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

JAWBONE INNOVATIONS, LLC,	§	Case No. 2:21-cv-00186-JRG-RSP
Plaintiff,	§	**JURY TRIAL DEMANDED**
v.	§	
SAMSUNG ELECTRONICS CO., LTD. and SAMSUNG ELECTRONICS AMERICA, INC.,	§	
Defendants.	§	

PLAINTIFF JAWBONE INNOVATIONS, LLC'S SUR-REPLY IN FURTHER OPPOSITION TO DEFENDANTS SAMSUNG ELECTRONICS CO., LTD. AND SAMSUNG ELECTRONICS AMERICA, INC.'S MOTION TO STAY PROCEEDINGS PENDING *INTER PARTES* REVIEW (DKT. 106)

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Jawbone has demonstrated that the relevant stay factors weigh against a stay. A single institution decision against a patent which is no longer asserted in this case does not favor staying the entirety of this litigation, particularly where the remaining institution decisions are not due until at least pretrial disclosures have been exchanged. Samsung now submits that the appropriate timeframe for assessing its Motion would be August 8, 2022. Reply at 1. If indeed Samsung intends to rely on August 8, 2022 as the relevant timeframe, then it must concede that it relies on no relevant institution decisions in support of its Motion and less than one month of fact discovery remains.

With the close of fact discovery less than one week away, the parties have invested significant resources in conducting discovery, preparing for expert reports, and preparing for trial. A stay would needlessly delay the trial indefinitely, where Samsung has not demonstrated that institution will be granted against each of the Asserted Patents, and the Final Written Decisions to come well after trial has already been conducted in this case. Further, Samsung seeks a stay pending "final resolution of the IPRs filed by Defendants," demonstrating that it seeks an indefinite stay of the litigation, including through any appeals. Accordingly, Jawbone respectfully requests this Court deny Samsung's Motion.

I. THE ISSUES IN THIS CASE WILL NOT BE SIMPLIFIED

Samsung's allegations that the IPRs will result in simplification is speculative. None of the IPRs against the six patents which are currently asserted in this case have been instituted, and any institution decisions are months away. Samsung seeks not only a stay pending the institution decisions but final disposition of the IPRs, which would come well after trial has been completed in this case. In *Peloton Interactive, Inc. v. Flywheel Sports, Inc.*, No. 2:18-cv-00390-RWS-RSP, 2019 WL 3826051, at *2 (E.D. Tex. Aug. 14, 2019), the Court held that a stay would not significantly simplify the issues of the litigation where: (1) no institution decision was made for

all Asserted Patents; (2) *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348 (2018), precludes the PTAB from instituting IPRs for only a portion of the patent claims so "any institution decision occurring after *SAS* provides a weaker inference that the PTAB will determine that all challenged claims are unpatentable;" and (3) the scope of defendant's invalidity contentions is significantly broader than the invalidity theories presented for IPR proceedings.

First, Samsung does not address the fact that there are no institution decisions for seven IPR petitions. Reply at 5. "Courts in this district have often concluded that the simplification factor weighed against a stay where the PTAB had not instituted IPR proceedings for all asserted patents." *Peleton,* 2019 WL 3826051, at *2. This suggests that a stay is "not appropriate." *Id.*

Second, in *SAS,* the Supreme Court stated the PTAB "must address every claim the petitioner has challenged." 138 S. Ct. at 1354. As the PTAB is not required to institute IPR proceedings as to all challenged claims, "institution decisions are not as useful as they were in the past for providing an indication of whether all claims would be found unpatentable." *Peloton*, 2019 WL 3826051, at *2. However, unlike *Peloton*, the PTAB has not instituted IPR proceedings for a single currently-asserted patent and accordingly, there is no "inference that a stay would simplify the case to some degree." *Id.* at 3.

Third, Samsung's invalidity theories under 35 U.S.C. §§ 101 102, 103, 112(1), and 112(2) remain in the case, "suggesting that a stay would not significantly simplify the issues in the present case." *Id.* There remains prior art that Samsung has not submitted in its IPR petitions and accordingly, the scope of Samsung's invalidity theories is "significantly larger than the scope of the invalidity theories presented in the instituted IPRs." *Id.* Thus, a stay would not result in simplification of the case.

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