

United States District Court
Northern District of California

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

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

SAMSUNG ELECTRONIC CO., LTD, et
al.,

Plaintiffs,

v.

ZTE CORPORATION,

Defendant.

Case No. 25-cv-02000-AMO

**ORDER GRANTING MOTION TO
STAY DISCOVERY**

Re: Dkt. No. 26

Before the Court are Defendant ZTE Corporation’s (“ZTE”) motions to dismiss and stay discovery. ECF 26. The motions are fully briefed and are set to be heard on November 6, 2025. However, having reviewed the parties’ papers and the arguments made therein, as well as the relevant legal authorities, the Court has determined the motion to stay discovery is suitable for decision without oral argument, *see* Civ. L.R. 7-1(b); Fed. R. Civ. P. 78(b), and **GRANTS** that motion for the following reasons. The motion to dismiss will be dealt with in a separate order to follow.

I. BACKGROUND

Plaintiffs Samsung Electronics Co., Ltd., Samsung Electronics America, Inc., and Samsung Research America (“Samsung”) initiated this action on February 25, 2025, seeking declaratory judgment against ZTE and asserting causes of action related to alleged antitrust violations and breach of contract. ECF 1. On May 25, 2025, ZTE filed the instant motion to dismiss Samsung’s complaint and to stay discovery pending resolution of the motion to dismiss. ECF 26. ZTE moves to dismiss for lack of personal jurisdiction under Federal Rule of Civil Procedure 12(b)(2), arguing ZTE is a Chinese corporation and has only had minimal contacts with California and the United States, and no nexus exists between those contacts and Samsung’s

1 claims.

2 **II. DISCUSSION**

3 Federal Rule of Civil Procedure 26(c) permits a court, upon showing good cause, to “issue
4 an order to protect a party or person from annoyance, embarrassment, oppression, or undue burden
5 or expense” by, inter alia, forbidding discovery, or by specifying limits on discovery. Fed. R. Civ.
6 P. 26(c)(1)(A)-(D). In determining whether to stay discovery pending resolution of dispositive
7 motions, courts in this District consider the following two factors: (1) whether the pending motion
8 is potentially dispositive of the entire case, or at least dispositive on the issue at which discovery is
9 directed, and (2) whether the pending dispositive motion can be decided absent additional
10 discovery. *Micron Tech., Inc. v. Un. Microelectronics Corp.*, No. 17-cv-06932-JSW, 2018 WL
11 7288018, at *1 (N.D. Cal. Mar. 16, 2018) (citing *Pacific Lumber Co. v. Nat’l Un. Fire Ins. Co. of*
12 *Pittsburgh, PA*, 220 F.R.D. 249, 352 (N.D. Cal. 2003)). “In applying the two-factor test, the court
13 deciding the motion to stay must take a ‘preliminary peek’ at the merits of the pending dispositive
14 motion to assess whether a stay is warranted.” *Yamasaki v. Zicam LLC*, No. 21-CV-02596-HSG,
15 2021 WL 3675214, at *1 (N.D. Cal. Aug. 19, 2021) (citation omitted).

16 On the first factor of the *Pacific Lumber* test, ZTE’s motion to dismiss challenges whether
17 the Court can properly assert personal jurisdiction over it, as well as the sufficiency of Samsung’s
18 allegations to state a claim. ZTE’s Motion (“Mot.”) (ECF 26). If the Court lacks personal
19 jurisdiction over ZTE, it will dispose of all of Samsung’s claims. *See Micron Tech.*, 2018 WL
20 7288018, at *2 (finding the *Pacific Lumber* test satisfied and staying discovery where defendant
21 moved to dismiss for lack of personal jurisdiction). Even if the Court denies ZTE’s motion to
22 dismiss for lack of personal jurisdiction, granting ZTE’s Rule 12(b)(6) motion would dispose of
23 all claims as well. Samsung contends that if the Court dismisses the complaint, Samsung could
24 cure the deficiencies with an amended pleading, and therefore ZTE’s motion is not dispositive.
25 ZTE’s Opposition (“Opp.”) (ECF 43) at 30. However, the possibility of amendment is not a
26 consideration for courts in this District under *Pacific Lumber*. *See Leonard v. CVS Pharmacy,*
27 *Inc.*, No. 25-cv-6280-EJD, 2025 WL 1266929, at *2 (N.D. Cal. May 1, 2025); *Heck v.*
28 *Amazon.com, Inc.*, No. 22-cv-03986-JSW, 2022 WL 16579372, at *2 (N.D. Cal. Nov. 1, 2022)

1 (“[T]he fact that Plaintiff could possibly remedy any deficient allegations with leave to amend is
2 not germane to the question before the Court on a motion to stay discovery: whether Defendants’
3 motion is *potentially* dispositive of the entire case.”) (quoting *Pac. Lumber Co.*, 220 F.R.D. at 351
4 (emphasis added)). Thus, having taken a “preliminary peek” at ZTE’s motion, the Court finds the
5 motion to dismiss has the potential to be case dispositive. This is sufficient to meet the first factor.

6 As to the second *Pacific Lumber* prong, ZTE argues the Court can resolve the motion to
7 dismiss on the papers, Mot. at 33, which Samsung does not contest, Opp. at 30. Rather, Samsung
8 argues that if the Court is inclined to grant ZTE’s motion to dismiss for lack of personal
9 jurisdiction, it should permit Samsung to pursue discovery to establish jurisdictional facts. Opp. at
10 30-31. However, the possibility of a future need for discovery, without identifying any currently
11 contested jurisdictional facts, is not relevant to the *Pacific Lumber* analysis. *See Leonard v. CVS*
12 *Pharmacy, Inc.*, No. 5:24-CV-06280-EJD, 2025 WL 1266929, at *2 (N.D. Cal. May 1, 2025)
13 (citing *Boschetto v. Hansing*, 539 F.3d 1011, 1020 (9th Cir. 2008)). The second *Pacific Lumber*
14 factor is therefore satisfied.

15 Samsung argues that the Court should nonetheless exercise its discretion to deny ZTE’s
16 request, because ZTE has not identified specific facts to support its assertion that a stay is
17 necessary to prevent imposing a burden on the parties and the Court. Opp. at 31. However, such a
18 showing is not required, and the Court finds that both party and judicial resources will be most
19 efficiently used if discovery is stayed until the Court decides the pending motion to dismiss. *See*
20 *Little v. City of Seattle*, 863 F.2d 681, 685 (9th Cir. 1988) (upholding stay of discovery and noting
21 “[t]he district court has wide discretion in controlling discovery”).

22 **III. CONCLUSION**

23 For the foregoing reasons, ZTE’s motion to stay discovery is **GRANTED**. The Court
24 **DEFERS** ruling on the motion to dismiss. The case management conference set for July 16, 2025

25 //

26 //

27 //

28 //

1 is hereby **VACATED**. However, the parties may jointly request that the Court set a case
2 management conference by filing a joint statement, no later than July 18, 2025, that includes
3 proposed dates for a conference in August or September.

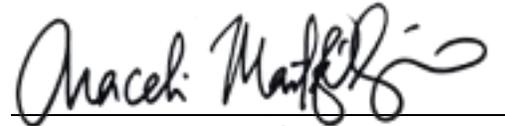
4

5 **IT IS SO ORDERED.**

6 Dated: July 8, 2025

7

8



ARACELI MARTÍNEZ-OLGUÍN
United States District Judge

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

United States District Court
Northern District of California