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On January 24, 2014, Defendant's *Motion to Stay Pending* Inter Partes *Review* came on for hearing at 9:00 AM, before the Honorable Maxine M. Chesney. Plaintiffs and Defendants were both represented by counsel. Having read and considered the papers submitted in support of and in opposition to the motion, the Court deems the matter appropriate for decision thereon and VACATES the hearing set for January 24, 2014.

For the reasons set forth in Defendant's Motion, the supporting documents filed with the and Motion, the record herein, and the arguments of counsel, the Court orders as follows:

Defendant's *Motion to Stay Pending* Inter Partes *Review* is GRANTED. The Court's decision is based upon a review of the relevant case law, and the analysis of three factors traditionally considered in determining whether to stay a case pending the U.S. Patent & Trademark Office's ("PTO") review of a patent-in-suit: 1) whether discovery is complete and whether a trial date has been set; 2) whether a stay will simplify the issues in question and trial of the case; and 3) whether a stay would unduly prejudice or present a clear tactical disadvantage to the non-moving party. *Software Rights Archive, LLC v. Facebook, Inc.*, Nos. 12-CV-3970-RMW, 12-CV-3971-RMW and 12-CV-3972-RMW, 2013 WL 5225522, at \*2 (N.D. Cal. Sept. 17, 2013) (new *inter partes* review); *see also Pragmatus AV, LLC v. Facebook, Inc.*, No. 11-CV-00494-EJD, 2011 WL 4635512, at \*2 (N.D. Cal. Oct. 5, 2011) (old *inter partes* reexamination). Accordingly, the court finds:

- a) A stay is favored where, as here, the case is in the initial stage of litigation and there has been little discovery. *Internet Patents Corp. v. eBags, Inc.*, No. 12-cv-03385 SBA, 2013 WL 4609533, at \*2 (N.D. Cal. Aug. 28, 2013).
- b) A stay is likely to streamline this ligation based on the high likelihood that the Patent

  Trial and Appeals Board ("PTAB") will institute *inter partes* review with respect to at

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least one claim. Software Rights, 2013 WL 5225522, at *5. Additionally, because
relatively expeditiously, see 35 U.S.C. §§ 314, 316(a)(11)
any <i>inter partes</i> review will likely be completed before this case reaches trial, a stay
will promote judicial economy and the efficient use of judicial resources. See, e.g.,
Fresenius USA, Inc. v. Baxter International Inc., 721 F.3d 1330 (Fed. Cir. 2013)
(remanding case with instructions to dismiss following ten years of litigation, after al
asserted claims were canceled by the PTO during reexamination).
Plaintiff has not shown it will be unduly prejudiced by a stay. It

c) A stay will not unduly prejudice Plaintiff, because it has not sought a preliminary injunction and the parties are not direct competitors. *Semiconductor Energy Lab. Co. v. Chimei Innolux Corp.*, No. 12-cv-21-JST, 2012 WL 7170593, at \*4 (C.D. Cal. Dec. 19, 2012). The potential for delayed resolution of this case, by itself, does not constitute undue prejudice where any alleged infringement may eventually be redressed by monetary damages alone. *See, e.g. Implicit Networks, Inc. v. Advanced Micro Devices*, No. 08-cv-184-JLR, 2009 WL 357902, at \*3 (W.D. Wash. Feb. 9, 2009).

For the foregoing reasons, and in light of the liberal policy in favor of granting motions to see ASCII Corp. v. STD Entertainment USA, Inc., 844 F. Supp. 1378, 1381 (N.D. Cal. 1994), stay proceedings pending the outcome of PTO proceedings, the Court GRANTS Defendant's Motion to Stay, and this case is hereby STAYED pending the conclusion of all *inter partes* review proceedings of U.S. Patent Nos. 7,010,536 and 7,702,682, asserted by Evolutionary Intelligence, LLC in this action.

No later than six months from the date of this order, and every six months thereafter, the parties shall file a joint status report to apprise the Court of the status of the inter partes review

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proceedings.	
IT IS SO ORDERED.	
Dated:Ianuary 10, 2014 THE MONORABLE MAXING. C	
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