

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

SMART MOBILE TECHNOLOGIES
LLC,

Plaintiff,

v.

APPLE INC.,

Defendant.

6:21-cv-00603-ADA

SMART MOBILE TECHNOLOGIES
LLC,

Plaintiff,

v.

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

Defendants.

6:21-CV-00701-ADA

ORDER DENYING DEFENDANTS' OPPOSED MOTION
TO STAY PENDING *INTER PARTES* REVIEW

Before the Court is Defendants Apple Inc. ("Apple"), Samsung Electronics Co., Ltd., and Samsung Electronics America, Inc.'s (collectively, "Samsung") Opposed Motion to Stay Pending Resolution of *Inter Partes* Review of the Asserted Patents filed on February 17, 2023 (the "Motion"). Case No. 6:21-cv-603, ECF No. 99; Case No. 6:21-cv-701, ECF No. 88. Plaintiff Smart Mobile Technologies LLC ("Smart Mobile") filed an opposition to this Motion on March 3, 2023. Case No. 6:21-cv-603, ECF No. 110; Case No. 6:21-cv-701, ECF No. 96. Defendants filed a reply in support of their Motion on March 10, 2023. Case No. 6:21-cv-603, ECF No. 111; Case No.

6:21-cv-701, ECF No. 97.¹ After careful consideration of the Motion, the parties' briefing, and the applicable law, the Court **DENIES** Defendants' Opposed Motion to Stay Pending Resolution of *Inter Partes* Review of the Asserted Patents.

I. BACKGROUND

Smart Mobile filed suit against Apple on June 11, 2021. Case No. 6:21-cv-603, ECF No. 1. In its case against Apple, Smart Mobile alleges that Apple infringes U.S. Patent Nos. 8,442,501 (the "501 patent"), 8,472,936 (the "936 patent"), 9,472,937 (the "937 patent"), 8,761,739 (the "739 patent"), 8,824,434 (the "434 patent"), 8,842,653 (the "653 patent"), 8,982,863 (the "863 patent"), 9,019,946 (the "946 patent"), 9,049,119 (the "119 patent"), 9,191,083 (the "083 patent"), 9,319,075 (the "075 patent"), 9,614,943 (the "943 patent"), and 9,756,168 (the "168 patent") (collectively, the "Apple asserted patents"). *Id.* ¶ 1–15. Smart Mobile filed suit against Samsung on July 1, 2021. Case No. 6:21-cv-701, ECF No. 1. Smart Mobile alleges that Samsung infringes the '501, '936, '937, '739, '434, '653, '946, '119, '083, '943, and '168 patents and U.S. Patent No. 9,084,291 (the "291 patent") (collectively, the "Samsung asserted patents"). *Id.* ¶ 1–14.

On April 5, 2022, Apple and Samsung filed a petition to the Patent Trial and Appeal Board ("PTAB") for *Inter Partes* Review ("IPR") of the '434 patent; IPR was instituted on October 26, 2022. ECF No. 99 at 3; ECF No. 99-6. On April 6, 2022, Apple and Samsung filed an IPR petition for the '501 patent, which was instituted on September 29, 2022. ECF No. 99 at 3; ECF No. 99-3. Also on April 6, 2022, Apple and Samsung filed an IPR petition for the '168 patent, which was instituted on October 25, 2022. ECF No. 99 at 3; ECF No. 99-5. On May 9, 2022, Apple and Samsung filed IPR petitions for the '119, '739, '936, and '937 patents; all four IPRs were instituted

¹ All subsequent citations to the briefing refer to the filing numbers in *Smart Mobile Techs. v. Apple Inc.*, Case No. 6:21-cv-603, unless the citation states otherwise.

on December 5, 2022. ECF No. 99 at 3; ECF Nos. 99-9, 99-10, 99-11, 99-13. On May 19, 2022, Apple and Samsung filed an IPR petition for the '943 patent, which was instituted on December 5, 2022. ECF No. 99 at 3; ECF No. 99-7. On May 23, 2022, Apple and Samsung filed IPR petitions for the '291 and '083 patents; IPRs on both patents were instituted on December 5, 2022. ECF No. 99 at 3; ECF Nos. 99-7, 99-12. On July 1, 2022, Apple and Samsung filed an IPR petition for the '863 patent, which was instituted on January 24, 2023. ECF No. 99 at 3–4; ECF No. 99-16. On July 6, 2022, Samsung and Apple filed IPR petitions for the '653 and '946 patents, which were both instituted on January 24, 2023. ECF No. 99 at 3–4; ECF Nos. 99-14, 99-15. Also on July 6, 2022, Apple filed an IPR petition for the '075 patent. ECF No. 99 at 3. The PTAB denied institution on the '075 patent on January 30, 2023. ECF No. 99-4.

The *Markman* hearing for these cases is scheduled for August 17, 2023, ECF No. 125, and fact discovery opens on August 25, 2023, ECF No. 127. On February 17, 2023, Apple and Samsung filed the instant Motion seeking a stay of these actions pending final resolution of the IPR proceedings. ECF No. 99. The PTAB is expected to issue final written decisions (“FWDs”) on IPRs on or before January 31, 2024. *Id.* at 4. And this Court, in accordance with its default scheduling order, has set trial for November 7, 2024. ECF No. 127.

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.” *NFC Tech. LLC v. HTC Am., Inc.*, No. 2:13-cv-1058, 2015 WL 1069111, at *2 (E.D. Tex. Mar. 11, 2015); *see also CyWee Grp. Ltd. V.*

Samsung Elecs. Co., No. 2:17-CV-00140-WCB-RSP, 2019 WL 11023976, at *2 (E.D. Tex. Feb. 14, 2019) (Bryson, J.).

III. ANALYSIS

A. Undue Prejudice to the Non-moving Party

The Court finds that a stay would inflict undue prejudice upon non-movant Smart Mobile for at least the following two reasons.

First, a stay risks the loss of testimonial and documentary evidence potentially valuable to Smart Mobile's case. *See Allvoice Developments US, LLC v. Microsoft Corp.*, No. 6:09-CV-366, 2010 WL 11469800, at *4 (E.D. Tex. June 4, 2010) (holding that a stay of ten months would "create a substantial delay that could cause prejudice by preventing Plaintiff from moving forward with its infringement claims and by risking the loss of evidence as witnesses become unavailable and memories fade"); *Allure Energy, Inc. v. Nest Labs, Inc.*, No. 9-13-CV-102, 2015 WL 11110606, at *1 (E.D. Tex. Apr. 2, 2015); *Anascape, Ltd. v. Microsoft Corp.*, 475 F. Supp. 2d 612, 617 (E.D. Tex. 2007) (holding that delay also risks making witnesses harder to find).

Some factors may diminish this risk, like where the requested stay is of a brief and definite duration. Defendants do not clearly state whether they request the stay to extend to the conclusion of the appeals of all thirteen IPRs. ECF No. 99-21. If the requested stay extends to the conclusion of any appeals from the thirteen IPRs, the stay will almost certainly drag on for the better part of a year *after* the FWDs. *See Multimedia Content Mgmt. LLC v. Dish Network*, No. 6:18-CV-00207-ADA, 2019 U.S. Dist. LEXIS 236670, at *5 (W.D. Tex. May 30, 2019) (noting the length of appeal and the statutory scheme's provision for delaying a FWD by six months if necessary).

The risk is less pronounced where the proceeding-to-be-stayed and the parallel proceeding implicate discovery of a similar scope and evidence in the latter can later be used in the former. *Cf. Kirsch Research & Dev., LLC v. BlueLinx Corp.*, No. 6:20-cv-00316-ADA, 2021 U.S. Dist.

LEXIS 191694, at *12 (W.D. Tex. Oct. 4, 2021) (suggesting that a manufacturer suit may preserve evidence relevant to a customer’s suit). These factors are typically not implicated in motions to stay pending IPR because IPRs have limited scope—only patentability based on published prior art—and even more limited discovery. *See* 35 U.S.C. § 311(b) (providing the limited scope of patentability challenges in an IPR petition); 37 C.F.R. § 42.51 (providing the limited scope of discovery in IPR proceedings).

The second reason a stay may unduly prejudice Smart Mobile is that Smart Mobile, like all patentees, has an interest in the timely enforcement of its patent rights. *See Kirsch Research & Dev., LLC v. Tarco Specialty Products, Inc.*, No. 6:20-CV-00318-ADA, 2021 WL 4555804, at *2 (W.D. Tex. Oct. 4, 2021) (citing *MiMedx Group, Inc. v. Tissue Transplant Tech. Ltd.*, No. SA-14-CA-719, 2015 WL 11573771, at *2 (W.D. Tex. Jan 5, 2015)). The Federal Circuit has long held that “[r]ecognition must be given to the strong public policy favoring expeditious resolution of litigation.” *Kahn v. GMC*, 889 F.2d 1078, 1080 (Fed. Cir. 1989); *see also United States ex rel. Gonzalez v. Fresenius Med. Care N. Am.*, 571 F. Supp. 2d 758, 763 (W.D. Tex. 2008) (“[T]he compensation and remedy due a civil plaintiff should not be delayed.” (quoting *Gordon v. FDIC*, 427 F.2d 578, 580 (D.C. Cir. 1970))). Congress has recognized as much, establishing the PTAB to provide a forum for the “quick” resolution of patent disputes. *See, e.g., Ethicon Endo-Surgery, Inc. v. Covidien LP*, 826 F.3d 1366, 1367 (Fed. Cir. 2016). The impact of this interest is diminished here because: (1) the PTAB is expected to issue the FWDs before this Court is scheduled to try this case; and (2) a stay “would merely delay Plaintiff’s potential monetary recovery.”² *Kirsch*

² Smart Mobile’s Complaint states that it seeks injunctive relief. ECF No. 1 ¶ 16. However, Smart Mobile has not moved for a preliminary injunction, and it does not presently sell any commercial products. The Court also notes that seeking only monetary relief does not mean that a stay would not prejudice a plaintiff whatsoever.

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