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18 **UNITED STATES DISTRICT COURT**  
 19 **NORTHERN DISTRICT OF CALIFORNIA**  
 20 **SAN JOSE DIVISION**

21 TEXTSCAPE LLC,  
 22 Plaintiff,  
 23 v.  
 24 GOOGLE INC.  
 25 Defendant.  
 26

Case No. 5:09-cv-04552-JF

**GOOGLE INC.'S MOTION TO STAY  
 PENDING REEXAMINATION OF U.S.  
 PATENT NO. 5,713,740**

HEARING ON MOTION

DATE: July 30, 2010

TIME: 9:00 A.M.

PLACE: COURTROOM 3

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**I. INTRODUCTION**

PLEASE TAKE NOTICE that on Friday, July 30, 2010 at 9:00 a.m., or as soon thereafter as counsel may be heard, in Courtroom 3 of this Court, located at 280 South 1st Street, San Jose, CA 95113 (5th Floor), Defendant Google Inc. (“Google”) will, and hereby does, move to stay this case pending reexamination of the asserted patent.

Google believes this case is ripe for dismissal and is filing concurrently a Motion for Summary Judgment of Invalidity. However, if the Court declines to consider that motion at this time, Google hereby respectfully moves the Court for a stay in this case until the current reexamination of the asserted patent in the Unites States Patent and Trademark Office (“USPTO”) is concluded. A stay is appropriate in this case because discovery has just begun, no Markman or trial date has been set, and the USPTO has already found a substantial new question of patentability regarding the asserted patent.

**II. BACKGROUND**

(1) Plaintiff Textscape LLC (“Textscape”) filed suit against Google on September 25, 2009, asserting infringement of U.S. Patent No. 5,713,740 (“the ‘740 patent”). (See Dkt. 1.)

(2) The parties filed an *Amended Joint Case Management Conference Statement* on February 22, 2010 with a proposed case schedule for initial discovery and claim construction briefing, but with no date set for the Markman hearing or trial. (See Dkt. 43.)

(3) The Court adopted the proposed case schedule on March 12, 2010. (See Dkt. 47.)

(4) On March 26, 2010, Textscape served Google with Plaintiff’s Disclosure of Asserted Claims and Infringement Contentions, alleging in its Patent L.R. 3-1(a) statement that “Google infringes at least claim 1 (‘the Asserted claim’)” of the ‘740 patent. (See Ex. 1.)<sup>1</sup>

(5) On April 2, 2010, a *Request for Ex Parte Reexamination under 37 C.F.R. § 1.5.10* was submitted to the USPTO with respect to claims 1-6 and 11-17 of the ‘740 patent. (See Ex. 2.)

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<sup>1</sup> All references to “Ex. \_\_.” are Exhibits attached to the Declaration of Scott T. Weingaertner (“Decl.”), submitted with this motion.

1 (6) On May 13, 2010, the USPTO granted the request, after determining that “[a]  
2 substantial new question of patentability affecting claims 1-6 and 11-17 of United States Patent  
3 Number 5,713,740 is raised by the request for *ex parte* reexamination.” (See Ex. 3, at 4.)

### 4 III. LEGAL STANDARD

5 “A court has discretion to stay a case pending reexamination of a patent in the USPTO.”  
6 *HTC Corp. v. Technology Properties Ltd.*, Nos. C 08-00882, C 08-00877, 2009 WL 1702065, at  
7 \*1 (N.D. Cal. June 17, 2009) (Fogel, J.) (citing *Nanometrics, Inc. v. Nova Measuring*  
8 *Instruments, Ltd.*, No. C 06-2252, 2007 WL 627920, at \*1 (N.D. Cal. Feb. 26, 2007); *Ethicon,*  
9 *Inc. v. Quigg*, 849 F.2d 1422, 1426-27 (Fed. Cir. 1988)). “[T]here is a liberal policy in favor of  
10 granting motions to stay proceedings pending the outcome of USPTO reexamination,’ especially  
11 in cases that still are in the initial stages of litigation and where there has been little or no  
12 discovery.” *Id.* (quoting *ASCII Corp. v. STD Entm’t USA, Inc.*, 844 F. Supp. 1378, 1381 (N.D.  
13 Cal. 1994); see also *Akeena Solar Inc. v. Zep Solar Inc.* No. C 09-05040, 2010 WL 1526388, at  
14 \*2 (N.D. Cal. Apr. 14, 2010) (“The early stage of a litigation weighs in favor of granting a stay  
15 pending reexamination.” (citing *Target Therapeutics, Inc. v. SciMed Life Sys., Inc.*, 33  
16 U.S.P.Q.2d 2022, 2023 (N.D. Cal. 1995))).

17 “In determining whether to grant a stay, a court should consider the following factors: (1)  
18 whether discovery is complete and whether a trial date has been set; (2) whether a stay will  
19 simplify the issues in question and trial of the case; and (3) whether a stay would unduly  
20 prejudice or present a clear tactical disadvantage to the non-moving party.” *Id.* (citing  
21 *Nanometrics*, 2007 WL 627920, at \*2).

### 22 IV. DISCUSSION

23 In addition to presenting clear bases for summary judgment of invalidity, this case  
24 presents a textbook example of where a stay pending reexamination is appropriate. With respect  
25 the three key factors:

26 (1) Discovery has barely begun and the Court has not even set a date for the  
27 Markman hearing or trial. The parties have done little more than serve their respective Patent  
28

1 L.R. 3-1 and 3-3 disclosures and have not yet begun to brief the claim construction issues.

2 (2) The stay will simplify the issues in question because the USPTO will review the  
3 patentability of the asserted claim 1 and there is a high likelihood the claim will be cancelled or  
4 changed during reexamination. According to the USPTO's *Ex Parte Reexamination Filing Data*  
5 as of March 31, 2010, when a re-examination proceeding is requested by a third party, all claims  
6 are confirmed only 26% of the time. (*See Ex 4*, at 2.) All claims under reexamination are  
7 cancelled 13% of the time, and there are claim changes 61% of the time. (*See id.*)

8 Reexamination of the '740 patent may therefore result in a change of claim language that  
9 precludes Textscape from alleging infringement – or the elimination of claim 1 altogether.  
10 Moreover, the reexamination proceeding will certainly provide additional intrinsic evidence that  
11 will be highly relevant to claim construction. *See Akeena Solar*, 2010 WL 1526388, at \*4  
12 (“[W]aiting for the outcome of the reexamination could eliminate the need for trial if the claims  
13 are cancelled or, if the claims survive, facilitate trial by providing the court with expert opinion  
14 of the PTO and clarifying the scope of the claims.” (quoting *Target Therapeutics*, 33 U.S.P.Q.2d  
15 at 2023)).

16 (3) Considering that the parties have not yet engaged in substantial discovery and  
17 claim construction briefing has not started, there is no prejudice to any party in staying the case  
18 until the reexamination proceedings conclude. *See Akeena Solar*, 2010 WL 1526388, at \*3  
19 (“[g]ranting a stay does not cause the nonmoving party undue prejudice when that party has not  
20 invested substantial expense and time in the litigation. The delay inherent to the reexamination  
21 process does not generally constitute, by itself, undue prejudice.”)

## 22 **V. CONCLUSION**

23 For at least the foregoing reasons, if Google's concurrently-filed Motion for Summary  
24 Judgment is not granted at this time, Google respectfully requests that the Court grant a stay of  
25 this action until the conclusion of the reexamination proceedings for the '740 patent.

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DATED: June 16, 2010

**KING & SPALDING LLP**

By: /s/ Geoffrey Ezgar  
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Attorneys for Defendant GOOGLE INC.