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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA**

TIERRAVISION, INC.,

Plaintiff,

vs.

GOOGLE, INC.,

Defendant.

CASE NO. 11cv2170 DMS(BGS)

**ORDER GRANTING
DEFENDANT'S MOTION TO
STAY PROCEEDINGS PENDING
INTER PARTES
REEXAMINATION OF U.S.
PATENT NO. RE41,983**

[Docket No. 26]

This matter comes before the Court on Defendant Google Inc.'s motion to stay proceedings pending *inter partes* reexamination of U.S. Patent No. RE41,983 ("the '983 Patent"). Plaintiff filed an opposition to the motion, and Defendant filed a reply. For the reasons discussed below, the Court grants Defendant's motion.

I.

BACKGROUND

This case arises out of Defendant's alleged infringement of the '983 Patent. Specifically, Plaintiff alleges Defendant is infringing the '983 Patent through the use of its Google Maps Mobile application.

Plaintiff filed its original complaint against Defendant on March 30, 2011. That Complaint alleged three claims for infringement, each of the '983 Patent but by different defendants, namely

1 Google, Microsoft and Research in Motion. Each of those defendants moved to sever the claims against
2 it. The Court granted those motions on September 16, 2011, prompting the filing of the present
3 Complaint against Google only.

4 On November 2, 2011, Defendant Google filed a request for *inter partes* reexamination of the
5 '983 Patent, asking the Patent and Trademark Office ("PTO") to invalidate the claims asserted in this
6 case. After filing that request, Defendant filed the present motion. Since the motion was filed, the PTO
7 has granted Defendant's request for reexamination, and rejected the claims of the '983 Patent that are
8 at issue in this case.

9 **II.**
10 **DISCUSSION**

11 "Courts have inherent power to manage their dockets and stay proceedings, including the
12 authority to order a stay pending conclusion of a PTO reexamination." *Ethicon, Inc. v. Quigg*, 849 F.2d
13 1422, 1426-27 (Fed. Cir. 1988) (citations omitted). District courts in the Ninth Circuit consider three
14 factors in determining whether to order a stay pending reexamination of a patent. Those factors are:
15 "(1) whether a stay will simplify the issues in question and trial of the case; (2) whether discovery is
16 complete and whether a trial date has been set; and (3) whether a stay would unduly prejudice or present
17 a clear tactical disadvantage to the nonmoving party." *Medicis Pharmaceutical Corp. v. Upsher-Smith*
18 *Labs., Inc.*, 486 F.Supp.2d 990, 993-94 (D. Ariz. 2007) (citing *In re Cygnus Telecomms. Tech., LLC*,
19 385 F.Supp.2d 1022, 1023 (N.D. Cal. 2005)).

20 **A. Simplification of Issues and Trial**

21 Here, Defendant goes through all of the possible outcomes of the reexamination, and argues that
22 under any scenario, a stay of this litigation will simplify the issues and trial of this case. Specifically,
23 if the PTO rejects the asserted claims, this case will be over. If the PTO amends the claims, the original
24 claims will no longer be at issue. Finally, if the PTO confirms the claims, that will narrow the
25 references available to Defendant in this case. Confirmation of the claims will also provide additional
26 prosecution history for use in this case. Plaintiff argues a stay will not simplify the issues in this case.

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1 Although there is a chance the patent claims will emerge from the reexamination process
2 unchanged, the statistics indicate that is unlikely. What is likely is the claims will be either amended
3 or canceled, and if that is the case, a stay will simplify the issues and trial of this case. Cancellation of
4 the claims will result in the ultimate simplification of this case: It will be dismissed. Amendment of the
5 claims will also simplify the issues in numerous ways. Most importantly, it will set the groundwork for
6 the case. With the claims in reexamination, the parties are litigating this case on a bed of shifting sand.
7 The sole basis for the case, the patent claims, are, at this time, uncertain. Staying the case will allow
8 the ground to settle, and may avoid unnecessary and duplicative work. Furthermore, staying the case
9 pending reexamination will allow the parties to complete the prosecution history, which will inform the
10 parties' and the Court's constructions of the asserted claims. Under these circumstances, this factor
11 weighs in favor of a stay.

12 **B. Status of the Case**

13 The next factor looks to the status of the case. This case is in the midst of discovery, and
14 opening Markman briefs are due in the coming days. The parties have exchanged their preliminary
15 infringement and invalidity contentions, and their proposed claim constructions and extrinsic evidence.
16 They have also filed their Joint Claim Construction Chart, Worksheet and Hearing Statement.
17 Defendant argues this is the perfect time to stay the case because full Markman briefing and additional
18 discovery and trial preparation has yet to occur, while Plaintiff asserts a stay should not be imposed
19 because of all the work the parties have put into the case thus far.

20 Clearly, this case is not in its infancy. The parties have already put forth a great deal of time and
21 effort by completing their preliminary infringement and invalidity contentions and discovery related to
22 claim construction. However, there is much work yet to do in the case, including claim construction
23 briefing and argument, both of which are rapidly approaching. Once claim construction is complete,
24 there would no doubt be a series of summary judgment motions, which will also require a tremendous
25 amount of time and effort. Thus, although the case has progressed past the initial stages, it is not so
26 advanced that a stay is inappropriate. Rather, considering the general time line of patent litigation, there
27 is more work ahead of the parties and the Court than behind the parties and the Court. Thus, this factor
28 weighs in favor of a stay.

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3 **C. Prejudice to Plaintiff**

4 The last factor for the Court’s consideration is “whether a stay would unduly prejudice or present
5 a clear tactical disadvantage to the nonmoving party.” *Medicis*, 486 F.Supp.2d at 993-94 (citing *In re*
6 *Cygnus Telecomms. Tech., LLC*, 385 F.Supp.2d at 1023). Here, Defendant argues Plaintiff will not
7 suffer any prejudice if a stay is issued. Defendant acknowledges the case will be delayed if a stay is
8 issued, but asserts that delay alone does not demonstrate prejudice. Defendant also asserts Plaintiff will
9 not be prejudiced by a stay because it is not a competitor of Defendant, and Plaintiff no longer practices
10 the patented invention.

11 Plaintiff does not dispute that it is not a competitor of Defendant, or that it no longer practices
12 the patented invention. Plaintiff also does not dispute that delay alone is insufficient to demonstrate
13 prejudice. However, it does argue the risk of prejudice increases with the length of the delay. Plaintiff
14 asserts the delay in this case is likely to be great, perhaps up to five years, given the time required to
15 complete the reexamination process and the likelihood of appeals. It is this lengthy delay that serves
16 as the basis for Plaintiff’s argument of prejudice.¹

17 To be sure, the reexamination process takes time, and if either party were to pursue appeals, that
18 would extend the delay in litigating this case. However, “delay inherent in the reexamination process
19 does not constitute undue prejudice[.]” *AT&T Intellectual Property Iv. Tivo, Inc.*, 774 F.Supp.2d 1049,
20 1054 (N.D. Cal. 2011). Especially where Plaintiff does not practice the patented invention, and is not
21 a competitor of Defendant, the mere fact and the length of any delay in this case does not demonstrate
22 prejudice sufficient to deny Defendant’s request for a stay.

23 **III.**

24 **CONCLUSION AND ORDER**

25 Considering the factors discussed above, the Court GRANTS Defendant’s motion to stay this

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27 ¹ Plaintiff also asserts Defendant delayed its request for reexamination of the ‘983 Patent, and
28 Defendant is abusing the reexamination process by requesting reexamination of other patents that it
is alleged to infringe. The Court rejects Plaintiff’s argument that Defendant delayed its request for
reexamination of the patent in suit, and declines to address Defendant’s conduct in other cases.

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3 case pending the reexamination proceedings. Upon issuance of a final action in the reexamination
4 proceeding, the parties shall request that the stay be lifted so this case may proceed. The parties shall
5 include a copy of the PTO's final action with that request. The Clerk of Court shall administratively
6 close this case.

7 **IT IS SO ORDERED.**

8 DATED: February 21, 2012

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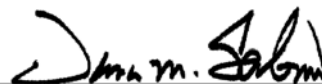
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HON. DANA M. SABRAW
United States District Judge