

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE DIVISION**

PARKERVISION, INC.,

Plaintiff,

v.

APPLE INC. and QUALCOMM
INCORPORATED,

Defendants.

Case No. 3:15-cv-1477-BJD-JBT

**DEFENDANT APPLE INC.'S MOTION TO SEVER AND STAY
PARKERVISION'S CLAIMS AGAINST APPLE**

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Apple respectfully moves to sever and stay all claims against Apple until ParkerVision's dispute with Qualcomm in this case is resolved. Apple is merely a downstream customer for the accused Qualcomm chips and has no information that ParkerVision needs to make its case against Qualcomm. As ParkerVision told the Court:

[A]ll of the evidence regarding the accused functionality of the Qualcomm chips is in Qualcomm's possession, custody, or control.

D.I. 122 at 13-14 (emphasis added). ParkerVision further represented to the Court that discovery from Apple would likely be "minimal" and "narrowly directed" to Apple's importation and sale. *Id.* at 14. In stark contrast to that representation, ParkerVision has since relentlessly pursued broad-ranging and irrelevant discovery from Apple and filed a motion to compel, seeking extensive technical testimony and information that ParkerVision should instead obtain from Qualcomm. *See* D.I. 186. ParkerVision seeks this information from Apple even though it represented to the Court that it would not do so. This is the precise scenario that Apple predicted and previously sought to avoid, and which ParkerVision (now, disingenuously) assured would not occur.

ParkerVision's primary dispute in this case is unquestionably with Qualcomm. Apple, as a downstream customer for the Qualcomm chips at issue, has unfortunately been caught in the cross-fire. But Apple's continued presence in this case serves only to waste resources, increase the burden on the Court and the parties, and will confuse the jury. As such, the case against Apple should be severed and stayed.

I. INTRODUCTION

ParkerVision's core claim in this case is that five Qualcomm chips—the WTR1625L, WFR1620, WTR3925, WTR4905, and WTR5975 (the "Accused Qualcomm Chips")—directly infringe U.S. Patent No. 9,118,528 (the "528 Patent"). *See* D.I. 121. ParkerVision accuses Apple

of infringing the 528 Patent based solely on its importation and sale of products containing the same Accused Qualcomm Chips that are the basis for ParkerVision's infringement claims against Qualcomm. Vlais Decl. at ¶ 3. Indeed, ParkerVision's final infringement contentions are based *solely* on confidential Qualcomm technical specifications, testimony from Qualcomm employees, and source code maintained by Qualcomm, all relating to the Accused Qualcomm Chips. Vlais Decl. at ¶ 4. This is unsurprising, as all accused features are contained entirely within the Accused Qualcomm Chips.

Apple thus respectfully asks that the Court sever and stay ParkerVision's claims against Apple pursuant to the customer-suit exception and its own inherent discretionary authority, pending resolution of ParkerVision's dispute here with Qualcomm. All of the traditional factors considered in evaluating a stay weigh in favor of staying the claims against Apple. First, resolution of the claims against Qualcomm completely eliminate all claims against Apple if either the Accused Qualcomm Chips were found not to have infringed (that is, the Chips do not contain all of the limitations of the asserted claims of the 528 Patent), or the claims of the 528 Patent are found invalid. The extensive history existing between ParkerVision and Qualcomm strongly suggests that either or both of these outcomes is the most likely scenario. Second, staying the claims against Apple will reduce the burden on the parties and the Court by eliminating the ongoing and unnecessary discovery, briefing, and motion practice by ParkerVision as it relates to Apple. The trial in this case would also be simplified by eliminating Apple as a party, and jury confusion regarding the different roles of Qualcomm and Apple will be eliminated. Finally, ParkerVision would suffer no undue prejudice from a stay. Severing Apple from the case will allow the Court, ParkerVision, and Qualcomm to focus attention on the main disputes in the case: (1) whether the asserted claims of ParkerVision's 528 Patent read on

the technology found in the accused Qualcomm chips; and (2) whether those asserted claims are invalid. Because Apple is relying solely on Qualcomm's defenses as to both of these issues, Apple agrees to be bound by the outcome of the case between ParkerVision and Qualcomm as to these two issues.¹ As such, there is no risk to ParkerVision that it would need to re-litigate these two issues in the (unlikely) event that its case against Apple moves forward after completion of its case against Qualcomm.

II. PROCEDURAL HISTORY

The present case represents only one salvo in a long-running dispute initiated by ParkerVision against Qualcomm for patent infringement. ParkerVision first sued Qualcomm in 2011, alleging that Qualcomm radio frequency (RF) chips, like those accused in this case, infringed four of its "down conversion" patents.² That case proceeded to trial, resulting in a jury verdict in ParkerVision's favor. The Court, however, granted Qualcomm's motion for judgment as a matter of law (JMOL) as to noninfringement, while denying its motion as to invalidity. Both parties appealed to the Federal Circuit, which issued a sweeping victory to Qualcomm.³ The Federal Circuit affirmed the district court's grant of Qualcomm's motion for JMOL of non-infringement as to all asserted claims, and reversed the district court's denial of Qualcomm's

¹ Specifically, Apple agrees to be bound by any final judgment entered by the Court on these two issues pursuant to Fed. R. Civ. P. 56 and/or following a jury or bench trial, and subject to the outcome of any appeals brought by either ParkerVision or Qualcomm.

² *ParkerVision, Inc. v. Qualcomm Inc.*, Case No. 3:11-cv-00719-RBD-JRK (M.D. Fla.).

³ *ParkerVision, Inc. v. Qualcomm Inc.*, 621 Fed. Appx. 1009 (Fed. Cir. 2015). The Federal Circuit's opinion also shows that the dispute between ParkerVision dates back to the late 1990s, when "ParkerVision approached Qualcomm to license its invention." *Id.* at 1012.

JMOL as to invalidity for all but one asserted claim.⁴ ParkerVision's request for rehearing of the Federal Circuit's decision, and its subsequent petition for *certiorari* to the Supreme Court, were both unsuccessful.⁵

Undeterred, ParkerVision filed more lawsuits against Qualcomm, and decided to up the ante by dragging customers for the Accused Qualcomm Chips into the fray. In 2014, ParkerVision sued Qualcomm and its customers HTC Corporation and HTC America for patent infringement.⁶ That case ("PV2"), like this one, is still pending, and it is Apple's understanding that all of the Qualcomm Accused Chips in this case are also accused of infringement in PV2.⁷ Here, ParkerVision filed its amended complaint against Apple and Qualcomm (and also Qualcomm customers Samsung and LG Electronics) on December 16, 2015. D.I. 3.⁸ ParkerVision also brought an investigation against the same parties and asserting the same patents in the United States International Trade Commission. Pursuant to 28 U.S.C. § 1659, on February 12, 2016, the Court stayed this action pending resolution of the parallel ITC proceeding. D.I. 41. On March 9, 2017, after ParkerVision withdrew three of the four asserted

⁴ *Id.* at 1017, 1020-24.

⁵ Rehearing denied by *ParkerVision, Inc. v. Qualcomm Inc.*, 627 Fed. Appx. 921 (Fed. Cir. 2015); U.S. Supreme Court *certiorari* denied by *Parkervision, Inc. v. Qualcomm Inc.*, No. 15-1092, 2016 U.S. LEXIS 2243 (U.S. March 28, 2016).

⁶ The 528 Patent is not asserted in PV2.

⁷ *See ParkerVision, Inc. v. Qualcomm Inc. et al.*, Case No. 6:14-cv-687-Orl-40LRH (M.D. Fla.).

⁸ The Samsung parties were ultimately dismissed. D.I. 43. The LG defendants were also dismissed (D.I. 56), in favor of ParkerVision refiling its case against the LG defendants in the District of New Jersey. Significantly, that case has been stayed pending the final outcome of ParkerVision's case against Qualcomm in this case. *See* D.I. 18, *ParkerVision, Inc. v. LG Electronics, Inc. et al.*, Case No. 2:17-cv-05359-MCA-LDW (D.N.J.). The LG defendants are merely customers of Qualcomm.

patents in the ITC action, the administrative law judge granted Defendants' motions *in limine*, which precluded ParkerVision's sole infringement theory. On the eve of trial, ParkerVision thus withdrew its ITC complaint in its entirety. Given the late stage of the ITC proceeding, all fact discovery, expert discovery, expert reports, witness statements, and motion practice were complete.

This Court subsequently lifted the stay here on May 26, 2017, following the ITC's final termination of the investigation. D.I. 50. Anticipating that ParkerVision would pursue discovery from Apple that Qualcomm should instead provide, and asserting that ParkerVision cannot recover damages from both Apple and Qualcomm for infringement of the same accused chips, Apple filed a Motion For Summary Judgment Precluding ParkerVision From Obtaining A Double Recovery, Or In The Alternative, Motion To Sever And Stay. D.I. 109. The Court denied Apple's motion without prejudice to enable the parties "time to consider the Court's claim construction."⁹ *See* D.I. 151 at 29.¹⁰

Fact discovery closed on January 30, 2020, and Apple has been forced to expend significant resources opposing a ParkerVision motion to compel discovery. *See* D.I. 186.¹¹

⁹ Apple respectfully submits that the Court's claim construction order only strengthens Apple's request to sever and stay, as the Court's construction of several key terms rejected ParkerVision's arguments and adopted Qualcomm's proposed constructions. *See, e.g.*, D.I. 151 at 11 (rejecting ParkerVision's attempt to "re-write" the claim and noting that ParkerVision's "proposed construction is redundant and injects confusion into otherwise clear language."). This further supports the conclusion that ParkerVision's case against Qualcomm is unlikely to succeed on the merits, meaning that a second trial against Apple will never take place.

¹⁰ For simplicity, Apple does not now renew its motion for summary judgment regarding damages, but preserves its right to do so within the deadlines set by the Court's Scheduling Order if the present motion is not granted.

¹¹ On January 29, 2020, the Magistrate Judge denied ParkerVision's motion without prejudice. D.I. 207.

Apple's rebuttal expert report regarding damages is due March 13, 2020. D.I. 171. Expert depositions must be completed by April 3, 2020, dispositive motions are due by April 17, 2020, and trial is set to begin on August 3, 2020. *Id.*

III. RELEVANT FACTS

The relevant facts are not in dispute. The accused technology in this case resides entirely within five RF transceiver chips supplied by defendant Qualcomm and integrated into certain of Apple's iPhones, cellular-enabled iPads, and cellular-enabled Apple Watches. Ex. A, Noellert Decl. at ¶¶ 11-18; Vlasik Decl. at ¶ 3. ParkerVision's infringement allegations against Apple are based solely on the exact same Accused Qualcomm Chips identified in ParkerVision's contentions against Qualcomm. Vlasik Decl. at ¶ 3.

Apple has no control over the design or development of these chips—it is merely a downstream customer that integrates into its products the chips that its contract manufacturers purchase from Qualcomm. Ex. A, Noellert Decl. at ¶¶ 13-18. Apple includes the Qualcomm Accused Chips in its products without any modification to the accused functionality. *Id.* at ¶¶ 13, 16. The operation of the chips is governed by highly proprietary source code, which is manufactured and supplied solely by Qualcomm. *Id.* at ¶ 15. ParkerVision does not identify any components of the Apple devices other than the Accused Qualcomm Chips as independently satisfying any claim limitations. Vlasik Decl. at ¶¶ 3-4. ParkerVision relies solely on its own documents and Qualcomm's documents and witness testimony to show the layout and operation of the Accused Qualcomm Chips. *Id.* at ¶ 4. ParkerVision does not allege that Apple does anything more than purchase, import, and sell the Accused Qualcomm Chips in the Apple accused products, unmodified by Apple. *See id.* at ¶ 3. ParkerVision does not dispute that Apple plays no part in the layout, operation, or implementation of the Accused Qualcomm Chips. In fact, ParkerVision expressly represented to the Court that “*all of the evidence* regarding the

accused functionality of the Qualcomm chips is in Qualcomm’s possession, custody, or control.” D.I. 122 at 13-14 (emphasis added).

IV. LEGAL STANDARDS

Federal Rule 21 provides that “[o]n motion or on its own, the court may at any time, on just terms ... sever any claim against a party.” Fed. R. Civ. P. 21. A district court also has inherent discretionary authority to stay proceedings to control its docket and further the interests of justice. *See CTI-Container Leasing Corp. v. Uiterwyk Corp.*, 685 F.2d 1284, 1288 (11th Cir. 1982). Stays of proceedings can promote judicial economy, reduce confusion and prejudice, and prevent possibly inconsistent resolutions. *See Clinton v. Jones*, 520 U.S. 681, 706 (1997). In determining whether a stay is appropriate, courts in this District consider the following factors: “(1) whether a stay will simplify the issues and streamline the trial; (2) whether a stay will reduce the burden of litigation on the parties and the court; and (3) whether the stay will unduly prejudice the non-moving party.” *Shire Dev. LLC v. Mylan Pharm. Inc.*, No. 8:12-CV-1190-T-36AEP, 2014 WL 12621213, at *1 (M.D. Fla. July 25, 2014); *see also Lifewatch Servs., Inc. v. Medicomp, Inc.*, No. 6:09-cv-1909-Orl-31DAB, 2010 WL 963202, at *1 (M.D. Fla. March 16, 2010) (same); *Baxa Corp. v. Forhealth Techs., Inc.* No. 6:06-CV-353, 2006 WL 4756455 (M.D. Fla. May 5, 2006) (same).

In patent cases, courts will sever and stay claims against downstream customers pending the resolution of a suit against the manufacturer (*i.e.*, the source of the accused technology). *See e.g. Katz v. Lear Siegler*, 909 F.2d 1459, 1464 (Fed. Cir. 1990); *Saint Lawrence Commc’ns LLC v. Apple Inc.*, Case No. 2:16-cv-82-JRG, 2017 WL 3712912, at *1 (E.D. Tex., July 12, 2017) (explaining that the Federal Circuit has recognized that Rule 21 authorizes the severance of any claim “when a patent owner has sued both a manufacturer and its customers for infringement of the same patents based on the same accused products”). Known as the customer-suit exception,

this practice “is based on the manufacturer’s presumed greater interest in defending its actions against charges of patent infringement; and to guard against possibility of abuse.” *Spread Spectrum Screening LLC v. Eastman Kodak Co.*, 657 F.3d 1349, 1357 (Fed. Cir. 2011) (internal citation omitted); *see also Katz*, 909 F.2d at 1464 (noting that “the manufacturer is the true defendant in the customer suit” and that it “must protect its customers, either as a matter of contract, or good business, in order to avoid the damaging impact of an adverse ruling against its products” (internal citations omitted)).

The customer-suit exception is not limited to situations where multiple suits were filed at different points in time – indeed, courts in the Eleventh Circuit have applied the customer-suit exception to cases, like this one, where the manufacturer and customer were named as co-defendants in the *same* litigation. *See Werteks Closed Joint Stock Company v. GNC Corp.*, Case No. 15-cv-60688, 2016 WL 8739846, at *6 (“*Werteks I*”) (S.D. Fla. Aug. 4, 2016) (applying customer-suit exception to stay case against downstream customer where customer and manufacturer were both co-defendants); *Thermolife Int’l, LLC v. Vitamin Shoppe, Inc.*, No. 0:16-CV-60693-UU, 2016 WL 6678525, at *5 (S.D. Fla. June 8, 2016) (“[E]ven though Plaintiffs purport to state claims against the Supplier Defendants as direct infringers, its theory of liability against the Supplier Defendants is wholly dependent upon a resolution of the infringement and validity of the Patent at issue in this litigation.”) (internal quotations omitted).

V. THE COURT SHOULD SEVER AND STAY THE CLAIMS AGAINST APPLE

A. The Claims Against Apple Should Be Severed and Stayed Under the Customer-Suit Exception

ParkerVision’s infringement claims against Apple are based on the Accused Qualcomm Chips, and thus Qualcomm, as the designer, manufacturer, and supplier of those products, is the sole relevant defendant as to the key issues in any patent case – “resolution of the infringement

and validity of the Patent at issue.” *Thermolife Int’l*, 2016 WL 6678525, at *5. Before Apple can be found liable for infringement, or damages awarded to ParkerVision, threshold determinations must be made whether the technology in the Accused Qualcomm Chips reads on the asserted claims of the 528 Patent, and whether those claims are invalid. As to those key issues, Apple is merely a downstream customer for the Accused Qualcomm Chips, with no control over their design, manufacture, implementation, or operation. Ex. A, Noellert Decl. at ¶¶ 11-18.

ParkerVision agrees that Apple has no relevant information about those chips. D.I. 122 at 13-14. Apple has also relied solely on Qualcomm’s invalidity arguments, given Qualcomm’s 20+ years of history dealing with ParkerVision’s patents.

The customer-suit exception holds that for Defendants situated like Apple, the claims should be severed and stayed. *See Katz*, 909 F.2d at 1464 (“[L]itigation against or brought by the manufacturer of infringing goods takes precedence over a suit by the patent owner against customers of the manufacturer.”). In particular, the Federal Circuit has held that, when a patent owner has sued both a manufacturer and its customers for infringement of the same patents by the same accused products, the claims against the customers should be severed and stayed. *See In re Nintendo of America, Inc.*, 756 F.3d 1363, 1366 (Fed. Cir. 2014); *see also Saint Lawrence Commc’ns*, 2017 WL 3712912, at *1 (“In such instances, the manufacturer is frequently considered to be the ‘true defendant,’ and the burdens of litigation should not be imposed on the customer.”) (citing *Nintendo of America*, 756 F.3d at 1365).

In *Nintendo of America*, for example, the Federal Circuit reversed the district court’s failure to sever and stay claims against customer defendants on a writ of mandamus. *In re Nintendo*, 756 F.3d at 1366. There, the downstream customers were accused of infringement based solely on the sale of the manufacturer’s components. *Id.* at 1364. The Federal Circuit held

that the customer claims must be severed and stayed because doing so “would resolve the[] claims more efficiently and conveniently.” *Id.* at 1366. ParkerVision previously argued that the customer-suit exception does not apply in this case “because there is no ‘first-to-file’ issue here” since “ParkerVision filed Suit against Qualcomm and Apple at the same time.” D.I. 122 at 12. As indicated above, courts in the Eleventh Circuit do not limit the customer-suit exception to instances where separate cases were brought against manufacturers and customers at different times. *Werteks I*, 2016 WL 8739846, at *6; *Thermolife Int’l*, 2016 WL 6678525, at *5. This is unsurprising, because the rationale underlying the customer-suit exception applies equally to downstream customers regardless of whether they are defendants in the same or different suits as the manufacturer.

Numerous lower courts have consistently applied this sound reasoning to sever or bifurcate and stay claims against customer defendants. *See, e.g., Werteks I*, 2016 WL 8739846, at *6 (“Judicial economy and the avoidance of imposing the burdens of litigation and trial on the Customer Defendants where liability hinges on the alleged infringement by [the Manufacturer] are both served by staying the instant case as to the Customer Defendants.”). It is no answer to argue, as ParkerVision does here, that Apple is also an infringer based on its importation and/or sale of products containing the Accused Qualcomm Chips. *See Thermolife Int’l*, 2016 WL 6678525, at *5 (severing and staying customer claims where “the Court must find [the Manufacturer] liable before Plaintiffs can recover from the Supplier Defendants ... even though Plaintiffs purport to state claims against the [customers] as ‘direct infringers’”); *Werteks Closed Joint Stock Co. v. Vitamin Shoppe, Inc.*, No. 16-60691-CIV, 2016 WL 9488707, at *2 (S.D. Fla. Nov. 10, 2016) (“*Werteks II*”) (citing *In re Dell*, 600 Fed. Appx. 728, 730 (Fed. Cir. 2015)) (bifurcating and staying customer claims); *Cellular Commc’ns Equipment, LLC v. Apple Inc.*,

Case No. 6:14-cv-251, 2016 WL 6884648, at *2 (E.D. Tex., Aug. 26, 2016) (severing and staying customer claims where “[Plaintiff had] proffered no evidence suggesting that the Carrier Defendants had any meaningful role in the design or manufacture of the component that implements the patented [accused] functionality, namely, the Qualcomm baseband chip”); *Saint Lawrence Commc’ns*, 2017 WL 3712912, at *2 (severing and staying customer claims where the customers had no role in the “design, or implementation of the relevant software code” implemented on the Qualcomm baseband chips).

Here, ParkerVision’s claims against Apple fall squarely within the customer-suit exception.¹² There is no dispute that Apple is nothing more than a customer for the Accused Qualcomm Chips, or that any infringement claim against Apple is predicated solely on Apple’s importation and use of the Accused Qualcomm Chips without modification to the accused functionality. *See* Vlasis Decl. at ¶¶ 3-4. There is likewise no dispute that Apple had no role in the design or implementation of the relevant Qualcomm source code or the manufacture of the Accused Qualcomm Chips. Ex. A, Noellert Decl. at ¶¶ 13-18. Thus, ParkerVision’s claims against Apple turn entirely on whether it can first prove that the 528 Patent is not invalid and infringed by the Accused Qualcomm Chips (*i.e.*, the claims of the 528 Patent read on those Chips). On these two issues, Apple agrees to be bound (see footnote 1) by the findings in

¹² ParkerVision previously argued that the customer-suit exception should not apply because there is no evidence that “Qualcomm has claimed to have a greater interest in defending this action.” D.I. 122 at 12. That is not the case – as the Court may remember, it was Qualcomm that, *inter alia*, presented the tutorial and argued all the issues at the claim construction hearing. This demonstrates that Qualcomm is protecting Apple at least as a matter of “good business, in order to avoid the damaging impact of an adverse ruling against its products.” *Katz*, 909 F.2d at 1464.

ParkerVision's case against Qualcomm.¹³ As such, the claims against Apple should be severed and stayed.

B. The Traditional Factors Weigh In Favor of Severing and Staying ParkerVision's Claims Against Apple

Even if the customer-suit exception did not apply, this Court has the inherent power to manage its docket by severing and staying the claims against Apple pending resolution of the claims against Qualcomm. *See Johnson v. Bd. of Regents of Univ. of Ga.*, 263 F.3d 1234, 1269 (11th Cir. 2001) (District courts are accorded "broad discretion over the management of pre-trial activities, including discovery and scheduling."). Fed. R. Civ. P. 42(b) "confers broad discretion on the district court" and permits bifurcating¹⁴ under many circumstances, even "merely in furtherance of convenience." *Dzafic v. Geovera Specialty Ins. Co.*, No. 808-CV-0026-T-24EAJ, 2008 WL 3874602, at *1 (M.D. Fla. Aug. 15, 2008); *see also Medtronic Xomed, Inc. v. Gyrus ENT LLC*, 440 F. Supp. 2d 1333, 1335 (M.D. Fla. 2006) (granting-in-part bifurcation motion). "That is not a high standard, and the district court's concern for clarifying the issues to be tried suffices to permit the court to separate the trials." *Harrington v. Cleburn County Bd. of Educ.*, 251 F.3d 935, 938 (11th Cir. 2001). In determining whether a stay is appropriate, "the following factors are taken into consideration: (1) whether a stay will simplify the issues and streamline the trial; (2) whether a stay will reduce the burden of litigation on the parties and the court; and (3)

¹³ ParkerVision previously demanded that Apple also be bound by the "royalty rates" determined in the Qualcomm case (assuming ParkerVision is successful in showing infringement and no invalidity). D.I. 122 at 13. That, however, is a bridge too far. The value of the ParkerVision patents to Qualcomm (if any) is different than the value to Apple (if any) because Apple's accused products (iPhones, iPads, watches) are multi-function devices that do much more than, and have completely different purposes from, the Accused Qualcomm Chips.

¹⁴ The considerations taken into account when determining whether to bifurcate a trial are equally relevant to determining whether to sever and stay as to a particular defendant.

whether the stay will unduly prejudice the non-moving party.” *Shire Dev.*, 2014 WL 12621213, at *1.

Here, all of the factors weigh in favor of severing and staying the claims against Apple.

1. A Stay Will Simplify the Issues for Trial

First, a stay pending resolution of the claims against Qualcomm will simplify the issues and may (likely will) eliminate the need for any trial as to Apple.¹⁵ Indeed, if Qualcomm prevails on either invalidity or noninfringement, ParkerVision will be precluded from pursuing its claims against Apple. *MGA, Inc. v. General Motors Corp.*, 827 F.2d 729, 734 (Fed. Cir. 1987) (“The Kessler doctrine bars a patent infringement action against a customer of a seller who has previously prevailed against the patentee because of invalidity or [non-infringement] of the patent.”). Conversely, if ParkerVision prevails on infringement and the claims of the 528 Patent is not found invalid, the Court can lift the stay so that Apple and ParkerVision can address any damages issues.

In either instance, a stay would simplify the issues for the parties and the Court. Either a stay will eliminate all claims against Apple, or it will leave just the issue of damages to be heard by the Court. Thus, the first factor weighs strongly in favor of severing and staying the claims against Apple.

2. A Stay Will Reduce the Burden on the Court and the Parties

Second, a stay will substantially reduce the burden of litigation on the parties and on the Court. In evaluating this factor, courts have analyzed which party possesses or controls relevant information to determine whether a stay would permit the Court to “more efficiently resolve the

¹⁵ As explained above, ParkerVision has been fighting its case against Qualcomm in the courts for nearly a decade, without success. Moreover, the Court’s Claim Construction Order here was largely adverse to ParkerVision. *See* fn. 9.

issues.” *Thermolife Int’l*, 2016 WL 6678525, at *4. Applicable here, courts have found that a stay is appropriate when the customer defendant “[did] not have, and never [has] had, documents or information relating to the products that will be necessary and essential to defendant against Plaintiffs’ claims.” *Id.* (internal quotations omitted); *see also Cellular Commc’ns Equip.*, 2016 WL 6884648, at *2 (granting stay because the downstream customers “produced evidence that they do not have access to the highly proprietary source code,” and Qualcomm had “only agreed to produce the source code for its baseband chipsets on an outside attorneys’ eyes only basis ... with strict requirements that prohibit any of [the downstream customers’] employees or in-house counsel from accessing the code”).

Here, ParkerVision itself has represented that “all of the evidence regarding the accused functionality of the Qualcomm chips is in Qualcomm’s possession, custody, or control.” D.I. 122 at 13-14. ParkerVision does not dispute that Apple had no role in the design or manufacture of these chips. Ex. A, Noellert Decl. at ¶¶ 16-18. Furthermore, Apple does not modify the accused functionality of the Accused Qualcomm Chips in any way—it merely incorporates them in certain cellular products as those products are sold. *Id.* at ¶ 13. And, as previously discussed, ParkerVision’s infringement contentions are based on Qualcomm’s documents and testimony, not Apple’s. *See* Vlais Decl. at ¶ 3-4. Simply put, Apple’s continued presence in the litigation does not serve any purpose as to the two key issues – infringement (whether the asserted claims read on the Accused Qualcomm Chips) and invalidity.

In contrast, Apple’s continued participation in this litigation wastes the resources of the Court and the parties, and has resulted in Apple being subjected to burdensome discovery requests unrelated to Apple’s alleged infringement of the 528 Patent. For example, despite ParkerVision’s representation to the Court that it would only pursue limited information from

Apple concerning sales and importation (D.I. 122 at 14), ParkerVision recently requested that Apple locate and search through the emails of numerous Apple officers, even those of its late founder and CEO Steve Jobs, who passed away four years before the 528 Patent even issued. Ex. C. As another example, ParkerVision requested that Apple designate corporate witnesses to testify on dozens of topics that are irrelevant to the case, including on issues unique to ITC investigations (*e.g.*, domestic industry and public interest), issues relating to technology not at issue in the case (*e.g.*, relating to transmit signal paths), or issues relating to non-accused products (*e.g.*, relating to baseband processors). *See* Vlasis Decl. at ¶ 6; *see also* Ex. B. As yet another example, ParkerVision has requested deposition testimony on numerous topics for which an Apple fact witness would be unable to provide testimony, such as on the inventorship and prosecution of ParkerVision's own patents. *See id.* Discovery requests like the foregoing have culminated in a motion to compel by ParkerVision (recently denied without prejudice), which forced Apple to expend unnecessary resources in opposing. *See* D.I. 186.

Although fact discovery ended on January 30, 2020, severing and staying the claims as to Apple would still save significant time and resources. If Apple's claims are not stayed, Apple will need to serve expert reports and conduct depositions relating to damages—something that would not be necessary if the 528 Patent is found invalid or not infringed, or if damages from Qualcomm are awarded for infringement of every asserted chip. Moreover, a stay with respect to Apple will reduce the total filings with the Court at every remaining stage of the proceeding, substantially decreasing the burden on the Court. This includes case dispositive motions, motions *in limine*, other potential motions, and the joint pretrial statement. A stay at this juncture is especially appropriate since fact discovery just ended on January 30, 2020, and expert discovery has only just begun. This means that a full record of evidence is available if and when Apple and

ParkerVision would need to address any remaining damages issues in the event the 528 Patent is found valid and infringed by the Accused Qualcomm Chips.

Severing and staying the case against Apple will also simplify the trial, as there will be fewer witnesses, and the jury will have fewer issues to consider (such as whether Apple separately infringes the claims of the 528 Patent apart from Qualcomm, and/or whether Apple is separately liable for damages). Moreover, because of their different postures with respect to damages related to the 528 Patent, there is the substantial risk that the jury will be confused by Apple and Qualcomm presenting different evidence and arguments regarding the damages that ParkerVision should be awarded in the event the claims of the 528 Patent are found infringed and not invalid. Severing Apple will prevent such jury confusion from occurring. The second factor thus weighs strongly in favor of a stay.

3. ParkerVision Will Not Suffer Undue Prejudice From a Stay

Finally, a stay will not unduly prejudice ParkerVision. First, fact discovery is effectively complete and ParkerVision will therefore suffer no prejudice from Apple's lack of participation in the validity and noninfringement portions of the case.

Second, ParkerVision only seeks monetary damages (*see* D.I. 121), and a stay with respect to Apple will not impact ParkerVision's ability to later litigate any damages from Apple if and when it is determined that the Accused Qualcomm Chips infringe the 528 Patent and are not invalid. While ParkerVision may argue that a stay prolongs its possible recovery against Apple, that does not amount to undue prejudice since interest may be awarded in patent cases. *See Shire Dev.*, 2014 WL 12621213, at *1 (noting that the relevant factor is "whether the stay will *unduly* prejudice the non-moving party") (emphasis added). If the claims against Apple are stayed, ParkerVision's claims against Qualcomm can continue apace. If ParkerVision is ultimately successful, it can pursue any damages claims against Apple. A stay is therefore

appropriate. *See In re Nintendo of America Inc.*, 756 F.3d at 1366 (“[Plaintiff] nonetheless contends that severance should be denied so that it may pursue, and have its choice of, the highest royalty rate among the defendants. This argument is outweighed ... [because Plaintiff] has no claim against the Retailers unless the infringement claims against [Manufacturer] are resolved in favor of [Plaintiff].”); *Saint Lawrence Commc’ns*, 2017 WL 3712912, at *2 (staying claims with respect to customer defendants, notwithstanding different damage models for the manufacturer and the customer defendants).

Conversely, Apple will suffer prejudice if a stay is not entered. Qualcomm, not Apple, is in the best position to defend against the infringement claims at the core of this case. *See, e.g., Ambrose v. Steelcase, Inc.*, Case No. 02-cv-2753, 2002 WL 1447871, at *6-*7 (N.D. Ill., July 3, 2002) (“[The downstream customer] is not in a position to defend the infringement claims.”). By remaining in the litigation, Apple will thus bear substantial (and ongoing) costs associated with unnecessary discovery, motion practice, and trial. Apple will incur these substantial costs despite the fact that resolution of ParkerVision’s claims against Qualcomm may fully resolve the claims against Apple, or at a minimum, leave only the issue of damages for Apple and ParkerVision to address. Apple will also be prejudiced as it appears clear that ParkerVision intends to exploit to the jury Apple’s “deep pockets” at the trial. *See, e.g., D.I. 122* at 12 (emphasizing that Apple is “one of the wealthiest companies in history”). Thus, the third factor weighs in favor of staying the claims against Apple.

VI. CONCLUSION

The undisputed facts establish that the claims against Apple may be resolved by the outcome of ParkerVision’s claims against Qualcomm, but at a minimum will be greatly simplified. Apple therefore respectfully requests that the Court sever and stay the claims against Apple pending resolution of the claims against the true defendant, Qualcomm. Both the

customer-suit exception and the traditional factors weigh in favor of severing and staying the claims against Apple.

Local Rule 3.01(g) Certification

Pursuant to M.D. Fla. Local Rule 3.01(g), Apple met and conferred with counsel for Qualcomm telephonically on February 3, 2020. Qualcomm does not oppose Apple's motion. Apple met and conferred with counsel for ParkerVision on February 4, 2020, but the parties were unable to agree on a resolution for Apple's motion.

Dated: February 4, 2020

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CERTIFICATE OF SERVICE

I hereby certify that on February 4, 2020, I electronically filed the foregoing with the Clerk of the Court by using the CM/ECF system, which will send notice of electronic filing to all parties at the email addresses on file with the Clerk of Court.

/s/ Brian E. Ferguson