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

CLEAR IMAGING RESEARCH, LLC, *Plaintiff*, v. SAMSUNG ELECTRONICS CO., LTD., SAMSUNG ELECTRONICS AMERICA, INC., *Defendants*.	§ § § § § § § § § § § §	CIVIL ACTION NO. 2:19-CV-00326-JRG

ORDER

Before the Court is the Motion to Stay Proceedings Pending *Inter Partes* Review (the "Motion") filed by Defendants Samsung Electronics Co., Ltd. and Samsung Electronics America, Inc. (collectively, "Samsung"). (Dkt. No. 80.) Having considered the Motion, the related briefing, and the relevant authority, the Court finds that the Motion should be and hereby is **DENIED WITHOUT PREJUDICE**.

I. BACKGROUND

On October 1, 2019, Plaintiff Clear Imaging Research, LLC ("Clear Imaging") filed the present lawsuit, asserting that Samsung infringes six United States patents[1] relating to imaging (collectively, the "Asserted Patents"). (Dkt. No. 1.) Roughly ten months later, in late July and early August of this year, Samsung filed petitions for *inter partes* review ("IPR") challenging all asserted claims of the Asserted Patents. (Dkt. No. 80 at 2.) On August 6, 2020, Samsung filed the

[1] Specifically, Clear Imaging asserts U.S. Patent Nos. 8,630,484 (the "'484 Patent"); 9,154,699 (the "'699 Patent"); 9,392,175 (the "'175 Patent"); 9,860,450 (the "'450 Patent"); 10,171,740 (the "'740 Patent"); and 10,389,944 (the "'944 Patent").

AutoConnect Exhibit 2004,
Toyota v. AutoConnect PGR2025-00041, p. 1

present Motion requesting a stay pending a final determination in the IPRs. (Dkt. No. 80.) The Patent Trials and Appeals Board ("PTAB") is yet to make a decision on institution of the IPRs.

II. LEGAL STANDARD

"A district court has the inherent power to control its own docket, including the power to stay proceedings before it." *Trover Grp., Inc. v. Dedicated Micros USA*, No. 2:13-cv-1047, 2015 WL 1069179, at *1 (E.D. Tex. Mar. 11, 2015). "To strike the balance when a patent challenger moves to stay a litigation pending an IPR, courts in this district consider three factors: (1) whether a stay will unduly prejudice or present a clear tactical disadvantage to the nonmoving party; (2) whether discovery is complete and whether a trial date has been set; and (3) whether a stay will simplify issues in question and trial of the case." *Tessera Adv. Techs., Inc. v. Samsung Elecs. Co.*, No. 2:17-cv-671, 2018 WL 3472700, at *1 (E.D. Tex. July 19, 2018).

III. ANALYSIS

After reviewing the arguments of the parties as presented in the briefing, the Court finds that stay is not appropriate.

A. A Stay Will Unduly Prejudice Clear Imaging.

As this Court has recognized, a plaintiff has a right to timely enforcement of its patent rights. *Trover Grp.*, 2015 WL 1069179, at *2. Clear Imaging would certainly be prejudiced by a delay in its ability to vindicate its patent rights caused be a stay.

Samsung argues that Clear Imaging will not suffer any undue prejudice from a stay because it does not make any products and does not compete with Samsung, and thus can be compensated with monetary relief for any damages or prejudice. (Dkt. No. 80 at 5.) However, "the mere fact that [a plaintiff] is not currently practicing the patents does not mean that, as a matter of law, it is not prejudiced by a substantial delay of an imminent trial date." *Rembrandt Wireless Techs., LP*

v. Samsung Elecs. Co. Ltd., No. 2:13-cv-213, 2015 WL 627887, at *2 (E.D. Tex. Jan. 29, 2015). Samsung further contends that Defendants will be unduly prejudiced by a stay because they will have to incur the burden of continuing to defend against myriad patent claims across the Asserted Patents. (*Id.* at 6.) Samsung's argument is inapposite, as the present factor in the stay analysis looks to "whether a stay will unduly prejudice or present a clear tactical disadvantage *to the nonmoving party*." *Tessera*, 2018 WL 3472700, at *1 (emphasis added). Further, despite Samsung's assertions, both parties have already expended significant time and resources into discovery, claim construction, and motion practice over the nearly fifteen months this case has been pending. Any further delay would require the parties to sink additional resources into the case,[2] all the while postponing Clear Imaging's vindication of its patent rights. *NFC Tech. LLC v. HTC Am., Inc.*, No. 2:13-cv-1058, 2015 WL 10691111, at *2 (E.D. Tex. Mar. 11, 2015). Accordingly, this factor weighs against staying these proceedings.

B. The Late Stage of This Litigation Disfavors a Stay.

The late stage of the current case also disfavors a stay. This case has been pending for over a year and is set for jury selection on April 5, 2021, less than four months away. Samsung waited ten months after this case was initiated to file its IPRs and to seek a stay from the Court. In that time, the parties engaged in extensive discovery, including document production, source code inspection, and fact depositions. (*See* Dkt. No. 36; Dkt. No. 97; Dkt. No. 86 at 8.) During the

[2] Samsung requests a stay "until the PTAB has ***concluded*** IPR proceedings for the Asserted Patents." (Dkt. No. 80 at 7 (emphasis added).) Granting the stay requested by Samsung would thus require the parties to incur the substantial expenses of conducting the *inter partes* review at the PTAB until any final determination is made. The IPR proceedings at the PTAB are currently in their infancy (having been requested almost a year after the filing of the present action), and therefore granting a stay would require both Samsung and Clear Imaging to conduct the entire *inter partes* review proceeding from its initial stages. By contrast, the present case is less than four months from jury selection, and the parties have behind them the expenses of discovery, claim construction, motion practice, and much of their work with fact witnesses and experts.

briefing of the present Motion, the parties engaged in the claim construction process; as of this Order, a *Markman* hearing has taken place and a Claim Construction Order has issued. (Dkt. No. 113.) Thus, at this stage, a stay would do nothing more than draw out the time to trial.

C. A Stay is Unlikely to Simplify the Issues in Question and the Trial of this Case.

The Court finds that a stay pending IPR would do little to simplify the issues in question and the trial of this case at this juncture. Samsung argues that a stay will simplify or eliminate issues in this litigation because the outcome of the IPRs has the potential to address every asserted claim in all Asserted Patents. (Dkt. No. 80 at 4–5.) However, it is the Court's established policy that motions to stay pending IPR proceedings that have not been instituted are inherently premature. At this nascent stage—before the PTAB has made any decision as to institution of the Petitions—it is impossible for the Court to determine "whether the stay will likely result in simplifying the case before the court." *NFC Tech.*, 2015 WL 10691111, at *2. Accordingly, this factor weighs against a stay.

IV. CONCLUSION

For the foregoing reasons, Samsung's Motion to Stay Proceedings Pending *Inter Partes* Review (Dkt. No. 80) is **DENIED WITHOUT PREJUDICE**. Samsung's request for expedited briefing should the PTAB institute Samsung's IPRs is also **DENIED WITHOUT PREJUDICE**.[3]

So ORDERED and SIGNED this 18th day of December, 2020.

RODNEY GILSTRAP
UNITED STATES DISTRICT JUDGE

[3] Samsung's requested relief of expedited briefing on a hypothetical series of motions is premature. Nevertheless, Samsung remains free to re-urge its request should the PTAB issue a decision on institution or a final determination as to the validity of the asserted claims.