdensome parts of the case … all lie in the future." *CyWee Grp. Ltd. v. Samsung Elecs. Co.*, No. 2:17-cv-00140-WCB-RSP, 2019 WL 11023976, at *6 (E.D. Tex. Feb. 14, 2019); *Smartflash*, 621 F. App'x at 1005 ("Despite the substantial time and effort

already spent in this case, the most burdensome task is yet to come.").

Staying at this stage also reduces significant expenses of the parties and Court resources by avoiding any need to revisit claim construction issues in view of arguments that PayGeo makes before the PTAB. *See Aylus Networks, Inc. v. Apple Inc.*, 856 F.3d 1353, 1364 (Fed. Cir. 2017) ("[S]tatements made by a patent owner during an IPR proceeding, whether before or after an institution decision, can be relied upon to support a finding of prosecution disclaimer."). A stay will also allow PayGeo and Samsung to avoid incurring substantial expenses litigating issues that may well be mooted, streamlined, or at a minimum further defined in the IPRs. *See, e.g.*, *Versata Software, Inc. v. Callidus Software, Inc.*, 771 F.3d 1368, 1374 (Fed. Cir. 2014), *vacated, on other grounds by* 780 F.3d 1134 (Fed. Cir. 2015) (noting courts should be "mindful of the burden on the parties and the court in completing both fact and expert discovery, resolving summary judgment motions, completing the *Markman* process, and preparing for trial," and finding such considerations strongly favored a stay). Accordingly, this factor weighs in favor of a stay.

While this district often waits until after institution of IPRs to grant a stay, there is no need to wait in this case. The PTAB's institution decisions for the Asserted Patents are expected as early as April 2026—nearly six months before the Court's proposed date for the *Markman* hearing. Dkt. 52. With IPRs filed so early, it is more likely in this case that each petition will be instituted. Even assuming *arguendo*, in the unlikeliest scenario, that the PTAB declines to institute IPR on all of the petitions, there would be no real harm since the stay would have only been in place for a short amount of time. "Because the motion to stay was filed so early in the litigation and the Court can lift the stay with minimal delay," this factor strongly weighs in favor of granting a stay. *Landmark Tech.*, 2014 WL 486836, at *3.

B. The IPR Proceedings Will Simplify the Issues for the Court and Parties

The likelihood of the five pending IPR petitions simplifying this case is high and supports

a stay. The prospect that the IPRs will result in simplification of the issues before the Court is "the most important factor bearing on whether to grant a stay in this case." *NFC Tech.*, 2015 WL 1069111, at *4. Here, the pending IPR petitions challenge all but one of the Asserted Claims in all five Asserted Patents, and thus, their outcome will simplify the issues in this case. Should the IPRs result in the cancelation of some or all asserted claims, "either some portion of the litigation will fall away, or the litigation will come to an end altogether." *Id*. Indeed, a "stay is particularly justified when the outcome of a PTO proceeding is likely to assist the court in determining patent validity or eliminate the need to try infringement issues." *Id.* at *1 (cleaned up). As the Federal Circuit and this Court have both observed, an important "auxiliary function [of the proceeding] is to free the court from any need to consider prior art without the benefit of the [PTAB]'s initial consideration." *Norman IP Holdings, LLC v. TP-Link Techs., Co.*, No. 6:13-cv-384-JDL, 2014 WL 5035718, at *2 (E.D. Tex. Oct. 8, 2014) (quoting *In re Etter*, 756 F.2d 852, 857 (Fed. Cir. 1985)).

With the early IPR filings, it is more likely in this case than others that the PTAB will institute Samsung's petitions. Further, while claim 24 of the '671 patent is not subject to IPR review, this Court has granted stays where less than all asserted claims are covered by IPR. *See, e.g.*, *Versata Software*, 771 F.3d at 1371-72; *Image Processing Techs., LLC v. Samsung Elecs. Co.*, No. 2:16-cv-00505-JRG, 2017 WL 7051628, at *1-2 (E.D. Tex. Oct. 25, 2017) (granting a stay where one asserted claim was not under a simultaneous IPR review, and finding "there is a material possibility that the outcome of all IPR proceedings will streamline the scope and resolution of this case"). Even if only one petition is instituted, it will still simplify this case. As this jurisdiction has previously recognized, "any disposition by the PTAB is likely to simplify the proceedings before this Court." *NFC Tech.*, 2015 WL 1069111, at *7; *see also Uniloc USA Inc. v.*

Google Inc., No. 2:17-cv-231-JRG, Dkt. 47 (E.D. Tex. Oct. 3, 2017) (Gilstrap, J.) (granting stay where IPRs for two out of four patents-in-suit asserted in multiple related actions were instituted, finding that there was "a significant likelihood that the outcome of the IPR proceedings will streamline the scope and resolution of these cases"); *OnPoint Sys., LLC v. Protect Animals with Satellites, LLC*, No. 4:20-CV-657, 2022 WL 2704166, at *3-4 (E.D. Tex. July 12, 2022) (granting stay where not all asserted patents instituted in IPR).

Furthermore, should any of the petitions be instituted, it will likely lead to claim cancellation: in FY 2025, 85% of Final Written Decisions resulted in at least one claim being found invalid, and 65% of Final Written Decisions have found all instituted claims invalid. *See* Ex. 7 at 11 (PTAB Trial Statistics FY 24 End of Year Outcome Roundup IPR, PGR). Moreover, regardless of the outcome of Final Written Decisions, the case will still be simplified because of estoppel principles. *See NFC Tech.*, 2015 WL 1069111, at *4; *see also Sotera Wireless, Inc. v. Masimo Corp*., No. IPR2020-01019, 2020 WL 7049373, at *7 (P.T.A.B. Dec. 1, 2020). Indeed, Samsung has already stipulated in each of the IPRs that, if the PTAB institutes IPR, Samsung would not pursue in this litigation (1) the specific grounds asserted in the IPR, or any other ground that was raised or could have been reasonably raised in the IPR, (2) any grounds that include any reference named in the IPR petition's grounds. *See* Exs. 8-12. Therefore, "the most important factor bearing on whether to grant a stay in this case" strongly favors granting Samsung's request for a stay, because the IPRs are highly likely to simplify the issues before this Court. *NFC Tech.*, 2015 WL 1069111, at *4.

By staying this case, the Court would also avail itself of the PTAB's view on the technical issues raised by the five Asserted Patents, "reducing the complexity and length of the litigation." *Id*. For example, the PTAB's claim construction and invalidity analyses may prove helpful to the

Court. Moreover, any statements by PayGeo before the PTAB will be material evidence—and may even be dispositive—for issues including, but not limited to, claim construction. *Aylus Networks*, 856 F.3d at 1359-60; *see also Huawei Techs. Co. v. T-Mobile US, Inc.*, No. 2:16-cv-00052-JRG-RSP, 2017 WL 4385567, at *3-5 (E.D. Tex. Sep. 9, 2017) (holding that statements made to the Patent Office in a preliminary response to a petition for IPR proved to be dispositive, as they constituted prosecution disclaimer), *report and recommendation adopted by*, 2017 WL 4314580 (E.D. Tex. Sep. 28, 2017) (Gilstrap, J.); *Corel Software, LLC v. Microsoft Corp.*, No. 2:15-cv-528-JNP-PMW, 2016 WL 4444747, at *2 (D. Utah Aug. 23, 2016) ("Because it is possible, even likely, that the PTO will proceed on at least one of [Defendant's] IPR petitions, this factor weighs in favor of a stay. Proceeding with claim construction without the benefit of the additional intrinsic record developed during IPR could complicate this case by making it necessary to reconsider certain claim construction issues."). An immediate stay would not only allow the parties and the Court to avoid the burden and expense of preparing for contentions and a *Markman* hearing in parallel with the IPRs, it would also ensure that the parties and Court have a complete record on which to resolve claim construction issues should this case resume later. Without a stay, the time spent by the Court to decide the claim construction issues may be wasted if the PTAB finds claims unpatentable or PayGeo takes positions, including claim amendments, during the IPRs that impact the scope of the claims. *See, e.g.*, *Versata Software, Inc.*, 771 F.3d at 1371-72.

Staying the present case can also simplify litigation in other ways. For example, staying this case would promote judicial economy and avoid potentially wasteful discovery efforts. *See, e.g.*, *NFC Tech.*, 2015 WL 1069111, at *4 ("Many discovery problems relating to prior art can be alleviated by the PTO examination."). Should the PTAB institute and subsequently invalidate all of the challenged claims, then the stay will have saved significant time and "reduced [cost] both

for the parties and the Court," but even if the PTAB invalidates only some of the claims, the IPRs still will have narrowed the number of asserted claims "thereby reducing the complexity and length of the litigation," and also will have added to the record in ways that may inform the remaining "issues, defenses, and evidence" in this case. *Id.* These benefits likewise apply to any third parties that receive discovery requests related to infringement and/or invalidity in this case. Lastly, the outcome of the IPRs "may encourage a settlement without the further use of the Court." *Id.*

The likelihood of some or all of those benefits flowing from IPRs is high, and a stay pending completion of the IPRs would resolve or significantly simplify issues under any outcome of the proceedings, whether the claims are affirmed or canceled. Therefore, this factor weighs strongly in favor of a stay.

C. PayGeo Will Not Suffer Any Undue Prejudice

PayGeo will not suffer any undue prejudice if the Court stays the case. "[W]hether the patentee will be unduly prejudiced by a stay in the district court proceedings . . . focuses on the patentee's need for an expeditious resolution of its claim." *VirtualAgility Inc. v. Salesforce.com, Inc.*, 759 F.3d 1307, 1318 (Fed. Cir. 2014). There is no such need here, as PayGeo and Samsung are not direct competitors. PayGeo does not appear to have any business operations. Nor does PayGeo appear to have any actual products that practice the Asserted Patents. PayGeo's entire business model appears to be based on its ownership of patents. The lack of competition between Samsung and PayGeo weighs against a finding of undue prejudice. *See Uniloc 2017 LLC v. LG Elecs. U.S.A., Inc.*, No. 3:18-cv-3071-N, 2020 WL 374545, at *1 (N.D. Tex. Jan. 23, 2020) ("While 'competition between parties can weigh in favor of finding undue prejudice,' Uniloc and Defendants are not competitors.") (quoting *VirtualAgility*, 759 F.3d at 1318).

Should PayGeo be ultimately found to be entitled to some relief, it can be adequately compensated through monetary relief for any alleged infringement of its patents. "A stay will not

diminish the monetary damages"—should PayGeo succeed—"it only delays realization of those damages." *VirtualAgility*, 759 F.3d at 1318; *SSL Servs., LLC v. Cisco Sys., Inc.*, No. 2:15-CV-433-JRG-RSP, 2016 WL 3523871, at *2 (E.D. Tex. June 28, 2016) (same). The "mere delay in collecting those damages does not constitute undue prejudice." *Stragent LLC v. BMW of N. Am., LLC*, No. 6:16-cv-446, 2017 WL 3709083, at *2 (E.D. Tex. July 11, 2017) (quoting *Crossroads Systems, Inc. v. Dot Hill Systems Corp.*, Case No. 13-CA-1025, 2015 WL 3773014, at *2 (W.D. Tex. June 16, 2015)). Indeed, "that factor is present in every case in which a patentee resists a stay, and it is therefore not sufficient, standing alone, to defeat a stay motion." *NFC Tech.*, 2015 WL 1069111, at *2.

In contrast, Samsung would be prejudiced without a stay because it would continue to incur significant litigation expenses and endure the burden of defending against PayGeo's infringement allegations despite its best efforts to promptly file IPR petitions. To date, only the parties' contentions, the parties' disclosures, and minimal discovery requests have taken place. The deadline to complete fact discovery is over ten months away in November 2026. Similarly, the *Markman* hearing is over nine months away in October 2026, with jury selection not scheduled until April 2027.

Moreover, substantial aspects of PayGeo's allegations may be mooted, or at least materially changed, by disclaimers PayGeo makes during the IPRs or by the PTAB's Final Written Decisions in the IPRs. A stay will benefit both parties by allowing them to take advantage of the IPR process, which provides "a more efficient and streamlined patent system that will improve patent quality and limit unnecessary and counterproductive litigation costs." U.S. Patent and Trademark Office, *Changes to Implement Inter Partes Review Proceedings, Post-Grant Proceedings, and Transitional Program for Covered Business Method Patents*, 77 Fed. Reg.

48,680 (Aug. 14, 2012) (to be codified at 37 C.F.R. pt. 37). Where "the only potential prejudice Plaintiff faces is the delay in litigating its patent rights—a minimal prejudice present in every case in which a stay is sought"— this factor weighs in favor of granting the stay. *Parallel Networks Licensing, LLC v. Ramquest Software, Inc.*, No. 4:19-CV-487, 2020 WL 1236266, at *3 (E.D. Tex. Mar. 13, 2020).

IV. CONCLUSION

For all of the foregoing reasons, Samsung respectfully requests that the Court grant its motion to stay this case pending final resolution of the IPR petitions.

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Respectfully submitted,

/s/ Melissa R. Smith

Melissa R. Smith
Texas State Bar No. 24001351
GILLAM & SMITH LLP
303 South Washington Ave.
Marshall, TX 75670
903.934.8450 (Telephone)
903.934.9257 (Facsimile)
melissa@gillamsmithlaw.com

Gerald F. Ivey
Parmanand K. Sharma (*pro hac vice*)
Christopher T. Blackford (*pro hac vice*)
Nicholas A. Cerulli (*pro hac vice*)
Christina Ji-Hye Yang (*pro hac vice*)
Connor M. McGregor (*pro hac vice*)
FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER, LLP
901 New York Avenue, N.W.
Washington, D.C. 20001-4413
(202) 408-4000
gerald.ivey@finegan.com
parmanand.sharma@finnegan.com
christopher.blackford@finnegan.com
nicholas.cerulli@finnegan.com

christina.yang@finnegan.com
connor.mcgregor@finnegan.com

Charles H. Suh (*pro hac vice)*
FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER, LLP
1875 Explorer Street, 8th Floor
Reston, VA 20190-6023
(571) 203-2700
charles.suh@finnegan.com

Benjamin R. Schlesinger (*pro hac vice*)
Benjamin A. Saidman (*pro hac vice*)
Wyatt L. Bazrod (*pro hac vice*)
FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER, LLP
271 17th St. NW Suite 1400
Atlanta, GA 30363-6209
(404) 653-6400
benjamin.schlesinger@finnegan.com
benjamin.saidman@finnegan.com
wyatt.bazrod@finnegan.com

Sneha Nyshadham (*pro hac vice*)
FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER, LLP
3300 Hillview Ave., 2nd Floor
Palo Alto, CA 94304
Tel: (650) 849-6600
Fax: (650) 849-6666
sneha.nyshadham@finnegan.com

ATTORNEYS FOR DEFENDANTS SAMSUNG ELECTRONICS CO., LTD. & SAMSUNG ELECTRONICS AMERICA, INC.

CERTIFICATE OF SERVICE

I hereby certify that on January 5, 2026, I electronically filed the foregoing with the Clerk of Court using the CM/ECF system, which will send a Notice of Electronic Filing (NEF) to all counsel of record who have appeared in this case on behalf of the parties and are deemed to have consented to electronic service per Local Rule CV-5(a)(3).

/s/ Melissa R. Smith
Melissa R. Smith

CERTIFICATE OF CONFERENCE

I hereby certify that on December 31, 2025, counsel for Samsung and PayGeo have complied with the meet and confer requirement specified in Local Rule CV-7(h), and this motion is opposed. Nicholas Cerulli and Christina Yang, counsel for Samsung, and Christina Finn, counsel for PayGeo, conferred telephonically. No agreement was reached, and discussions ended in an impasse, leaving an open issue for the Court to resolve.

/s/ Melissa R. Smith
Melissa R. Smith

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