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ZODIAC POOL SYSTEMS LLC

**UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF CALIFORNIA**

BEATBOT TECHNOLOGY (USA)
CO., LTD.; DEEPWATER
INNOVATION TECHNOLOGY
(HONG KONG) LIMITED;
XINGMAI INNOVATION
TECHNOLOGY (SUZHOU) CO.,
LTD.,

Plaintiff, Counter-
Defendants

v.

ZODIAC POOL SYSTEMS LLC

Defendant, Counterclaim-
Plaintiff.

Case No. 3:25-cv-01946-GPC-JLB

**DEFENDANT'S MEMORANDUM
OF POINTS AND AUTHORITIES IN
SUPPORT OF DEFENDANT'S
OPPOSITION TO MOTION TO
STAY**

Date: April 3, 2026
Time: 1:30 PM
Courtroom: 12A, 12th Floor
Judge: Hon. Gonzalo P. Curiel
Magistrate Judge: Hon. Jill L. Burkhardt

TABLE OF CONTENTS

I.	INTRODUCTION.....	1
II.	BACKGROUND.....	2
A.	Beatbot’s Declaratory Judgement Complaint.....	2
B.	Beatbot’s Petitions for <i>Inter Partes</i> Review	3
C.	Beatbot Raises Invalidity Arguments in This Court That Will Not Be Addressed by the PTAB.....	4
III.	LEGAL STANDARD	4
IV.	ARGUMENT	5
A.	Beatbot’s Inconsistent Positions and Opportunistic Timing of Filing the Petitions for IPR Weigh Against a Stay	5
B.	Institution of IPR Proceedings Will Not Simplify the Issues	7
C.	At a Minimum, The Court Should Delay Any Stay Decision Until After the Institution Decision	9
V.	CONCLUSION	10

TABLE OF AUTHORITIES

Page(s)

Cases

<i>Clinicomp Int’l, Inc. v. Cerner Corp.</i> , No. 17cv2479, 2018 WL 5617694 (S.D. Cal. Oct. 30, 2018).....	4
<i>E.Digital Corp. v. Microsemi Corp.</i> , No. 15-cv-319-H-BGS, 2015 WL 11237472 (S.D. Cal. July 28, 2015).....	4, 6, 9
<i>Saint Lawrence Commc’ns LLC v. ZTE Corp.</i> , Nos. 2:15-CV-349-JRG, 2:15-CV-351-JRG, 2017 WL 3396399 (E.D. Tex. Jan. 17, 2017)	8
<i>Sotera Wireless, Inc. v. Masimo Corp.</i> , IPR2020-01019, Paper 12 (P.T.A.B. Dec. 1, 2020).....	1, 3, 7
<i>TAS Energy, Inc. v. S.D. Gas & Elec. Co.</i> , No. 12cv2777-GPC(BGS), 2014 WL 794215 (S.D. Cal. Feb. 26, 2014).....	4

Statutes

35 U.S.C. § 101.....	4, 8
35 U.S.C. § 112.....	4, 8
35 U.S.C. § 132.....	4, 8

Defendant Zodiac Pool Systems LLC (“Zodiac”) files this response to Plaintiffs Beatbot Technology (USA) Co. Ltd., Deepwater Innovation Technology (Hong Kong) Limited, and Xingmai Innovation Technology (Suzhou) Co., Ltd.’s (collectively, “Beatbot”) Motion to Stay, Dkt. 27.

I. INTRODUCTION

Beatbot filed this action claiming an immediate need for a declaratory judgment of non-infringement, yet now reverses course to request an indefinite stay of the case it filed. In its Complaint, Beatbot alleged a “substantial controversy of sufficient immediacy and reality to warrant the issuance of a declaratory judgment of non-infringement as to whether the Beatbot Products infringe the Patents-in-Suit,” and Beatbot offered no allegations that the Patents-in-Suit are invalid. Dkt. 1 ¶¶ 1–4.

Zodiac in its Answer alleged compulsory counterclaims that the Beatbot Products do, in fact, infringe the Patents-in-Suit. *See* Dkt. 10 (Zodiac Answer and Counterclaims) ¶¶ 44–98. Beatbot answered those counterclaims and identified affirmative defenses. Dkt. 15. Further, the parties have exchanged infringement contentions and invalidity contentions, claim construction exchanges and subsequent briefing are about to begin, and discovery is well-underway.

Almost six months after filing this lawsuit asking the Court to find it does not infringe Zodiac’s patents, Beatbot filed petitions for *inter partes* review (“IPR”) with the U.S. Patent and Trademark Office (“USPTO”) as to the Patents-in-Suit and now asks for an immediate stay of this action. The Court, with its inherent powers to manage its own docket, should deny this stay in view of the fact that Beatbot filed this case in the first place, and now is engaged in transparent attempts to manipulate dockets and venues.

In addition, the three factors Courts consider in addressing stays support denial. Beatbot already raised invalidity positions in this case that cannot be addressed by the USPTO, including written description and ineligible subject-matter arguments. Beatbot also has not filed a *Sotera* stipulation with the USPTO, which would estop

1 Beatbot from bringing additional invalidity arguments before this Court at the same
2 time it proceeds with the IPRs. Beatbot's invalidity arguments that the IPRs cannot
3 address and refusal to enter such a stipulation undercut its suggestion that a stay will
4 simplify the case, as the issue of invalidity likely will not be resolved in the IPRs.
5 Also, Zodiac would be prejudiced by a stay because the parties are competitors in the
6 market for robotic pool cleaners. Finally, a high likelihood exists that Beatbot's IPR
7 petitions will be denied under the USPTO's discretionary authority in a ruling that
8 will be made no later than May 28, 2026, or under the institution standard in a ruling
9 that will be made no later than July 28, 2026; indeed, recent statistics confirm that
10 less than 40% of all IPR petitions are instituted. Ex. 1.¹ A stay pending such a denial
11 would result in an unnecessary delay of these proceedings without the benefit of any
12 alleged simplification of the issues before this Court.

13 The Court should deny Beatbot's Motion or, at a minimum, defer decision on
14 whether to stay the case pending the USPTO's decision on institution.

15 **II. BACKGROUND**

16 **A. Beatbot's Declaratory Judgement Complaint**

17 On July 31, 2025, Beatbot filed its Complaint for a declaratory judgment of
18 non-infringement as to Zodiac's Patents-in-Suit. *See generally* Dkt. 1. Beatbot
19 repeatedly claims an *immediate* need for this declaration, alleging both "an
20 immediate, real, and justiciable controversy" and the creation of a "substantial
21 controversy of sufficient immediacy and reality." Dkt. 1 ¶¶ 2, 4, 5, 13.

22 The impetus for this immediate need for relief, as set forth in the Complaint,
23 was a July 17, 2025, letter from Zodiac's counsel, identifying Beatbot's infringement
24 and demanding cessation of such activities. Dkt. 1-5 (July 17, 2025, letter from S.
25 Moore to Beatbot). Less than two weeks after receipt of this letter, Beatbot filed its
26 Complaint in this District, asserting its claim for immediate relief in the form of a
27 judgment of non-infringement. Tellingly, Beatbot did not seek a declaration from the
28

¹ All exhibits are attached to the Declaration of Christopher S. Leah.

1 Court that the Patents-in-Suit are invalid, an issue on which they would bear the
2 burden of production and proof.

3 On September 22, 2025, Zodiac answered the Complaint and brought its
4 compulsory counterclaims for infringement. *See* Dkt. 10 ¶¶ 44–98. On October 14,
5 2025, Beatbot answered the counterclaims and identified numerous affirmative
6 defenses, including invalidity (Sixth Affirmative Defense). *See generally* Dkt. 15.
7 Pursuant to the Court’s schedule, the parties have subsequently exchanged
8 infringement and invalidity contentions, and the parties will exchange claim
9 construction materials starting on March 3, 2026. *See* Dkt. 18 (Case Management
10 Order). Discovery is well-underway.

11 **B. Beatbot’s Petitions for *Inter Partes* Review**

12 Almost six months after initiating this case, Beatbot filed three petitions for
13 IPR of the Patents-in-Suit with the USPTO’s Patent Trial and Appeal Board
14 (“PTAB”). Zodiac’s briefing on whether the PTAB should decline the petitions on
15 discretionary grounds is due March 30, 2026, and its Preliminary Patent Owner
16 Response is due April 28, 2026. The PTAB has a deadline to decide the discretionary
17 denial issue by May 28, 2026, and if it does not deny on this basis, it will issue an
18 institution decision by July 2026.

19 Beatbot has not filed a *Sotera* stipulation in support of its IPR petitions.
20 A *Sotera* stipulation promises, if the IPR is instituted, “not [to] pursue in [the District
21 Court] the specific grounds [asserted in the *inter partes* review], or on any other
22 ground . . . that was raised or could have been reasonably raised in an IPR.” *See Sotera*
23 *Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 at 13–14 (P.T.A.B. Dec.
24 1, 2020) (second, third, and fourth alterations in original). Thus, Beatbot is seeking to
25 preserve the ability to argue invalidity both before this Court and before the PTAB.

26 As to Zodiac’s action against third-party Wybotics, Co. Ltd. in the Eastern
27 District of Texas, Wybotics also filed IPR petitions with the PTAB as to the three
28 Patents-in-Suit, with discretionary denial decisions expected by April 2, 2026, and

1 institution decisions expected by June 2026. Wybotics has not filed a motion to stay
2 in the Eastern District of Texas.

3 **C. Beatbot Raises Invalidity Arguments in This Court That Will Not**
4 **Be Addressed by the PTAB**

5 On February 10, 2026, Beatbot served its Invalidity Contentions as to the
6 Patents-in-Suit. *See generally* Ex. 2. Beatbot identified invalidity contentions that
7 statutorily cannot be addressed by the PTAB even if IPR is instituted. Such
8 contentions include that certain claims are allegedly invalid for failure to satisfy the
9 enablement or written description requirements of 35 U.S.C. § 112, that the Patents-
10 in-Suit are directed to patent-ineligible subject matter under 35 U.S.C. § 101, and that
11 certain claims of the '207 Patent are invalid under 35 U.S.C. § 132 because they rely
12 on new matter introduced during prosecution that lacks support in the original
13 disclosure. *See* Ex. 2 at 27–33 (Beatbot Invalidity Contentions). Thus, the IPRs cannot
14 address all of Beatbot's invalidity arguments.

15 **III. LEGAL STANDARD**

16 “Courts have inherent power to manage their dockets and stay proceedings,
17 including the authority to order a stay pending conclusion of a PTO reexamination.”
18 *TAS Energy, Inc. v. S.D. Gas & Elec. Co.*, No. 12cv2777-GPC(BGS), 2014 WL
19 794215, at *3 (S.D. Cal. Feb. 26, 2014) (quoting *Ethicon, Inc. v. Quigg*, 849 F.2d
20 1422, 1426–27 (Fed. Cir. 1988)). “In determining whether to stay a case pending inter
21 partes review, the court considers three factors: (1) whether discovery is complete and
22 whether a trial date has been set; (2) whether a stay will simplify the issues in question
23 and trial of the case; and (3) whether a stay would prejudice the non-moving party or
24 present a clear tactical advantage for the moving party.” *E.Digital Corp. v. Microsemi*
25 *Corp.*, No. 15-cv-319-H-BGS, 2015 WL 11237472, at *5 (S.D. Cal. July 28, 2015);
26 *see also TAS Energy*, 2014 WL 794215, at *3; *Clinicomp Int'l, Inc. v. Cerner Corp.*,
27 No. 17cv2479, 2018 WL 5617694, at *2 (S.D. Cal. Oct. 30, 2018).

1 **IV. ARGUMENT**

2 **A. Beatbot’s Inconsistent Positions and Opportunistic Timing of**
3 **Filing the Petitions for IPR Weigh Against a Stay**

4 Any stay—even a short-term stay pending the institution decision—will unduly
5 prejudice Zodiac, an admitted competitor of Beatbot’s in the robotic pool cleaner
6 market. Dkt. 27-1 at 2. Moreover, it would reward Beatbot for engaging in tactical
7 gamesmanship of seeking to “win the race to the courthouse” based on claims of a
8 need for immediate relief on the issue of non-infringement only to demand an
9 immediate and indefinite halt of the proceeding it instituted because it decided six
10 months later to file IPRs.

11 Beatbot *itself* brought this action based on allegations of an *immediate* need for
12 declaratory relief. Less than two weeks after receipt of the July 17 letter, Beatbot filed
13 the Complaint. The Complaint only sought declaratory relief as to infringement of the
14 Patents-in-Suit; Beatbot did not allege at the time of the Complaint that the Patents-
15 in-Suit were invalid—in other words, Beatbot did not seek a separate declaratory
16 judgement that one or more claims of the Patents-in-Suit are invalid. Validity only
17 entered this case as an affirmative defense to Zodiac’s counterclaims for infringement
18 by Beatbot’s products.

19 Presumably, Beatbot brought this action in its chosen forum. Zodiac
20 subsequently did not move to dismiss this action, nor did it seek to transfer to another
21 district. Rather, Zodiac answered the Complaint in September 2025 and brought its
22 compulsory counterclaims of infringement. The case subsequently progressed
23 according to the Court’s schedule.

24 Zodiac has invested substantial resources in this case. It served infringement
25 contentions on December 9, 2025, in which Zodiac identified that Beatbot’s accused
26 product infringes Claims 1–3, 5–8, 12–14, and 19 of the ’207 Patent, Claims 1–5 of
27 the ’766 Patent, and Claims 1–5 of the ’191 Patent. Zodiac produced a substantial
28 number of documents along with its contentions and has subsequently served

1 discovery requests (which have been answered by Beatbot). The parties have also
2 engaged in the Court's ENE procedures. The case Beatbot brought, in view of an
3 "immediate" need, is progressing as expected, with claim construction about to begin.
4 And now, after filing this case seeking a ruling of non-infringement, Beatbot filed IPR
5 petitions and seeks a stay.

6 Beatbot claims it could not have filed those petitions earlier because it needed
7 an understanding of the asserted claims from the infringement contentions. While that
8 alleged lack of understanding did not prevent Beatbot from either filing this case in
9 the first place or asserting invalidity in its answer to counterclaims, those contentions
10 were served by Zodiac on December 9, 2025, and the IPR petitions were not filed for
11 another six weeks, on January 26, 2026.

12 Pausing this case now will delay resolution of the primary question raised by
13 Beatbot—infringement (or non-infringement) of Beatbot products. That delay will
14 prejudice Zodiac as the patent holder who has proceeded in good faith. And in seeking
15 a stay, Beatbot undercuts its basis for filing this case in this Court. The Court should
16 deny the stay based on the undue prejudice faced by Zodiac in this dispute between
17 market competitors for robotic pool cleaners.

18 This case is similar to *E.Digital Corporation*, where Judge Huff denied a
19 motion to stay the case because "th[is] case has already been pending for nearly six
20 months. And the PTAB has not yet decided whether to institute IPR, and likely will
21 not decide whether to institute IPR for many more months." *E.Digital Corp.*, 2015
22 WL 11237472, at *6. In *E.Digital Corp.*, the case was even earlier in the proceedings
23 where the court had not yet set a schedule and patent disclosures had not yet been
24 exchanged, as opposed to this case where the parties already exchanged contentions
25 and proceeded under the Court's schedule for months. Judge Huff recognized that
26 "[t]here is no per se rule that patent cases should be stayed pending reexamination [or
27 IPR], because such a rule would invite parties to unilaterally derail litigation"—
28 exactly as Beatbot seeks to do here. *Id.* at *5 (citation omitted).

1 **B. Institution of IPR Proceedings Will Not Simplify the Issues**

2 A stay will not sufficiently simplify the issues in question or the trial of the
3 case.

4 *First*, Beatbot has not filed a *Sotera* stipulation in support of any of its IPR
5 Petitions promising not to assert the same or otherwise available arguments both there
6 and here. Given the guidance provided by the PTAB, doing so now would be untimely
7 and would “not be particularly meaningful” because of Beatbot’s additional invalidity
8 theories in this Court. *See* Ex. 3, *PTAB Interim Director Discretionary Process*,
9 USPTO (Updated Oct. 3, 2025), available at
10 <https://www.uspto.gov/patents/ptab/interim-director-discretionary-process>.

11 Specifically, the PTAB has stated that:

12 If a petitioner chooses to file a stipulation, such as a *Sotera* stipulation,
13 they should file it as soon as practicable, so that the patent owner may
14 address the impact of the stipulation in its discretionary denial brief. The Director will take into account whether the stipulation materially
15 reduces overlap between the proceedings. Where the petitioner is
16 relying on corresponding system art in a co-pending proceeding and/or
17 several other invalidity theories, a stipulation may not be particularly
18 meaningful because the efficiency gained in an AIA proceeding will be
19 limited.

19 *Id.*

20 As discussed above, such a stipulation promises “not [to] pursue in [the District
21 Court] the specific grounds [asserted in the *inter partes* review], or on any other
22 ground . . . that was raised or could have been reasonably raised in an IPR.” *See*
23 *Sotera*, IPR2020-01019, Paper 12 at 13–14 (second, third, and fourth alterations in
24 original). In not agreeing to refrain from such challenges, Beatbot indicates to both
25 the PTAB and to this Court that other invalidity grounds (or the same specific
26 grounds) may—or will—be brought in this action, undermining any claim of
27 simplification.

1 *Second*, Beatbot has already identified invalidity defenses that cannot be
2 brought before the PTAB and thus the Court will not benefit from any IPR proceeding
3 as to these specific grounds. In its invalidity contentions, Beatbot asserts that the
4 Patents-in-Suit are invalid for lack of enablement or sufficient written description
5 (§ 112 defenses), and that certain claims of the '207 Patent are invalid under 35 U.S.C.
6 § 132 because they rely on new matter introduced during prosecution that lacks
7 support in the original disclosure. In addition, Beatbot asserts that the Patents-in-Suit
8 are directed to ineligible subject matter under § 101. Other courts have found that the
9 existence of such invalidity arguments undercuts the stated need for a stay and
10 supports denial of such a motion. *See Saint Lawrence Commc'ns LLC v. ZTE Corp.*,
11 Nos. 2:15-CV-349-JRG, 2:15-CV-351-JRG, 2017 WL 3396399, at *2 (E.D. Tex. Jan.
12 17, 2017) (denying stay because, in part, numerous invalidity arguments would not
13 be addressed by a pending IPR).

14 *Third*, Beatbot points to other IPR petitions filed by Wybotics, the defendant in
15 the Eastern District of Texas action. Those IPR petitions should have no bearing on
16 the Court's decision on a stay here. Wybotics has not sought a stay in that case.
17 Moreover, there has been no institution decision on any of the Wybotics' petitions;
18 the institution decision for those petitions is not due until June 2026. Should the PTAB
19 ultimately deny institution of any, or all, of those petitions, that would in fact favor
20 denial of the present Motion.

21 Therefore, even if the Court were to delay this case for more than a year (as
22 Beatbot desires), there is a high likelihood that numerous invalidity defenses will
23 remain for consideration, let alone the underlying basis of Beatbot's decision to file
24 this suit in the first place—infringement. For these reasons, the Court should deny the
25 Motion.

26 ///

27 ///

C. At a Minimum, The Court Should Delay Any Stay Decision Until After the Institution Decision

Finally, and at a minimum, the Court should deny a stay without prejudice for Beatbot to seek to revisit that decision until after the decisions on both discretionary denial and institution. *See E.Digital Corp.*, 2015 WL 11237472, at *6 (denying motion to stay because the PTAB “likely will not decide whether to institute IPR for many more months”); *see also Ancora Techs., Inc. v. TCT Mobile (US), Inc.*, No. SACV 19-2192-GW-ADSx, 2020 WL 13900673, at *2 (C.D. Cal. Nov. 12, 2020) (“[I]t is this Court’s practice to deny motions to stay until after the PTAB decides whether it will institute an IPR.”). The discretionary denial ruling will be made by May 28, 2026, and, if the IPR petitions are not denied on that basis, the institution decision will be made by July 28, 2026. During this period of time, the parties can continue their claim construction process. The parties can also continue discovery.

It is particularly efficient to permit these processes to continue pending the discretionary denial and institution decisions based on the high likelihood that Beatbot’s petitions will get denied. By December 2025, IPR institution rates dropped below 40%. Ex. 1, Harris Beach Murtha, *Patent Invalidity in 2026: IPR v. Ex Parte Reexam*, JDSupra (Jan. 12, 2026), <https://www.jdsupra.com/legalnews/patent-invalidity-in-2026-ipr-vs-ex-3089132/>. While 55.9% of all IPR petitions were denied institution between March 24–December 31, 2025 (Ex. 4), the number of instituted petitions has dropped since Director Squires was confirmed in September 2025. Ex. 1; *see also* Ex. 5, McDonnell Boehnen Hulbert & Berghoff LLP, *IPR Discretionary Denial Rates at the PTAB: The New Normal*, JDSupra (Aug. 13, 2025), <https://www.jdsupra.com/legalnews/ipr-discretionary-denial-rates-at-the-5772745/> (“Overall, these figures represent a paradigmatic shift in the way that the PTAB makes IPR institution decisions, with the rate of discretionary denials rising from 15% to 77% from pre-guidance figures.”). Therefore, it is more likely than not that most, if not all, of the IPR petitions will not be instituted by the PTAB. Rather than prejudice

1 Zodiac by staying the case now, the Court should wait for the institution decision in
2 a few months before deciding whether to stay this case.

3 **V. CONCLUSION**

4 For these reasons, the Court should deny the Motion.

5
6
7 DATED: February 25, 2026

Respectfully submitted,

8
9 By: /s/ Christopher S. Leah

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