

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

ADVANCED MICRO DEVICES, INC., ET
AL.,

Plaintiffs,

v.

TCL INDUSTRIES HOLDINGS CO., LTD.;
ET AL.,

Defendants.

Case No.: 2:22-cv-00134-JRG-RSP

JURY TRIAL DEMANDED

**PLAINTIFFS' MOTION FOR DISCRETIONARY STAY OF REMAINDER OF ACTION
PENDING FINAL DETERMINATION BY THE INTERNATIONAL TRADE
COMMISSION OF INVESTIGATION NO. 337-TA-1318**

Plaintiffs Advanced Micro Devices, Inc. and ATI Technologies ULC (collectively, “AMD” or “Plaintiffs”) respectfully move this Court for an order to stay this action against Defendant Realtek Semiconductor Corp. (“Realtek”) pending a final determination of the United States International Trade Commission in the investigation entitled *Certain Graphic Systems, Components Thereof, and Digital Televisions Containing the Same*, Investigation No. 337-TA-1318 (“the ITC Investigation”).

All of the Defendants in this proceeding, including both Realtek and Defendants TCL Industries Holdings Co. Ltd., TCL Industries Holdings (H.K.) Limited, TCL Electronics Holdings Limited, TCL Technology Group Corporation, TTE Corporation, TCL Holdings (BVI) Limited, TCL King Electrical Appliances (Huizhou) Co. Ltd., Shenzhen TCL New Technologies Co., Ltd., TCL MOKA International Limited, TCL Smart Device (Vietnam) Co., Ltd, Manufacturas, Avanzadas SA de CV, TCL Electronics Mexico, S de RL de CV, and TCL Overseas Marketing

Ltd. (collectively, “TCL”), are all named respondents who are fully participating in the pending ITC Investigation.

Since the pending ITC Investigation involves substantially the same patents, products, parties, and issues in this proceeding, there is a significant overlap between the ITC Investigation and this proceeding with respect to the claims and defenses of infringement and validity of the Asserted Patents, as well as with respect to fact (and expert) discovery. As a result, TCL has filed a motion with this court for a non-discretionary stay, which neither AMD nor Realtek opposed. Given that TCL has elected to move for a mandatory stay of these proceedings pending the ITC Investigation (with respect to all TCL Defendants), and given that all of the Defendants, including both TCL and Realtek in this proceeding are named respondents that are fully participating in the pending ITC proceeding, staying the remainder of this action as against Realtek will result in significant public and private efficiencies.

I. FACTUAL BACKGROUND AND PROCEDURAL HISTORY

On May 5, 2022, AMD filed a Complaint against Defendants TCL and Realtek in this District, with respect to AMD’s U.S. Patent Nos. 7,742,053 (“the ’053 patent”), 8,760,454 (“the ’454 patent”), 11,184,628 (“the ’628 patent”), 8,468,547 (“the ’547 patent”), and 8,854,381 (“the ’381 patent”) (collectively, the “Asserted Patents”). On the same day, AMD filed a Complaint against TCL and Realtek in the International Trade Commission (“ITC”) under Section 337 of the Tariff Act of 1930 as amended, styled *Certain Graphic Systems, Components Thereof, and Digital Televisions Containing the Same* (“ITC Action”), asserting the same patents. Exhibit A, ITC Complaint.

On June 1, 2022, the ITC issued a Notice of Institution of Investigation, to determine whether TCL and Realtek are violating Section 337 of the Tariff Act of 1930, as to those patents. Exhibit B, ITC Notice of Institution.

Regarding the TCL Defendants in this action, summons were issued on May 13, 2022. Dkt. No. 8. On May 17, 2022, four of the TCL Defendants were served, and two more TCL Defendants were served on May 18, 2022. Dkt. Nos. 10-16. Counsel for TCL entered appearance on July 1, 2022. Dkt. Nos. 19-20. On July 22, 2022, TCL filed a mandatory stay of this action. Dkt. No. 36 (July 22, 2022). On July 20, 2022, TCL stated it will take no position on this motion for a discretionary stay of the remainder of this action pending the ITC Action.

As to Defendant Realtek in this action, summons were issued on May 16, 2022. Dkt. No. 9. Counsel for Realtek entered appearance on July 5, 2022. Dkt. Nos. 25-26. However, Realtek has not even acknowledged that it has been served with the Complaint and summons in this case yet. Despite AMD's extensive and repeated efforts to send copies of the summons and complaint in this Action to Realtek and its counsel, Realtek maintains that it has not received service, forcing AMD to file its motion on July 8, 2022 for alternate service against Realtek. Dkt. No. 30. The motion for alternative service is currently pending.¹ On July 21, 2022, notwithstanding TCL's decision to move for a mandatory stay, Realtek stated it would oppose this motion for a discretionary stay pending the ITC Action.

Following the ITC's Notice of Institution's publication in the Federal Register, fact discovery in the Investigation commenced on June 8, 2022, and is currently set to close on November 29, 2022. Exhibit C, ITC Order No. 9 (July 12, 2022). A *Markman* Hearing at the ITC

¹ As requested in the motion for alternative service, to the extent any party seeks stay of these proceedings pending the parallel International Trade Commission case, AMD respectfully requests that the pending motion for alternative service (Dkt. No. 30) be adjudicated before any such stay is entered. *See, e.g., Lighting Sci. Group Corp. v. Nichia Corp.*, 2019 WL 9633377 at *1-3 (N.D. Ga. Aug. 8, 2019) (considering and ruling on plaintiff's motion for alternative service, after issuing ruling on a mandatory stay of the case pending ITC proceedings under § 1659, also noting that "Plaintiff may continue to attempt to serve Nichia Japan while the stay is pending").

is scheduled for September 6, 2022, and the evidentiary hearing in the ITC Investigation is scheduled for March 13-17, 2023. Exhibit C, ITC Order No. 9 (July 12, 2022).

Four out of the five Asserted Patents at-issue in this action are before the Commission in the ITC Action.² See Dkt. No. 1 at ¶¶ 56-63; Exhibit A at ¶¶ 53-99. The TCL and Realtek products at-issue in the complaint filed in the ITC Investigation are also identified as infringing the Asserted Patents in this action. See Dkt. No. 1 at ¶¶ 64-67; Exhibit A at ¶ 100. As a result, the ITC Investigation involves many of the same issues (and same parties) that are presented in this action, with respect to the claims and defenses of infringement and validity of the Asserted Patents, as well as with respect to fact (and expert) discovery.

II. LEGAL STANDARDS

Whether or not to stay litigation is a matter left to the Court's discretion. See *Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1426-27 (Fed. Cir. 1998). In exercising this discretion, the Court must weigh the competing interests of the parties and attempt to maintain an even balance. See *Landis v. N Am. Co.*, 299 U.S. 248, 255 (1936). The factors courts typically consider in deciding how to exercise this discretion include: (1) whether a stay would unduly prejudice or present a clear tactical disadvantage to the nonmoving 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. See, e.g., *Enter. Sys. Techs. S.A.R.L. v. Motorola Mobility Holdings, Inc.*, 2014 U.S. Dist. LEXIS 201105 at *4 (E.D. Tex. Nov. 4, 2014) (stating the same factors for discretionary stay pending final disposition of related ITC proceedings) (citing *Saxon Innovations, LLC v. Palm, Inc.*, No.

² Given the issuance of a target date of seventeen months in the ITC Action, AMD moved for termination of the '454 Patent from the ITC proceedings against TCL and Realtek. The Administrative Law Judge's granting of that motion is currently pending the Commission's final determination.

6:09-cv-272, 2009 U.S. Dist. LEXIS 105928, 2009 WL 3755041, at *2 (E.D. Tex. Nov. 4, 2009)).

Discretionary stays are appropriate even where the district court action involves patents not asserted in parallel ITC proceedings. *See, e.g.*, Exhibit D, Oral Order, *DivX v. Realtek Semiconductor Corp.*, Civ. No. 1:20-cv-01202, Dkt. No. 55 (D. Del. June 3, 2021) (granting opposed discretionary stay notwithstanding that one of the asserted patents in the district court action was not asserted in the parallel ITC proceedings).

III. ARGUMENT

All three factors that courts consider in deciding whether to stay litigation strongly favor granting a stay in this case.

The first factor—whether a stay would unduly prejudice or present a clear tactical disadvantage to the non-moving party—weighs in favor of a stay. Granting a stay for the remainder of the case would not cause TCL or Realtek to suffer any undue prejudice from any delay, or allow AMD to gain any tactical advantage, because of the substantial overlap between the two cases. For example, in at least one other district court case in similar circumstances where Realtek itself opposed a plaintiff’s requested discretionary stay pending ongoing ITC proceedings (and where other co-defendants elected to move for a mandatory stay), the District of Delaware used its discretion to stay the case against Realtek pending those ITC proceedings. *See* Exhibit D, Oral Order, *DivX v. Realtek Semiconductor Corp.*, Civ. No. 1:20-cv-01202, Dkt. No. 55 (D. Del. June 3, 2021) (granting plaintiff’s motion to stay the case against defendant Realtek, over Realtek’s opposition). There, the Court noted that “The Court does not find that a stay will cause undue prejudice to Realtek. While granting a stay might postpone the resolution of Realtek’s pending motions before this Court (including its pending Section 101 motion (D.I. 43)), the Court does not find such delay to be unduly prejudicial, particularly since the issue of the validity of the ’486 patent is before the ITC; Realtek’s inability to obtain a ruling on its Section 101 motion from this

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