

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
WACO DIVISION**

VOIP-PAL.COM, INC.,

Plaintiff,

v.

AMAZON.COM, INC.,
AMAZON.COM SERVICES LLC, and
AMAZON WEB SERVICES, INC.,

Defendants.

CIVIL ACTION NO. 6:20-CV-272-ADA

**REPLY IN SUPPORT OF AMAZON'S OPPOSED
MOTION TO STAY PENDING THE OUTCOME OF *EX PARTE*
REEXAMINATION REJECTING ALL ASSERTED CLAIMS**

TABLE OF CONTENTS

	PAGE
I. INTRODUCTION	1
II. ARGUMENT	1
A. Simplification of Issues for Trial Weighs Heavily in Favor of a Stay.....	1
B. VoIP-Pal Does Not Identify Any “Undue” Prejudice.....	3
C. Amazon Filed its Motion to Stay at the Appropriate Time.	5
III. CONCLUSION.....	5

I. INTRODUCTION

This case should be stayed pending the outcome of the *ex parte* reexamination of the '606 patent, where *every claim* asserted in this case stands rejected. Under such circumstances, this and other courts have consistently stayed cases to avoid wasting Court, jury, and party resources litigating claims that will very likely be invalidated (eliminating the need for trial) or amended (requiring issues to be re-litigated before trial). In its Opposition, VoIP-Pal fails to refute this showing that a stay will simplify issues in the case. VoIP-Pal also fails to identify any undue prejudice recognized by courts in this Circuit. And VoIP-Pal fails to show that Amazon's motion is untimely, as Amazon filed the motion shortly after the PTO issued a non-final office action, consistent with the guidance of courts in this and other districts, and before a schedule has been entered in this case. With no factors weighing against a stay, Amazon's motion should be granted.

II. ARGUMENT

A. Simplification of Issues for Trial Weighs Heavily in Favor of a Stay.

A stay in this case would undeniably simplify the issues for trial. This is the "most important" factor in determining whether to grant a stay, and it militates strongly in favor of imposing one in this case. *TC Tech. LLC v. T-Mobile USA, Inc.*, 6:20-cv-00899-ADA, 2021 WL 8083373, at *3 (W.D. Tex. Dec. 7, 2021) (granting motion to stay pending *ex parte* reexamination). The PTO has already issued an office action rejecting every claim asserted by VoIP-Pal. (Dkt. 100-2 at 53.) Staying this litigation will simplify the issues to be tried by either eliminating the need to try the case (if all claims are invalidated) or, at the very least, sparing the Court and the parties the need to litigate claims that almost certainly will not survive in their existing form.

VoIP-Pal's arguments to the contrary are unpersuasive. The cancellation of all asserted claims is not a remote possibility, as VoIP-Pal suggests. (Opp. at 9.) While only 14.2% of *ex parte* reviews result in the rejection of all claims (*id.*), that statistic is unpersuasive for at least two

reasons. First, asserted claims are significantly more likely to be invalidated where—as here—the PTO has *already issued an office action rejecting them*. See, e.g., *TC Tech.*, 2021 WL 8083373, at *3 (granting a stay pending *ex parte* reexamination in part because “[i]nvalidation is especially likely because the examiner has already rejected [all asserted] claims as invalid in an initial office action”). Second, the statistic fails to account for amended claims, which will then necessitate the re-litigation of issues. Re-litigating claims will force the parties to prepare new infringement and invalidity contentions, potentially conduct new fact discovery, and commission new expert testimony, none of which will be necessary if the Court imposes a short stay pending the outcome of the *ex parte* reexamination. (Mot. at 3-4.) Otherwise, the parties will have to litigate the amended claims on an expedited basis to “catch-up” with the proceedings on any unamended claims, or the case will have to be bifurcated with the amended claims being tried later. Neither is an attractive solution, as both would waste judicial resources and time and expense of the parties.

The Court can avoid these problems by imposing a short stay pending the outcome of the *ex parte* reexamination. This common-sense solution is consistent with analogous cases in this Circuit, all of which VoIP-Pal either ignores or fails to distinguish.¹ For example, VoIP-Pal does not address this Court’s recent decision in *TC Tech* to stay that litigation during the pendency of an *ex parte* reexamination in nearly identical circumstances. *TC Tech.*, 2021 WL 8083373, at *3 (staying litigation after rejection of all asserted claims in non-final office action). Likewise, VoIP-Pal contends that *Ramot* is unpersuasive because it “does not address whether the reexamination

¹ The cases relied upon by VoIP-Pal are inapposite. *Luv N’ Care, Ltd. v. Jackel Int’l Ltd.*, 2:14-cv-00855-JRG, 2015 U.S. Dist. LEXIS 64225, at *7 (E.D. Tex. May 15, 2015) (denying *plaintiff’s* motion to stay pending *ex-parte* reexamination *filed by plaintiff* in an attempt to preclude defendant from relying on prior art); *Roy-G-Biv Corp. v. Fanuc Ltd.*, 2:07-cv-418 (DF), 2009 WL 1080854, at *2 (E.D. Tex. Apr. 14, 2009) (denying stay pending *ex parte* reexaminations, partly because it would complicate trial by raising case-specific estoppel and disavowal issues).

decision will issue before the trial date.” (Opp. at 10.) But that is wrong. In *Ramot*, Judge Gilstrap stayed the litigation seven weeks before trial because the simplification of issues was “near certain,” despite the PTO’s final office action being several months away. *Ramot at Tel Aviv Univ. Ltd. v. Cisco Sys., Inc.*, 2:19-cv-00225-JRG, 2021 WL 121154, at *2 (E.D. Tex. Jan. 13, 2021) (granting a stay pending *ex parte* reexamination, noting the “high probability that the asserted claims will change in scope” given the PTO’s rejection of claims in a non-final office action).²

Staying this case until the *ex parte* reexamination is complete will simplify the issues for trial, given the overwhelming likelihood that some, if not all, of the asserted claims will be invalidated or amended. This factor—which is the most important—strongly favors a stay.

B. VoIP-Pal Does Not Identify Any “Undue” Prejudice.

VoIP-Pal’s claims of undue prejudice are also inconsistent with the weight of the authority in this Circuit. As a threshold matter, VoIP-Pal’s concern that it “may not be able to enforce its patent rights for another two years” is not credible. (Opp. at 8.) As noted in Amazon’s Motion, the PTO intends its next office action to be final, indicating that the process is nearly complete. (Mot. at 4.) The *ex parte* reexamination will likely be resolved in months, not years. Even so, *Vehicle IP, LLC v. Wal-Mart Stores, Inc.*, on which VoIP-Pal relies, held that any prejudice to the non-practicing plaintiff caused by a years-long delay in resolution did not outweigh other factors favoring a stay. 10-cv-00503-SLR, 2010 WL 4823393, at *1, *3 (D. Del. Nov. 22, 2010).

Furthermore, VoIP-Pal’s generic, unsubstantiated claim that “damages alone may not fully compensate” it is unpersuasive. (Opp. at 6-7.) VoIP-Pal is not a competitor to Amazon. It does

² VoIP-Pal attempts to distinguish other cases cited by Amazon because they involved *inter partes* review or CBM, but the same considerations—providing a “quick and cost effective alternative[] to litigation”—apply equally to *ex parte* reexaminations. *TC Tech. LLC v. Sprint Corp.*, 16-cv-153-WCB, 2021 WL 4521045, at *3 (D. Del. Oct. 4, 2021) (quoting H. Rep. No. 112-98, Part I, at 48 (2011)).

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.