

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

JAWBONE INNOVATIONS, LLC,

Plaintiff,

v.

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

Defendants.

CASE NO. 2:21-cv-00186-JRG

JURY TRIAL DEMANDED

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

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Samsung's motion to stay pending *inter partes* review (IPR) should be granted. As Samsung's motion explained, all of the factors pertinent to the Court's analysis favor a stay—namely, (1) Jawbone will not suffer undue prejudice by a stay because it is not a competitor, (2) the case is in its early stages, and (3) the IPR proceedings will simplify the issues in this case. Samsung diligently filed its IPRs (which include eight IPRs challenging all claims of all Asserted Patents) and further diligently filed its Motion to Stay Pending *Inter Partes* Review (Dkt. 106) less than two weeks after filing the last of its IPRs. Notably, Plaintiff agrees that the date on which Samsung filed its Motion to Stay—August 8, 2022—is the appropriate frame of reference for evaluating the stay factors. Dkt. 133 at 4. As of that date, a claim construction order had not yet issued, the close of fact discovery was almost a month away, and at least 28 possible depositions had yet to be taken. Even now, significant work still remains. On August 29, Samsung deposed the first of Jawbone's five 30(b)(6) designees and a third-party inventor. On August 30 or later, at least eight witnesses are calendared or will be calendared for deposition—at least two of which will be deposed on two separate days.¹ Both Samsung and Jawbone have also subpoenaed several other third parties who may be deposed. The parties have not yet served expert reports, and dispositive motions and pretrial motion practice is still months away. The balance of relevant stay factors clearly favors staying this case pending final resolution of the IPRs filed by Defendants.

I. Significant Work Remains in This Case

Jawbone does not dispute that significant work remains in this case—instead focusing on the work already completed. *See* Dkt. 133 at 4-5. There is no reasonable debate, however, that a very significant amount of work remains to be completed because fact discovery has not closed,

¹ Samsung has also filed a motion to compel two of Jawbone's 30(b)(6) designees to be made available for two days (fourteen hours) of deposition time each.

expert reports have not been exchanged, and dispositive and pre-trial briefing is still months away. Indeed, in analyzing this factor, this Court has recognized as relevant the fact that “significant resources [are] yet to be expended by the parties” even *after* all these deadlines had passed. *AGIS Software Dev. LLC v. Google LLC*, No. 2:19-CV-00359-JRG, 2021 WL 465424, at *3 (E.D. Tex. Feb. 9, 2021). Staying the case now will undoubtedly conserve both the parties’ and this Court’s resources.

Jawbone cites several cases in support of its position; however, the majority of the cited cases are plainly distinguishable. In *Longhorn HD LLC v. NetScout Sys., Inc.*, No. 2:20-cv-00349-JRG, 2022 WL 71652 (E.D. Tex. Jan. 6, 2022), an *ex parte* reexamination—which unlike an IPR has no statutory deadline to be completed—had been instituted and defendant sought a stay after completion of fact discovery. Here, the case is at an earlier stage and the stay is based on an IPR, which must be completed within a year of institution. In *TQ Delta, LLC v. CommScope Holding Co.*, No. 2:21-CV-00310-JRG, 2022 WL 2872993 (E.D. Tex. July 21, 2022), only a partial stay based on litigation in another district was requested. Here, Samsung requests a complete stay pending final resolution of its IPRs, which has the potential to greatly simplify the issues in this case. In *Peloton Interactive, Inc. v. Flywheel Sports, Inc.*, No. 2:18-cv-390-RWS-RSP, 2019 WL 3826051 at *5 (E.D. Tex. Aug. 14, 2019), “[t]he state of the case factor [did] not significantly impact the analysis.”

Finally, in *Stragent, LLC v. BMW of N. Am.*, No. 6:16-cv-446-RWS-KNM, 2017 WL 2839260 (E.D. Tex. Apr. 20, 2017), the Court first found the prejudice factor neutral because the plaintiff did not compete with the defendants. *Id.* at *2. The Court then found that the case was in a “nascent stage,” which favored a stay. *Id.* However, because the IPRs were not instituted, the Court denied the motion to stay without prejudice. *Id.* at *3. Samsung respectfully submits that

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