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17 **UNITED STATES DISTRICT COURT**
18 **CENTRAL DISTRICT OF CALIFORNIA**
19 **WESTERN DIVISION**

20 Philips North America LLC,
21 Plaintiff,
22 vs.
23 Garmin International, Inc. and Garmin
Ltd.,
24 Defendants.

Case No. 2:19-cv-06301-AB-KS

**PHILIPS NORTH AMERICA LLC'S
OPPOSITION TO DEFENDANTS'
OPPOSED MOTION TO MODIFY
THE SCHEDULING ORDER UNTIL
AFTER THE PTAB'S FINAL
DECISION ON THE '233 PATENT**

Date: February 26, 2021
Time: 10:00 am

Hon. André Birotte Jr.

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1 Plaintiff Philips North America LLC (“Philips”) hereby responds to Garmin
2 International, Inc.’s and Garmin Ltd.’s (collectively “Garmin”) Opposed Motion to Modify
3 the Scheduling Order Until After the PTAB’s Final Decision on the ’233 Patent. (Dkt. 120.)

4 **I. INTRODUCTION**

5 Three Philips patents remain asserted in this case, the ’377 Patent, the ’542 Patent,
6 and the ’233 Patent but Garmin only filed an IPR petition against the ’233 Patent. The ’377
7 patent was the subject of an IPR petition filed by another party, Fitbit, but was rejected
8 with the Board finding that the “merits are not particularly strong” and expressed “doubt
9 on whether Petitioner has demonstrated a reasonable likelihood of prevailing on these
10 grounds.” *See* Ex. A at 19. Generally courts are reluctant to issue stays in instances such
11 as here where only a subset of the asserted patents is subject to an IPR. Meanwhile, this
12 case has progressed apace, the Court has issued a claim construction order, fact discovery
13 closed months ago, opening expert reports exchanged, and rebuttal expert reports are set to
14 be exchanged on the day of this filing. The parties and Court have expended significant
15 resources to advance this case to trial, which is scheduled for July. There is no advantage
16 to delaying the case until the PTAB enters its decision on the ’233 Patent, especially
17 because the PTAB’s decision is appealable, and thus a final decision on the ’233 Patent is
18 not a mere three months after the current trial date, but rather likely more than a year
19 afterwards. The circumstances in this case simply do not warrant any further delay and
20 Garmin’s motion should be denied.

21 **II. LEGAL STANDARD**

22 When determining whether a stay is warranted, courts in this district consider: “(1)
23 whether discovery is complete and whether a trial date has been set; (2) whether a stay will
24 simplify the issues in question and trial of the case; and (3) whether a stay would unduly
25 prejudice or present a clear tactical disadvantage to the nonmoving party.” *Drone v. Sz Dji*
26 *Tech. Co.*, No. CV 19-04382-AB (AFMx), 2020 U.S. Dist. LEXIS 138497, at *3 (C.D.
27 Cal. Mar. 17, 2020).

28 In considering the “undue prejudice” factor, courts analyze: the timing of the IPR

1 request; the timing of the request for stay; the status of the IPR proceedings; and the
2 relationship of the parties. *Asetek Holdings, Inc. v. Cooler Master Co.*, 2014 WL 1350813,
3 at *4 (N.D. Cal. Apr. 3, 2014).

4 **III. ALL FACTORS WEIGH AGAINST DELAYING THIS CASE**

5 All three factors weigh **against** delaying trial until after the PTAB enters its decision
6 on the patentability of the '233 patent, and more than a year before any appeal is resolved.
7 First, the Court set a trial date for July 27, 2021, less than six months from now and expert
8 discovery will be completed this month. Second, Garmin overstates potential simplification
9 of the issues on several bases. Indeed, the opportunity for simplification is limited because:

- 10 • only **one** of the three asserted patents is subject to an IPR proceeding, there is
11 no justification whatsoever to delay proceeding on the '377 and '542 patents;
- 12 • except for **one** prior art reference (Jacobsen) the prior art relied on by Garmin
13 to invalidate the '233 patent in this case is **completely different** from that
14 asserted in the IPR. Therefore any insights the PTAB may have on the prior
15 art would be limited at best; and
- 16 • Philips **has not** taken any inconsistent positions with respect to infringement
17 in this case and validity in the IPR against the '233 patent.

18 Finally, Garmin's delay in filing the IPR, over eight months after the complaint was filed,
19 and the timing of the request for the stay, weigh in favor of undue prejudice to Philips.

20 **A. An Imminent Trial Date and Nearly Complete Expert Discovery** 21 **Weighs Against Delay**

22 Trial is set for July 27, 2021, less than six months from now. Fact discovery was
23 completed in October, opening expert reports have been served, and as of the date of this
24 filing rebuttal expert reports will have been served as well. (*See* Dkt. 108¹.) Such
25 circumstances weigh against a stay. Originally, the trial was scheduled for March 20, 2021.
26 When the parties jointly requested a modification of the case schedule in September, they

27 _____
28 ¹ The parties have jointly agreed to extend various deadlines that have not involved the
Court at various times, including agreeing to take certain fact depositions after the cut-off

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