

# **EXHIBIT A**

LEXSEE

**SAXON INNOVATIONS, LLC v. PALM, INC.**

**NO. 6:09-cv-272**

**UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF  
TEXAS, TYLER DIVISION**

**2009 U.S. Dist. LEXIS 105928**

**November 4, 2009, Decided**

**November 4, 2009, Filed**

**CORE TERMS:** infringement, civil actions, simplify, discretionary power, infringing, invalidity, patent

**COUNSEL:** [\*1] For Saxon Innovations, LLC, Plaintiff: Jack Wesley Hill, Thomas John Ward, Jr, Ward & Smith Law Firm, Longview, TX; Michael T Renaud, PRO HAC VICE, William D Belanger, Pepper Hamilton LLP - Boston, Boston, MA.

For Palm, Inc., Defendant: Aaron Gabriel Fountain, John M Guaragna, DLA Piper US LLP - Austin, Austin, TX; M Elizabeth Day, William G Goldman, PRO HAC VICE, DLA Piper US LLP - East Palo Alto, East Palo Alto, CA; Vincent S Lam, PRO HAC VICE, DLA Piper US LLP - San Diego, San Diego, CA.

For Research In Motion Corporation, Defendant: Peter John Chassman, LEAD ATTORNEY, Dustin James Edwards, Howrey LLP, Houston, TX; Andrew Y Piatnicia, Howrey LLP East Palo Alto, East Palo Alto, CA; Harry Lee Gillam, Jr, Gillam & Smith, LLP, Marshall, TX; Tyler T. VanHoutan, Howrey LLP - Houston, Houston, TX.

For Research in Motion Ltd., Research In Motion Corporation, Counter Claimants: Peter John Chassman, LEAD ATTORNEY, Howrey LLP, Houston, TX.

For Saxon Innovations, LLC, Counter Defendant: Michael T Renaud, PRO HAC VICE, Pepper Hamilton LLP - Boston, Boston, MA; Thomas John Ward, Jr, Ward & Smith Law Firm, Longview, TX.

For Palm, Inc., Counter Claimant: Aaron Gabriel

Fountain, John M Guaragna, DLA [\*2] Piper US LLP - Austin, Austin, TX; M Elizabeth Day, William G Goldman, DLA Piper US LLP - East Palo Alto, East Palo Alto, CA; Vincent S Lam, DLA Piper US LLP - San Diego, San Diego, CA.

**JUDGES:** JOHN D. LOVE, UNITED STATES MAGISTRATE JUDGE.

**OPINION BY:** JOHN D. LOVE

**OPINION**

**ORDER**

Before the Court is Defendant Palm, Inc.'s ("Palm") Motion to Stay This Action (Doc. No. 4). Plaintiff Saxon Innovations, LLC ("Saxon") has filed a response (Doc. No. 7) and Palm has filed a reply (Doc. No. 11). Having fully considered the parties' submissions, the Court finds a stay of this action would be inappropriate. Accordingly, the Court **DENIES** Palm's motion.

**BACKGROUND**

Saxon has accused Palm of infringing [United States Patent No. 5,608,873 \("the '873 patent"\)](#). The ['873 patent](#) is currently involved in two cases in the Eastern District of Texas, Civil Action Nos. 6:08-cv-494 and 6:09-cv-067, and a consolidated ITC Investigation Nos. 337-TA-667 and 337-TA-673. The civil actions have been stayed pending the outcome of the ITC Investigation (Case No. 6:08-cv-494, Doc. No. 11; Case No.

6:09-cv-067, Doc. No. 4).<sup>1</sup> Palm is a respondent in the '494 action and the '667 investigation. Saxon has not accused Palm of infringing the ['873 patent](#) in [\*3] any of the other pending proceedings.

1 The Court notes that in these actions, Saxon did not oppose the motion to stay.

## PARTIES' CONTENTIONS

Palm argues that the Court must stay the present case pursuant to [28 U.S.C. § 1659](#) or, alternatively, that the Court should exercise its discretionary power to stay this case. DEF.'S MOT. at 2-7. Palm contends that stay pursuant to [§ 1659](#) is appropriate because it is a respondent in the ITC proceeding, it timely filed its request for a stay, and this action involves the same issues as the ITC proceeding. DEF.'S MOT. at 3-4. With respect to the Court's discretionary power, Palm contends that a stay is appropriate because it will simplify issues for trial, not prejudice Saxon, and the request was brought early in this case. DEF.'S MOT. at 5-7.

Saxon argues that Palm is not a respondent in the ITC Investigation because Palm is not subject to a claim for infringement of the ['873 patent](#) in that proceeding. PL'S RESP. at 4-6. Saxon also argues that the Court should not exercise its discretionary power to stay these proceedings because it would prejudice Saxon and not simplify issues for trial. PL'S RrESP. at 6-11.

## DISCUSSION

### I. Stay Pursuant to [28 U.S.C. § 1659](#)

[28 U.S.C. § 1659\(a\)](#) [\*4] states:

(a) Stay. - In a civil action involving parties that are also parties to a proceeding before the United States International Trade Commission under section 337 of the Tariff Act of 1930, at the request of a party to the civil action that is also a respondent in the proceeding before the Commission, the district court shall stay, until the determination of the Commission becomes final, proceedings in the civil action with respect to any claim that involves the same issues involved in the proceeding before the Commission, but only if such request is made within - (1)

30 days after the party is named as a respondent in the proceeding before the Commission, or (2) 30 days after the district court action is filed, whichever is later.

[Section 1659](#) was enacted "to address the unfairness of requiring importers and producers to 'defend claims in both the Commission and in district court, possibly at the same time, whereas infringement claims against domestic goods can be heard only in district court.'" [Sandisk Corp. v. Phison Elecs. Corp.](#), 538 F. Supp. 2d 1060, 1065 (W.D. Wisc. 2008) (quoting H.R. REP. No. 103-826(I) at 140). [Section 1659](#) obligates the Court to stay claims in this action [\*5] that involve the same issues that are before the ITC. These same issues "include questions of validity, infringement, and any defenses that might be raised in both proceedings." H.R. REP. NO. 103-826(I) at 141.

The Court finds that a stay of this action is not mandated by [§ 1659](#). There is no doubt that Palm is a respondent in the ITC proceeding and that Palm filed its request for a stay within 30 days of the filing of this action. The Court determines, however, that the present infringement claim does not involve the same issues as the proceeding before the ITC. Unlike in [Micron Tech., Inc. v. Mosel Vitelec Corp.](#), No. 98-293, 1999 U.S. Dist. LEXIS 4792 (D. Id. Mar. 31, 1999), the claim for infringement filed in this court is not "the alleged infringement of the same patent before the ITC." See [Micron Tech.](#), 1999 U.S. Dist. LEXIS 4792, at \*6. The ITC will not consider Palm's alleged infringement of the ['873 patent](#), nor will it consider Palm's theories, if any, of the invalidity of the ['873 patent](#). The claims against Palm in this case and the claims against Palm in the ITC investigation are not the "identical parallel claims" that [§ 1659](#) governs. See [Sandisk](#), 538 F. Supp. 2d at 1065.

### II. [\*6] Stay Pursuant To Court's Inherent Power

"[T]he power to stay proceedings is incidental to the power inherent in every court to control the disposition of the causes on its docket with economy of time and effort for itself, for counsel, and for litigants." [Landis v. North American Co.](#), 299 U.S. 248, 254, 57 S. Ct. 163, 81 L. Ed. 153 (1936). "The proponent of a stay bears the burden of establishing its need." [Clinton v. Jones](#), 520 U.S. 681, 706, 117 S. Ct. 1636, 137 L. Ed. 2d 945 (1997). "In deciding whether to stay litigation pending

reexamination, courts typically consider: (1) whether a stay will unduly prejudice or present a clear tactical disadvantage to the nonmoving party, (2) whether a stay will simplify the issues in question and trial of the case, and (3) whether discovery is complete and whether a trial date has been set." [Soverain Software LLC v. Amazon.com, Inc.](#), 356 F. Supp. 2d 660, 662 (E.D. Tex. 2005).

The Court finds that a stay is unwarranted under the present circumstances. Contrary to Palm's assertion, the fact that Saxon has accused Palm of infringing other patents is irrelevant to the present question. Granting Palm's request would prejudice Saxon by delaying this claim of infringement by at least eight months. 2 Determinations [\*7] by the ITC are not binding on this Court. See [Texas Instruments, Inc. v. Cypress Semiconductor Corp.](#), 90 F.3d 1558, 1569 (Fed. Cir. 1996). Furthermore, Palm is not a respondent to a claim for infringement of the '873 patent and therefore the ITC will not consider Palm's arguments and theories regarding infringement or invalidity. Thus, it is unlikely that a stay would simplify the issues in question in this case. Finally, the Court is not persuaded by Palm's argument that

failing to stay this case raises the possibility of inconsistent judgments with respect to the other stayed actions in the district. It is certainly possible that the *Markman* opinion in this case could inform the Court's *Markman* opinions in the other pending cases. Further, consolidating this case with those cases might be appropriate.

2 The target date for the ITC investigation is June 24, 2010. DEF.'S MOT. at 5; PL'S RESP. at 8.

#### CONCLUSION

For the foregoing reasons, the Court **DENIES** Palm's motion to stay this action.

**So ORDERED and SIGNED this 4th day of November, 2009.**

/s/ John D. Love

JOHN D. LOVE

UNITED STATES MAGISTRATE JUDGE