

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLORADO  
Judge Christine M. Arguello**

Civil Action No. 19-cv-00438-CMA-MEH

CELLECT LLC, *a Colorado Limited Liability Company,*

Plaintiff,

v.

SAMSUNG ELECTRONICS CO., LTD., *a Korean Corporation,* and  
SAMSUNG ELECTRONICS AMERICA, INC., *a New York Corporation,*

Defendants.

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**ORDER GRANTING DEFENDANT'S MOTION FOR STAY PENDING *INTER PARTES*  
REVIEW AND *EX PARTE* REEXAMINATION OF ASSERTED CLAIMS**

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This matter is before the Court on Defendants Samsung Electronics Co., Ltd., and Samsung Electronics America, Inc.'s (collectively, "Samsung") Motion to Stay Pending *Inter Partes* Review and *Ex Parte* Reexamination of Asserted Claims. (Doc. # 56.) The Motion is fully briefed.<sup>1</sup> (Doc. ## 60, 61, 67.) For the following reasons, the Court grants the motion.

**I. BACKGROUND**

Cellect is a technology development company that owns 21 patents covering, *inter alia*, complementary metal-oxide semiconductor ("CMOS") image sensor

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<sup>1</sup> The Court notes that Plaintiff Cellect LLC ("Cellect") requested a hearing on the instant Motion. (Doc. # 60 at 15.) However, the Court has determined that a hearing would not materially assist in the disposition of the Motion.

technology. (Doc. # 1 ¶ 9.) CMOS technology is used in products with compact cameras, such as smartphones. (Doc. # 1 ¶ 11.) This case involves 11 patents (the “Asserted Patents”),<sup>2</sup> including 56 claims (the “Asserted Claims”), which cover CMOS technology. The Asserted Patents are all assigned to Collect (Doc. # 1 ¶¶ 13–45) and all have expired. (Doc. # 56 at 15.)

Collect provided Samsung with notice of its patents in early 2014, and then provided Samsung with in-person notice of its alleged infringements of the Asserted Claims in February, 2014. (Doc. # 1 ¶ 46.) Five years later, on February 14, 2019, Collect filed its complaint (“the Complaint”) (Doc. # 1) alleging that Samsung infringed the Asserted Claims. On May 28, 2019, Samsung filed a Motion to Dismiss pursuant to Fed. R. Civ. P. 12(b)(6). The Court denied that motion. (Doc. # 38.)

On October 16, 2019, Samsung denied all of Collect’s allegations in its Answer (Doc. # 39) and asserted the affirmative defense that the Asserted Claims were invalid pursuant to 35 U.S.C. §§ 102, 103, or 112. (Doc. # 39 ¶ 309.) After Samsung made repeated attempts to obtain a finalized list of Asserted Claims, (Doc. # 56-6 at 1), Collect finally produced the list on December 19, 2019. (Doc. # 56 at 15.)

In mid-February 2020, just before the end of a year-long statutory filing period, Samsung entered 5 *ex parte* reexamination (“EPR”) requests and 20 petitions for *inter partes* review (“IPR”) with the United States Patent and Trademark Office (“PTO”) challenging the validity of the Asserted Claims. (Doc. # 56 at 1.) On February 25, 2020,

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<sup>2</sup> The 11 Asserted Patents are numbered: 6,043,839; 6,275,255; 6,982,740; 9,186,052; 9,198,565; 9,667,896; 6,982,742; 6,424,369; 6,452,626; 6,862,036; and 7,002,621.

Samsung filed the instant Motion to Stay. (Doc. # 56.) The PTO has granted all of Samsung's EPR requests, which cover 29 of the 56 Asserted Claims. (Doc. # 63 at 1.)

On March 2, and on June 18, 2020, Magistrate Judge Hegarty amended the original Scheduling Order<sup>3</sup> based on joint motions. (Doc. # 59; Doc. # 73.) Given the amendments, several case deadlines are delayed. See (Doc. # 27). To date, Collect and Samsung have exchanged lists of claim terms to be construed and have filed the Joint Disputed Claim Terms Chart. Samsung has also filed its Opening Claim Construction Brief. All claim construction briefs are due July 17, 2020. Assuming the proposed month for a *Markman* hearing, Samsung's filing deadline for Final Invalidity Contentions would be in early-October, 2020. Given the schedule for Opening and Reply Expert Reports, discovery is unlikely to end until well into 2021. (Doc. # 27 at 10–13.) No trial date has been set.

## II. LEGAL STANDARD

Congress has clearly expressed its intent regarding the purpose of allowing issued patents to be evaluated for validity within the PTO: EPR, and by analogy IPR, “will permit efficient resolution of questions about the validity of issued patents without recourse to expensive and lengthy infringement litigation.” H.R. Rep. No. 96-1307, pt. 1, at 2 (1980), *as reprinted in* 1980 U.S.C.C.A.N 6460, 6463.

### A. THE COURT'S POWER TO STAY PENDING IPR OR EPR

Courts have the inherent power to stay proceedings to manage their dockets. *Landis v. N. Am. Co.*, 299 U.S. 248, 254 (1936) (“[T]he power to stay proceedings is

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<sup>3</sup> Entered June 10, 2019. (Doc. # 27.)

incidental to the power inherent in every court to control the disposition of the causes on its docket with economy of time and effort for itself, for counsel, and for litigants.”). With respect to determining whether to stay a case based on IPRs and EPRs pending at the PTO, courts consider:

(1) whether a stay will simplify the issues in question and streamline the trial; (2) whether discovery is complete and whether a trial date has been set; (3) whether a stay would unduly prejudice the nonmoving party or present a clear tactical advantage for the moving party; and (4) whether a stay will reduce the burden of litigation on the parties and on the court.

*eSoft, Inc. v. Blue Coat Sys., Inc.*, 505 F. Supp. 2d 784, 787 (D. Colo. 2007) (applying the four factors to a determination of whether to stay proceedings pending EPR) (hereinafter “*eSoft* factors”); *Kamstrup A/S v. Axioma Metering UAB*, No. 19-cv-1669-WJM-SKC, 2019 WL 6296699, at \*2 (D. Colo. Nov. 25, 2019) (“The Court finds that these factors continue to be helpful when considering whether to enter a stay pending IPR proceedings.”). No one factor is determinative, and the totality of the circumstances are considered. *Broad. Innovation, L.L.C. v. Charter Commc’n, Inc.*, No. 03-cv-2223-ABJ-BNB, 2006 WL 1897165, at \*4 (D. Colo. July 11, 2006).

## **B. INTER PARTES REVIEW**

IPR is an adversarial process created by the Leahy-Smith America Invents Act (“AIA”). 35 U.S.C. § 100 *et seq* (2011). One of Congress’s goals in enacting the AIA was to reduce the burden of litigation on courts.<sup>4</sup> More specifically, its purpose in

<sup>4</sup> See H.R. Rep. No. 112-98, pt. 1, at 40 (2011) (“The legislation is designed to establish a more efficient and streamlined patent system that will improve patent quality and limit unnecessary and counterproductive litigation costs.”); see also 157 Cong. Rec. S1363 (daily ed. Mar. 8, 2011) (Sen. Schumer commenting that “[I]itigation over invalid patents places a substantial burden on U.S. courts and the U.S. economy.”).

replacing the pre-AIA *inter partes* reexamination procedure with IPR in the AIA was to “giv[e] the Patent Office significant power to revisit and revise earlier patent grants.” *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2139–40 (2016) (citing H.R. Rep. No. 112-98, pt. 1, at 45, 48 (2011)); see 157 Cong. Rec. 9778 (2011) (Rep. Goodlatte noting that IPR “screen[s] out bad patents while bolstering valid ones”).

IPR is considered to be at least a partial and, in some situations, a complete alternative to litigation of patent validity issues. See *SAS Inst., Inc. v. ComplementSoft, LLC*, 825 F.3d 1341, 1354 (Fed. Cir. 2016) (Newman, J., dissenting) (“The AIA proceeding is structured as a complete alternative to litigation of these issues.”). The pre-AIA *inter partes* reexamination process did not allow for discovery, expert evidence, oral argument, the application of rules of evidence and procedure, and cross-examination. IPR, on the other hand, does allow for such procedures, which further corroborates that Congress intended IPRs to be a substitute for litigation. See 35 U.S.C. § 316(a); 42 C.F.R. §§ 42.51–.53, .57–.65, .70–.71.

IPR is conducted by administrative patent judges within the Patent Trial and Appeal Board (“PTAB”) of the PTO, 35 U.S.C. § 6(4)(b), and those judges are “of competent legal knowledge and scientific ability.” *Id.* § 6(a). As such, these experts within the PTO are more likely come to correct decisions regarding the validity of patent claims faster than would be achieved via litigation in district court. See *SAS Inst., Inc.*, 825 F.3d at 1354 (Newman, J., dissenting) (“Congress designed the AIA to achieve expeditious and economical final resolution.”); see also 157 Cong. Rec. S1352 (daily ed. Mar. 8, 2011) (Sen. Udall commenting that “a panel of experts is more likely to

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