Case 3:23-cv-00063-JSC Document 113 Filed 03/23/23 Page 1 of 15

ı	Case 3:23-cv-00063-JSC Docume	nt 113 Filed 03/23/23 Page 1 of 15
1	COOLEY LLP	Irene Yang (SBN 245464)
2	HEIDI L. KEEFE (178960) (hkeefe@cooley.com)	irene.yang@sidley.com SIDLEY AUSTIN LLP
	REUBEN H. CHEN (228725)	555 California Street, Suite 2000
3	(rchen@cooley.com) LOWELL D. MEAD (223989)	San Francisco, CA 94104-1715 Telephone: (415) 772-1200
4	(lmead@cooley.com)	Facsimile: (415) 772-7400
5	3175 Hanover Street Palo Alto, CA 94304-1130	WILLIAMS SIMONS & LANDIS PLLC
	Telephone: (650) 843-5000	Fred I. Williams (pro hac vice)
6	Facsimile: (650) 849-7400	Michael Simons (<i>pro hac vice</i>) The Littlefield Building
7	NAINA SONI (pro hac vice pending)	601 Congress Avenue, Suite 600
8	(nsoni@cooley.com 1299 Pennsylvania Avenue NW	Austin, TX 78701 Telephone: (512) 543-1354
	Suite 700	fwilliams@wsltrial.com
9	Washington, DC 20004-2400 Telephone: (202) 842-7800	msimons@wsltrial.com
10	Facsimile: (202) 842-7899	Todd E. Landis (pro hac vice)
11	Attorneys for Defendant BOX, INC.	2633 McKinney Avenue, Suite 130 #366 Dallas, TX 75204
12	•	Telephone: (512) 543-1357
12		tlandis@wsltrial.com
13		John Wittenzellner (<i>pro hac vice</i>) 1735 Market Street, Suite A #453
14		Philadelphia, PA 19103
15		Telephone: (512) 543-1373 johnw@wsltrial.com
16	Attorneys for Defendant DROPBOX, INC. UNITED STATES DISTRICT COURT	
17		DISTRICT OF CALIFORNIA
18	SAN FR	ANCISCO DIVISION
19	TOPIA TECHNOLOGY, INC.,	Case No. 3:23-cv-00062-JSC
20	Plaintiff,	
21	v.	
	DROPBOX, INC.	
22 23	Defendant.	
23	TOPIA TECHNOLOGY, INC.,	Case No. 3:23-cv-00063-JSC
	Plaintiff,	DEFENDANTS' MOTION TO STAY PENDING
25		INTER PARTES REVIEW
26	v. BOX, INC.	Hearing Date: April 27, 2023 Hearing Time: 10:00 a.m.
27		Courtroom: Courtroom 8 – 19 th Floor
28	Defendant.	Judge: Hon. Jacqueline Scott Corley
COOLEY LLP ATTORNEYS AT LAW PALO ALTO		Nos. 3-23-cv-00062-JSC & -00063-JSC Defendants' Motion to Stay Pending Inter Partes Review

Case 3:23-cv-00063-JSC Document 113 Filed 03/23/23 Page 2 of 15

1	TABLE OF CONTENTS		
2	Page		
3	NOTICE OF MOTION AND MOTION		
4	MEMORANDUM OF POINTS AND AUTHORITIES 1		
5	I. INTRODUCTION		
6	III. LEGAL STANDARDS		
7	IV. ARGUMENT5		
8	A. The Stage of the Case Favors a Stay		
9	B. IPRs Will Simplify the Issues for Trial		
	C. A Stay Will Not Unduly Prejudice Plaintiff		
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
COOLEY LLP ATTORNEYS AT LAW CHICAGO	i.		

1		
2	TABLE OF AUTHORITIES	
3	Page(s)	
4	Cases	
5	Anza Tech., Inc. v. Toshiba Am. Elec. Components Inc., No. 17-CV-07289-LHK, 2018 WL 4859167 (N.D. Cal. Sept. 28, 2018)	
6 7	Aylus Networks, Inc. v. Apple Inc., 856 F.3d 1353 (Fed. Cir. 2017)	
8	Barbaro Techs., LLC v. Niantic, Inc.,	
9	No. 18-cv-02955-RS, 2019 WL 13232979 (N.D. Cal. Apr. 24, 2019)	
10	Brixham Sols. Ltd. v. Juniper Networks, Inc., No. 13-cv-00616-JCS, 2014 WL 1677991 (N.D. Cal. Apr. 28, 2014)	
11	Cypress Semiconductor Corp. v. LG Elecs., Inc.,	
12	No. 13-cv-04034-SBA, 2014 WL 5477796 (N.D. Cal. Oct. 29, 2014)	
13	Delphix Corp. v. Actifio, Inc., No. 13-cv-04613-BLF, 2014 WL 6068407 (N.D. Cal. Nov. 13, 2014)	
14	Elekta Ltd. v. ZAP Surgical Sys., Inc.,	
15	No. C 19-02269 JSW, 2019 WL 9100404 (N.D. Cal. Nov. 8, 2019)	
16 17	Ethicon, Inc. v. Quigg, 849 F.2d 1422 (Fed. Cir. 1988)	
18	Evolutionary Intelligence, LLC v. Facebook, Inc.,	
19	No. C 13-4204 SI, 2014 WL 261837 (N.D. Cal. Jan. 23, 2014)	
20	Evolutionary Intelligence, LLC v. Yelp Inc., No. C 13-03587-DMR, 2013 WL 6672451 (N.D. Cal. Dec. 18, 2013)	
21	Finjan, Inc. v. Symantec Corp.,	
22	139 F. Supp. 3d 1032 (N.D. Cal. 2015)	
23	Karl Storz Endoscopy-Am., Inc. v. Stryker Corp., No. 14-cv-00876-RS, 2015 WL 13727876 (N.D. Cal. Mar. 30, 2015)	
24	Largan Precision Co. v. Motorola Mobility LLC,	
25	No. 21-cv-09138-JSW, 2022 WL 2954935 (N.D. Cal. July 26, 2022)	
26	Netskope, Inc. v. Fortinet, Inc., No. 22-cv-01852-TLT, Dkt. 74 (N.D. Cal. Jan. 9, 2023)	
27	110. 22 01 01032-111, DRt. 17 (11.D. Cai. saii. 1, 2023)	
COOLEY LLP ATTORNEYS AT LAW PALO ALTO	Nos. 3-23-cv-00062-JSC & -00063-JSC ii. Defendants' Motion to Stay Pending Inter Partes Review	

Case 3:23-cv-00063-JSC Document 113 Filed 03/23/23 Page 4 of 15

1 2	Oyster Optics, LLC v. Ciena Corp., No. 17-cv-05920-JSW, 2018 WL 6972999 (N.D. Cal. Jan. 29, 2018)
3	Oyster Optics, LLC v. Ciena Corp., No. 4:20-cv-02354-JSW, 2021 WL 4027370 (N.D. Cal. Apr. 22, 2021)
4 5	PersonalWeb Techs., LLC v. Apple Inc., 69 F. Supp. 3d 1022 (N.D. Cal. 2014)
6	
7	PersonalWeb Techs., LLC v. Facebook, Inc., No. 5:13-CV-01356-EJD, 2014 WL 116340 (N.D. Cal. Jan. 13, 2014)
8	Pragmatus AV, LLC v. Facebook, Inc., No. 11-CV-02168-EJD, 2011 WL 4802958 (N.D. Cal. Oct. 11, 2011)
9	Sec. People, Inc. v. Ojmar US, LLC,
10	No. 14-cv-04968-HSG, 2015 WL 3453780 (N.D. Cal. May 29, 2015)
11	Slip Track Sys., Inc. v. Metal Lite, Inc., 159 F.3d 1337 (Fed. Cir. 1998)
12	
13	Telemac Corp. v. Teledigital, Inc., 450 F. Supp. 2d 1107 (N.D. Cal. 2006)
14	Topia Technology, Inc. v. Egnyte, Inc.,
15	No. 1:21-cv-01821-CJB, Dkt. 24 (D. Del. May 12, 2022)
16 17	Traverse LLC v. Amprius, Inc., No. 20-cv-00484-RS, 2020 WL 6820942 (N.D. Cal. Nov. 6, 2020)
18	VirtualAgility Inc. v. Salesforce.com, Inc., 759 F.3d 1307 (Fed. Cir. 2014)
19	Zomm, LLC v. Apple Inc.,
20	391 F. Supp. 3d 946 (N.D. Cal. 2019)
21	Statutes
22	35 U.S.C. § 315(e)(2)
23	§ 316(a)(11)
24	
25	
26	
27	
28 COOLEY LLP	
ATTORNEYS AT LAW PALO ALTO	Nos. 3-23-cv-00062-JSC & -00063-JSC iii. Defendants' Motion to Stay Pending Inter Partes Review

Page 4 of 17

NOTICE OF MOTION AND MOTION

TO ALL PARTIES AND THEIR RESPECTIVE ATTORNEYS OF RECORD:

2

3

4

5

6 7

8

9 10

1112

13 14

15

16 17

18

19 20

2122

23

24

2526

27

28

PLEASE TAKE NOTICE that on April 27, 2023 at 10:00 a.m., or as soon thereafter as this

matter may be heard, in this Court, located at San Francisco Courthouse, Courtroom 8 – 19th Floor, 450 Golden Gate Avenue, San Francisco, CA 9410, Defendants Box, Inc. ("Box") and Dropbox, Inc. ("Dropbox") (collectively "Defendants"), will and hereby do move for an Order granting motion to stay pending *inter partes* review ("IPR").

Defendants respectfully request that the Court stay the above-captioned cases pending resolution of the IPR proceedings before the Patent Trial and Appeal Board ("PTAB") involving the asserted patents including any appeals. Plaintiff Topia Technology, Inc. ("Plaintiff") opposes this motion.

This Motion is based upon this Notice of Motion and Motion, the accompanying Memorandum of Points and Authorities, the [Proposed] Order filed concurrently herewith, and upon such other and further matters, papers, and arguments as may be submitted to the Court at or before the hearing on this Motion.

MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

All of the asserted claims of all six asserted patents are subject to pending IPR invalidity challenges. One IPR has already been instituted, and institution decisions will be issued on the remaining six IPRs in just a few months (by August 2023). Defendants respectfully request that the Court stay these actions pending the completion of these IPRs through appeals to preserve the Court's and the parties' resources while the Patent Office conducts its review. Each of the three factors courts consider in granting such stays weighs heavily in favor of a stay. Courts in this District often grant stays under circumstances like those present here.

First, these cases are in their infancy, and no trial date has been set. After transfer to this District, these cases have effectively restarted, with Plaintiff not even due to serve its infringement contentions under the Patent Local Rules until three weeks from now (April 13, 2023). All of the typical early case activity remains to be completed under the schedule in these cases, including

1.

COOLEY LLP ATTORNEYS AT LAW CHICAGO

3

45

67

8

10 11

12

13 14

15 16

17

18

19

20

2122

23

24

25

26

2728

COOLEY LLP ATTORNEYS AT LAW invalidity contentions (to be served May 31, 2023), claim construction (proposed terms to be exchanged on June 13, 2023), the claim construction hearing (yet to be scheduled), fact discovery, expert discovery, dispositive motions, pre-trial proceedings, and trial.

Second, a stay will simplify the issues in these cases. The PTAB has already instituted one IPR brought by a third party (Unified Patents, LLC) on one of the asserted patents, with a final decision due by November 2023. That patent shares the same specification and substantially overlapping claim scope with the other five related patents. In addition, Defendants have filed six of their own IPRs against every asserted claim of all the asserted patents; Plaintiff's preliminary responses to the petitions are due in May 2023; and the PTAB's institution decisions are due in August 2023, merely months away. "Were the Court to deny the stay until a decision on institution is made, the parties and the Court would expend significant resources on issues that could eventually be mooted by the IPR decision." *Finjan, Inc. v. Symantec Corp.*, 139 F. Supp. 3d 1032, 1037 (N.D. Cal. 2015).

Third, Plaintiff cannot show that it would be unduly prejudiced by a stay. Plaintiff waited for years before filing suit, is not a competitor of Defendants, and does not appear to practice its patents in any current commercial product. To the extent any claims were to survive IPR and Plaintiff were to prevail in litigation, Plaintiff would be able to recover any applicable money damages at that time.

II. FACTUAL BACKGROUND

Plaintiff filed two separate suits on December 29, 2021 in the Western District of Texas, separately claiming infringement by Dropbox and Box of the same six asserted patents, U.S. Patent Nos. 9,143,561 (the "'561 patent"), 10,067,942 (the "'942 patent"), 10,289,607 (the "'607 patent"), 10,642,787 (the "'787 patent"), 10,754,823 (the "'823 patent"), 11,003,622 (the "'622 patent") (collectively "the asserted patents"). The patents all purportedly claim priority to the same provisional application filed in November 2007, and they all share substantially the same specification. The patents all issued years ago, between September 2015 and May 2021. Plaintiff accuses products offered by Defendants that were on the market for many years before Plaintiff filed these actions. (See generally Dkt. 1 (Dropbox case), Dkt. 1 (Box case).)

3

45

67

8910

1112

13 14

1516

17 18

19

2021

22

2324

2526

2728

28 (Dkt. 112 (Box).)

On November 17, 2022, third-party Unified Patents, LLC filed an IPR against the '942 patent, challenging all asserted claims from the '942 patent, and the PTAB instituted that IPR on November 17, 2022. *See* IPR2022-00782 (filed April 15, 2022). The final hearing (if requested) is scheduled for August 22, 2023. *Id.*, Paper 18 (Nov. 17, 2022). A final decision in that IPR is presumptively due by November 17, 2023. *See* 35 U.S.C. § 316(a)(11).

On January 4 and 5, 2023, Defendants jointly filed IPR petitions challenging each of the fifty-six (56) claims asserted by Plaintiff in both cases. *See* IPR2023-00427, -00429, -00430, -00431, -00432, and -00433. Defendants' IPR petitions present entirely different invalidity challenges than the Unified Patents IPR. The chart below provides the filing dates and presumptive deadlines for Plaintiff's Patent Owner Preliminary Response and the PTAB's institution decision in each IPR:

IPR	Asserted Patent	Filing Date	Plaintiff's Preliminary Response Due	Institution Decision Due
2023-00427	'561 patent	January 4, 2023	May 9, 2023	August 9, 2023
2023-00429	'607 patent	January 5, 2023	May 9, 2023	August 9, 2023
2023-00430	'622 patent	January 5, 2023	May 10, 2023	August 10, 2023
2023-00431	'787 patent	January 4, 2023	May 15, 2023	August 14, 2023
2023-00432	'823 patent	January 4, 2023	May 15, 2023	August 14, 2023
2023-00433	'942 patent	January 4, 2023	May 9, 2023	August 9, 2023

On January 4, 2023, the court in the Western District of Texas granted Defendants' motions to transfer venue to this District. While the parties had initially exchanged infringement and invalidity contentions (which specified the claims that Plaintiff asserts in these actions) before the actions were transferred to this District, those contentions will be superseded by updated infringement and invalidity contentions the parties will serve under the Patent Local Rules of this District. In view of the parties' dispute regarding claim construction proceedings in these actions, the Court set the following interim case schedule:

Disclosure of infringement contentions; Plaintiff's initial	April 13, 2023
production (Pat. L.R. 3-1 and 3-2)	_
Defendant's invalidity contentions; Defendant's initial production (Pat. L.R. 3-3 and 3-4)	May 31, 2023
	7 10 000
Exchange of proposed terms for construction (Pat. L.R. 4-1)	June 13, 2023
Case Management Conference	June 21, 2023 at 1:30 p.m.

3.

III. LEGAL STANDARDS

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

Courts in this District recognize "a liberal policy in favor of granting motions to stay" pending IPR. Zomm, LLC v. Apple Inc., 391 F. Supp. 3d 946, 956 (N.D. Cal. 2019). This policy is consistent with the courts' "inherent power to manage their dockets and stay proceedings, including the authority to order a stay pending conclusion of a PTO reexamination." Ethicon, Inc. v. Ouigg, 849 F.2d 1422, 1426-27 (Fed. Cir. 1988) (citation omitted). "[J]udicial efficiency and the desire to avoid inconsistent results may, after a careful consideration of the relevant factors, counsel in favor of a limited stay, even before the PTAB has acted on a petition for IPR." Finjan, 139 F. Supp. 3d at 1035; see also Oyster Optics, LLC v. Ciena Corp., No. 17-cv-05920-JSW, 2018 WL 6972999, at *2 (N.D. Cal. Jan. 29, 2018) ("Oyster Optics I") ("it is not uncommon for [courts] to grant stays pending reexamination prior to the PTO deciding to reexamine the patent.") (citing Evolutionary Intelligence, LLC v. Facebook, Inc., No. C 13-4204 SI, 2014 WL 261837, at *3 (N.D. Cal. Jan. 23, 2014). Indeed, in creating the IPR process, Congress sought "to establish a more efficient and streamlined patent system that will improve patent quality and limit unnecessary and counterproductive litigation costs and to create a timely, cost-effective alternate to litigation." PersonalWeb Techs., LLC v. Facebook, Inc., No. 5:13-CV-01356-EJD, 2014 WL 116340, at *2 (N.D. Cal. Jan. 13, 2014) ("Facebook") (internal quotations omitted).

In considering a motion to stay pending IPR, courts in this District consider three factors: (1) the stage of the case; (2) whether a stay will simplify the issues in the case; and (3) whether a stay would unduly prejudice or present a clear tactical disadvantage to the non-moving party. *PersonalWeb Techs., LLC v. Apple Inc.*, 69 F. Supp. 3d 1022, 1025 (N.D. Cal. 2014) ("*Apple*") (quotation and citation omitted); *see also Oyster Optics, LLC v. Ciena Corp.*, No. 4:20-cv-02354-JSW, 2021 WL 4027370, at *1 (N.D. Cal. Apr. 22, 2021) ("*Oyster Optics II*").

Though there is no "blanket rule," courts in this District and across the country routinely grant motions to stay after IPR petitions are filed but before IPR has been instituted where, as here, the circumstances favor a stay. *Netskope, Inc. v. Fortinet, Inc.*, No. 22-cv-01852-TLT, Dkt. 74 at 4:16-8:17 (N.D. Cal. Jan. 9, 2023) (granting motion to stay pending IPR prior to institution); *Largan Precision Co. v. Motorola Mobility LLC*, No. 21-cv-09138-JSW, 2022 WL 2954935, at *2-4 (N.D.

COOLEY LLP ATTORNEYS AT LAW CHICAGO

1 Cal. July 26, 2022) (granting motion to stay before PTAB issued institution decisions); CF Traverse 2 LLC v. Amprius, Inc., No. 20-cv-00484-RS, 2020 WL 6820942, at *1-2 (N.D. Cal. Nov. 6, 2020) 3 (granting motion to stay two months after IPR petitions on some but not all (75 of 85) asserted 4 claims had been filed); Elekta Ltd. v. ZAP Surgical Sys., Inc., No. C 19-02269 JSW, 2019 WL 5 9100404, at *2 (N.D. Cal. Nov. 8, 2019) (granting motion to stay two months after IPR petitions 6 were filed); Anza Tech., Inc. v. Toshiba Am. Elec. Components Inc., No. 17-CV-07289-LHK, 2018 7 WL 4859167, at *1-2 (N.D. Cal. Sept. 28, 2018) (granting motion to stay two weeks after IPR 8 petitions had been filed); Sec. People, Inc. v. Ojmar US, LLC, No. 14-cv-04968-HSG, 2015 WL 9 3453780, at *5 (N.D. Cal. May 29, 2015) (granting motion to stay one month after IPR petitions 10 filed); Karl Storz Endoscopy-Am., Inc. v. Stryker Corp., No. 14-cv-00876-RS, 2015 WL 13727876, 11 at *2-5 (N.D. Cal. Mar. 30, 2015) (granting motion to stay one month after IPR petitions filed). 12 Stays are routinely granted before IPR institution because, "[w]hile it is difficult to predict 13

Stays are routinely granted before IPR institution because, "[w]hile it is difficult to predict the PTAB's behavior in any given case, the available statistical evidence showing a substantial likelihood that some claims will be invalidated militates in favor of a stay." *Barbaro Techs., LLC v. Niantic, Inc.*, No. 18-cv-02955-RS, 2019 WL 13232979, at *2 (N.D. Cal. Apr. 24, 2019); *Netskope*, No. 22-cv-01852-TLT, Dkt. 74 at 6:15-20 ("The Court also takes into account the high institution rate for petitions concerning computer patents and the low 'reasonable likelihood' standard for institution."); *Brixham Sols. Ltd. v. Juniper Networks, Inc.*, No. 13-cv-00616-JCS, 2014 WL 1677991, at *1 (N.D. Cal. Apr. 28, 2014) ("[I]t is likely that a stay will simplify the issues in this case because the majority of requests for *inter partes* review are accepted and in virtually all of the cases in which final written decisions have been issued, the PTO has cancelled some or all of the challenged claims.").

IV. ARGUMENT

All three stay factors—stage of the case, simplification of issues, and potential for undue prejudice—strongly favor staying these actions.

A. The Stage of the Case Favors a Stay.

The extremely early stages of these actions heavily favor a stay. *See, e.g., Elekta*, 2019 WL 9100404, at *2-3; *Evolutionary Intelligence, LLC v. Yelp Inc.*, No. C 13-03587-DMR, 2013 WL

COOLEY LLP ATTORNEYS AT LAW

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

only limited discovery has occurred . . .; no trial date or discovery deadline has been set and only limited pretrial dates have been set; . . . [and] the court has not substantially intervened in the action such as by conducting a *Markman* hearing or issuing a claim construction order.").

The post-transfer Case Management Conference concluded only last week. Plaintiff has

6672451, at *4-5 (N.D. Cal. Dec. 18, 2013) (in granting stay, noting, "[t]his case is in its infancy:

not yet served its infringement contentions under the Patent Local Rules, which is the key starting point of patent cases in this District. No claim construction hearing date has been set, no merits discovery has been completed, and no trial date has been set. This case is essentially at the pleading stage. *See Netskope*, No. 22-cv-01852-TLT, Dkt. 74 at 4:24-5:1 ("When Netskope filed the instant motion, pleadings have not yet settled and discovery has not yet begun, with invalidity and infringement contentions not yet served. Even as of the date of this order, initial disclosures were recently exchanged and written discovery has just begun."); *Largan*, 2022 WL 2954935, at *4 ("No depositions have been noticed. Claim construction briefing has not begun, and the claim construction hearing is two months away."). "When, as here, there has been no material progress in the litigation, courts in this district strongly favor granting stays" pending Patent Office invalidity review. *Pragmatus AV*, *LLC v. Facebook, Inc.*, No. 11-CV-02168-EJD, 2011 WL 4802958, at *3 (N.D. Cal. Oct. 11, 2011). The litigation has not "progressed significantly enough for a stay to be disfavored." *Apple*, 69 F. Supp. 3d at 1025.

Indeed, courts in this District have stayed cases prior to IPR institution that were significantly further progressed than the present cases. *See Finjan*, 139 F. Supp. 3d at 1038 (staying case where claim construction briefing had been completed and claim construction hearing had taken place); *CF Traverse*, 2020 WL 6820942, at *1-2 (staying case after infringement contentions and discovery had been served); *Oyster Optics I*, 2018 WL 6972999, at *2 (staying case after discovery had been served and infringement and invalidity contentions had been exchanged); *Oyster Optics II*, 2021 WL 4027370, at *2 (staying case after parties had conducted fact discovery and drafted claim construction briefs).

All of the costliest and most resource-intensive phases of the present litigation lie ahead. Plaintiff has not yet served its infringement contentions and associated disclosures that comply with

4

3

56

7

8

10 11

12 13

14

15 16

17 18

19

20

2122

23

24

25

26

27 28

COOLEY LLP ATTORNEYS AT LAW CHICAGO Patent Local Rules 3-1 and 3-2, to be followed by Defendants' updated invalidity contentions and associated document productions and disclosures under Patent Local Rules 3-3 and 3-4, completion of document productions, depositions, expert discovery, dispositive motions, pretrial proceedings, and trial. The parties and the Court would be best served by conserving their resources while the PTAB conducts its review.

Accordingly, this factor weighs in favor of a stay. *See Cypress Semiconductor Corp. v. LG Elecs., Inc.*, No. 13-cv-04034-SBA, 2014 WL 5477796, at *2 (N.D. Cal. Oct. 29, 2014) (finding stage of litigation factor favored a stay where claim construction briefing was complete but "[t]here [had] been no dispositive motion practice, the claims [had] not been construed, and no deadlines for completing discovery, motion practice, or trial [had] been set.").

B. IPRs Will Simplify the Issues for Trial.

The IPRs will simplify the issues in these actions and possibly dispose of them entirely. See Slip Track Sys., Inc. v. Metal Lite, Inc., 159 F.3d 1337, 1341 (Fed. Cir. 1998) ("the outcome of the reexamination would be likely to assist the court in determining patent validity and, if the claims were canceled in the reexamination, would eliminate the need to try infringement issues"). Every claim asserted by Plaintiff is challenged in Defendants' pending IPRs. If those IPRs succeed, every asserted claim will be held invalid, and these cases will be moot. In addition, the PTAB has already instituted Unified Patents' IPR on the '942 patent, which also covers all asserted claims of that patent. Statistically, it is highly likely that many, and possibly all, of the claims asserted in these actions will be held invalid in the IPRs. See, e.g., USPTO statistics through year-end 2022, available at https://www.uspto.gov/sites/default/files/documents/ptab aia fy2022 roundup.pdf; Barbaro Techs., 2019 WL 13232979, at *2; Netskope, No. 22-cv-01852-TLT, Dkt. 74 at 6:15-20; Brixham Sols., 2014 WL 1677991, at *1. "At a minimum, instituting a brief, limited stay of approximately five months to see whether and how the PTAB will act on Defendant's IPR petitions will conserve judicial resources and avoid inconsistent results." Delphix Corp. v. Actifio, Inc., No. 13-cv-04613-BLF, 2014 WL 6068407, at *2 (N.D. Cal. Nov. 13, 2014). "[S]hould the PTO deny these petitions, the delay endured by the parties will have been relatively short." Facebook, 2014 WL 116340, at *4.

5

7 8

9

11 12

13

1415

16 17

18

19

2021

22

23

2425

26

27

28

COOLEY LLP ATTORNEYS AT LAW CHICAGO

Further, even if the PTAB does not institute all of Defendants' IPRs or does not ultimately determine that all challenged claims are invalid, "its rulings would likely clarify claim construction positions for the parties, raise estoppel issues, and encourage settlement." Elekta, 2019 WL 9100404, at *2. The Court and the parties will benefit substantially from the PTAB record and PTAB decisions on all the patents. Oyster Optics I, 2018 WL 6972999, at *2. For example, arguments that Plaintiff raises at any point during the IPRs in an effort to distinguish the prior art will create new intrinsic record that may substantially impact claim construction in this Court. See, e.g., Aylus Networks, Inc. v. Apple Inc., 856 F.3d 1353, 1360-62 (Fed. Cir. 2017). If these cases had already proceeded through claim construction alongside the ongoing IPRs, the Court and parties would then need to redo claim construction to account for the new intrinsic evidence, resulting in significant wasted time and resources. In addition, all six patents and all of the asserted claims are closely related, sharing substantially the same specification and substantially overlapping claimed subject matter. As such, the final PTAB hearing (in August 2023) and final decision (due by November 2023) in the already-instituted IPR on one of the patents may significantly inform claim construction and invalidity issues on all of the patents. A stay here will "avoid inconsistent results, obtain guidance from the PTAB, [and] avoid needless waste of judicial resources." Largan, 2022 WL 2954935, at *2 (finding that "the fact that the PTAB has not yet instituted proceedings does not alone" nullify this factor or "warrant denying the motion to stay").

In addition, if the PTAB proceeds through final written decisions on Defendants' IPRs that do not eliminate every asserted claim, Defendants will be estopped from pursuing any invalidity grounds that they raised or reasonably could have raised in the IPRs pursuant to 35 U.S.C. § 315(e)(2), thus substantially streamlining any remaining litigation that might proceed after the IPRs. *Elekta*, 2019 WL 9100404, at *2.

On balance, the potential simplification of issues strongly weighs in favor of a stay and "outweighs the potential [minimal] delay that may result without simplification of the issues if none of [Defendants'] IPRs are instituted." *Netskope*, No. 22-cv-01852-TLT, Dkt. 74 at 6:22-25.

C. A Stay Will Not Unduly Prejudice Plaintiff.

Finally, a stay will not cause any undue prejudice to Plaintiff. There is no undue prejudice

COOLEY LLP ATTORNEYS AT LAW CHICAGO unless the patentee makes a specific showing of material prejudice beyond the delay necessarily inherent in any stay. *Facebook*, 2014 WL 116340, at *5 (citing *Telemac Corp. v. Teledigital, Inc.*, 450 F. Supp. 2d 1107, 1111 (N.D. Cal. 2006)). The mere delay inherent in a stay "does not constitute, by itself, undue prejudice." *Apple*, 69 F. Supp. 3d at 1029.

Plaintiff is unable to make a specific showing of undue prejudice for numerous reasons. First, Plaintiff is not a competitor of either Defendant. Because "the parties here are not competitors," Plaintiff's "potential [f]or prejudice if a stay is granted" is lessened. *Oyster Optics II*, 2021 WL 4027370, at *3. In fact, Plaintiff does not appear to offer any commercial product that currently practices the asserted patents, let alone any such product that competes with Defendants' accused products.

Second, Plaintiff waited for years before filing suit against Defendants, so it cannot now complain that a stay pre-institution would cause it any undue prejudice. Plaintiff's asserted patents started issuing nearly eight years ago in 2015, and it accuses products that Defendants have offered on the market for many years.

Third, Plaintiff's own actions in filing the suits in an inconvenient forum are responsible for any delay in these actions to date. Plaintiff chose to file suit in Waco, Texas, a clearly inconvenient venue for Defendants who are both headquartered here in the Bay Area. The transfer of the cases to this District was something that Plaintiff should have anticipated (or did anticipate) when it filed in Texas.

Fourth, Plaintiff did not seek preliminary injunctive relief in these actions—and for good reason, given that it waited for years before asserting patents with dubious validity and infringement positions against companies that do not compete with Plaintiff. As such, there is no basis to find that Plaintiff "needs injunctive relief as soon as possible." *VirtualAgility Inc. v. Salesforce.com, Inc.*, 759 F.3d 1307, 1318 (Fed. Cir. 2014); *Karl Storz*, 2015 WL 13727876, at *4 ("KSEA did not seek a preliminary injunction or pursue an expedited trial schedule in this case. . . . Without overstating the significance of its decision to forego preliminary relief, KSEA's apparent lack of urgency in prosecuting this case undermines its claims that any IPR-related delay would cause incalculable and irreparable damage.").

Case 3:23-cv-00063-JSC Document 113 Filed 03/23/23 Page 14 of 15

Fifth, a "stay will not diminish the monetary damages to which [Plaintiff] will be entitled if it succeeds in its infringement suit." Virtual Agility, 759 F.3d at 1318; Oyster Optics II, 2021 WL 4027370, at *3 ("[A] stay will not diminish the monetary damages available to [Plaintiff] but only delay realization of those damages.").

Sixth, "a stay to allow the PTAB to consider [Defendants'] *inter partes* review petition[s] will not deprive [Plaintiff] of the right to exclude others." Elekta, 2019 WL 9100404, at *3. Indeed, Plaintiff's action asserting the same six patents in Delaware against an unrelated defendant (Egnyte, Inc.) is proceeding ahead through claim construction and discovery.¹

Finally, Defendants filed the present motion with reasonable timeliness under the circumstances. At the initial Case Management Conference on March 9, 2023, Defendants inquired as to the Court's preference regarding the timing of a motion to stay, and the Court advised that Defendants were free to file a motion if they believe the motion has merit. Defendants have now filed the present motion promptly after the completion of the continued Case Management Conference on March 16, 2023, where the Court determined the operative case schedule.

V. **CONCLUSION**

For the foregoing reasons, Defendants respectfully request that the Court grant their motion and stay these actions through completion of the IPRs before the PTAB involving the asserted patents and any subsequent appeals.

¹ In fact, the court in the Delaware case recently denied Egnyte's motion to stay pending IPR given the circumstances of that case, which are materially different from the circumstances presented

here. See Topia Technology, Inc. v. Egnyte, Inc., No. 1:21-cv-01821-CJB, Mar. 6, 2023 minute order (D. Del. Mar. 6, 2023). Egnyte is not a party to Defendants' IPR petitions and therefore will

not be bound by anything from the IPRs, while the petitioner Defendants here will be bound by invalidity estoppel under 35 U.S.C. § 315(e)(2), providing significant streamlining. In addition,

the Delaware case has progressed much further than the present actions: the parties long ago

exchanged their infringement and invalidity contentions under the applicable local patent rules and are in the midst of claim construction proceedings, with the *Markman* hearing scheduled for June 22, 2023, and fact discovery closes in that case on September 15, 2023. See Topia Technology,

10.

19

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

20

21 22

23

24

25 26

27

Inc. v. Egnyte, Inc., No. 1:21-cv-01821-CJB, Dkt. 24 (D. Del. May 12, 2022). Nos. 3-23-cv-00062-JSC & -00063-JSC **DEFENDANTS' MOTION TO STAY PENDING** INTER PARTES REVIEW

Case 3:23-cv-00063-JSC Document 113 Filed 03/23/23 Page 15 of 15

1	Dated: March 23, 2023		
2	Respectfully Submitted:		
3	<u>/s/ Heidi L. Keefe</u>		/s/ Michael Simons
4	COOLEY LLP		SIDLEY AUSTIN LLP
5	Heidi L. Keefe (178960) hkeefe@cooley.com		Irene Yang (245464) irene.yang@sidley.com
6	Reuben H. Chen (228725)		555 California Street, Suite 2000
7	rchen@cooley.com		San Francisco, CA 94104-1715
8	Lowell D. Mead (223989) mead@cooley.com		Telephone: +1 415 772 1200 Facsimile: +1 415 772 7400
	3175 Hanover Street		
9	Palo Alto, CA 94304-1130 Telephone: +1 650 843 5000		WILLIAMS SIMONS & LANDIS PLLC Fred I Williams (pro hac vice)
10	Facsimile: +1 650 849 7400		fwilliams@wsltrial.com
11			Michael Simons (pro hac vice)
12	Naina Soni (<i>pro hac vice</i> to be filed) nsoni@cooley.com		msimons@wsltrial.com The Littlefield Building
	1299 Pennsylvania Avenue NW		601 Congress Avenue, Suite 600
13	Suite 700		Austin, TX 78701
14	Washington, DC 20004-2400 Telephone: +1 202 842 7800		Telephone: +1 512 543 1354
15	Facsimile: +1 202 842 7899		Todd E. Landis (<i>pro hac vice</i>) tlandis@wsltrial.com
16	Attorneys for Defendant Box, Inc.		2633 McKinney Avenue, Suite 130 #366 Dallas, TX 75204
17			Telephone: +1 512 543 1357
18			John Wittenzellner (pro hac vice)
19			johnw@wsltrial.com 1735 Market Street, Suite A #453
20			Philadelphia, PA 19103
21			Telephone: +1 512 543 1373
22			Attorneys for Defendant Dropbox, Inc.
23			
24			
25			
26			
27			
28			
COOLEY LLP ATTORNEYS AT LAW CHICAGO		11.	Nos. 3-23-cv-00062-JSC & -00063-JSC Defendants' Motion to Stay Pending Inter Partes Review

Case 3:23-cv-00063-JSC Document 113-1 Filed 03/23/23 Page 2 of 2

1	conserve resources of the parties and the Court, and a stay will not cause any undue prejudice or		
2	tactical disadvantage to Plaintiff Topia Technology, Inc.		
3	The Court therefore GRANTS the Motion and ORDERS the actions stayed until completion		
4	of the <i>inter partes</i> review proceedings before the Patent Trial and Appeal Board involving the		
5	asserted patents including any appeals.		
6 7	IT IS SO ORDERED.		
8			
9	Dated: HON. JACQUELINE SCOTT CORLEY		
10	United States District Court Judge		
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
22			
23			
24			
25			
26			
27			
28			
	Nos. 3-23-cv-00062-JSC & -00063-JSC ORDER GRANTING DEFENDANTS' MOTION TO STAY PENDING INTER PARTES REVIEW		