

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

REMBRANDT WIRELESS  
TECHNOLOGIES, LP

v.

SAMSUNG ELECTRONICS CO. LTD., ET  
AL.

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Case No. 2:13CV213-JRG-RSP

**ORDER DENYING MOTION TO STAY PENDING INTER PARTES REVIEW**

Before the Court is Defendants’ Motion to Stay Pending *Inter Partes* Review (Dkt. No. 112, “Motion to Stay”).

**BACKGROUND AND PROCEDURAL HISTORY**

Plaintiff Rembrandt Wireless Technologies, LP (“Rembrandt”) is the assignee and owner of United States Patent No. 8,023,580 (“the ’580 Patent”) and United States Patent No. 8,457,228 (“the ’228 Patent”) (collectively, “the Patents-in-Suit”). (Dkt. No. 84 at ¶ 2, “Third Amended Complaint”). In its Third Amended Complaint, Rembrandt accused Defendants, *inter alia*, of infringement of the Patents-in-Suit. (*Id.* at ¶¶ 14, 21.)

Throughout the course of this litigation, Defendants filed various petitions for *Inter Partes* Review (“IPR”) of both the ’580 Patent and the ’228 Patent. *See, e.g.*, (Dkt. No. 208) (citing a total of six IPR petitions against the ’580 Patent and six IPR petitions against the ’228 Patent). In September 2014, the United States Patent and Trademark Office (“USPTO”) declined to institute IPR proceedings against claims 2, 19, 23, 29, 41, 52, and 59 of the ’580 Patent. (*Id.* at 1–3.) In December 2014, the USPTO declined to institute IPR proceedings against claim 21 of the ’228 Patent. (*Id.*) Plaintiff represents it intends to limit its infringement allegations to only those non-instituted claims (*i.e.*, claims 2, 19, 23, 29, 41, 52, and 59 of the ’580 Patent and claim

21 of the '228 Patent) (collectively, “non-instituted claims”). *See, e.g.*, (Hr’g Tr. at 23:24–24:11, Dkt. No. 225) (“MR. HEIM [counsel for Rembrandt] . . . the only claims that are going to be asserted at trial in this case are claims for which the PTAB has denied instituting an IPR”); Indeed, the parties appear to be in agreement on this point. (*Id.* at 21:11–17)

Your Honor, Jeff Sherwood for Samsung. Just very briefly. The court is correct that the PTAB has not instituted trial with respect to all of the claims; and, in fact, we got an e-mail last night, I guess, from the plaintiff saying that it has reduced the scope of its claims to just those that are not instituted for trial with the PTAB.

Although Defendants have recently filed new petitions for IPR proceedings on the non-instituted claims, on January 28, 2015, the USPTO denied institution as to the non-instituted claims of the '580 Patent and has yet to institute any proceedings on claim 21 of the '228 Patent. (Dkt. No. 240); *see also* (Dkt. No. 208 at 1–2) (expecting to file an IPR in January 2015 on the non-instituted claim of the '228 Patent). Trial of this case is set for February 9, 2015.

#### **APPLICABLE LAW**

The district court has the inherent power to control its own docket, including the power to stay proceedings. *Clinton v. Jones*, 520 U.S. 681, 706 (1997) (“The District Court has broad discretion to stay proceedings as an incident to its power to control its own docket.”). How to best manage the court’s docket “calls for the exercise of judgment, which must weigh competing interests and maintain an even balance.” *Landis v. N. Am. Co.*, 299 U.S. 248, 254–55 (1936). In deciding whether to stay litigation pending patent reexamination and *inter partes* review, courts usually consider three factors: (1) whether a stay will 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.

## ANALYSIS

### I. Issue Simplification

Defendants argue that “the IPRs will address the validity of all asserted claims of the patents-in-suit.” (Mot. at 6.) Defendants continue, “[c]onsidering the current status and likely disposition of each USPTO proceeding for the patents in suit, there is strong possibility that nearly all of Rembrandt’s infringement allegations will be moot. (*Id.* at 7.) The Court observes that the simplification offered by Defendants is not likely based on the recent denials of IPR institutions. *See supra* at 2 (indicating the only potential outstanding petition for IPR as against claim 21 of the ’228 Patent). Additionally, Defendants argue that by granting a stay, the parties can avoid a race to the Federal Circuit to obtain the first appellate decision and that “once the USPTO enters a final written decision in those IPRs under 35 U.S.C. § 318(a), Samsung will be estopped from asserting, in this litigation, any invalidity ground it raised or reasonably could have raised in the IPR petitions.” (*Id.* at 7–8.)

Given the unique posture of this case in light of the various facts described above (*e.g.*, Plaintiff limiting the claims to the non-instituted claims, and Defendants’ newly filed petition and its subsequent denial of institution), the Court finds that the likelihood of issue simplification in this case is not sufficiently persuasive to weigh in favor of a stay.

### II. Prejudice or Tactical Disadvantage

With respect to the second prong of the stay analysis, Defendants first argue that Rembrandt will not be subjected to undue prejudice or tactical disadvantage if the Court stays this litigation because although the grant of a stay would delay Rembrandt’s ability to obtain the relief it seeks, “any delay from staying the case will only be for a limited amount of time.” (Mot. at 8–9.) However, the Court notes the statute accords the USPTO up to six months to decide whether or not to institute an IPR proceeding and an additional twelve months to complete the IPR process. 35

U.S.C. § 311 *et seq.* By contrast, Rembrandt is entitled to its trial on the merits in February 2015. Granting a stay in light any remaining IPR petitions would unduly prejudice Rembrandt and present it with a clear tactical disadvantage under these facts.

Defendants also argue that “Rembrandt is a non-practicing entity in the business of licensing its patents and is not a competitor in the marketplace with Samsung.” (Mot. at 8.) However, the mere fact that Rembrandt 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. Accordingly, taken as a whole, this factor weighs against a stay.

### **III. Discovery and Trial Date**

Any remaining outstanding petitions that could potentially implicate any of the presently asserted claims were filed, or are expected to be filed, in January 2015. (Dkt. No. 208 at 1–2.) Therefore, these filings have, or will have, occurred well after discovery had closed (Dkt. No. 64), claims construction had completed (*id.*), and merely a few weeks from the February 9, 2015 trial date. (Dkt. No. 164.) The advanced stage of this case weighs heavily against a stay.

### **CONCLUSION**

Defendants have failed to show that a stay is appropriate. Accordingly, Defendants’ Motion to Stay Pending *Inter Partes* Review (Dkt. No. 112) is **DENIED**.

**SIGNED this 29th day of January, 2015.**

  
ROY S. PAYNE  
UNITED STATES MAGISTRATE JUDGE