

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

GESTURE TECHNOLOGY
PARTNERS, LLC,

Plaintiff

v.

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

Defendants.

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CIVIL ACTION NO. 2:21-cv-00041-JRG

JURY TRIAL DEMANDED

**DEFENDANTS SAMSUNG ELECTRONICS CO., LTD.
AND SAMSUNG ELECTRONICS AMERICA, INC.'S MOTION TO STAY PENDING
INTER PARTES REVIEW AND *EX PARTE* REEXAMINATION PROCEEDINGS**

I. INTRODUCTION

As of December 13, 2021, the PTAB has instituted *Inter Partes* Review (“IPR”) as to all claims of the four Patents-in-Suit, and the USPTO has instituted *Ex Parte* Reexamination (“EPR”) as to all asserted claims of two Patents-in-Suit, with EPR institution decisions on the other two Patents-in-Suit expected in the coming weeks. Defendants Samsung Electronics Co., Ltd. and Samsung Electronics America, Inc. (together, “Samsung”) respectfully request that the Court stay this case pending the conclusion of these IPR and EPR proceedings, which present meritorious challenges to the validity of every claim asserted by Plaintiff Gesture Technology Partners, LLC (“GTP”). *See* 35 U.S.C. §§ 314(b), 316(a)(11); 37 C.F.R. 42.107. All three of the factors this Court typically considers favor granting the stay requested here.

First, GTP will not suffer undue prejudice from a stay. Courts consistently hold that the delay inherent in staying a case for the duration of an IPR or EPR proceeding does not constitute undue prejudice, especially where plaintiff does not practice the patents-in-suit. Here, GTP does not and has never made or sold a product practicing any of the Patents-in-Suit (nor any product whatsoever), GTP does not and has never competed with Samsung, and all four of the Patents-in-Suit expired before this case was filed. Moreover, GTP’s delay in filing the present action—*seven years* after it claims to have become concerned about Samsung’s alleged infringement—believes any purported prejudice GTP may claim here.

Second, Samsung has demonstrated diligence in timely filing this motion, doing so within a week after the PTAB issued its decision instituting the IPR as to the fourth and final Patent-in-Suit. Although trial is less than three months away, the parties will expend substantial resources in the immediate future and over the coming months on their pretrial, trial, and post-trial efforts, both in the district court and potentially on appeal, all of which would very likely be conserved by staying the case until the IPRs and EPRs reach their conclusions.

Third, a stay will very likely simplify the issues before this Court because the PTAB has instituted IPRs as to all claims asserted in this case across all four Patents-in-Suit. Further, the USPTO has already instituted EPRs as to two of the four Patents-in-Suit, with institution decisions as to the other two Patents-in-Suit expected in the coming weeks. Together, these IPRs and EPRs present multiple meritorious challenges to *every claim asserted* in this case and are very likely to invalidate all of those claims. Moreover, because the primary prior art references in the IPRs are different from those in the EPRs, every asserted claim is likely to be declared invalid on multiple independent grounds. In the unlikely event that any asserted claims survive these challenges the issues in the case very likely will, at a minimum, be greatly simplified.

Accordingly, as all three governing factors weigh in favor of granting a stay here, Samsung respectfully requests that the Court stay this case in its entirety until final non-appealable decisions issue with respect to all of the applicable IPRs and EPRs.

II. BACKGROUND

GTP brought this action on February 4, 2021, alleging Samsung infringes U.S. Patent Nos. 8,194,924 (“’924 Patent”); 7,933,431 (“’431 Patent”); 8,878,949 (“’949 Patent”); and 8,553,079 (“’079 Patent”) (together, “Patents-in-Suit”). Dkt. 1. GTP is currently asserting Claims 1–7, 10, 12, and 14 of the ’924 Patent; Claims 1–3, 6–9, 11–22, 25–28, and 30 of the ’431 Patent, Claims 13–14, 16, and 18 of the ’949 Patent; and Claims 1–6, 8–9, 11, 14–15, 19, 21–25, and 30 of the ’079 Patent. Dkt. 136 at 5, 11, 16, 23. The Court held a claim construction hearing on September 21 and issued its Claim Construction Order on October 12.

On November 29, 2021, the PTAB granted institution of Apple’s IPR Petition as to Claims 1–30 of the ’079 Patent. Ex. 1 (IPR2021-00922). On November 22, the PTAB granted institution of Unified Patents’ IPR Petition as to Claims 7–13 of the ’431 Patent, Ex. 2 (IPR2021-00917), and on December 6, the PTAB granted institution of Apple’s IPR Petition as to Claims 1–31 of the

'431 Patent, Ex. 3 (IPR2021-00920). Further on December 6, the PTAB granted institution of Apple's IPR Petition as to Claims 1–14 of the '924 Patent. Ex. 4 (IPR2021-00923). On December 13, the PTAB granted institution of Apple's IPR Petition as to Claims 1–18 of the '949 Patent. Ex. 5 (IPR2021-00921). In total, the PTAB granted institution of IPR Petitions as to all claims of the four Patents-in-Suit (including two petitions as to Claims 7-13 of the '431 Patent).

Following the Claim Construction Order, on November 11, 2021, Samsung filed four EPR Requests presenting substantial new questions of patentability (“SNQs”) as to the asserted claims of the Patents-in-Suit: (1) fourteen SNQs for the '924 Patent, (2) eight SNQs for the '431 Patent, (3) two SNQs for the '949 Patent; and (4) six SNQs for the '079 Patent. *See* Ex. 6 ('924 EPR Request); Ex. 7 ('431 EPR Request); Ex. 8 ('949 EPR Request); Ex. 9 ('079 EPR Request). On December 2, the USPTO ordered reexamination of the '924 and '949 Patents, finding Samsung's EPR Requests raised fourteen SNQs as to Claims 1–14 of the '924 Patent, and two SNQs as to Claims 1–18 of the '949 Patent. Ex. 10 at 2 (Order Granting Request for *Ex Parte* Reexamination, Control Number 90/014,902); Ex. 11 at 2 (Order Granting Request for *Ex Parte* Reexamination, Control Number 90/014,903). *See also* 35 U.S.C. § 302; 37 C.F.R. §§ 1.515(a), 1.525. Samsung expects USPTO decisions on the other two EPR Requests, for the '431 and '079 Patents, in the coming weeks and will notify the Court when those issue.

Fact discovery closed October 15, 2021, expert discovery closed November 30, and the parties filed dispositive motions and motions to strike (including *Daubert* motions) on December 1. Briefing on those motions will not be completed until January 10, 2022 (assuming the parties file replies and sur-replies as permitted). Numerous other motions are pending. The parties will begin serving pretrial disclosures on December 20, culminating with objections to rebuttal pretrial disclosures due January 10, 2022. Motions *in limine* are also due January 10. The Joint Pretrial

Order and accompanying filings are due January 24, the Pretrial Conference is set for January 31, and Jury Selection is set for March 7.

III. LEGAL STANDARD

The Court “has the inherent power to control its own docket, including the power to stay proceedings before it.” *Ericsson Inc. v. TCL Commc’n Tech. Holdings, Ltd.*, No. 2:15-CV-00011-RSP, 2016 WL 1162162, at *1 (E.D. Tex. Mar. 23, 2016). In deciding how to manage its docket, a court “must weigh competing interests and maintain an even balance.” *Customedia Techs., LLC v. Dish Network Corp.*, No. 2:16-CV-129-JRG, Dkt. No. 187, slip op. at 1 (E.D. Tex. Aug. 9, 2017) (citing *Landis v. N. Am. Co.*, 299 U.S. 248, 254–55 (1936)). In deciding whether to stay a case pending IPR and EPR proceedings, this Court considers “(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 Tech. LLC v. HTC Am., Inc.*, No. 2:13-CV-1058-WCB, 2015 WL 1069111, at *2 (E.D. Tex. Mar. 11, 2015)) (discussing factors for IPR); *see also AGIS Software Dev. LLC v. Google LLC*, No. 2:19-CV-00359-JRG, 2021 WL 465424, at *2 (E.D. Tex. Feb. 9, 2021) (discussing factors for EPR). “Based on those factors, courts determine whether the benefits of a stay outweigh the inherent costs of postponing resolution of the litigation.” *NFC Tech.*, 2015 WL 1069111, at *2. A stay pending IPR is especially justified where the outcome of the proceedings will likely simplify the case by helping the court determine validity issues or by eliminating the need to try infringement issues. *Ericsson*, 2016 WL 1162162, at *1 (citing *NFC Tech.*, 2015 WL 1069111, at *2).

IV. ARGUMENT

The instituted IPR and EPR proceedings present meritorious challenges to the validity of every claim asserted in this case, and institution decisions expected in the coming weeks are likely

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