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

UNILOC USA, INC. and UNILOC LUXEMBOURG, S.A., *Plaintiffs*, v. MOTOROLA MOBILITY LLC, *Defendant*.	§ § § § § § § § § § § §	Civil Action No. 2:16-cv-992-JRG LEAD CASE
v. HTC AMERICA, INC., *Defendant*.	§ § § § § §	Civil Action No. 2:16-cv-989

ORDER DENYING MOTION TO STAY

Before the Court is Defendant HTC America, Inc.'s ("HTC") Opposed Motion to Stay Pending *Inter Partes* Review ("IPR") of some of the patents-in-suit (Dkt. No. 63). Having considered the briefing and the relevant authorities, the Court is of the opinion that the Motion should be **DENIED WITHOUT PREJUDICE**.

The district court has the inherent power to control its own docket, including the power to stay proceedings. *Clinton v. Jones*, 520 U.S. 681, 706 (1997). How to best manage the court's docket "calls for the exercise of judgment, which must weigh competing interests and maintain an even balance." *Landis v. N. Am. Co.*, 299 U.S. 248, 254–55 (1936).

"District courts typically consider three factors when determining whether to grant a stay pending inter partes review of a patent in suit: (1) whether the stay will unduly prejudice the

nonmoving party, (2) whether the proceedings before the court have reached an advanced stage, including whether discovery is complete and a trial date has been set, and (3) whether the stay will likely result in simplifying the case before the court." *NFC Techs. LLC v. HTC Am., Inc.*, Case No. 2:13-cv-1058-WCB, 2015 WL 1069111, at *2 (E.D. Tex. Mar. 11, 2015) (Bryson, J.). "Based on th[ese] factors, courts determine whether the benefits of a stay outweigh the inherent costs of postponing resolution of the litigation." *Id.*

HTC asks the Court to stay this case pending final resolution of the IPR petitions filed by Apple Inc. ("Apple") on November 14, 2016. (Dkt. No. 63, at 5.) HTC notes that Apple's petitions challenge most—but not all—of the claims asserted by Uniloc against HTC in this case.

Uniloc's Complaint against HTC alleges that HTC infringes U.S. Patent Nos. 8,724,622 (the "'622 patent"); 8,995,433 (the "'433 patent"); 7,535,890 (the "'890 patent"); and 8,199,747 (the "'747 patent"). Three of the four asserted patents have been challenged by Apple's IPR petitions. (Dkt. No. 63, at 6.) Although only 39 of the 65 asserted claims have been challenged by Apple's IPRs, HTC argues that the remaining unchallenged claims will also be impacted by the IPR petitions due to the similarity between the challenged and unchallenged claims. (Dkt. No. 63, at 8–9.)

The Patent Trial and Appeal Board ("PTAB") has not yet acted on Apple's petitions, but should provide decisions regarding whether or not to institute review around mid-May 2017. (Dkt. No. 63, at 10.) Where a motion to stay is filed before the PTAB institutes any proceeding, courts often withhold a ruling pending action on the petition by the PTAB or deny the motion without prejudice to refiling in the event that the PTAB institutes a proceeding. *VirtualAgility Inc. v. Salesforce.com, Inc.*, 759 F.3d 1307, 1316 (Fed. Cir. 2014) (citing *Checkfree Corp. v. Metavante Corp.*, No. 12-cv-15, 2014 WL 466023, at *1 (M.D. Fla. Jan. 17, 2014)); *see also NFC Techs.*,

2015 WL 1069111, at *6. Indeed, this Court has a consistent practice of denying motions to stay when the PTAB has yet to institute post-grant proceedings. *Trover Group, Inc. v. Dedicated Micros USA*, No. 2:13-cv-1047-WCB, 2015 WL 1069179, at *6 (E.D. Tex. Mar. 11, 2015) (Bryson, J.) ("This Court's survey of cases from the Eastern District of Texas shows that when the PTAB has not yet acted on a petition for inter partes review, the courts have uniformly denied motions for a stay.").

Based on these circumstances, the Court concludes that a stay of these proceedings in advance of the PTAB's decision on whether or not to grant the petitions for *inter partes* review is not warranted. This is especially so, given that the pending IPR petitions do not challenge every patent asserted in this case. Accordingly, HTC's Motion to Stay (Dkt. No. 63) is **DENIED**. However, this denial is entered **WITHOUT PREJUDICE** to refiling of the same to be permitted within 14 days following the PTAB's institution decisions. If the PTAB issues separate institution decisions, HTC is permitted to refile its motion within 14 days following the last institution decision regarding the six IPR petitions referenced in HTC's Motion.

So ORDERED and SIGNED this 5th day of April, 2017.

RODNEY GILSTRAP
UNITED STATES DISTRICT JUDGE