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13 **UNITED STATES DISTRICT COURT**
14 **CENTRAL DISTRICT OF CALIFORNIA**
15 **SOUTHERN DIVISION**

16 MR TECHNOLOGIES GMBH,
17 Plaintiff,

18 v.

19 TOSHIBA AMERICA ELECTRONIC
20 COMPONENTS, INC., and
21 TOSHIBA ELECTRONICS DEVICES
22 AND STORAGE CORPORATION,

23 Defendants.

Case No. 8:25-cv-786-JVS-DFM

**DEFENDANTS' NOTICE OF
MOTION, MOTION TO STAY,
AND MEMORANDUM IN
SUPPORT THEREOF**

Complaint Filed: April 15, 2025

Date: December 1, 2025

Time: 1:30 p.m.

Place: Court Room 10C

Judge: Hon. James V. Selna

1 (counsel caption continued from
2 previous page)

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**TO THE COURT AND TO ALL PARTIES AND THEIR ATTORNEYS OF
RECORD:**

PLEASE TAKE NOTICE THAT pursuant to Fed. R. Civ. P. 16 and the Court's authority to manage its docket, Defendants Toshiba America Electronic Components, Inc. and Toshiba Electronic Devices and Storage Corporation (together, "Toshiba") respectfully move to stay this action pending resolution of Case No. 3:25-cv-08631 in the United States District Court for the Northern District of California.

The motion will be heard on December 1, 2025, at 1:30 p.m., in Courtroom 10C of the above Court, before the Honorable James V. Selna, or at such later date and time as may be set by the Court.

The motion is based on the attached memorandum of points and authorities, the Declaration of Douglas F. Stewart and exhibits attached thereto, the Declaration of Masaru Atsumi, and any subsequently filed supplemental briefing and accompanying papers, the pleadings and papers filed in this action, and any other arguments, evidence, and matters submitted to this Court at the hearing or otherwise.

Counsel for Toshiba complied with the meet and confer requirement of Local Rule 7-3 before bringing this motion by meeting with counsel for MRT via telephone conference on October 15, 2025, to discuss the contents of this motion. Counsel for MRT stated that it would not agree to the relief sought, necessitating this motion.

Dated: October 31, 2025

Respectfully submitted,

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1 **I. INTRODUCTION**

2 Defendants Toshiba America Electronic Components, Inc. (“TAEC”) and
3 Toshiba Electronic Devices and Storage Corporation (“TDSC” and, together with
4 TAEC, “Toshiba”) respectfully move to stay this case pending resolution of related
5 claims by manufacturer Resonac Hard Disk Corporation (“RHDC”) and Resonac
6 America, Inc. (“REA” and, together with RHDC, “Resonac”) for declaratory judgment
7 against Plaintiff MR Technologies, GmbH (“MRT”).

8 On April 15, 2025, MRT filed the above-captioned action against Toshiba
9 alleging that various Toshiba hard disk drive (“HDD”) products infringe U.S. Patent
10 Nos. 9,928,864 (“the ’864 patent”); 11,138,997 (“the ’997 patent”); and 12,020,734
11 (“the ’734 patent” and collectively, “the Asserted Patents”). MRT accuses Toshiba’s
12 HDDs of infringement because of their use of a magnetic recording media component
13 which is designed, manufactured, and sold by Resonac to Toshiba. Thus, MRT’s true
14 dispute is with Resonac, not Toshiba.

15 Resonac has—while this case remains in its infancy—already acted to refute
16 MRT’s allegations of infringement of the Asserted Patents by Toshiba HDDs
17 incorporating Resonac magnetic recording media. On October 8, 2025, Resonac filed
18 petitions for *inter partes* review of each Asserted Patent. On October 9, 2025, Resonac
19 filed an action for declaratory judgment (Case No. 3:25-cv-08631) in the United States
20 District Court for the Northern District of California, where REA is headquartered,
21 seeking a declaration that the HDDs using the accused magnetic recording media do not
22 infringe any claims of the three Asserted Patents.

23 These circumstances fall squarely within the customer suit exception in which
24 “litigation against or brought by the manufacturer of infringing goods takes precedence
25 over a suit by the patent owner against customers of the manufacturer.” *Katz v. Lear*
26 *Siegler, Inc.*, 909 F.2d 1459, 1464 (Fed. Cir. 1990). Toshiba therefore respectfully
27 requests that the Court stay the instant case in favor of manufacturer Resonac’s co-
28 pending litigation with MRT.

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II. BACKGROUND

A. MRT's Infringement Allegations Center on Magnetic Recording Media

MRT's Complaint alleges that "all HDD products listed on Defendants' [Toshiba's] HDD webpages" infringe the three Asserted Patents. Dkt. No. 1 ("Compl."), ¶ 24 (defining the "Accused Products"). MRT's infringement allegations focus on the "magnetic recording media" in those products. *Id.*, ¶ 11. This singular focus on the recording media is evident from, and illustrated by, at least paragraphs 11, 21, 30, and 35-36 of the Complaint. In paragraph 11, for example, MRT alleges that the Asserted Patents "are directed to magnetic recording media used *in* hard disk drives" and proceeds to describe that component portion of a hard disk drive. *See id.*, ¶ 11 (emphasis added).

Paragraph 21 continues to focus on the Accused Products' use of the patented magnetic recording media "to achieve areal densities above 700 Gb/m²" by "includ[ing] a nucleation host with two or more ferromagnetic layers that have increasing anisotropy towards an underlying hard storage layer, where the nucleation host has lower coercive field, and assists in switching, the hard storage layer." *See id.*, ¶ 21. MRT further alleges that the Accused Products "include a glass or AlMg substrate" and "a soft magnetic underlayer (SUL) formed on the non-magnetic substrate." *Id.*, ¶¶ 35-36. Similarly, paragraph 30 again highlights the use of the claimed "magnetic recording medium" (of independent claim 1 of the '864 patent) within Toshiba's Accused Products. *See id.*, ¶ 30.

The four independent claims of the Asserted Patents establish that the specific characteristics of Resonac's magnetic recording media are the focus of MRT's accusations of infringement. Independent claim 1 of the '864 patent and independent claim 7 of the '977 patent each claim a "magnetic recording medium" with specific characteristics. Declaration of Douglas Stewart in Support of Defendants' Motion to Stay ("Stewart Decl."), Ex. A, claim 1 & Ex. B, claim 7. Independent claim 1 of the

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1 '977 patent and claim 1 of the '734 patent each similarly claim “[a] magnetic
2 recording system, comprising: . . . a disk, including a magnetic recording medium”
3 with specific characteristics. *Id.*, Ex. B, claim 1 & Ex. C, claim 1.

4 Simply put, substantive resolution of the infringement issues in this case will
5 depend upon the composition of Resonac’s magnetic recording media incorporated
6 in the Accused Products. Toshiba has no involvement in the development or design
7 of the magnetic recording media; it is simply a customer of Resonac.

8 **B. Resonac Manufactures and Supplies the Accused Magnetic**
9 **Recording Media**

10 Resonac specializes in producing and distributing products for high-technology
11 devices, including magnetic recording media incorporated into HDDs. *See Resonac*
12 *Hard Disk Corporation et al. v. MR Technologies, GmbH*, Case No. 3:25-cv-08631,
13 Dkt. No. 1, ¶ 4 (N.D. Cal. Oct. 9, 2025) (“Resonac Complaint”) (attached as Exhibit
14 D to the Stewart Decl.).

15 Resonac—not Toshiba—is responsible for designing and manufacturing the
16 magnetic recording media and ultimately provides that component to TDSC for
17 inclusion in TDSC-manufactured hard disk drives. *See Declaration of Masaru Atsumi*
18 *in Support of Defendants’ Motion to Stay* (“Atsumi Decl.”), ¶ 5. Toshiba does not
19 design, develop, or manufacture the magnetic recording media used in the Accused
20 Products. *Id.*, ¶ 4. Instead, TDSC purchases all magnetic recording media
21 incorporated in the Accused Products from Resonac. *Id.*, ¶¶ 5-6. Toshiba personnel
22 are not involved in the design or manufacture of Resonac’s magnetic recording media.
23 *Id.* Upon receipt, Toshiba incorporates Resonac’s magnetic recording media into the
24 Accused Products without altering their construction. *Id.*, ¶ 7. Thus, Toshiba
25 purchases fully fabricated magnetic recording media designed and manufactured by
26 Resonac, does not modify the structures and material properties of the purchased
27 magnetic recording media, and merely integrates those finished magnetic recording
28 media into multi-component HDDs. *Id.*, ¶¶ 4-7. Toshiba is, at most, a downstream

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1 customer and reseller of the magnetic recording media products that are at the heart
2 of MRT's infringement allegations.

3 Since the filing of MRT's suit alleging infringement of the Asserted Patents,
4 Toshiba has, in accordance with the indemnification provision of its supply agreement
5 with RHDC, specifically requested indemnification from Resonac with regard to the
6 allegations in MRT's Complaint. Resonac has agreed to indemnify Toshiba in
7 accordance with the terms of the agreement. *Id.*, ¶ 8.

8 **C. Resonac Filed Suit to Resolve Its Dispute With MRT**

9 After receiving Toshiba's indemnification request, Resonac moved diligently
10 in connection with this litigation. On October 8, 2025, Resonac petitioned for *inter*
11 *partes* review of each Asserted Patent before the Patent Trial and Appeal Board. *See*
12 *generally* IPR2026-00014, Paper 2 (attached as Exhibit E to the Stewart Decl.);
13 IPR2026-00015, Paper 2 (attached as Exhibit F to the Stewart Decl.); IPR2026-
14 00016, Paper 2 (attached as Exhibit G to the Stewart Decl.). The petitions remain
15 pending. MRT must file any requests for discretionary denial by December 10, 2025,
16 and any patent owners' preliminary responses by January 10, 2026. By regulation,
17 the Patent Trial and Appeal Board must decide whether to institute the *inter partes*
18 review proceedings by April 10, 2026.

19 On October 9, 2025, Resonac filed an action for declaratory judgment (Case
20 No. 3:25-cv-08631) in the United States District Court for the Northern District of
21 California, where REA is located. The Resonac Complaint specifically alleges that it
22 designs, manufactures, and sells the magnetic recording media in the Accused
23 Products that form the basis of MRT's infringement allegations in this case. *See*
24 *generally* Stewart Decl, Ex. D. Resonac alleges that its products do not infringe and
25 provides examples of differences between its magnetic recording media and each
26 independent claim of the Asserted Patents. *Id.*, ¶¶ 29-43.

III. LEGAL STANDARD

A district court has “broad discretion to stay proceedings as an incident to its power to control its own docket.” *Clinton v. Jones*, 520 U.S. 681, 706 (1997). The court “may, with propriety, find it is efficient for its own docket and the fairest course for the parties to enter a stay of an action before it, pending resolution of independent proceedings which bear upon the case.” *Leyva v. Certified Grocers of Cal., Ltd.*, 593 F.2d 857, 863 (9th Cir. 1979). When deciding whether to stay an action, a court weighs several factors: (1) “the possible damage which may result from the granting of a stay,” (2) “the hardship or inequity which a party may suffer in being required to go forward,” and (3) “the orderly course of justice measured in terms of the simplifying or complicating of issues, proof, and questions of law which could be expected to result from a stay.” *Lockyer v. Mirant Corp.*, 398 F.3d 1098, 1110 (9th Cir. 2005).

The customer-suit doctrine recognizes that staying patent infringement suits against customers like this one is preferred: “When a patent owner files an infringement suit against a manufacturer’s customer and the manufacturer then files an action of noninfringement or patent invalidity, the suit by the manufacturer generally take[s] precedence.” *In re Nintendo of Am., Inc.*, 756 F.3d 1363, 1365 (Fed. Cir. 2014); *see also Katz*, 909 F.2d at 1464 (“[L]itigation against or brought by the manufacturer of infringing goods takes precedence over a suit by the patent owner against customers of the manufacturer.”). “The customer suit exception ‘is based on the manufacturer’s presumed greater interest in defending its actions against charges of patent infringement; and to guard against possibility of abuse.’” *Spread Spectrum Screening LLC v. Eastman Kodak Co.*, 657 F.3d 1349, 1357 (Fed. Cir. 2011). The exception “exists to avoid, if possible, imposing the burdens of trial on the customer, for it is the manufacturer who is generally the ‘true defendant’ in the dispute,” thereby facilitating a “just, convenient, efficient, and less expensive determination.” *Nintendo*, 756 F.3d at 1365; *see also Tegic Commc’ns Corp. v. Bd. of Regents of Univ.*

1 of *Texas Sys.*, 458 F.3d 1335, 1343 (Fed. Cir. 2006) (“[T]he guiding principles in the
2 customer suit exception cases are efficiency and judicial economy.”).

3 IV. ARGUMENT

4 A. Staying This Case Will Promote Judicial Efficiency

5 Staying this customer suit in favor of manufacturer Resonac’s lawsuit will
6 significantly promote “the orderly course of justice measured in terms of the
7 simplifying or complicating of issues, proof, and questions of law which could be
8 expected to result from a stay.” *Lockyer*, 398 F.3d at 1110. As discussed above,
9 *supra* Section II, MRT’s infringement allegations center on characteristics of the
10 recited “magnetic recording medium” incorporated into the Accused Products.
11 Resonac—not Toshiba—designs and manufactures the magnetic recording media
12 component. *See* Atsumi Decl., ¶ 5. Toshiba is a reseller of Resonac’s magnetic
13 recording media only because Toshiba incorporates the Resonac component into its
14 HDDs. *See id.*, ¶ 7. Toshiba has a contractual right to indemnification from Resonac
15 in this circumstance, and Resonac has agreed to indemnify Toshiba in accordance
16 with the terms of the parties’ agreement. *See id.*, ¶ 8. Moreover, the Federal Circuit
17 has found that an agreement by a customer to be bound by the results of litigation
18 against the manufacturer “highly relevant to the propriety of granting a stay in patent
19 cases involving defendants in different levels of commerce.” *Sillage LLC v. Kenrose*
20 *Perfumes Inc.*, No. 8:14-CV-02043-CAS, 2015 WL 3649605, at *6 (C.D. Cal. June
21 9, 2015) (citing *Kahn v. Gen. Motors Corp.*, 889 F.2d 1078, 1082 (Fed. Cir. 1989)
22 and *Refac Int’l, Ltd. v. IBM*, 790 F.2d 79, 81 (Fed. Cir. 1986)). Toshiba represents
23 that, should the Court stay the instant case, it will acknowledge and accept the results
24 of the Resonac proceeding. Of course, conversely, should Resonac prevail in showing
25 that the Asserted Patents are either not infringed and/or invalid, Toshiba will assert
26 those determinations under collateral estoppel principles.

27 Given this agreement, “it is hard to imagine a situation in which litigation
28 against [Resonac] would not resolve or at least simplify the litigation against
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1 [Toshiba]” such that “it makes sense to spare . . . the time and expense of litigating
2 parallel actions.” *Sillage*, 2015 WL 3649605 at *6. Courts in this District have
3 repeatedly held that similar circumstances merit staying the suit against the
4 customers. *See, e.g., Altair Instruments, Inc. v. Telebrands Corp.*, No. 2:19-CV-
5 08967-SJO-JC, 2020 WL 1956516, at *3 (C.D. Cal. Mar. 31, 2020) (staying customer
6 suit where manufacturer “agreed to indemnify” customer); *Linksmart Wireless Tech.*
7 *LLC v. Gogo Inc.*, No. LACV1803335AGJDEX, 2018 WL 8367609, at *2 (C.D. Cal.
8 Sept. 18, 2018) (staying customer suit where patentee was “not basing its
9 infringement positions on any possibly unique/modified features of the accused
10 systems as implemented by each defendant”); *Upaid Sys., Ltd. v. CleanDan*, No.
11 SACV1800619ABSSX, 2018 WL 5279567, at *3 (C.D. Cal. July 25, 2018) (“In light
12 of those representations, it is nearly certain that the Related Action will dispose of the
13 invalidity and direct infringement issues in this case.”); *WP Banquet, LLC v. Lowe's*
14 *Companies, Inc.*, No. 216CV02137CASGJSX, 2016 WL 4472933, at *4 (C.D. Cal.
15 Aug. 24, 2016) (staying “a clear-cut example” of a customer suit).

16 This Court has held the same. In *Snap Light, LLC v. KimsA Princess Inc.*, the
17 Court stayed a prior-filed suit involving multiple customers in favor of a later-filed
18 declaratory judgment by the manufacturer (LuMee). *See* Case No. 17-cv-05648-JVS,
19 Dkt. 54 (C.D. Cal. Feb. 26, 2018) (attached as Exhibit H to the Stewart Decl.). The
20 Court determined that the “declaratory judgment action will resolve the core issue in
21 this case, whether the accused LuMee products fall within the scope of the claims of
22 the [Asserted] Patent.” *Id.* at 3. The Court noted that “LuMee, not Defendants, is the
23 manufacturer of the accused products, supplies the accused products to the market,
24 and has knowledge of the structure and function of the accused products,” making it
25 “the ‘true defendant’ in this dispute.” *Id.* The Court cited manufacturer “LuMee’s
26 agreement to indemnify Defendants in this action” as further “evidence[] that LuMee
27 is the real part-in-interest.” *Id.* The Court also highlighted that the customers’
28 “agree[ment] to be bound by the infringement findings of the declaratory judgment”

1 meant that “resolution of whether the accused LuMee products infringe will simplify
2 and facilitate an efficient resolution of this action.” *Id.* at 4.

3 *Snap Light* mirrors the factual circumstances here. Resonac’s declaratory
4 judgment action will resolve whether its accused magnetic recording media falls
5 within the scope of the claims of MRT’s Asserted Patents. Resonac, as the designer
6 and manufacturer of the accused magnetic recording media, has the requisite
7 knowledge of the media’s structure and function. Toshiba has requested
8 indemnification from Resonac under their supply agreement. Toshiba has agreed to
9 be bound by the final resolution of Resonac’s action. A stay under the customer-suit
10 doctrine is therefore appropriate.

11 To the extent MRT argues that the Resonac action will not resolve *all* issues in
12 this customer suit, such an argument is insufficient to deny a stay. As the Court
13 recognized in *Snap Light*, Federal Circuit law applies the customer suit doctrine even
14 when “additional issues” may remain. *Id.* at 5 (quoting *Nintendo*, 756 F.3d at 1366).
15 This includes any arguments that MRT may make with respect to damages. *See*
16 *Nintendo*, 756 F.3d at 1366 (rejecting patentee’s argument that it should “have its
17 choice of, the highest royalty rate among the defendants” as “outweighed” by judicial
18 efficiency in resolving “the major premises being litigated in [the manufacturer
19 litigation]”) (alteration in original); *Linksmart*, 2018 WL 8367609, at *2 (possibility
20 of “additional damages against the customer defendants” “does not significantly
21 weigh against a customer suit stay”); *Upaid Sys.*, 2018 WL 5279567, at *3 (granting
22 stay despite possibility of “additional recoverable damages against” customer).
23 Likewise, that Toshiba might itself “promote[] or advertise[] the accused products”
24 does not merit denying a stay. Stewart Decl., Ex. H, at 4 (noting the lack of any
25 “binding authority” for the proposition that “the customer-suit exception cannot be
26 applied in a case against a customer that also promotes or advertises the accused
27 products).

1 For these reasons, granting a stay here would materially promote judicial
2 efficiency.

3 **B. Toshiba Faces Practical Hardship Litigating in this District**

4 Although TAEC's principal place of business is in this District, Toshiba would
5 face practical "hardship" in "being required to go forward" and defend itself in this
6 case without Resonac. *See Lockyer*, 398 F.3d at 1110. "Second-hand entities like
7 retailers or distributors . . . [would] not have substantive knowledge about the patent
8 infringement, which would begin at the design and manufacture stages." *Upaid Sys.*,
9 2018 WL 5279567, at *3. That holds true here: Resonac designs and manufactures
10 the magnetic recording media at the center of this case without participation from
11 Toshiba. *See Atsumi Decl.*, ¶¶ 4-7. Toshiba does not have possession, custody, or
12 control over Resonac's internal information regarding design and manufacture of the
13 accused magnetic recording media, nor does Toshiba control the Resonac personnel
14 responsible for that design and manufacture. *See id.* Toshiba thus has less knowledge
15 and information regarding the infringement issues in this case than Resonac. As this
16 Court noted in resolving a motion to intervene, a manufacturer like Resonac "has the
17 best knowledge of its own technology" and its "ability to defend the present litigation
18 appears greater given its in-depth familiarity with the underlying technology."
19 *Kinglite Holdings Inc. v. Micro-Star Int'l Co. Ltd.*, No. 14-cv-04989-JSV(PJWx),
20 Dkt. 73 at 4 (C.D. Cal. Oct. 6, 2014) (Selna, J.) (attached as Exhibit I to the Stewart
21 Decl.).

22 To discover information about the magnetic recording media at the heart of
23 MRT's case, Toshiba would need to engage in third-party discovery. Notably, this
24 would include foreign third-party discovery for information held by RHDC, which
25 Toshiba understands to be the Resonac entity primarily responsible for design and
26 manufacture of the magnetic recording media. *See Atsumi Decl.*, ¶ 5. Accordingly,
27 Toshiba faces hardship if forced to litigate and seek foreign discovery; by contrast,
28 Resonac can directly defend itself with full knowledge and information regarding the
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1 design and manufacture of the accused magnetic recording media in the Northern
2 District of California action.

3 **C. MRT Will Not Be Prejudiced**

4 Here, no “possible damage [will] result from the granting of a stay.” *See*
5 *Lockyer*, 398 F.3d at 1110. This case remains in its infancy. The Court has not
6 entered a schedule, and the parties have not begun the process of fact discovery.
7 Under these circumstances, MRT would suffer no prejudice from a stay of this case
8 and proceeding with the Resonac action first. *See Linksmart*, 2018 WL 8367609, at
9 *2 (noting “the early status of this case (no schedule has been entered yet)” as
10 demonstrating that “staying the suits against the customer defendants would be
11 consistent with overall considerations of efficiency, judicial economy, and party
12 resources”); *Sillage*, 2015 WL 3649605, at *7 (finding no prejudice from customer-
13 suit doctrine stay because it was “early in the litigation”).

14 This Court has recognized that the early stage of a case favors staying a
15 customer suit. In *Snap Light*, the proceedings had progressed farther than here: the
16 parties had already “served initial disclosures” and “written discovery.” Stewart
17 Decl., Ex. H, at 4. But “neither party ha[d] noticed any depositions, no infringement
18 contentions ha[d] been served, and no trial date ha[d] been set.” *Id.* Accordingly,
19 this Court found the patentee “would not be harmed by the stay.” *Id.* Similarly, MRT
20 will not be harmed here, where even less substantive activity has occurred.

21 In fact, proceeding in the Northern District of California would assist MRT in
22 collecting the evidence it will need to prove infringement. As noted above, Toshiba
23 understands RHDC to be the Resonac entity primarily responsible for design and
24 manufacture of the accused magnetic recording media. Proceeding in the Northern
25 District action against Resonac will permit MRT to obtain information from RHDC
26 through ordinary party discovery and obviate inconvenient foreign discovery that
27 would be necessary in this case.

1 Further, MRT has made no indication that expedited resolution of its claims
2 against Toshiba specifically (as opposed to manufacturer Resonac) is necessary.
3 MRT's Complaint does not allege that MRT competes with Toshiba for sales of hard
4 disks, and it does not request injunctive relief precluding Toshiba from continuing to
5 sell the accused products. *See generally* Compl.

6 **V. CONCLUSION**

7 For the foregoing reasons, Defendants Toshiba America Electronic
8 Components, Inc. and Toshiba Electronic Devices and Storage Corporation
9 respectfully request that the Court stay this case.

10
11 Dated: October 31, 2025

Respectfully submitted,

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CERTIFICATE OF COMPLIANCE

The undersigned, counsel of record for Defendants Toshiba America Electronic Components, Inc. and Toshiba Electronic Devices and Storage Corporation, certifies that this brief contains 3,298 words, which [choose one]:

X complies with the word limit of L.R. 11-6.1.

_____ complies with the word limit set by court order dated [date].

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CERTIFICATE OF SERVICE

I hereby certify that on October 31, 2025, I electronically filed the foregoing with the Clerk of Court using the CM/ECF system, which will send notification of such filing via electronic mail to all counsel of record.

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