

1 RYAN K. YAGURA (S.B. #197619)
ryagura@omm.com
2 NICHOLAS J. WHILT (S.B. #247738)
nwhilt@omm.com
3 XIN-YI ZHOU (S.B. #251969)
vzhou@omm.com
4 O'MELVENY & MYERS LLP
5 400 South Hope Street, Suite 1900
Los Angeles, CA 90071
6 Telephone: 213-430-6000
Facsimile: 213-430-6407
7

*Attorneys for Defendants The Walt Disney
8 Company, Disney Media and Entertainment
Distribution LLC, Disney DTC LLC, Disney
9 Streaming Services LLC, Disney Entertainment &
Sports LLC, Disney Platform Distribution, Inc.,
10 BAMTech LLC, Hulu, LLC, and ESPN, Inc.*

11 **IN THE UNITED STATES DISTRICT COURT**
12 **CENTRAL DISTRICT OF CALIFORNIA**
13 **WESTERN DIVISION AT LOS ANGELES**

14 INTERDIGITAL INC.,
15 INTERDIGITAL VC HOLDINGS,
16 INC., INTERDIGITAL MADISON
PATENT HOLDINGS, SAS, AND
INTERDIGITAL CE PATENT
HOLDINGS, SAS,

17 Plaintiffs and
18 Counterclaim-
Defendants,

19 v.

20 THE WALT DISNEY COMPANY,
21 DISNEY MEDIA AND
22 ENTERTAINMENT DISTRIBUTION
LLC, DISNEY DTC LLC, DISNEY
23 STREAMING SERVICES LLC,
DISNEY ENTERTAINMENT &
24 SPORTS LLC, DISNEY PLATFORM
DISTRIBUTION, INC., BAMTECH,
25 LLC, HULU, LLC, AND ESPN, INC.,

26 Defendants and
27 Counterclaim-
Plaintiffs.
28

Case No. 2:25-cv-895-WLH-BFM

**MEMORANDUM OF POINTS
AND AUTHORITIES IN
SUPPORT OF DEFENDANTS'
MOTION TO STAY PENDING
RESOLUTION OF RELATED
PROCEEDINGS**

Judge: Hon. Wesley L. Hsu
Magistrate: Hon. Brianna F. Mircheff
Hearing: June 5, 2026 at 1:30 PM

DEFENDANTS' MOTION TO STAY

InterDigital EX2021
Dolby v. InterDigital
IPR2026-00252

TABLE OF CONTENTS

	Page(s)
I. INTRODUCTION.....	1
II. FACTUAL BACKGROUND	2
A. The Dolby Action.....	2
B. The EPR Proceedings.....	4
III. LEGAL STANDARD	5
IV. ARGUMENT	7
A. The '268 Patent Should Be Stayed Pursuant to the Customer-Suit Exception	7
1. Defendants Are End Users of the Accused Technology	7
2. Defendants Agree to be Bound by the Outcome of the Dolby Action	9
3. Dolby Is the Sole Supplier of Dolby Vision.....	10
4. The <i>Lockyer</i> Factors Also Favor a Stay	11
B. The '301 and '818 Patents Should Be Stayed Pending PTO Reexamination	13
1. With Substantial Work Remaining, the Stage of the Litigation Favors A Stay.....	13
2. The PTO's Identification of Examiner Error Makes Case Simplification Highly Likely.....	15
3. As a Non-Practicing Entity, InterDigital Will Suffer No Undue Prejudice or Tactical Disadvantage	17
V. CONCLUSION	18

TABLE OF AUTHORITIES

Page(s)

Cases

<i>Adventure Wagon LLC v. RB Components, Inc.</i> , No. LA CV22-07737 JAK (MARX), 2023 WL 11812968 (C.D. Cal. June 14, 2023).....	17, 18
<i>Altair Instruments, Inc. v. Telebrands Corp.</i> , No. 2:19-cv-08967, 2020 WL 1956516 (C.D. Cal. Mar. 31, 2020).....	9, 12
<i>Bell Semiconductor, LLC v. NXP USA, Inc.</i> , No. 8:22-CV-02133-HDV-ADS, 2024 WL 4720929 (C.D. Cal. Sept. 6, 2024).....	12
<i>Covves, LLC v. Dillard's, Inc.</i> , No. 2:18-CV-08518, 2019 WL 2022227 (C.D. Cal. Jan. 18, 2019)	5
<i>Dali Wireless, Inc. v. Ericsson Inc.</i> , No. 22-CV-1313, 2023 WL 1423990 (W.D. Tex. Jan. 30, 2023).....	7
<i>DS Advanced Enters., Ltd. v. Cooper Lighting, LLC</i> , No. 5:23-CV-02603, 2024 WL 5260939 (C.D. Cal. Nov. 20, 2024).....	10, 12
<i>Evolutionary Intel., LLC v. Millenial Media, Inc.</i> , No. 5:13-CV-04206-EJD, 2014 WL 2738501 (N.D. Cal. June 11, 2014).....	17
<i>Fleet Connect Sols. LLC v. Belkin Int'l Inc.</i> , No. 2:24-CV-07486-AH-(SKX), 2025 WL 1090940 (C.D. Cal. Mar. 13, 2025)	15, 16
<i>Fleet Connect Sols. LLC v. C.R. England, Inc.</i> , No. EDCV 24-376-KK-SPX, 2025 WL 1273328 (C.D. Cal. Mar. 25, 2025).....	5
<i>Grecia v. Adobe Inc.</i> , No. 16-CV-06283-YGR, 2018 WL 6523983 (N.D. Cal. Dec. 12, 2018).....	12
<i>Hisense USA Corp. v. Polaris PowerLED Techs.</i> , LLC, No. 2:25-CV-00764-SPG-PD, 2026 WL 252755 (C.D. Cal. Jan. 27, 2026).....	2, 6, 13, 17
<i>In re Nintendo of Am., Inc.</i> , 756 F.3d 1363 (Fed. Cir. 2014).....	6, 10

1	<i>Katz v. Lear Siegler, Inc.</i> ,	
2	909 F.2d 1459 (Fed. Cir. 1990).....	10
3	<i>Lockyer v. Mirant Corp.</i> ,	
4	398 F.3d 1098 (9th Cir. 2005).....	6, 11
5	<i>MR Techs. GMBH v. Toshiba Am. Elec. Components. Inc.</i> ,	
6	No. 8:25-CV-00786-JVS-DFM, 2026 WL 638641 (C.D. Cal. Mar. 2, 2026).....	6, 11
7	<i>Network Sys. Techs., LLC v. Samsung Elecs. Co.</i> ,	
8	No. 2:22-CV-00481, 2023 WL 7649372 (E.D. Tex. Nov. 14, 2023)	7, 11, 13
9	<i>Nike, Inc. v. Skechers U.S.A., Inc.</i> ,	
10	No. CV 23-09346-AB (PVCX), 2025 WL 439935 (C.D. Cal. Feb. 4, 2025).....	13, 14
11	<i>Panavision Imaging, LLC v. OmniVision Technologies, Inc.</i> ,	
12	No. CV09–1577 DMG (CTx), 2010 WL 11507881 (C.D. Cal. Apr. 19, 2010).....	14
13	<i>Polaris PowerLED Techs., LLC v. W. Digital Corp.</i> ,	
14	No. 2:24-CV-02864-ODW (MARX), 2025 WL 1853394 (C.D. Cal. June 23, 2025).....	12
15	<i>Pragmatus Telecom, LLC v. Advanced Store Co., Inc.</i> ,	
16	No. 11-1092, 2012 WL 2803695 (D. Del. July 10, 2012)	5
17	<i>RJ Tech. LLC v. Apple Inc.</i> ,	
18	No. 8:22-CV-01874, 2023 WL 8188475 (C.D. Cal. Oct. 4, 2023).....	15
19	<i>Semiconductor Energy Lab’y Co. v. Chimei Innolux Corp.</i> ,	
20	No. SACV 12-21-JST JPRX, 2012 WL 7170593 (C.D. Cal. Dec. 19, 2012).....	17
21	<i>Spread Spectrum Screening LLC v. Eastman Kodak Co.</i> ,	
22	657 F.3d 1349 (Fed. Cir. 2011).....	6, 10
23	<i>Tegic Commc’ns Corp. v. Bd. of Regents of the Univ. of Tex. Sys.</i> ,	
24	458 F.3d 1335 (Fed. Cir. 2006).....	5
25	<i>Universal Elecs., Inc. v. Universal Remote Control, Inc.</i> ,	
26	943 F. Supp. 2d 1028 (C.D. Cal. 2013).....	11
27	<i>Upaid Sys., Ltd. v. CleanDan</i> ,	
28	No. SACV1800619ABSSX, 2018 WL 5279567 (C.D. Cal. July 25, 2018).....	6, 7, 10, 11

1	<i>VirtualAgility Inc. v. Salesforce.com, Inc.</i> ,	
2	759 F.3d 1307 (Fed. Cir. 2014)	18
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		

TABLE OF ABBREVIATIONS AND NOTES

The Walt Disney Company, Disney Media And Entertainment Distribution LLC, Disney DTC LLC, Disney Streaming Services LLC, Disney Entertainment & Sports LLC, Disney Platform Distribution, Inc., Bamtech, LLC, Hulu, LLC, And ESPN, Inc.	Defendants
InterDigital Inc., InterDigital VC Holdings, Inc., Interdigital Madison Patent Holdings, SAS, and Interdigital CE Patent Holdings, SAS	InterDigital
Dolby Laboratories, Inc., Dolby Laboratories Licensing Corp., and Dolby International AB	Dolby
U.S. Patent No. 8,085,297	'297 patent
U.S. Patent No. 8,406,301	'301 patent
U.S. Patent No. 9,185,268	'268 patent
U.S. Patent No. 10,805,610	'610 patent
U.S. Patent No. 11,381,818	'818 patent

Notes: All emphasis added unless otherwise stated.

I. INTRODUCTION

InterDigital accuses Defendants of infringing five patents, but only three—the ’268, ’301, and ’818 patents—remain.¹ Defendants respectfully request a stay of this case for two independent reasons. First, the ’268 patent is the subject of a supplier-led declaratory judgment action filed by Dolby in this Court, triggering the customer-suit exception. Second, the United States Patent and Trademark Office (“PTO”) has instituted *ex parte* reexaminations (“EPRs”) of all remaining asserted claims of the ’301 and ’818 patents.

A stay is warranted under the customer-suit exception for the ’268 patent. That doctrine applies where the supplier of the accused technology is litigating the same issues, such that resolution of the supplier’s case will resolve or materially streamline the claims against downstream customers. In those circumstances, courts routinely stay customer suits to avoid duplication and inconsistent rulings.

This case falls squarely within the customer-suit exception. Here, InterDigital accuses Defendants’ use of Dolby Vision—a proprietary technology developed and supplied by Dolby—of infringing the ’268 patent. Dolby has filed a declaratory judgment action in this Court seeking rulings that Dolby Vision does not infringe the ’268 patent and that the patent is invalid. *See Dolby Laboratories, Inc. et al. v. InterDigital, Inc. et al.*, No. 2:26-cv-02269-WLH-BFM (C.D. Cal.) (the “Dolby Action”). Dolby is thus the “true defendant” with respect to the ’268 patent. Requiring Defendants—mere licensees and users of Dolby Vision—to litigate these same issues in parallel would be inefficient, duplicative, and risk inconsistent results.

A stay is also independently warranted in light of the EPR proceedings. As courts recognize, “[t]here is a liberal policy in favor of granting motions to stay proceedings pending the outcome of USPTO reexamination or reissuance

¹ During claim construction, the Court found the asserted claims of the ’610 and ’297 patents to be indefinite. *See* Dkt. 170 at 15-16, 19-21.

proceedings.” *Hisense USA Corp. v. Polaris PowerLED Techs., LLC*, No. 2:25-CV-00764-SPG-PD, 2026 WL 252755, at *2 (C.D. Cal. Jan. 27, 2026). Here, the PTO’s institution decisions confirm that the asserted claims of the ’301 and ’818 patents face substantial questions of patentability, making it likely that the EPRs will simplify—or entirely eliminate—the issues in this case. At the same time, this case remains at a relatively early stage: fact discovery is ongoing, numerous depositions remain, and the most resource-intensive phases of litigation still lie ahead. Forcing the parties and the Court to proceed now would needlessly expend resources on claims the PTO may soon cancel or narrow. InterDigital will suffer no undue prejudice from a stay, as it is a non-practicing entity that can be compensated with monetary relief.

In short, proceeding now would waste resources on claims under PTO review while duplicating issues already being litigated against the supplier of the accused technology. The customer-suit exception and pending EPRs independently warrant a stay, and together make the case for a stay even stronger. Defendants therefore respectfully request that the Court stay this case pending the resolution of the Dolby Action and the completion of the EPR proceedings.

II. FACTUAL BACKGROUND

On February 2, 2025, InterDigital sued Defendants, alleging infringement of the ’301, ’818, ’610, ’268, and ’297 patents. *See* Dkt. 1. On April 7, 2026, this Court issued a claim construction order. *See* Dkt. 170. In addition to construing disputed claim terms, the Court held that all asserted claims of the ’610 and ’297 patents are indefinite, along with certain dependent claims of the ’301 patent. *See id.* at 12-14, 15-16, 19-21. Thus, as explained above, only the ’268, ’301, and ’818 patents remain at issue.

A. The Dolby Action

InterDigital accuses Defendants of infringing the ’268 patent by providing video content “color corrected using Dolby Vision.” Dkt. 1-8 (Complaint, Ex. D-2)

1 at 2. Notably, the '268 patent claim chart attached to InterDigital's Complaint cites
2 exclusively to evidence downloaded from Dolby's website. *See id.* at 2-14. Aside
3 from generic references to "Disney Accused Instrumentalities," the claim chart does
4 not otherwise mention Disney, and identifies no Disney-specific technology. *See id.*

5 InterDigital's Infringement Contentions are likewise focused on Dolby's
6 technology. The contentions allege that Defendants infringe the '268 patent by
7 providing "color correct[ed] videos in accordance with the Dolby Vision color
8 correction workflow." Ex. E at 2 (Ex. D to Pls.' Infring. Conts.). Specifically, claim
9 1 of the '268 patent recites a "method for color correcting"; InterDigital alleges that
10 Defendants infringe the claim by using the "Dolby Vision color correction workflow"
11 to perform color correction of video content. *See id.* For each asserted claim,
12 InterDigital's contentions cite Dolby documentation describing the Dolby Vision
13 workflow and how Dolby Vision works. *Id.* at 3-92. For example, with respect to
14 claim element 1[a] of the '268 patent, InterDigital cites only three documents from
15 Dolby:

- 16 • Dolby Vision for content creators, Overview
- 17 • Dolby Vision for content creators, Workflows
- 18 • Dolby Vision Color Grading Best Practices Guide, Version 4.3

19 *Id.* at 2 (listing "References"); 7-10 (citing references [1], [2], and [3] for claim
20 element 1[a]). These contentions do not identify any Disney-developed or Disney-
21 specific technology. Instead, they rely entirely on Dolby's materials for all
22 substantive claim limitations. *See id.*

23 On March 3, 2026, Dolby filed a declaratory judgment complaint in this
24 District. *See* Ex. F (Dolby Action, Dkt. 1). In the complaint, Dolby states that it
25 seeks "relief because InterDigital has targeted Dolby by suing Dolby's downstream
26 customer The Walt Disney Company ('Disney') and related Disney entities in this
27 District and accuses them of infringing the '268 Patent by virtue of their alleged use
28 of Dolby's product, Dolby Vision, in creating content for various Disney video

1 streaming products such as Disney+ and Hulu.” *Id.*, ¶ 3. Dolby further identified
2 “seven separate actions in multiple jurisdictions across the country” filed by
3 InterDigital against various Dolby customers (*id.*, ¶¶ 4-5), as well as foreign cases
4 filed in Germany (*id.*, ¶ 7). Dolby also states that it “will comply with existing
5 contractual indemnity obligations to Disney.” *Id.*, ¶ 25. Dolby’s complaint seeks
6 declaratory judgments of non-infringement by Dolby Vision (*id.*, ¶¶ 31-41) and
7 invalidity of the ’268 patent (*id.*, ¶¶ 42-47).

8 On March 26, 2026, the Dolby Action was transferred to this Court. *See* Ex.
9 G (Dolby Action, Dkt. 20).²

10 **B. The EPR Proceedings**

11 On February 17, 2026, Defendants filed an EPR request challenging all
12 asserted claims of the ’818 patent. Ex. A (’818 EPR petition). On February 27,
13 2026, Defendants filed a second EPR request challenging the sole remaining asserted
14 claim of the ’301 patent. Ex. B (’301 EPR petition).

15 On April 8, 2026, the PTO granted Defendants’ EPR request for the ’818
16 patent. Ex. C (’818 EPR decision). The PTO found that Defendants’ request raises
17 a “substantial new question of patentability affecting the claims of the ’818 patent.”
18 *Id.* at 14. In particular, the PTO found that the Ye prior art reference “is especially
19 relevant to the features of [the ’818 patent’s] claims that were central to their
20 allowance.” *Id.* at 11. Moreover, the PTO found that “the examiner appears to have
21 misunderstood” a related prior art reference containing the same disclosure as Ye
22 during the original prosecution of the patent, and that “[t]his misunderstanding is
23 shown in the reasons for allowance in the [’818 patent’s] application and in each
24 application in this family.” *Id.* These findings led the PTO to conclude that
25 reexamination was warranted in light of this apparent examiner error.

26
27 ² In parallel, on February 9, 2026, Dolby also filed a petition for *inter partes* review
28 of the ’268 patent with the PTO, challenging its validity. Ex. J (IPR2026-00252
Petition). That petition is still pending.

1 On April 21, 2026, the PTO granted Defendants’ EPR request for the ’301
2 patent. Ex. D (’301 EPR decision). The PTO found that the JVT-B075 prior art
3 reference “appears to disclose the feature found important to the patentability of the
4 claims in the ’301 Patent.” *Id.* at 9. The PTO likewise recognized potential examiner
5 error during the original prosecution. *Id.* at 4 (“Although JVT-B075 was considered
6 by the Examiner in the original prosecution, JVT-B075 was not applied in the original
7 prosecution . . .”). In view of JVT-B075 and other prior art, the PTO concluded that
8 the EPR request “raises a substantial new question of patentability” with respect to
9 the claims of the ’301 patent. *Id.* at 6.

10 **III. LEGAL STANDARD**

11 “District courts have inherent authority to manage their dockets and stay
12 proceedings.” *Covves, LLC v. Dillard’s, Inc.*, No. 2:18-CV-08518, 2019 WL
13 2022227, at *1 (C.D. Cal. Jan. 18, 2019). Courts exercise this authority for numerous
14 reasons, including the customer-suit exception and pending PTO proceedings. *See*,
15 *e.g.*, *Fleet Connect Sols. LLC v. C.R. England, Inc.*, No. EDCV 24-376-KK-SPX,
16 2025 WL 1273328, at *1–2 (C.D. Cal. Mar. 25, 2025) (initially staying the action
17 under the customer-suit exception and later extending the stay pending PTO
18 reexaminations).

19 The customer-suit exception is an exception to the first-to-file rule that allows
20 a later-filed manufacturer suit to take precedence over an earlier-filed customer suit.
21 *See Tegic Commc’ns Corp. v. Bd. of Regents of the Univ. of Tex. Sys.*, 458 F.3d 1335,
22 1343 (Fed. Cir. 2006). When determining whether to apply the customer-suit
23 exception, courts consider three factors: (1) whether the customer-defendant in the
24 earlier-filed case is merely a reseller or end-user of the manufacturer’s product; (2)
25 whether the defendant agrees to be bound by the outcome of the manufacturer suit;
26 and (3) whether the manufacturer is the sole source of the accused product.
27 *Pragmatus Telecom, LLC v. Advanced Store Co., Inc.*, No. 11-1092, 2012 WL
28 2803695, at *3 (D. Del. July 10, 2012).

1 The rationale behind this exception is to avoid imposing the burdens of
2 litigation on customers when the manufacturer is the “true defendant” in a patent
3 infringement dispute. *In re Nintendo of Am., Inc.*, 756 F.3d 1363, 1365 (Fed. Cir.
4 2014). Because a manufacturer has a “greater interest in defending its actions against
5 charges of patent infringement,” the exception guards against duplicative and
6 inefficient litigation by allowing the manufacturer’s suit to proceed first. *Spread*
7 *Spectrum Screening LLC v. Eastman Kodak Co.*, 657 F.3d 1349, 1357 (Fed. Cir.
8 2011). The manufacturer’s suit need not resolve every issue in the customer’s suit;
9 it is sufficient if it addresses the “major issues” or otherwise advances the core
10 questions presented. *Id.* at 1358; *Upaid Sys., Ltd. v. CleanDan*, No.
11 SACV1800619ABSSX, 2018 WL 5279567, at *3 (C.D. Cal. July 25, 2018).

12 In addition to the factors underlying the customer-suit exception, courts in this
13 district also consider the *Lockyer* factors when determining whether to grant a stay
14 under the customer-suit exception. *See MR Techs. GMBH v. Toshiba Am. Elec.*
15 *Components. Inc.*, No. 8:25-CV-00786-JVS-DFM, 2026 WL 638641, at *2 (C.D.
16 Cal. Mar. 2, 2026); *Upaid Sys.*, 2018 WL 5279567, at *4. These factors consider:
17 (1) the possible damage which may result from the granting of a stay; (2) the hardship
18 or inequity which a party may suffer in being required to go forward; and (3) the
19 orderly course of justice, measured in terms of the simplifying or complicating of
20 issues, proof, and questions of law that may result from a stay. *MR Techs.*, 2026 WL
21 638641, at *2 (citing *Lockyer v. Mirant Corp.*, 398 F.3d 1098, 1110 (9th Cir. 2005)).

22 When evaluating stays based on pending PTO reexaminations, courts typically
23 consider three factors: “(1) the stage and history of the litigation; (2) whether a stay
24 would simplify the issues in question and trial of the case; and (3) whether a stay
25 would unduly prejudice or present a clear tactical disadvantage to the non-moving
26 party.” *Hisense*, 2026 WL 252755, at *2. These factors guide whether a stay will
27 promote efficiency and conserve resources. *See id.*
28

IV. ARGUMENT

A. The '268 Patent Should Be Stayed Pursuant to the Customer-Suit Exception

1. Defendants Are End Users of the Accused Technology

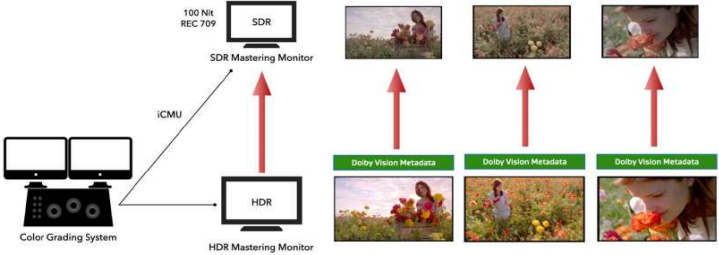
Defendants merely use Dolby Vision; they are not developers or suppliers of the accused technology.³ Accordingly, the infringement dispute relating to the '268 patent turns on whether the use of Dolby Vision to color correct video infringes the patent. That issue is now squarely presented in the Dolby Action.

As Dolby explained in its complaint, “Dolby Laboratories develops and owns the Dolby Vision technology” and “Dolby Licensing licenses Dolby Vision to third parties.” Ex. F (Dolby Action, Dkt. 1, ¶¶ 12-13). In addition to Defendants, InterDigital has brought several actions against other Dolby Vision customers, including Amazon, Hisense, and TCL. *Id.*, ¶ 5. Accordingly, Dolby is the “true defendant” and the customer-suit exception applies to the asserted method claims of the '268 patent. *See Upaid Sys.*, 2018 WL 5279567, at *1–3 (applying customer-suit exception where plaintiff accused “customers in district courts across the country” of infringing method claims through its “use of the allegedly infringing technology.”); *Network Sys. Techs., LLC v. Samsung Elecs. Co.*, No. 2:22-CV-00481, 2023 WL 7649372, at *6 (E.D. Tex. Nov. 14, 2023) (applying customer-suit exception where customer merely used the manufacturer’s products and finding “this Court is unpersuaded that method claims should be treated differently”); *Dali Wireless, Inc. v. Ericsson Inc.*, No. 22-CV-1313, 2023 WL 1423990, at *4 (W.D. Tex. Jan. 30, 2023) (applying customer-suit exception where plaintiff accused customer of infringing method claims through its “use of [manufacturer] Ericsson’s Radio Dot system”).

³ Although not every defendant entity uses Dolby Vision, that distinction is irrelevant to the issues presented in this motion.

InterDigital’s infringement claims based on the ’268 patent are focused entirely on Defendants’ alleged use of Dolby Vision. The claim chart attached to InterDigital’s complaint cites only evidence downloaded from Dolby’s website. Dkt. 1-8 (Complaint, Ex. D-2) at 2. Similarly, InterDigital’s Infringement Contentions accuse Defendants of infringement by providing “color correct[ed] videos in accordance with the Dolby Vision color correction workflow.” Ex. E at 2 (Ex. D to Pls.’ Infring. Conts.). For each element of each asserted claim, InterDigital alleges infringement by “Dolby Vision and its workflow.” *See id.* at 5, 7, 10, 15, 20, 36, 45, 50, 57, 60, 62, 63, 64, 80, 88, 91, 92 (each element stating: “The following citations provide evidence of features supported by Dolby Vision and its workflow.”).

For example, InterDigital’s infringement contention for claim element 1[c]—which recites the color “mastering” step—cites only evidence relating to Dolby Vision:

CLAIM	PUBLIC DOCUMENTATION
1[c] wherein said performing step comprises: mastering the source picture content to provide mastered color corrected picture content for display on the non-reference type displays having a non-reference color gamut;	The HDR Accused Infringers perform a method for color correcting, wherein said performing step comprises: mastering the source picture content to provide mastered color corrected picture content for display on the non-reference type displays having a non-reference color gamut. For example, the HDR Accused Infringers color correct videos in accordance with the Dolby Vision color correction workflow. The following citations provide evidence of features supported by Dolby Vision and its workflow. COLOR GRADING WORKFLOW  [2]

Id. at 15-20. Other than three websites showing that Defendants provide high dynamic range (HDR) video content, InterDigital’s infringement contentions rely exclusively on technical documents from Dolby. *Id.* at 2-92. While InterDigital mentions non-Dolby technology, including HDR10 and HDR10+, in a footnote, its infringement chart discloses no infringement theory and cites no evidence relating to such technologies. *Id.* at 2 n.1. In short, InterDigital’s theory rises and falls with

1 Dolby Vision.

2 As end users, Defendants do not possess Dolby Vision source code, nor do
3 they have technical documents concerning the inner workings of Dolby’s proprietary
4 software. Recognizing this, InterDigital has issued two third-party subpoenas to
5 Dolby entities seeking documents and information relating to Dolby Vision and the
6 ’268 patent, including the Dolby Vision source code. *See* Ex. F (Dolby Action, Dkt.
7 1 at ¶ 26). Dolby has produced that source code, which InterDigital has inspected.
8 *Id.* Indeed, InterDigital acknowledges receiving approximately 1,400 pages of
9 source code from Dolby. *See* Ex. I (Dolby Action, Dkt. 34 at 4). InterDigital’s
10 reliance on Dolby for core technical discovery confirms Dolby, not Defendants,
11 possesses the relevant technical information.

12 Defendants are downstream users of Dolby Vision. Dolby is the true party in
13 interest, and this factor strongly favors a stay.

14 **2. Defendants Agree to be Bound by the Outcome of the Dolby**
15 **Action**

16 Defendants agree to be bound by the outcome of the Dolby Action with respect
17 to infringement and validity of the ’268 patent if this case is stayed pursuant to the
18 customer-suit exception. Dolby has likewise publicly acknowledged that it “will
19 comply with existing contractual indemnity obligations to Disney.” Ex. F (Dolby
20 Action, Dkt. 1 at ¶ 25). Taken together, these commitments ensure that the Dolby
21 Action will resolve the core disputes at issue here. Accordingly, a stay is warranted
22 because Dolby is the “true defendant” in this dispute. *Altair Instruments, Inc. v.*
23 *Telebrands Corp.*, No. 2:19-cv-08967, 2020 WL 1956516, at *3 (C.D. Cal. Mar. 31,
24 2020) (staying customer cases based in part on manufacturer’s agreement to
25 indemnify).

26 Staying this case will resolve the key issues—if not the entire dispute—relating
27 to the ’268 patent. Where a customer defendant agrees to be bound by the outcome
28 of the manufacturer litigation, this factor strongly favors a stay. *See Nintendo*, 756

1 F.3d at 1365 (granting mandamus and ordering stay where customer defendants
2 stipulated to be bound by the court’s judgment in manufacturer litigation); *DS*
3 *Advanced Enters., Ltd. v. Cooper Lighting, LLC*, No. 5:23-CV-02603, 2024 WL
4 5260939, at *9 (C.D. Cal. Nov. 20, 2024) (granting stay where “Retailer Defendants
5 expressly state[d] an agreement to be bound” by manufacturer litigation outcome);
6 *Upaid Sys.*, 2018 WL 5279567, at *3 (“Defendant’s representations that it will not
7 contest either infringement or validity of the ’947 Patent if Plaintiff prevails on those
8 issues in the Related Action are significant and weigh in favor of a stay under the
9 customer-suit exception.”).

10 Any argument that the Dolby Action may not resolve every issue relating to
11 the ’268 patent is beside the point. The customer-suit exception does not require
12 complete overlap between the two cases. Rather, a stay of the customer litigation is
13 warranted so long as the manufacturer litigation resolves the “major issues.” *See*
14 *Katz v. Lear Siegler, Inc.*, 909 F.2d 1459, 1464 (Fed. Cir. 1990) (affirming the district
15 court’s granting of a stay “although there may be additional issues” involving
16 customer defendants); *Spread Spectrum Screening LLC*, 657 F.3d at 1358 (“the
17 manufacturer’s case need only have the potential to resolve the ‘major issues’
18 concerning the claims against the customer—not every issue—in order to justify a
19 stay of the customer suits”). Here, the central dispute—whether the use of Dolby
20 Vision infringes any valid claim of the ’268 patent—will be adjudicated in the Dolby
21 Action. Because Defendants agree to be bound by that outcome if a stay is granted,
22 proceeding separately would waste judicial resources. This factor therefore strongly
23 favors a stay.

24 **3. Dolby Is the Sole Supplier of Dolby Vision**

25 There can be no dispute that “Dolby Laboratories develops and owns the
26 Dolby Vision technology.” *See* Ex. F (Dolby Action, Dkt. 1, ¶ 12). InterDigital’s
27 infringement theory focuses exclusively on Defendants’ use of Dolby Vision as the
28 basis for its infringement allegations. *See* Ex. E at 5, 7, 10, 15, 20, 36, 45, 50, 57, 60,

62, 63, 64, 80, 88, 91, 92. Because Dolby is the sole source of the accused technology, this factor strongly favors a stay. *See Upaid Sys.*, 2018 WL 5279567, at *2–3 (granting a stay where the customer defendant did not “design, manufacture or import any of the Accused Systems”); *Network Sys.*, 2023 WL 7649372, at *8 (granting partial stay because “Qualcomm is the only source of the OnePlus Accused Products”).

4. The *Lockyer* Factors Also Favor a Stay

Courts applying the customer-suit exception also consider the traditional *Lockyer* factors: (1) whether a stay may cause prejudice; (2) the hardship or inequity a party may suffer if the case proceeds; and (3) the orderly course of justice, measured by whether a stay will simplify the issues, proof, and questions of law. *See MR Techs.*, 2026 WL 638641, at *2 (citing *Lockyer*, 398 F.3d at 1110). Each factor supports a stay here.

InterDigital cannot credibly claim prejudice—as this Court has already recognized. In extending the case schedule, the Court found InterDigital’s asserted prejudice “ring[s] hollow” and observed that any harm can be remedied through monetary damages because InterDigital is a non-practicing entity. Dkt. 166 at 2. That finding undercuts any assertion of undue prejudice from a stay. Nor can InterDigital claim hardship, as it can continue to litigate the ’268 patent in the Dolby Action pending before this same Court. The Dolby Action is likely to resolve the principal issues in dispute, particularly given Defendants’ agreement to be bound by that outcome.

At most, InterDigital can only argue that a stay would delay its ability to recover damages. But “[m]ere delay in the litigation does not establish undue prejudice.” *Universal Elecs., Inc. v. Universal Remote Control, Inc.*, 943 F. Supp. 2d 1028, 1033 (C.D. Cal. 2013). Where, as here, the plaintiff does not compete with Defendants in the marketplace, any alleged prejudice is minimal at best. Courts routinely hold that non-practicing entities do not suffer the types of harm—lost sales,

1 market-share erosion, or competitive injury—that could weigh against a stay. *See*
2 *Polaris PowerLED Techs., LLC v. W. Digital Corp.*, No. 2:24-CV-02864-ODW
3 (MARX), 2025 WL 1853394, at *5 (C.D. Cal. June 23, 2025) (“[Plaintiff’s] status as
4 a non-practicing entity weighs in favor of a stay, as it will not lose sales or market
5 shares as a result of the stay.”) (citation omitted); *Grecia v. Adobe Inc.*, No. 16-CV-
6 06283-YGR, 2018 WL 6523983, at *2 (N.D. Cal. Dec. 12, 2018) (finding no undue
7 prejudice where plaintiff was non-practicing and “a stay would not deny plaintiff any
8 recovery to which [plaintiff] may be entitled”); *Bell Semiconductor, LLC v. NXP*
9 *USA, Inc.*, No. 8:22-CV-02133-HDV-ADS, 2024 WL 4720929, at *2 (C.D. Cal.
10 Sept. 6, 2024) (harm to non-practicing entities can be “readily repaired by monetary
11 damages”).

12 By contrast, requiring Defendants to proceed would impose substantial
13 hardship because InterDigital’s infringement allegations for the ’268 patent center on
14 Dolby’s products, source code, and technical design. InterDigital has already
15 confirmed this by subpoenaing Dolby and inspecting its source code. *See* Ex. F
16 (Dolby Action, Dkt. 1, ¶ 26). Forcing Defendants to litigate in parallel would
17 therefore require them to expend resources on issues already being adjudicated
18 elsewhere. Courts recognize that such duplication imposes unfair burdens on
19 customer defendants. *See, e.g., Altair Instruments*, 2020 WL 1956516, at *3 (finding
20 that the customer “will suffer prejudice from having to participate in a lawsuit in
21 which it is peripherally involved” if stay is denied).

22 A stay would also promote the orderly course of justice by simplifying the
23 issues in this case. Because Defendants agree to be bound by the outcome of the
24 Dolby Action if a stay is granted, that proceeding will necessarily resolve or narrow
25 the issues in this case. Litigating those same issues here would be duplicative and
26 inefficient. Resolving them in a single action involving the technology developer
27 will streamline discovery and conserve judicial resources. *See DS Advanced Enters.*,
28 2024 WL 5260939, at *9 (granting stay because “it is most efficient to resolve the

1 infringement issue as to [the supplier] first”); *Network Sys.*, 2023 WL 7649372, at
2 *13 (finding that a stay “serve[s] the goals of efficiency and judicial economy”).

3 Accordingly, the customer-suit exception squarely applies, and the *Lockyer*
4 factors strongly favor a stay. The Court should stay the ’268 patent claims pending
5 resolution of the Dolby Action.

6 **B. The ’301 and ’818 Patents Should Be Stayed Pending PTO**
7 **Reexamination**

8 The pending EPRs favor a stay because (1) substantial work remains ahead,
9 (2) the EPRs will likely simplify or eliminate issues, and (3) InterDigital will suffer
10 no undue prejudice or tactical disadvantage. *See Hisense*, 2026 WL 252755, at *2.

11 **1. With Substantial Work Remaining, the Stage of the**
12 **Litigation Favors A Stay**

13 The first factor in the EPR stay analysis—stage of litigation—favors a stay.
14 Courts evaluate this factor “holistically,” asking “whether there is more work ahead
15 of the parties and the Court than behind.” *Nike, Inc. v. Skechers U.S.A., Inc.*, No. CV
16 23-09346-AB (PVCX), 2025 WL 439935, at *2 (C.D. Cal. Feb. 4, 2025) (citation
17 omitted). Here, the answer is clear: the vast majority of this case remains ahead.

18 Fact discovery is ongoing and far from complete. More than a dozen
19 depositions remain, including numerous key witnesses. For example, several of
20 InterDigital’s designated corporate witnesses—including Clay Gaetje, Julia Mattis,
21 Gaëlle Martin-Cocher, Edouard Francois, Valerie Allie, Lionel Oisel, and Philippe
22 Bordes—have yet to be deposed. *See* Burson Decl., ¶ 13. Most of these witnesses
23 reside abroad, requiring international travel or cross-time-zone coordination. *Id.*, ¶
24 14. Defendants have also not yet deposed Xiaoan Lu, a named inventor of the ’818
25 and ’610 patents and a current InterDigital employee. *Id.*, ¶ 15. Nor has InterDigital
26 completed depositions of Defendants’ corporate witnesses. *Id.*, ¶ 17. In short, party
27 fact discovery remains unfinished.

28 Significant third-party discovery remains as well. The asserted patents

1 originated from Technicolor, a French company. *See* Dkt. 135-1 at 2. More than a
2 decade ago, Technicolor and its subsidiary Thomson Licensing committed to license
3 the asserted patents for the implementation of video encoding standards on
4 reasonable and nondiscriminatory (“RAND”) terms. *Id.* To obtain evidence on those
5 commitments, Defendants have served eight sets of Hague Convention requests
6 directed to Technicolor, Thomson, multiple standard-setting organizations, and
7 foreign inventors. *Id.* at 3-4. These Hague proceedings are notoriously slow and
8 remain ongoing. *See* Dkt. 166. To date, Defendants have not received a single
9 document or taken a single deposition through these requests. Burson Decl., ¶ 16.
10 This confirms that discovery is far from completion.

11 The most burdensome phases of litigation have not even started. After fact
12 discovery closes on August 13, 2026, opening expert reports are due later in August,
13 rebuttal reports are due in September, and expert discovery closes in October. Dkt.
14 166 at 2. Dispositive and *Daubert* motions follow, with hearings in December. *Id.*
15 at 3. Trial preparation—including multiple rounds of pretrial filings—extends into
16 January 2027, with trial set for February 8, 2027. *Id.* Proceeding now would require
17 the parties and the Court to expend substantial resources on issues the PTO may
18 narrow or eliminate.

19 Courts routinely grant stays in similar or more advanced cases. For example,
20 in *Panavision Imaging, LLC v. OmniVision Technologies, Inc.*, the court stayed the
21 case even though fact discovery was nearly complete and claim construction had been
22 fully briefed. No. CV09–1577 DMG (CTx), 2010 WL 11507881, at *3 (C.D. Cal.
23 Apr. 19, 2010). The court recognized that the remaining tasks—including expert
24 discovery and dispositive motions—justified a stay. *Id.* Likewise, in *Nike*, the court
25 granted a stay despite having “invested a significant amount of resources in claim
26 construction proceedings,” because there was “more work ahead of the parties and
27 the Court than behind.” *Nike*, 2025 WL 439935, at *2. And in *RJ Tech. LLC v. Apple*
28 *Inc.*, the court found the stage of the litigation to favor a stay even though “a trial date

1 has been set,” “this Court [has] issued its Claim Construction Order,” and the close
2 of fact discovery was just two months away. No. 8:22-CV-01874, 2023 WL
3 8188475, at *2 (C.D. Cal. Oct. 4, 2023). There, the court emphasized that “fact
4 discovery [was] not yet complete and expert discovery [had] not yet begun.” *Id.*

5 This case is at a similar—or earlier—stage. Fact discovery is incomplete,
6 expert discovery has not begun, and extensive third-party discovery remains
7 outstanding. Under any realistic assessment, far more work lies ahead than behind.
8 This factor therefore strongly favors a stay.

9 **2. The PTO’s Identification of Examiner Error Makes Case**
10 **Simplification Highly Likely**

11 The second factor—whether a stay will simplify the case—also strongly favors
12 a stay. Courts have long recognized that reexamination may “eliminate the need for
13 trial if the claims are cancelled” and “prevent ... expending resources on matters that
14 may ultimately become moot.” *Fleet Connect Sols. LLC v. Belkin Int’l Inc.*, No.
15 2:24-CV-07486-AH-(SKX), 2025 WL 1090940, at *2 (C.D. Cal. Mar. 13, 2025).
16 That is precisely the situation here.

17 PTO statistics confirm that simplification is not speculative. More than three
18 out of four EPRs filed by third-party requesters—approximately 77%—result in the
19 cancellation or amendment of at least one challenged claim. Ex. H (PTO Statistics)
20 at 2. But this case presents more than statistics: the PTO has already identified
21 specific errors in the original examination of the asserted patents that materially
22 increase the likelihood of invalidation or narrowing.

23 With respect to the ’818 patent, the PTO found that the examiner
24 misinterpreted a critical prior art reference during original prosecution. In its
25 institution decision, the PTO concluded that the Ye reference raises a substantial new
26 question of patentability because it is “especially relevant to the features” that “were
27 central to [the claims’] allowance.” Ex. C (’818 EPR decision) at 11. The PTO
28 further found that “the examiner appears to have misunderstood” a related prior art

1 reference containing the same disclosure, and that “[t]his misunderstanding is shown
2 in the reasons for allowance” *Id.* The PTO also observed that the examiner’s
3 description of the prior art “appears to be inaccurate” and is contradicted by Ye’s
4 teachings. *Id.*

5 These are not routine statements found in every EPR decision—they are
6 affirmative findings indicating that the ’818 patent’s claims may have issued in error.
7 In these circumstances, the likelihood that reexamination will materially narrow or
8 eliminate the asserted claims is particularly high. At a minimum, the PTO will
9 resolve whether the examiner erred in allowing the ’818 patent to issue—a complex
10 issue that would otherwise burden this Court and a jury. Thus, even if some claims
11 ultimately survive, the PTO’s analysis on examiner error will streamline the issues
12 and narrow the disputes for trial.

13 The same is true for the ’301 patent—the PTO found that the examiner
14 overlooked a critical prior art reference. In its institution decision, the PTO found
15 that the JVT-B075 prior art “appears to disclose the feature found important to the
16 patentability of the claims in the ’301 Patent.” Ex. D (’301 EPR decision at 9). The
17 PTO further noted that “[a]lthough JVT-B075 was considered by the Examiner in the
18 original prosecution,” the examiner never applied that reference to reject any claim.
19 *Id.* at 4. This, again, suggests examination error and reinforces that reexamination
20 will likely result in claim amendment or cancellation.

21 Even in the unlikely event that all challenged claims emerge unchanged, the
22 EPRs will still simplify this case. At the close of reexamination, the PTO issues a
23 “Statement of Reasons for Patentability and/or Confirmation” to explain why any
24 surviving claims remain patentable. Courts have long recognized that this guidance
25 can materially streamline litigation by clarifying claim scope and providing the Court
26 with the PTO’s expert view on patentability. *See Fleet Connect*, 2025 WL 1090940,
27 at *2 (“[I]f the claims survive, [reexamination may still] facilitate trial by providing
28 the court with expert opinion of the PTO and clarifying the scope of the claims.”).

1 Proceeding without a stay would force the Court to adjudicate claims the PTO
2 may cancel or materially narrow. Given the substantial likelihood of case
3 simplification, this factor strongly favors a stay.

4 **3. As a Non-Practicing Entity, InterDigital Will Suffer No**
5 **Undue Prejudice or Tactical Disadvantage**

6 The third factor—whether InterDigital will suffer undue prejudice or tactical
7 disadvantage—also favors a stay. Courts routinely find “no undue prejudice unless
8 the patentee makes a specific showing of prejudice beyond the delay necessarily
9 inherent in any stay.” *Hisense*, 2026 WL 252755, at *4. In assessing this factor,
10 courts consider “the timing of the requests for reexamination and a stay, the status of
11 the reexamination proceedings, and the relationship of the parties.” *Adventure Wagon*
12 *LLC v. RB Components, Inc.*, No. LA CV22-07737 JAK (MARX), 2023 WL
13 11812968, at *3 (C.D. Cal. June 14, 2023). These considerations favor a stay.

14 First, as explained in IV.A.4, InterDigital is a non-practicing entity that will
15 suffer no undue prejudice from a stay because it can be fully compensated through
16 monetary relief. *See* Dkt. 166 at 2.

17 Second, no tactical disadvantage has been shown. Here, there is no “evidence
18 of dilatory motives or tactics” that weighs against a stay. *Hisense*, 2026 WL 252755,
19 at *4. Defendants filed their EPR requests approximately a year after the Complaint
20 was filed and before InterDigital served its final infringement contentions. Courts
21 have found similar timelines to be reasonable. *See, e.g., Hisense*, 2026 WL 252755,
22 at *4 (finding it reasonable to file EPR request ten months after complaint);
23 *Semiconductor Energy Lab’y Co. v. Chimei Innolux Corp.*, No. SACV 12-21-JST
24 JPRX, 2012 WL 7170593, at *3 (C.D. Cal. Dec. 19, 2012) (finding no prejudice
25 where party filed IPR petition ten months after the complaint was filed); *Evolutionary*
26 *Intel., LLC v. Millenial Media, Inc.*, No. 5:13-CV-04206-EJD, 2014 WL 2738501, at
27 *5 (N.D. Cal. June 11, 2014) (finding no prejudice where party filed IPR petition a
28 year after the complaint was filed).

1 That timing is even more reasonable when compared to InterDigital’s own
2 delay in bringing suit. The ’301 patent issued in 2013 and was assigned to
3 InterDigital in 2018—over six years before it brought this action. Dkt. 1-1, Cover;
4 Dkt. 135-1 at 12–13. The ’818 patent issued in 2022. Dkt. 1-5, Cover. InterDigital’s
5 own delay in bringing this case undermines any claim of urgency or tactical
6 disadvantage. *See, e.g., VirtualAgility Inc. v. Salesforce.com, Inc.*, 759 F.3d 1307,
7 1320 (Fed. Cir. 2014) (patentee’s unexplained delay of nearly a year between patent
8 issuance and filing suit weighed against its claim that a stay would cause undue
9 prejudice). Based on PTO statistics, the median time to resolve an EPR after filing
10 is 18.9 months. Ex. H at 2. At that pace, the PTO is expected to complete these
11 EPRs around September 2027, approximately seven months after the current trial
12 date. *See* Dkt. 166 at 3. Any delay associated with a stay is therefore modest and
13 well within the range courts routinely accept, particularly given InterDigital’s own
14 delay in filing suit.

15 Third, the PTO has already instituted reexamination for the ’301 and ’818
16 patents. Ex. C; Ex. D. “There is a ‘near uniform line of authority [reflecting the
17 principle that] after the PTAB has instituted review proceedings, the parallel district
18 court litigation ordinarily should be stayed.’” *Adventure Wagon*, 2023 WL
19 11812968, at *2 (citation omitted). “Although procedurally different,” this policy
20 applies to EPR proceedings because they “are equivalent [to IPRs] with respect to
21 the substantive matters considered during review.” *Id.* Here, there is no evidence of
22 tactical delay, no meaningful prejudice, and strong policy support for a stay following
23 PTO institution.

24 Accordingly, all factors point in the same direction: a stay is warranted. The
25 Court should stay litigation of the ’301 and ’818 patents pending completion of the
26 PTO’s reexaminations.

27 **V. CONCLUSION**

28 The customer-suit exception warrants a stay of the ’268 patent in favor of the

1 Dolby Action and the PTO's ongoing reexaminations are likely to invalidate the
2 asserted claims of the '301 and '818 patents. Thus, Defendants respectfully request
3 that the Court stay this action in its entirety.

4
5 DATED: May 1, 2026

Respectfully submitted,

6
7 By: /s/ Ryan K. Yagura
Ryan K. Yagura

8 RYAN K. YAGURA
9 NICHOLAS J. WHILT
10 XIN-YI ZHOU
11 O'MELVENY & MYERS LLP

12 *Attorneys for Defendants The Walt Disney*
13 *Company, Disney Media and*
14 *Entertainment Distribution LLC, Disney*
15 *DTC LLC, Disney Streaming Services LLC,*
16 *Disney Entertainment & Sports LLC,*
17 *Disney Platform Distribution, Inc.,*
18 *BAMTech LLC, Hulu, LLC, and ESPN, Inc.*

CERTIFICATE OF COMPLIANCE

The undersigned, counsel of record for Defendants, certifies that this brief contains 5,738 words, which complies with the word limit of L.R. 11-6.1 and Judge Hsu's Standing Order for Newly Assigned Cases.

Date: May 1, 2026

/s/ Ryan K. Yagura

Ryan K. Yagura