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

MAXELL LTD.,	§	
	§	
Plaintiff,	§	CIVIL ACTION NO. 5:19-CV-00036-RWS
	§	
v.	§	
	§	
APPLE INC,	§	
	§	
	§	
Defendant.	§	

ORDER

Before the Court is Apple's Renewed Motion to Stay Pending Determination of *Inter Partes* Review of the Patents-in-Suit (Docket No. 481). For the reasons set forth below, Apple's motion is **DENIED.**

I. Background

Maxell filed its initial complaint on March 15, 2019, alleging that Apple's products infringed ten patents.[1] Docket No. 11. Jury selection and trial were set to begin on December 7, 2020, but the Court has continued the trial to a date to be set soon. Docket No. 502. Apple has petitioned the Patent Trial and Appeal Board ("PTAB") for *inter partes* review ("IPR") of all asserted claims of the 10 patents-in-suit. Docket No. 481 at 3. Apple filed petitions for the '438, '991, '794 and '586 patents on December 19, 2019; for the '193 and '306 patents on December 20, 2019; for the '317, '999 and '498 patents on January 13, 2020; and for the '493 patent on March 17, 2020. Docket No. 481-1 ¶¶ 21–31. The PTAB granted Apple's petitions for the '794, '306, '991 and '586 patents and denied the other six. Docket No. 481 at 3; Docket No. 533.

---

[1] U.S. Patent Nos. 6,748,317; 6,580,999; 8,339,493; 7,116,438; 6,408,193; 10,084,991; 6,928,306; 6,329,794; 10,212,586; and 6,430,498.

DOCKET ALARM
Find authenticated court documents without watermarks at docketalarm.com.

Apple previously moved to stay the case pending the outcome of its IPR petitions before the PTAB had issued institution decisions for all 10 patents-in-suit, which the Court denied as premature. Docket Nos. 298, 239. Now that the PTAB has instituted IPR on four of the patents, Apple asks the Court to stay the case pending the outcome of the pending IPR proceedings. Docket No 481.

II. Legal Standard

"District courts typically consider three factors when determining whether to grant a stay pending *inter partes* review of a patent in suit: (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." *Fall Line Patents, LLC v. Am. Airlines Grp.*, No. 6:17-cv-00202-RWS, 2018 WL 4169251, at *1 (E.D. Tex. May 21, 2018); *NFC Techs. LLC v. HTC Am., Inc.*, Case No. 2:13-cv-1058-WCB, 2015 WL 1069111, at *2 (E.D. Tex. Mar. 11, 2015).

III. Analysis

Apple argues that the case should be stayed pending resolution of the IPRs, asserting that all three factors weigh in favor of a stay. Docket No. 481 at 5. Maxell responds that Apple's motion is based upon speculation and seeks to further delay Maxell's vindication of its patent rights. Docket No. 504 at 5. Maxell contends that all three factors weigh against a stay. *Id.* The Court will discuss each factor in turn.

1. Undue Prejudice

Apple renews its argument that Maxell will not suffer undue prejudice or tactical disadvantage because Maxell does not practice the patents-in-suit and can be fully compensated

DOCKET ALARM Find authenticated court documents without watermarks at docketalarm.com.

for any alleged harm through monetary damages. Docket No. 481 at 12–13. In opposition, Maxell asserts that the stay would significantly delay vindication of its patent rights and that Apple "unreasonably delayed" in filing its IPR petitions. Docket No. 504 at 6–7.

The Court has previously recognized that "[t]he mere fact that Maxell is not currently practicing the patents does not mean that, as a matter of law, it is not prejudiced by a substantial delay of an imminent trial date." Docket No. 298 at 3 (citing *Rembrandt Wireless Techs., LP v. Samsung Elecs. Co.,* No. 2:13-cv-213-JRG-RSP, 2015 WL 627887, at *2 (E.D. Tex. Jan. 29, 2015)). In the previous order denying Apple's motion to stay, the Court found that the prejudice factor, at that time, cut slightly against a stay. *Id.* The parties present no new information that would disturb that finding. Now, as before, the prejudice factor cuts slightly against a stay.

2. Stage of the Proceedings

Apple argues that the stage of the proceedings favors a stay because, while this case is at a very late stage in the proceedings, the most burdensome work—the trial—remains. Docket No. 481 at 9. In response, Maxell asserts that expert discovery is complete, all briefing in connection with the parties' dispositive and *Daubert* motions is finished, and that Apple's unreasonable delay in filing the IPRs continues to weigh against the Court granting a stay at this stage. Docket No. 504 at 8–10.

This factor includes two sub-factors: "(1) whether discovery is complete and whether a trial date has been set; and (2) whether the movant has unreasonably delayed filing its IPR petition and motion to stay." *Stragent, LLC v. BMW of N. Am., LLC*, Case No. 6:16-cv-446-RWS-KNM, 2017 WL 2839260, at *2 (E.D. Tex. Apr. 20, 2017). Maxell initiated this action more than a year ago, and the jury trial for this matter is forthcoming. Docket No. 545. The parties have completed all discovery and briefing on the numerous dispositive and *Daubert* motions, and the Court has

DOCKET ALARM Find authenticated court documents without watermarks at docketalarm.com.

issued rulings on the motions. When the Court previously denied Apple's motion to stay, it found that the stage of the case weighed against a stay because "[t]he case is not in its infancy and is far enough along that a stay would interfere with ongoing proceedings." Docket No. 298 at 4 (citing *Uniloc 2017 LLC v. Samsung Elec. Am., Inc.*, NO. 2:19-cv-00259-JRG-RSP, 2020 WL 143360, at *5 (E.D. Tex. Mar. 24, 2020); *NFC Techs. LLC v. HTC Am., Inc.*, Case No. 2:13-cv-1058-WCB, 2015 WL 1069111, at *4 (E.D. Tex. Mar. 11, 2015)). That analysis remains sound here. Indeed, the fact that proceedings have advanced even further since the Court's order and both the parties and the Court have expended significant resources in the progress of this case weighs more heavily against a stay than before.

The second sub-factor, too, continues to weigh against granting a discretionary stay. In its previous order, the Court held that Apple's delay in filing its IPRs[2] weighed against a stay and noted that Apple had not sufficiently explained its delay in filing the petitions:

> Apple notes that it filed the petitions within four months of Maxell's preliminary claim election but does not explain how the narrowed claims assisted in its preparation of the petitions. *Realtime Data v. Actian Corporation*, Case No. 6:15-cv-463-RWS-JDL, 2016 WL 9340796, at *2 (E.D. Tex. Nov. 29, 2016); *Parthenon Unified Memory Architecture LLC v. HTC Corps. & HTC Am., Inc.*, No. 2:14-cv-00690, 2016 WL 3365855, at *2 (E.D. Tex. June 17, 2016); *see also e-Watch, Inc. v. Mobotix Corp.*, Case No. SA-12-CA-492-FB, 2013 WL 12091167, at *6 (W.D. Tex. May 21, 2013) (finding that waiting for infringement contentions did not justify delay in filing IPRs where defendant sought IPR on more claims than those asserted). Apple does not address, let alone deny, the fact that its petitions are not limited to the elected claims and instead challenge 86 of the 90 originally asserted claims. Moreover, even if Apple's initial petitions were to be considered timely, Apple has not explained the three-month delay between its initial and final IPR filings.

[2] Apple filed its first wave of petitions nine months after Maxell filed suit and six months after Maxell served its initial infringement contentions. Apple filed its last petition, however, nearly a year after the action was filed, one day short of the one-year deadline, and nine months after receiving Maxell's initial infringement contentions. Docket No. 298 at 4–5.

DOCKET ALARM Find authenticated court documents without watermarks at docketalarm.com.

Docket No. 298 at 4. Apple's renewed motion fares no better in providing a sufficient explanation for its delay and instead simply claims that it was diligent in filing its IPRs, contrary to the Court's earlier ruling. Docket No. 481 at 11–12. Combined, the stage of the case and Apple's delayed filing weigh heavily against a stay.

3. Simplification of Issues

The final factor—whether the stay is likely to simplify the issues at trial—is the most important factor bearing on whether to grant a stay. *Uniloc 2017*, 2020 WL 1433960, at *5. Apple contends that a stay is warranted, as the IPRs "have already meaningfully simplified this case, and they will continue to do so," as the PTAB is likely to invalidate the eight instituted claims. Docket No. 481 at 5. Apple argues that, even though only a portion of the total asserted claims have been instituted, a stay is still warranted because even partial simplification of this case will streamline its scope and resolution. *Id.* at 9 (citing *Image Processing Techs., LLC v. Samsung Electronics Co., Ltd.*, No. 2:16-cv-505-JRG, Docket No. 306 at 2–3 (E.D. Tex. Oct. 25, 2017)). Maxell responds that the possibility of meaningful simplification is extremely narrow, as the claims instituted by the PTAB do not fully dispose of the issues related to those claims in this litigation, and Apple's confidence that all of the instituted claims will be invalidated is based on mere speculation. Docket No. 504 at 11–14.

Here, only eight of the 20 asserted claims are currently under review by the PTAB. The scope of the IPR proceedings for the instituted patents does not cover the entirety of Apple's invalidity theories in this case, as evidenced by Apple's motion for summary judgment of subject matter ineligibility under § 101 for the '306 and '794 patents. *See* Docket No. 360 *Saint Lawrence Commc'ns LLC v. ZTE Corp.*, No. 2:15-cv-349-JRG, 2017 WL 3396399, at *2 (E.D. Tex. Jan. 17, 2017) (denying stay where only one of five asserted patents were instituted—amounting to six of

DOCKET ALARM Find authenticated court documents without watermarks at docketalarm.com.

DOCKET ALARM

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts

Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research

With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips

Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.

WHAT WILL YOU BUILD? | sales@docketalarm.com | 1-866-77-FASTCASE

fastcase®
Smarter legal research.