UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAMSUNG ELECTRONICS CO., LTD.,
SAMSUNG ELECTRONICS AMERICA, INC.
Petitioner

v.

NANOCO TECHNOLOGIES LIMITED,
Patent Owner

U.S. PATENT NO. 8,524,365
Case IPR2021-00186

PETITIONER'S REPLY TO PATENT OWNER'S PRELIMINARY RESPONSE

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Petitioner submits this Reply to Patent Owner's Preliminary Response pursuant to the Board's March 8, 2021 email granting Petitioner leave to file a reply.

I. Patent Owner Mischaracterizes The District Court's Order On Petitioner's Motion To Stay.

As promised in its Petition, Petitioner promptly filed a motion to stay in the related district court proceeding once a notice of filing date had been accorded to the petition. Paper 1 at 67; Paper 4 (notice of filing date accorded dated November 24, 2020); Ex. 2018 (motion to stay filed November 30, 2020). In its Preliminary Response, Patent Owner emphasizes that this motion was denied, but fails to acknowledge that Petitioner's motion was "**DENIED WITHOUT PREJUDICE** to refiling the same, which shall be permitted within fourteen (14) days following the PTAB's institution decision regarding the last of the patents-in-suit to be acted upon by the PTAB." Ex. 2019 at 3 (emphasis in original). This decision was in accordance with that court's "consistent practice of denying motions to stay when the PTAB has yet to institute post-grant proceedings." *Id.* at 2. Thus, contrary to Patent Owner's argument, the district court's order denying Petitioner's motion to stay without prejudice and with express leave to refile does not tip *Fintiv* factor 1, "whether the court granted a stay ***or*** evidence exists that one may be granted if a proceeding is instituted," in favor of the Board exercising its discretion to deny institution in this case.

Further, the district court has shown its willingness to stay cases pending instituted IPRs, even on the eve of trial. As explained in the Petition, the same district court has severed and stayed claims "pending a resolution in the *inter partes* review proceedings," despite the case being less than six weeks away from jury selection. *Seven Networks, LLC v. Apple Inc.*, C.A. No. 2:19-cv-00115-JRG, Dkt. 313 (Sept. 22, 2020) (Ex. 1017).

Even more recently, that same court granted a renewed motion to stay pending IPR for a party similarly situated to Petitioner. In *Arbor Global Strategies LLC v. Samsung Electronics Co.*, Samsung filed a motion to stay a month after filing IPR petitions, which the court denied because IPR had not been instituted against any asserted claims. C.A. No. 2:19-cv-00333, Dkt. 175 at 1-2 (E.D. Tex. Jan. 7, 2021). While the institution decisions were pending, the court issued its *Markman* order and the parties completed fact discovery and exchanged opening expert reports. *Id.* at 2. After the Board instituted Samsung's petitions, Samsung renewed its motion to stay, at which time "expert discovery was still ongoing, dispositive and *Daubert* motions were not yet due, the pretrial conference was less than three months away, and trial was less than four months away." *Id.* The district court granted the renewed motion to stay, finding that a stay would simplify the issues. *Id.* at 5-6. There is no reason to believe the court would act differently in the case related to this IPR.

II. The Proximity of the Trial Date Should Be Given Little If Any Weight.

Patent Owner wrongly argues that the trial date in the related district court action, which is currently scheduled to begin seven months before a Final Written Decision would be expected, "should control" and favors the Board exercising its discretion. Patent Owner's Preliminary Response at 10. On the contrary, the currently scheduled trial date should be given little if any weight as the Board has instituted similarly situated IPRs, and as noted above, the district court is likely to stay the case—and thus trial—if this IPR is instituted.

For example, in the *Arbor* IPRs, trial was scheduled to begin ***eight months*** before a Final Written Decision would be expected, yet the Board instituted the IPRs over Patent Owner's § 314(a) arguments. *Arbor*, Dkt. 175 at 2; *Samsung Elecs. Co. v. Arbor Global Strategies LLC*, IPR2020-01020, -01021, Paper 11 (PTAB Dec. 2, 2020) (*Arbor* PTAB I and II); *Samsung Elecs. Co. v. Arbor Global Strategies LLC*, IPR2020-01022, Paper 12 (PTAB Dec. 2, 2020) (*Arbor* PTAB III). And, as shown above, in response, the same district court then stayed the litigation.

Moreover, in other recent IPR proceedings, the Board has instituted IPRs over Patent Owner's § 314(a) arguments even though trial was expected to begin ***seven months*** before the statutory date for the final written decision. *Peag LLC, Audio P'ship LLC, and Audio P'ship PLC v. Varta Microbattery GMBH*, IPR2020-01212, Paper 8 at 17, 22-23 (PTAB Jan. 6, 2021) ("seven months"); *Samsung Elec. Am. Inc.*

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