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8 UNITED STATES DISTRICT COURT  
9 EASTERN DISTRICT OF CALIFORNIA  
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12 TECHNOLOGY LICENSING  
13 CORPORATION, a Nevada  
14 Corporation, and AV  
15 TECHNOLOGIES, an Illinois  
16 Limited Liability Company,

17 Plaintiffs,

18 v.

19 THOMSON, INC., a Delaware  
20 Corporation,

21 Defendants.  
22 \_\_\_\_\_/

NO. CIV. 2:03-1329 WBS EFB

MEMORANDUM AND ORDER RE:  
MOTION TO INTERVENE FOR  
LIMITED PURPOSE OF STAYING  
THIS ACTION, AND TO STAY  
ACTION RELATING TO ELANTEC'S  
PRODUCTS

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24 This case was stayed on September 20, 2004, with  
25 respect to claims and counterclaims relating to U.S. Patent Nos.  
26 5,486,869 (the "'869" patent) and 5,754,250 (the "'250" patent)  
27 until the patent reissue proceedings for those patents were  
28 complete. (Docket No. 50.) On October 2, 2009, the court  
granted defendant Thomson, Inc.'s ("Thomson") unopposed motion to  
lift the stay. (Docket No. 225.) Elantec Semiconductor, Inc.

1 ("Elantec") and Intersil Corporation ("Intersil") now move to  
2 intervene for the limited purpose of further staying the action  
3 pending resolution of a state court action with respect to patent  
4 infringement claims that involve Elantec's products. In its  
5 Statement of Non-Opposition, Thomson states it does not oppose  
6 movants' motion and that it agrees to be bound by the outcomes of  
7 the License Litigation and Declaratory Judgment Action (Def.  
8 Statement of Non-Opp'n to Mot. Intervene & Stay). In considering  
9 movants' motion, therefore, the court will treat it as if it had  
10 been joined in by Thomson.

11 A. Motion To Intervene

12 Movants have failed to show that they satisfy the  
13 requirements of Federal Rule of Civil Procedure 24(a) for  
14 intervention as of right. In order to intervene as a matter of  
15 right, the applicant must show that its interest would be  
16 inadequately represented by the parties to the action. Rule  
17 24(a)(2); California ex rel Lockyer v. United States, 450 F.3d  
18 436, 440-41 (9th Cir. 2006). Here, movants seek to intervene for  
19 the sole and limited purpose of seeking a further stay of this  
20 action pending resolution of the license litigation. Because  
21 defendant Thomson joins fully in the motion, it is abundantly  
22 clear that Thomson can adequately represent movants' interest for  
23 that purpose.

24 Movants likewise are not entitled to permissive  
25 intervention because they do not seek to become parties to this  
26 action. Rather, their sole purpose of intervening is to stay the  
27 action and, whether the action is stayed or not, to have nothing  
28 to do with it after that.

1           B.    Motion To Stay

2           Specifically, movants seek to stay those aspects of  
3 this action that relate to Thomson's incorporation of Elantec  
4 chips pending resolution of a suit filed against Elantec and  
5 Intersil in the California Superior Court,<sup>1</sup> alleging that Elantec  
6 had breached its license agreement to practice the patents-in-  
7 suit, and a separate declaratory judgment action against  
8 Technology Licensing Corporation ("TLC") in the United States  
9 District Court for the Northern District of California on May 28,  
10 2009.<sup>2</sup> Movants argue that resolution of either the pending state  
11 court license litigation or the declaratory judgment action could  
12 obviate the need for patent litigation regarding Elantec chips,  
13 and that the interests of judicial economy favor stay.

14           1.    Legal Standard

15           A court may stay proceedings pursuant to a power that  
16 is "incidental to the power inherent in every court to control  
17 the disposition of the cases on its docket with economy of time  
18 and effort for itself, for counsel, and for litigants." Landis  
19 v. North Am. Co., 299 U.S. 248, 254 (1936). While both sides  
20 analyze the motion for stay within the framework of the Colorado  
21 River<sup>3</sup> doctrine, the court has twice stayed the action without  
22 reference to Colorado River. See, e.g., Summa Four, Inc. v. AT&T

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24           <sup>1</sup>       Tech. Licensing Corp., et al. V. Intersil Corp. &  
25 Elantec Semiconductor, No. 06-cv-65161.

26           <sup>2</sup>       Intersil Corp. Et al. V. Tech. Licensing Corp., et al.,  
27 No. 09-cv-2386.

28           <sup>3</sup>       Colorado River Water Conservation Dist. v. United  
States, 424 U.S. 800 (1976).

1 Wireless Servs., Inc., 994 F. Supp. 575 (D. Del. 1998) (issuing  
2 stay in patent case but finding Colorado River inapplicable).  
3 The power of courts to control their dockets by staying  
4 proceedings exists independently of whether the Colorado River  
5 factors weigh in favor of stay. Nevertheless, the court gives  
6 due consideration the Colorado River factors in ruling on the  
7 motion.<sup>4</sup>

8 Under any standard, the present circumstances weigh  
9 against a stay. While defendant Thomson has agreed to be bound  
10 by the outcome of the license litigation or the declaratory  
11 judgment action (Def. Statement of Non-Opp'n to Mot. Intervene &  
12 Stay), movants are not the only source of allegedly infringing  
13 chips in Thomson's products--the patent litigation also involves  
14 a chip manufactured by Gennum. Staying the action only with  
15 respect to alleged patent infringement caused by Elantec chips  
16 will not avoid piecemeal and duplicative litigation. See Am.  
17 Int'l Underwriters, 843 F.2d at 1258.

18 Rather, movants' desire to stay only those parts of the  
19 patent litigation related to Elantec chips would necessarily  
20 bifurcate the patent infringement litigation with respect to  
21 products that contain Elantec chips and those that contain Gennum  
22 chips. This could result in duplicative discovery later in the

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24 <sup>4</sup> A Colorado River analysis of a motion to stay considers  
25 six factors: (1) where real property is involved, which court is  
26 first to assume jurisdiction over that property; (2) whether the  
27 federal forum is inconvenient; (3) whether one course of action  
28 may avoid piecemeal litigation; (4) which of the concurrent fora  
first obtained jurisdiction; (5) whether the action involved  
federal question subject matter; and (6) whether the state court  
forum was adequate to protect the federal plaintiff's rights.  
Moses H. Cone Mem. Hosp. v. Mercury Constr. Corp., 460 U.S. 1,  
19, 23, 26 (1983).

1 patent litigation if the license litigation or declaratory  
2 judgment action are not resolved in movants' favor. While it is  
3 possible that either case could be resolved in movants' favor and  
4 effectively eliminate some of plaintiffs' claims against  
5 defendant, "this ordinary circumstance does not warrant a stay."  
6 Fru-Con Const. Corp. v. Sacramento Mun. Util. Dist., No. 05-583,  
7 2009 WL 3049050, at \*2 (E.D. Cal. Sept. 18, 2009).

8 More significantly, the patent infringement suit has  
9 been pending in this court for seven years--a full three years  
10 longer than the license litigation pending in state court.  
11 Plaintiffs have already endured two stays related to the patents-  
12 in-suit. Staying part of this action pending resolution of the  
13 license litigation or declaratory judgment action would further  
14 delay resolution of the patent infringement claims, and the  
15 potential delay could be significant. See Moses H. Cone Mem.  
16 Hosp. v. Mercury Constr. Corp., 460 U.S. 1, 19, 21 (1983)  
17 ("[P]riority should not be measured exclusively by which  
18 complaint was filed first, but rather in terms of how much  
19 progress has been made in the two actions.").

20 The license litigation lacks both a visible end to  
21 discovery and a date for trial. In short, there is no way to  
22 know long it will take to go to trial. Similarly, movants  
23 currently seek a stay of the declaratory judgment action pending  
24 resolution of the license litigation, which would delay this  
25 action for an even longer and more uncertain length of time. The  
26 parties to this action, on the other hand, are in the process of  
27 conducting discovery, motions for construction of the patent  
28 claims have been filed, and the case is set for trial. The court

1 sees no reason why the license issue cannot be decided in this  
2 court which first obtained jurisdiction over it.

3           Finally, a stay is inappropriate because movants want  
4 the court to refuse to exercise jurisdiction that is exclusively  
5 federal. "[T]he presence of federal-law issues must always be a  
6 major consideration weighing against surrender" of jurisdiction.  
7 Moses H. Cone, 460 U.S. at 26. The presence of substantial  
8 federal questions significantly narrows the circumstances in  
9 which a district court may abstain from exercising its  
10 jurisdiction. While law in the Federal Circuit--which governs  
11 this case--is unclear, other circuits have decided that federal  
12 courts may not abstain from cases in which the federal courts  
13 hold exclusive jurisdiction over the claims at issue. See, e.g.,  
14 Applera Corp., 282 F. Supp. 2d at 1128 (explaining Ninth Circuit  
15 and other precedent). Jurisdiction in this case is predicated  
16 upon substantial questions of federal patent law--over which the  
17 federal courts have exclusive jurisdiction--and counsels heavily  
18 against stay.

19           The federal court is perfectly capable of deciding the  
20 routine issues of state law that might arise should defendant  
21 choose to argue a license defense, and movants have not argued  
22 otherwise. If movants are concerned about harm to their  
23 reputation from a possible ruling on the license issue in this  
24 case, they can move to join as defendants. Kerotest Mfg., 342  
25 U.S. at 186 (customer suit doctrine typically applies only where  
26 customer suit is brought in a district where the manufacturer  
27 cannot be joined as a defendant); see Codex Corp. v. Milgo Elec.  
28 Corp., 553 F.2d 735, 738 (1st Cir. 1977) (same); Teleconference

1 Sys. v. Proctor & Gamble Pharm., Inc., --- F. Supp. 2d ---, 2009  
2 WL 4349446, at \*4 (D. Del. Nov. 25, 2009) (same).

3 In summation, movants have provided no good reason why  
4 the court should defer to either a later-filed state court  
5 proceeding or a later-filed federal court proceeding and refuse  
6 to move forward with a case that is properly before it.

7 Plaintiffs have waited seven years to litigate the issues of  
8 patent infringement currently before the court, and a further  
9 stay would likely delay this action for a significant length of  
10 time. While there is a possibility that the license litigation  
11 or declaratory judgment action could obviate the need for patent  
12 infringement litigation regarding Elantec chips, the court has  
13 serious doubts that a partial stay under the circumstances would  
14 resolve all of the issues of the case.

15 IT IS THEREFORE ORDERED that movants' motions to  
16 intervene and for stay be, and the same hereby are, DENIED.

17 DATED: February 8, 2010

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19 WILLIAM B. SHUBB  
20 UNITED STATES DISTRICT JUDGE  
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