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UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

San Francisco Division

NANTWORKS, LLC, et al.,

Plaintiffs,

v.

NIANTIC, INC.,

Defendant.

Case No. 20-cv-06262-LB

**ORDER GRANTING MOTION TO  
STAY PENDING INTER PARTES  
REVIEW**

Re: ECF No. 62

**INTRODUCTION**

NantWorks — which develops “various technologies to advance healthcare, commerce, and digital entertainment” — sued Niantic for allegedly infringing NantWorks’ patents in Niantic’s augmented-reality game apps “Pokémon Go” and “Harry Potter: Wizards Unite.” Niantic filed petitions for inter partes review of all asserted claims in the patents in litigation and then moved to stay the case pending the Patent and Trademark Office’s resolution of the IPRs.<sup>1</sup> The court can decide the motion without oral argument and grants it. N.D. Cal. Civ. L. R. 7-1(b).

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<sup>1</sup> Third Amend. Compl. (TAC) – ECF No. 50 at 2–3 (¶¶ 1–6); Mot. – ECF No. 62. Citations refer to material in the Electronic Case File (ECF); pinpoint citations are to the ECF-generated page numbers at the top of documents.

1 ANALYSIS

2 Courts have the power to stay a case pending the PTO’s review of the patents involved in the  
3 lawsuit. *Pi-Net Int’l, Inc. v. Focus Bus. Bank*, No. C-12-4958-PSG, 2013 WL 4475940, at \*3  
4 (N.D. Cal. Aug. 16, 2013). The party seeking the stay has the burden of showing that a stay is  
5 appropriate. *Id.* Courts consider the following non-exhaustive factors in determining whether to  
6 stay the case: (1) whether discovery is complete and whether a trial date has been set; (2) whether  
7 a stay will simplify the issues in question and trial of the case; and (3) whether a stay would  
8 unduly prejudice or present a clear tactical disadvantage to the non-moving party.” *Id.* (cleaned  
9 up). The factors support a stay here.

10 First, the case is in its early stages. The court invalidated one patent earlier this year because it  
11 did not recite any patent-eligible invention and thus was invalid under 35 U.S.C. § 101.<sup>2</sup> Claims  
12 construction has been scheduled, but only NantWorks has submitted its brief. No depositions have  
13 been taken. Courts have granted stays in cases that were in similar procedural postures. *GoPro, Inc.*  
14 *v. C&A Mktg., Inc.* No. 16-CV-03590-JST, 2017 WL 2591268, at \*3 (N.D. Cal. June 15, 2017)  
15 (parties exchanged infringement and invalidity contentions and corresponding document  
16 productions, exchanged written discovery, made their initial claims-construction disclosures, and  
17 provided their technology tutorials; court prepared for the tutorial and *Markman* hearing); *Brixham*  
18 *Sols. Ltd. v. Juniper Networks, Inc.*, No. 13-CV-00616-JCS, 2014 WL 1677991, at \*2 (N.D. Cal.  
19 Apr. 28, 2014) (written and document discovery; parties briefed claims construction).

20 Second, the IPR petitions challenge every claim in the patents in litigation. Given the legal  
21 standard for instituting an IPR (“reasonable likelihood that the petitioner would prevail with  
22 respect” to at least one claim) and the rate that the PTO initiates review, it is likely that a stay will  
23 simplify the issues in the case. *Uniloc USA Inc. v. LG Electr. Inc.*, No. 18-cv-06740-JST, 2019  
24 WL 1905161, at \*3–5 (N.D. Cal. Apr. 29, 2019) (collecting cases in this district where courts hold  
25 that the potential for simplification outweighs the uncertainty inherent in a pre-institution stay);  
26 *Pi-Net*, 2013 WL 4475940, at \*4 (cleaned up).

27  
28 <sup>2</sup> Order – ECF No. 35.

1 Third, a stay would not unduly prejudice NantWorks. In weighing prejudice to the non-moving  
2 party, courts consider the following: “(1) the timing of the petition for review; (2) the timing of the  
3 request for the stay; (3) the status of review proceedings; and (4) the relationship of the parties.”  
4 *Uniloc*, 2019 WL 1905161, at \*5 (cleaned up). Niantic filed the petitions well within the one-year  
5 statutory limit. *Id.* It filed the request to stay shortly thereafter. *Id.* at \*6. NantWorks’ speculation  
6 about the prejudice from disappearing evidence and deteriorating witness memories is insufficient  
7 to establish undue prejudice. *See id.*; *Evolutionary Intel. LLC v. Yelp Inc*, No. C-13-03587 DMR,  
8 2013 WL 6672451, at \*8 (N.D. Cal. Dec. 18, 2013) (discovery difficulties and faded memories are  
9 “consequences that apply to any case where reexamination is sought and cannot alone demonstrate  
10 undue prejudice”). NantWorks’ other arguments — harm to its reputation, inability to license its  
11 patents, and employees who might leave — do not establish undue harm either.<sup>3</sup> *Uniloc*, 2019 WL  
12 1905161, at \*6. The parties are not direct competitors, and damages can compensate NantWorks  
13 for any harm. *Id.*

14 **CONCLUSION**

15 The court stays the case pending the PTO’s resolution of the IPR petitions. Within 14 days of  
16 the PTO’s decisions, the parties must file a joint case-management statement with their proposed  
17 next steps.

18 **IT IS SO ORDERED.**

19 Dated: July 15, 2021



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21 LAUREL BEELER  
22 United States Magistrate Judge  
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28 <sup>3</sup> Opp’n – ECF No. 64 at 8.