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United States District Court  
Northern District of California

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

HUAWEI TECHNOLOGIES, CO, LTD, et al.,  
Plaintiffs,  
v.  
SAMSUNG ELECTRONICS CO, LTD., et al.,  
Defendants.

Case No. [3:16-cv-02787-WHO](#)

**ORDER GRANTING STAY OF  
INFRINGEMENT CLAIM FOR '197  
AND '166 PATENTS**

Re: Dkt. No. 295

**INTRODUCTION**

Defendants Samsung Electronics Co., Ltd., Samsung Electronics America, Inc., and Samsung Research America, Inc. (collectively, “Samsung”) move to stay infringement claims of U.S. Patent Nos. 8,412,197 (the “’197 Patent”) and 8,483,166 (the “’166 Patent”), specifically claim 7 of the ’197 Patent and claim 13 of the ’166 Patent, because those claims are now subject to an instituted *inter partes* review (IPR) before the Patent Trial and Appeal Board (PTAB) in light of the Supreme Court’s recent decision in *SAS Inst., Inc. v. Iancu*, \_\_\_ U.S. \_\_\_, 138 S. Ct. 1348, 1352–54 (2018). While this situation differs from the previous circumstances in which I granted Huawei’s motion for a stay of infringement claims subject to IPR proceedings, it does not dictate a different outcome. Samsung’s motion is GRANTED.<sup>1</sup>

**BACKGROUND**

On May 24, 2017, Samsung filed petitions for IPR against claims 1, 2, 5-9, and 13-15 of the ’197 Patent and claims 1-5 and 12-16 of the ’166 Patent. Malmberg Decl., Ex. 1. In December 2017, the PTAB instituted IPR of claims 1, 2, 5, 6, and 13 of the ’197 Patent and claims

<sup>1</sup> This motion is suitable for determination without oral argument and the hearing is VACATED.

1 1-5 of the '166 Patent. Malmberg Decl., Ex. 2. On March 16, 2018, Huawei narrowed this case to  
 2 assert only claims that were not subject to the PTAB's original institution decisions, including  
 3 claim 7 of the '197 Patent and claim 13 of the '166 Patent. Huawei's Updated Election of  
 4 Asserted Claims and Accused Products Pursuant to the Court's Case Management Orders (Dkt.  
 5 No. 255-3[redacted]).

6 On April 24, 2018, the Supreme Court held that a PTAB decision to institute IPR under 35  
 7 U.S.C. § 314 may not institute on less than all claims challenged in the petition. *SAS Inst., Inc. v.*  
 8 *Iancu*, \_\_\_ U.S. \_\_\_, 138 S. Ct. 1348, 1352–54 (2018). In light of this decision, on May 8, 2018,  
 9 the PTAB issued Supplemental Orders to institute review against all challenged claims of the '197  
 10 and '166 patents, including claim 7 of the '197 patent and claim 13 of the '166 patent. PTAB's  
 11 Supplemental Order in IPR against the '197 Patent (Malmberg Decl. ¶ 4, Ex. 3, Dkt. No. 295-5);  
 12 PTAB's Supplemental Order in IPR against the '166 Patent (Malmberg Decl. ¶ 5, Ex. 4, Dkt. No.  
 13 295-6). In those Supplemental Orders, the PTAB invited the parties to voluntarily remove the  
 14 added claims, for which it had previously found IPR was not warranted:

15 As an alternative, we authorize the parties to file, within one week  
 16 of the date of this Order, a Joint Motion to Limit the Petition by  
 17 removing the claims and grounds upon which we did not originally  
 18 institute trial. *See, e.g., Apotex Inc., v. OSI Pharms., Inc.*, Case  
 IPR2016-01284 (PTAB Apr. 3, 2017) (Paper 19) (granting, after  
 institution, a joint motion to limit the petition by removing a patent  
 claim that was included for trial in the institution decision).

19 Dkt. No. 295-5 at 2; Dkt. No. 295-6 at 2.

## 20 LEGAL STANDARD

21 “Courts in this District examine three factors when determining whether to stay a patent  
 22 infringement case pending review or reexamination of the patents: ‘(1) whether discovery is  
 23 complete and whether a trial date has been set; (2) whether a stay will simplify the issues in  
 24 question and trial of the case; and (3) whether a stay would unduly prejudice or present a clear  
 25 tactical disadvantage to the nonmoving party.’” *PersonalWeb Techs., LLC v. Apple Inc.*, 69 F.  
 26 Supp. 3d 1022, 1025 (N.D. Cal. 2014)(“*PersonalWeb II*”). Courts decide stay requests on a case-  
 27 by-case basis. *Id.* Under the second factor, “[a] stay pending reexamination is justified where ‘the

1 and, if the claims were canceled in the reexamination, would eliminate the need to try the  
 2 infringement issue.” *Evolutionary Intelligence, LLC v. Apple, Inc.*, No. C 13-04201 WHA, 2014  
 3 WL 93954, at \*2 (N.D. Cal. Jan. 9, 2014)(quoting *Slip Track Sys., Inc. v. Metal Lite, Inc.*, 159  
 4 F.3d 1337, 1341 (Fed. Cir. 1998)). “A stay may also be granted in order to avoid inconsistent  
 5 results, obtain guidance from the PTAB, or avoid needless waste of judicial resources.” *Id.*

## 6 DISCUSSION

7 Almost three months have passed since I issued the Prior Order granting Huawei’s motion  
 8 to stay Samsung’s infringement claims for the ’588 Patent based on PTAB’s decision to institute  
 9 IPR of the ’588 Patent claims. Order Granting Stay of Infringement Claim for ’588 Patent  
 10 Pending Inter Partes Review (“Prior Order”)(Dkt. No. 267). Samsung insists that the same  
 11 reasoning governing the Prior Order applies to its present motion and dictates that a corresponding  
 12 stay should issue. Samsung’s Mot. to Stay at 5–8 (Dkt. No. 295). But it oversimplifies the  
 13 analysis. Given that PTAB issued the Supplemental Orders only because of the Supreme Court’s  
 14 *SAS Institute* decision—not because Samsung had demonstrated a reasonable likelihood that  
 15 claims 7 and 13 are unpatentable—I will begin with the glaring issue of whether a stay will  
 16 simplify this case.

### 17 I. WHETHER A STAY WILL SIMPLIFY THE ISSUES

18 In its motion, Samsung neglects to directly address the differences between its present  
 19 motion based on PTAB’s Supplemental Orders and Huawei’s previous motion based on PTAB’s  
 20 initial decision to institute IPR of the ’588 claims. The PTAB issued the Supplemental Orders to  
 21 review claim 7 of the ’197 Patent and claim 13 of the ’166 Patent only because the *SAS Institute*  
 22 decision dictates that result—not because Samsung had demonstrated a reasonable likelihood that  
 23 those claims were unpatentable on the challenged grounds. To the contrary, PTAB initially found  
 24 that Samsung’s patentability challenges were lacking. *See* ’197 Patent PTAB 12/8/17 Decision at  
 25 26 (“Petitioner has failed to demonstrate a reasonable likelihood of showing claims 7–9, 14, and  
 26 15 are unpatentable as obvious over R2-075161 and R2-080338, with or without  
 27 Eerolainen.”)(Malmberg Decl. ¶ 2, Ex. 1, Dkt. No. 295-3); ’166 Patent PTAB 12/5/17 Decision at  
 28 24 (“Petitioner has failed to demonstrate a reasonable likelihood of showing claims 12, 14, and 16

1 are unpatentable as obvious over TS 23.236 and S2-073255, with or without Shaheen ...  
 2 .”)(Malmberg Decl. ¶ 3, Ex. 2, Dkt. No. 295-4).

3 Huawei urges that this distinction is critical. Opp’n at 3 (Dkt. No. 296). In the absence of  
 4 a PTAB decision finding a reasonable likelihood that a claim is unpatentable, the question of  
 5 whether a stay will simplify issues is not so clear. Samsung argues that claim 7 of the ’197 Patent  
 6 and claim 13 of the ’166 Patent are similar to instituted claims, so the PTAB is likely to find them  
 7 unpatentable as well. *See* Mot. at 4 (“The only difference between claims 1 and 7 [of the ’197  
 8 Patent] is that the former recites a method while the latter recites an apparatus.”); *id.* at 5 (“Claim  
 9 13 [of the ’166 Patent] includes nearly identical subject matter as claim 2, which the PTAB found  
 10 reasonably likely to be obvious in its institution decision.”). But Huawei highlights reasons to  
 11 question the probability of this outcome. The PTAB initially determined that Samsung had failed  
 12 to comply with 37 C.F.R. § 42.104(b)(3), which provides that the petitioner must identify “[h]ow the  
 13 challenged claim is to be construed.” Under the regulation, for means-plus-function limitations,  
 14 the petitioner “must identify the specific portions of the specification that describe the structure,  
 15 material, or acts corresponding to each claimed function[.]” 37 C.F.R. § 42.104(b)(3). Since  
 16 Samsung failed to identify the corresponding structure, Huawei argues that it will be unable to  
 17 meet its “burden of proving a proposition of unpatentability by a preponderance of the evidence.”  
 18 35 U.S.C. § 316(e).<sup>2</sup>

19 Samsung brushes off the regulations as mere “procedural requirements” that will have no  
 20 bearing on PTAB’s review on the merits. Reply at 3. According to Samsung, *SAS Institute*  
 21 dictates that the PTAB “*must address every claim the petitioner has challenged.*” 138 S. Ct. at  
 22

23 <sup>2</sup> Huawei cites to two decisions by the PTAB in which it instituted review on means-plus-function  
 24 claims, determined there was no identified corresponding structure, and terminated review as to  
 25 those claims without reaching a determination as to unpatentability. Opp’n at 6 (citing *Microsoft*  
 26 *Corp. v. Enfish, LLC*, IPR2013-00559, Paper 65 at 10-14 (March 3, 2015); *Blackberry Corp. v.*  
 27 *Mobilemedia Ideas LLC*, IPR2013-00036, Paper 65 at 20-21 (March 7, 2014). Samsung counters  
 28 that the *Microsoft v. Enfish* decision supports granting a stay because the PTAB concluded that the  
 29 specification lacked sufficient disclosure of structure, thus “the scope of the claims cannot be  
 30 determined without speculation and, consequently, the differences between the claimed invention  
 and the prior art cannot be ascertained.” *Microsoft Corp., Petitioner*, IPR2013-00562, 2015 WL  
 1009213, at \*9 (Mar. 3, 2015). Since those claims were not amenable to construction, PTAB  
 terminated the proceeding with respect to those claims. *Id.*

1 1354 (emphasis in original). Samsung has indicated its intent to supplement the record in the IPR  
2 proceedings with arguments from Huawei’s experts that the specifications disclose sufficient  
3 corresponding structure for the means-plus-function limitations in claims 7 and 13. And it points  
4 out that Huawei has indicated that it intends to ask the PTAB for a five-week extension and 5000-  
5 word submission to address the newly instituted claims, suggesting that “Huawei expects the  
6 PTAB to decide the patentability of these claims, not simply rubberstamp its institution decision.”  
7 Reply at 3 n.2.

8 Samsung also contends that this case will be simplified regardless of whether the PTAB  
9 determines the patentability of claims 7 and 13 because the PTAB’s “findings on issues such as  
10 claim interpretation, the teachings of the prior art, and motivation to combine ... ‘will assist the  
11 court in determining patent validity.’” Mot. at 5 (quoting *Evolutionary Intelligence*, 2014 WL  
12 93954, at \*2).<sup>3</sup> Huawei disagrees. It reasons that if the PTAB’s final written decisions repeat its  
13 earlier conclusion that Samsung failed to carry its burden of proof on these claims, then Samsung  
14 will be estopped from challenging the validity of claims 7 and 13. Samsung responds that the  
15 applicability of estoppel under these circumstances would present an issue of first impression, but  
16 even if Samsung was estopped, it would “simplif[y] the issues by preventing [Samsung] from  
17 relitigating the same validity issues before the PTO and the court.” *Evolutionary Intelligence*,  
18 *LLC v. Sprint Nextel Corp.*, No. C-13-4513-RMW, 2014 WL 819277, at \*4 (N.D. Cal. Feb. 28,  
19 2014).

20 Both sides ignore the reality of this case. While a decision to stay claims 7 and 13 will  
21 reduce the list of claims available to Huawei and the corresponding scope of work in the  
22 remaining expert discovery and dispositive motions, I am unlikely to benefit from the PTAB’s  
23 final findings because this case will barrel on without those claims. The breadth of this case  
24 distinguishes it from the cases analyzing the propriety of a stay under different circumstances. *Cf.*  
25 *PersonalWeb Techs., LLC v. Apple Inc.*, 69 F. Supp. 3d 1022, 1027–28 (N.D. Cal. 2014)(“Either  
26

27 \_\_\_\_\_  
28 <sup>3</sup> It specifically highlights that the PTAB will be deciding the obviousness of claim 1 of the ’197  
29 Patent and claims 2 of the ’166 Patent, which include “nearly identical subject matter” as claims 7

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