

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

GESTURE TECHNOLOGY
PARTNERS, LLC,

Plaintiff,

v.

LG ELECTRONICS INC., AND LG
ELECTRONICS U.S.A., INC.,

Defendants.

Civil Action No. 21-19234 (JMV) (MAH)

OPINION

HAMMER, United States Magistrate Judge

I. INTRODUCTION

This matter comes before the Court on Defendants’ motion to stay discovery pending the outcome of petitions for *inter partes* review (“IPR”) that have been filed before the United States Patent Trial and Appeal Board (“PTAB”). Mot. to Stay, Nov. 24, 2021, D.E. 39. The Court has considered the motion on the papers pursuant to Fed. R. Civ. P. 78 and L. Civ. R. 78.1. For the reasons set forth herein, the Court will grant Defendants’ motion and stay discovery pending outcome of the IPR proceedings.

II. BACKGROUND

On February 4, 2021, Plaintiff Gesture Technology Partners, LLC (“GTP”) filed a Complaint against Defendants LG Electronics, Inc. and LG Electronics, U.S.A., Inc. (collectively “LG”) in the United States District Court for the Western District of Texas. Compl., Feb. 24, 2021, D.E. 1. GTP alleges that LG infringed five of GTP’s patents; specifically, U.S. Patent Nos. 8,194,924 (the “’924 patent”), 7,933,431 (the “’431 patent”), 8,878,949 (the “’949 patent”), 8,553,079 (the “’079 patent”), and 7,804,530 (the “’530 patent”) (collectively, the “Asserted

Patents”). *Id.* GTP asserts that it owns all substantial rights, interest, and title in and to all five of the Asserted Patents, and has held these at all relevant times. *See id.* After filing at least five requests for extensions of time to answer that were either consented to or were unopposed, LG filed an Answer to the Complaint, along with a motion to transfer venue on July 2, 2021. D.E. 9, 12, 13, 20, 22, 23, and 24. The parties engaged in targeted venue and jurisdiction discovery, after which they filed a joint motion to transfer venue to this Court on October 21, 2021. Motion to Transfer, D.E. 26, 32. The Western District of Texas Court granted the transfer motion on October 22, 2021. Order, D.E. 33.

In the meantime, between May and June of 2021, non-party Apple, Inc. filed petitions for IPR of four of the Asserted Patents in this case: IPR2021-09922 for the ’079 Patent; IPR 2021-00920 for the ’431 Patent; IPR 2021-00923 for the ’924 Patent; and IPR 2021-00921 for the ’949 Patent (“the Apple IPRs”). Defs.’ Brief in Supp., Nov. 24, 2021, D.E. 39-1, at 3. The Apple IPRs request the PTAB to invalidate all claims of the ’079 Patent, the ’431 Patent, the ’924 Patent, and the ’949 Patent. *Id.* at 1. On November 5, 2021, LG filed joinders in the Apple IPRs against four of the Asserted Patents.¹ *Id.* at 3. “LG’s IPR petitions challenge each and every asserted claim of the Asserted Patents in this litigation.” *Id.* On November 24, 2021, LG filed the instant motion, seeking a stay pending the outcome of the IPRs. Defs.’ Brief in Supp., Nov. 24, 2021, D.E. 39-1. After LG filed this motion, the PTAB instituted IPR proceedings for all four of the Apple IPRs. Defs.’ Reply Brief, Jan. 7, 2022, D.E. 47, at 2.

¹ According to LG, its petitions are “substantively identical to Apple’s, and LG’s joinder requests would place LG in an understudy role in Apple’s IPRs, which (if granted) means that LG would adhere to all deadlines in the Apple IPRs, submit no separate substantive filings, and would not seek additional depositions or deposition time, so long as Apple remains in the case.” Defs.’ Reply Brief, Jan. 7, 2022, D.E. 47, at 2; *see also* Mot. for Joinder to *Inter Partes* Review, D.E. 39-11, at 2.

On March 29, 2022, LG filed a letter updating the Court on the status of the IPR proceedings. LG Letter, Mar. 29, 2022, D.E. 48. LG represents the following:

On March 17, 2022, the PTAB instituted IPR proceedings on all the asserted claims of U.S. Patent Nos. 8,194,924, 8,553,079, and 7,933,431. The PTAB also granted LG's request for joinder with the ongoing Apple IPRs associated with the same patents, thereby making it likely that the IPR proceedings will conclude by year-end.

Id.; see also *LG Electronics, Inc. and LG Electronics U.S.A., Inc. v. Gesture Technology Partners, LLC*, IPR2022-000993 Decision (Patent 8,194,924 B2), IPR2022-00090 Decision (Patent 8,553,079 B2), IPR 2022-00091 Decision (Patent 7,933,431 B2), D.E. 48-1. LG's IPR petition for the '949 Patent is also pending before the PTAB.² LG Letter, Mar. 29, 2022, D.E. 48.

LG argues that a stay would not unduly prejudice GTP, would simplify the issues before the Court, and is appropriate considering the status of this case. Defs.' Brief in Supp., Nov. 24, 2021, D.E. 39-1. In its reply brief, LG further argues that the need for a stay is strengthened because the PTAB instituted the Apple IPRs for four of the five Asserted Patents, and because of developments in other related cases in which the proceedings have been stayed. See Defs.' Reply Brief, Jan. 7, 2022, D.E. 47, 2, 6-7. LG forecasts that it is "very likely" that the PTAB will invalidate the asserted claims of the Asserted Patents.³ Defs.' Brief in Supp., Nov. 24, 2021, D.E. 39-1, at 1.

² On April 1, 2022, GTP responded to LG's update, asserting that the PTAB's decision to institute IPR proceedings on the asserted claims of three of the four patents and to grant LG's joinder request does not affect the analysis of LG's motion to stay. Letter, Apr. 1, 2022, D.E. 49.

³ In support of this assertion, LG cites a similar case involving GTP in the Western District of Texas (WDTX). Defs.' Reply Brief, Jan. 7, 2022, D.E. 47, at 2. In that case, the Court granted a stay of GTP's litigation against Apple, Inc. pending the outcome of the IPR petitions, which are "substantively identical" to the petitions at issue in this case. *Id.* at 2, 7 (citing *Gesture Technology Partners, LLC v. Apple Inc.*, Case No. 6:21-cv-00121 (W.D. Tex.)). Additionally, in

GTP opposes a stay, contending that LG's motion is premature because its requests for joinder to the Apple IPRs are still pending, LG was not diligent in filing its joinder requests in the Apple IPRs, it is impossible to predict whether the granting of the motion will simplify the issues before the Court, and GTP will suffer prejudice from further delay of this litigation. Pl.'s Mem. in Opp'n, Dec. 31, 2021, D.E. 46, at 1.

III. ANALYSIS

A district court has the inherent authority to control its own docket, including the power to stay proceedings. *Clinton v. Jones*, 520 U.S. 681, 706 (1997). When determining whether to grant a stay pending reexamination, courts in this District generally consider three factors: “(1) whether a stay would unduly prejudice or present a clear tactical disadvantage to the non-moving party; (2) whether a stay will simplify the issues in question and trial of the case; and (3) whether discovery is complete and whether a trial date has been set.” *Stryker Trauma S.A. v. Synthes (USA)*, No. 01-3879, 2008 WL 877848, at *1 (D.N.J. Mar. 28, 2008) (quoting *Xerox Corp. v. 3Com Corp.*, F. Supp. 2d 404, 406 (W.D.N.Y. 1999)). The party requesting a stay bears the burden of establishing that a stay is justified. *Clinton*, 520 U.S. at 709.

A. A Stay Will Not Unduly Prejudice or Tactically Disadvantage GTP

In determining whether undue prejudice or an unfair tactical advantage would result from a stay, courts consider the following subfactors: (1) the timing of the request for reexamination; (2) the timing of the request for a stay; (3) the status of reexamination proceedings; and (4) the relationship of the parties. *Depomed Inc. v. Purdue Pharma L.P.*, No. 13-571, 2014 WL 3729349,

a parallel case involving GTP in the Eastern District of Texas, the USPTO instituted reexamination proceedings for three of the asserted patents in which the court acknowledged a “substantial new question of patentability” was raised by Samsung, Inc. *Id.* at 2-3 (citing *Gesture Technology Partners, LLC v. Samsung Electronics Co. Ltd.*, Case No. 6:21-cv-00040 (E.D. Tex.)).

at *2 (D.N.J. July 25, 2014). While the Court is mindful that any delay in the final resolution of a case pending IPR proceedings may result in some inherent prejudice to GTP, the fact of a “delay inherent to the review process is, itself, insufficient to establish undue prejudice.” *Id.* (citing *Brass Smith, LLC v. RPI Indus., Inc.*, No. 09-6344, 2010 WL 4444717, *4 (D.N.J. Nov. 1, 2010)).

1. Timing of Request for Reexamination Favors a Stay

LG contends that its requests to join the Apple IPRs were diligently filed because Apple filed IPR petitions within four months of the initiation of this case, and LG sought joinder within four months of Apple filing those petitions. Defs.’ Brief in Supp., Nov. 24, 2021, D.E. 39-1, at 10. LG further contends that it diligently filed its joinder requests because they were submitted just two weeks after the case was transferred to this Court. Defs.’ Reply Brief, Jan. 7, 2022, D.E. 47, at 3-4. GTP, on the other hand, argues LG did not file its own IPR petitions, or request to join the Apple IPRs, until nine months after the commencement of this litigation, and five months after Apple filed its IPR petitions. Pl.’s Mem. in Opp’n, Dec. 31, 2021, D.E. 46, at 4. GTP further contends that LG used dilatory tactics in seeking multiple extensions, during which time LG was aware of the Apple IPRs, rendering their requests for reexamination untimely. *Id.*

A petition for *inter partes* review must be filed within one year of the date on which the complaint is served. 35 U.S.C. § 315(b). Courts have found IPR petitions filed before any significant occurrences and proceedings in the underlying district court actions timely. *Bonutti Skeletal Innovations, L.L.C. v. Zimmer Holdings, Inc.*, No. 12-1107, 2014 WL 1369721, at *3 (D. Del. Apr. 7, 2014). Here, LG filed requests to join the Apple IPRs nine months after GTP commenced this litigation, and not long after the transfer issue had been resolved in the Western District of Texas. Thus, LG acted within the statutory one-year deadline for doing so. Moreover, LG made that request before any significant occurrences and proceedings took place in the instant

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