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8 UNITED STATES DISTRICT COURT
9 SOUTHERN DISTRICT OF CALIFORNIA
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11 CLINICOMP INTERNATIONAL, INC.,
12 Plaintiff,
13 v.
14 CERNER CORPORATION ,
15 Defendant.

Case No.: 17cv2479-GPC(BLM)

**ORDER GRANTING IN PART
DEFENDANT’S MOTION TO STAY
PENDING INTER PARTES REVIEW**

[Dkt. No. 24.]

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17 Before the Court is Defendant’s motion to stay pending *inter partes* review. (Dkt.
18 No. 24.) Plaintiff filed an opposition on October 5, 2018, and Defendant replied on
19 October 19, 2018. (Dkt. Nos. 27, 28.) Based on the reasoning below, the Court
20 GRANTS in part Defendant’s motion to stay.

21 **Background**

22 On December 11, 2017, Plaintiff Clinicom International, Inc. (“Plaintiff”), the
23 owner of U.S. Patent No. 6,665,647 (“the ‘647 patent”) entitled “Enterprise Healthcare
24 Management System and Method of Using Same”, filed a complaint against Defendant
25 Cerner Corporation (“Defendant”) alleging claims for willful patent infringement, direct
26 patent infringement, indirect patent infringement or induced infringement and seeking
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1 equitable relief, enhanced damages, and a finding of exceptionality. (Dkt. No. 1.) On
2 May 16, 2018, the Court granted Defendant’s motion to dismiss the willful infringement
3 and indirect infringement claims. (Dkt. No. 18 at 21.) Although the Court granted
4 Plaintiff leave to amend, it did not file an amended complaint. Defendant filed an answer
5 on June 25, 2018. (Dkt. No. 19.) Therefore, one cause of action of direct infringement
6 remains. (Dkt. No. 1.) Because the Court concluded that the ‘647 patent expired on
7 November 24, 2017, (Dkt. No. 18 at 13), Plaintiff’s relief on direct infringement are
8 limited to past damages.

9 On July 17, 2018, the parties conducted a Federal Rule of Civil Procedure (“Rule”)
10 26(f) conference and exchanged initial disclosures on August 1, 2018. (Dkt. No. 23.)
11 Because Cerner filed a motion to stay, the Magistrate Judge vacated the early neutral
12 evaluation conference and case management conference that was set for September 12,
13 2018 pending the Court’s ruling on the motion to stay. (Dkt. No. 26.)

14 On August 31, 2018, Cerner filed a petition for *inter partes* review¹ (“IPR”) of
15 claims 1-25 and 50-55 of the ‘647 patent before the Patent Trial and Appeal Board
16 (“PTAB”) with the United States Patent and Trademark Office (“USPTO”). (Dkt. No.
17 24-3, Cooney Decl., Ex. 1.) The PTAB will decide by March 6, 2019 whether there is a
18 “reasonable likelihood that the petitioner would prevail with respect to at least 1 of the
19 claims challenged in the petition.” See 35 U.S.C. § 314(a). If PTAB institutes an IPR, it
20 must rule on the merits of the petition within one year, which can be extended by six
21 months for good cause. 35 U.S.C. § 316(a)(11). Therefore, if the PTAB institutes an
22 IPR, a final ruling on the merits would be expected by March 6, 2020 absent good cause.

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25 ¹ Inter parties review allows any person other than the patent owner to file a petition to institute IPR in
26 order to establish that the identified claims are invalid under 35 U.S.C. §§ 102 or 103. 35 U.S.C. §§
27 311(a)–(b). The petitioner must rely “only on . . . prior art consisting of patents or printed publications.”
28 35 U.S.C. § 311(b).

1 The parties may then appeal the PTAB ruling to the Federal Circuit. 35 U.S.C. §§
2 141(c), 319.

3 **Discussion**

4 Defendant seeks a stay of all the proceedings pending *inter partes* review. Plaintiff
5 opposes arguing that a stay is not warranted and at a minimum the Court should allow
6 some discovery to go forward on claim construction while the PTAB decides whether to
7 institute the Petition.

8 **A. Motion to Stay**

9 “Courts have inherent power to manage their dockets and stay proceedings,
10 including the authority to order a stay pending conclusion of a PTO reexamination.”
11 Ethicon, Inc. v. Quigg, 849 F.2d 1422, 1426-27 (Fed. Cir. 1988) (citations omitted).
12 There is a “liberal policy in favor of granting motions to stay proceedings pending the
13 outcome of USPTO reexamination or reissuance proceedings.” ASCII Corp. v. STD
14 Entnmen’t USA, Inc., 844 F. Supp. 1378, 1381 (N.D. Cal. 1994). However, “there is no
15 per se rule that patent cases should be stayed pending reexaminations, because such a rule
16 ‘would invite parties to unilaterally derail’ litigation.” ESCO Corp. v. Berkeley Forge &
17 Tool, Inc., No. C 09-1635 SBA, 2009 WL 3078463, at *2 (N.D. Cal. Sept. 28, 2009).

18 Courts consider three factors in determining whether to grant a stay pending
19 reexamination of a patent: “(1) whether discovery is complete and whether a trial date has
20 been set; (2) whether a stay will simplify the issues in question and trial of the case; and
21 (3) whether a stay would unduly prejudice or present a clear tactical disadvantage to the
22 nonmoving party.” Universal Elecs., Inc. v. Universal Remote Control, Inc., 943 F.
23 Supp. 2d 1028, 1030-31 (C.D. Cal. 2013); Telemac Corp. v. Teledigital, Inc., 450 F.
24 Supp. 2d 1107, 1111 (N.D. Cal. 2006) (same).

25 **1. Stage of Litigation**

1 Defendant argues the early stage of this litigation favors a stay where no case
2 management conference has been held, no infringement and invalidity contentions have
3 been served, no dates for a claim construction hearing has been scheduled and no trial
4 date has been set. In response, Plaintiff argues that Defendant’s delay in seeking *inter*
5 *partes* review renders a stay unwarranted.

6 The first factor, stage of litigation, considers “whether discovery is complete and
7 whether a trial date has been set.” Universal Elecs., Inc., 943 F. Supp. 2d at 1030-31;
8 Internet Patents Corp. v. eBags, Inc., No. 12-cv-03385 SBA, 2013 WL 4609533, at *2
9 (N.D. Cal. Aug. 28, 2013); Scientific Plastics Prods., Inc. v. Biotage AB, Case No.
10 09cv677-MMA(BLM), 2009 WL 10672186, at *1 (S.D. Cal. Oct. 6, 2009). “When, as
11 here, there has been no material progress in the litigation, courts in this district strongly
12 favor granting stays pending inter partes [review].” Pragmatus AV, LLC v. Facebook,
13 Inc., No. 11-cv-2168 EJD, 2011 WL 4802958, at *3 (N.D. Cal. Oct. 11, 2011) (granting
14 stay where plaintiff had served infringement contentions and written discovery); see also
15 Ho Keung Tse v. Apple Inc., C-06-06573 SBA, 2007 WL 2904279, at *2 (N.D. Cal.
16 Oct. 4, 2007) (“A stay is particularly appropriate for cases in the initial stages of litigation
17 or in which there has been little discovery.”).

18 Plaintiff does not dispute the case is in its early stages but argues that Defendant’s
19 undue delay in filing its IPR with the PTAB does not support a stay. The complaint was
20 filed on December 11, 2017 which is when Defendant first learned of the alleged
21 infringement. Plaintiff claims that Defendant waited 8.5 months, until August 31, 2018,
22 to file its petition without offering any reasons why it delayed seeking review. Defendant
23 responds that it filed its petition 3.5 months before the statutory deadline to file an IPR
24 petition, and that it takes significant amount of time to diligently search for prior art,
25 analyze the prior art and draft an IPR petition. When Defendant learned of the alleged
26 infringement on December 11, 2017, it filed a motion to dismiss and when it was ruled
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1 on, it promptly filed an answer and filed its IPR petition two months later and the instant
2 motion to stay was filed days later.

3 In support of Defendant's alleged undue delay, Plaintiff relies on Int'l Test
4 Solutions, Inc. v. Mipox Int'l Corp., Case No. 16v791-RS, 2017 WL 1316549, at *2
5 (N.D. Cal. Apr. 10, 2017) where the court denied the stay request and questioned the
6 defendant's timing of its stay motion which occurred, "nearly a year after this lawsuit
7 was filed, seven months after [the plaintiff's] infringement contentions were served, and
8 little more than one week before a dispositive Markman hearing after the issues were
9 fully briefed." Id. Defendant's reason for its delay, that defendant's parent company was
10 not added until later, was not persuasive. Id. This case is not supportive of Plaintiff's
11 position because the litigation in Int'l Test Solutions was much further along and the
12 court questioned the defendant's failure to inform the court of its intent to request a stay
13 prior to the Markman hearing before the parties and the court expended time and
14 resources to resolve claim construction issues. Id. Here, the litigation has barely begun.

15 Other cases cited by Defendant do not support its argument as request for a stay in
16 those cases was filed at the close of discovery and after Markman briefs were filed or the
17 motion to stay was filed weeks after the IPR petition was filed. See Cynosure, Inc. v.
18 Cooltouch Inc., No. 08cv10026-NMG, 2009 WL 2462565, at *2 (D. Mass. Aug. 10,
19 2009) (denying motion to stay due to delay in filing stay motion after close of fact
20 discovery and two days before expert discovery and the defendant did not notify the
21 Court it was pursuing a request for reexamination until the Markman hearing was held
22 which was nearly after a year after the case was filed); Affinity Labs of Texas v. Apple
23 Inc., No. 09-04436 CW, 2010 WL 1753206, at *2 (N.D. Cal. Apr. 29, 2010) (delay of
24 waiting eight months to file its request for IPR and then another seven weeks to file the
25 motion to stay were delays that weighed against granting the stay).

1 Courts expect “accused infringers to evaluate whether to file, and then to file, IPR
2 petitions as soon as possible after learning that a patent may be asserted against them.”
3 Asetek Holdings, Inc. v. Cooler Master Co., Ltd., No. 13–cv–00457–JST, 2014 WL
4 1350813, at *5 (N.D. Cal. Apr. 3, 2014); see also Int’l Test Solutions, 2017 WL 1316549,
5 at *3. “Provided an accused infringer is diligent, delay due to preparing an IPR petition,
6 ascertaining the plaintiff’s theories of infringement, or otherwise researching the patents
7 that have been asserted in an action does not unduly prejudice the patent owner.” Asetek
8 Holdings, Inc., 2014 WL 1350813, at *5. One district court also concluded that “waiting
9 until after receiving infringement contentions to analyze the claims alleged and then
10 filing petitions for review does not cause undue prejudice.” Cypress Semiconductor
11 Corp. v. GSI Tech., Case No. 13cv2013-JST, 2014 WL 5021100, at *4 (N.D. Cal. Oct. 7,
12 2014).

13 Here, no discovery has occurred except for initial disclosures, no trial date has
14 been set, and a case management conference has not yet been held. The IPR petition
15 was filed 8.5 months after the complaint was filed. The IPR petition consists of 74 pages
16 of substantive arguments and challenges 21 claims. Researching and examining prior
17 arts and preparing an IPR petition disputing 21 claims is a time intensive task. There is
18 no indication of undue delay or dilatory motive to obtain an unfair tactical advantage
19 based on the stage of the litigation. Accordingly, the early stage of litigation favors a
20 stay.

21 **2. Simplification of Issues**

22 Defendant argues that a stay will simplify the issues and reduce the burden on the
23 Court and the parties. Plaintiff argues that Defendant fails to show that a stay would
24 simplify the issues since it is speculative whether the PTAB will even institute IPR
25 proceedings. Further, even if the PTAB institutes IRP proceedings, it argues that
26 Defendant admits that not all claims are challenged in the IPR petition.

1 “A stay pending reexamination is justified where ‘the outcome of the
2 reexamination would be likely to assist the court in determining patent validity and, if the
3 claims were canceled in the reexamination, would eliminate the need to try the
4 infringement issue.’” Evolutionary Intelligence, LLC v. Apple, Inc., No. 13-CV-04201-
5 WHA, 2014 WL 93954, at *2 (N.D. Cal. Jan. 9, 2014) (quoting Slip Track Sys., Inc. v.
6 Metal Lite, Inc., 159 F.3d 1337, 1341 (Fed. Cir. 1998)). “A stay may also be granted in
7 order to avoid inconsistent results, obtain guidance from the PTAB, or avoid needless
8 waste of judicial resources.” Id. Even if all the asserted claims survive *inter partes*
9 review, the case could be simplified because Defendant would be bound by the estoppel
10 provisions for *inter partes* review and could not raise any arguments it raised or
11 reasonably could have raised at the PTO in its petition. See Evolutionary Intelligence,
12 LLC, 2014 WL 261837, at *2 (citing 35 U.S.C. § 315(e)(2).) Lastly, even if the PTO
13 affirms the claims, the PTO’s decision “is strong evidence that the court must consider in
14 assessing whether the party asserting invalidity has met its burden of clear and
15 convincing evidence.” Id.

16 Plaintiff’s citation to the Court’s prior ruling in Mygo, LLC v. Mission Beach
17 Indus., LLC, Case No. 16cv2350-GPC(RBB), 2017 WL 412345, at *3 (S.D. Cal. Jan. 31,
18 2017), is not supportive because it involved a request for ex parte reexamination. In that
19 case, the Court denied the defendant’s motion to stay as premature because the PTO had
20 not yet granted the reexamination request and a ruling by the PTO would not simplify
21 issues as a request for *ex parte* reexamination has no estoppel effect. Id. The court
22 explained, in contrast, an *inter partes* reexamination, a petitioner is estopped from
23 asserting invalidity arguments that it could have raised during the administrative review
24 process. Id. (citing 35 U.S.C. § 315(e)(2)). Within a month of the Court’s ruling in
25 Mygo, the PTO granted the defendant’s request for ex parte reexamination, and on the
26 defendant’s motion for reconsideration, the Court granted a stay of proceedings. Mygo,

1 LLC v. Mission Beach Indus., LLC, Case No. 16cv2350-GPC(RBB), 2017 WL 1354790,
2 at *4 (S.D. Cal. Apr. 13, 2017) (granting reconsideration of stay where PTO granted ex
3 parte reexamination concluding that “significant questions of patentability are raised with
4 respect to each of the claims of the subject patent”).

5 Plaintiff also summarily argues that a stay before institution of IPR is not
6 warranted because the IPR petition does not cover all the asserted claims which
7 Defendant acknowledges. Defendant explains that there are 55 claims in the ‘647 patent
8 which includes 3 independent claims and 52 dependent claims. The patent claims can be
9 grouped into three claims: the “method claims” (independent claim 1 and dependent
10 claims 2-25), the “system claims” (independent claim 26 and dependent claims 27-49),
11 and “method claims” (independent claim 50 and dependent claims 51-55). The IPR
12 petition challenges the two “method claims”, claims 1-25 and 50-55. Defendant, in
13 Appendix A, presents a table demonstrating substantial overlap between claim 1 and its
14 dependent claims and unchallenged claim 26 and its dependent claims. (Dkt. No. 24-2,
15 App’x A.) Therefore, according to Defendant, a ruling on the challenged claims will
16 necessarily affect or narrow the invalidity issues in claims 26-49. Defendant also asserts
17 that it did not challenge claims 26-49 because of the 14,000 word limitation for IPR
18 petitions and because indefiniteness, another challenge to claims 26-49, cannot be
19 addressed by the PTAB. Defendant further acknowledges that claim 28 has no closely
20 corresponding limitation but explains that this subject matter was well known at the time
21 the ‘647 patent was filed and expressly taught by the prior art. Defendant argues that the
22 claims are interrelated and that a decision by the PTAB on the pending claims will impact
23 the unchallenged claims.

24 In response, Plaintiff does not specifically dispute Defendant’s argument that there
25 are overlapping subject matters between the challenged claims and the unchallenged
26 claims but only summarily dispute Plaintiff’s assertion of overlapping subject matter as
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1 unsupported and unwarranted. Based on the Court’s review of Appendix A, there
2 appears to be overlap between claims 1-25 and the unchallenged claims of 26-49 as the
3 language used are very similar between these claims. Therefore, if the PTAB were to
4 accept the petition for IPR, it would simplify the issues in this case.

5 **3. Prejudice to Plaintiff**

6 Defendant argues that Plaintiff will not be unduly prejudiced by staying the case or
7 be at a tactical disadvantage because the ‘647 patent has expired and Plaintiff is limited to
8 monetary damages for past patent infringement. Plaintiff disagrees.

9 The last factor for the Court’s consideration is “whether a stay would unduly
10 prejudice or present a clear tactical disadvantage to the nonmoving party.” Medicis
11 Pharm. Corp. v. Upsher-Smith Labs., Inc., 486 F. Supp. 2d 990, 993-94 (D. Az. 2007)
12 (citing In re Cygnus Telecomms. Tech., LLC, 385 F. Supp. 2d 1022, 1023 (N.D. Cal.
13 2005). When a patent has expired and only monetary damages remain, there is no undue
14 prejudice because the plaintiff will eventually be able to seek recovery. Regents of Univ.
15 of Minn. v. LSI Corp., Case No. 18cv821-EJD, 2018 WL 2183274, at *3 (N.D. Cal. May
16 11, 2018) (citing Sorensen v. Lexar Media, Inc., No. C 08-00095 JW, 2009 WL
17 10695750, at *2 (N.D. Cal. Feb. 25, 2009) (“[G]iven that the '184 patent has otherwise
18 expired . . . the Court cannot ascertain any prejudice that will inure to Plaintiff as the
19 result of a stay, because damages will not continue to accrue during the period the stay is
20 in place.”)); see Warsaw Orthopedic, Inc. v. Nuvasive, Inc., Case No. 08cv1512-
21 CAB(MDD), 2016 WL 4466973, at *2 (S.D. Cal. June 15, 2016) (“The [] patent has
22 expired, so no additional damages are accruing and there is no ongoing infringement by
23 [the defendant]. Delay in the calculating and awarding of monetary damages will not
24 unduly prejudice [the plaintiff].”).

25 First, Plaintiff argues that the delay of potentially of over two years plus during the
26 *inter partes* proceedings constitutes undue prejudice. However, courts have held that a
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1 “delay inherent in the reexamination process does not constitute undue prejudice[.]”
2 AT&T Intellectual Property I v. Tivo, Inc., 774 F. Supp. 2d 1049, 1054 (N.D. Cal. 2011);
3 Intertainer, Inc. v. Hulu, LLC, No. CV 13-5499-CJC(RNBx), 2014 WL 466034, at *2
4 (C.D. Cal. Jan. 24, 2014). Therefore, Plaintiff’s first argument is not persuasive.

5 Next, Plaintiff contends Defendant would gain a tactical advantage if the case is
6 stayed because evidence such as witness availability and memory will become stale and
7 difficult to retrieve as time passes. However, Plaintiff does not specifically state what
8 discovery has the potential of becoming stale or difficult to retrieve.

9 Plaintiff also suggests that the Court could limit discovery on issues such as claim
10 construction until the IPR review is complete. The cases Plaintiff cites to support its
11 position concerning limited discovery focuses on background matters or sales
12 information, not on invalidity contentions.² See Proctor & Gamble Co. v. Kraft Foods
13 Global, Inc., No. C 08-930 PJH, 2008 WL 3833576, at *2 (N.D. Cal. Aug. 15, 2008)
14 (limited discovery allowed for Rule 30(b)(6) deposition relating to background matters
15 regarding the development of the products at issue which are at risk of diminishing
16 memories by knowledgeable witnesses); Tama Plastic Indus. v. Pritchett Twine & Net
17 Wrap, LLC, No. 8:12cv324, 2013 WL 275013, at *4 (D. Neb. Jan. 24, 2013) (the parties
18 should be allowed to conduct third-party discovery as it relates to the manufacture and
19 sale of the allegedly infringing net wrap products.”). These cases dealt with discovery
20 outside of claim construction. Here, Plaintiff does not assert what type of limited
21 discovery should proceed if the IPR proceedings were to proceed. Moreover, its
22 proposition that the Court should allow limited discovery on claim construction would
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25 ² Plaintiff also cites to a scheduling order in another case involving infringement of the same patent,
26 CliniComp Int’l, Inc. v. AthenaHealth, Inc., No. 1:18cv425-LY, Dkt. No. 29 (W.D. Tex. Sept. 18,
27 2018); however, that case did not concern a stay pending inter partes review and only cites to a claim
28 construction scheduling order. The citation to CliniComp Int’l is not supportive of Plaintiff’s argument
that discovery, pending whether the PTAB institutes IPR review, is warranted in this case.

1 potentially overlap with the PTAB’s ruling on the petition for IPR and does not support
2 discovery while the PTAB decides whether to institute IPR proceedings.

3 Third, Plaintiff claims it has a vested interest in timely compensation of any
4 infringement of its patent rights. The case of Chrimar Sys., Inc. v. Adtran, Inc., Civil No.
5 15cv618-JRG-JDL, 2016 WL 4080802, at *2 (E.D. Tex. Aug 1, 2016) cited by Plaintiff
6 concerning its interest in timely compensation of enforcement of its patent rights is
7 factually distinguishable. In that case, the court denied the motion to stay because there
8 were ten other defendants who had not filed IPR petitions and did not move for a stay and
9 only two defendants who moved for a stay. Id. The court explained that granting a stay
10 would essentially bifurcate the case causing duplication of effort by the parties and the
11 court. Id.

12 Finally, Plaintiff argues that both parties are direct competitors which heightens the
13 prejudice to it should its rights to be made whole is delayed by several years and that if
14 the case is stayed, it sends a message to other competitors that it can infringe for years
15 without recourse while *inter partes* review is ongoing.

16 Where parties are direct competitors, “the likelihood of undue prejudice to the non-
17 moving party is heightened.” Int’l Test Solutions, 2017 WL 1316549, at *3. Courts have
18 required “evidence to substantiate an argument that direct competition will result in
19 prejudice to the non-moving party.” Id. (citing Security People, Inc. v. Ojmar US, LLC,
20 Case No. 14cv4968-HSG, 2015 WL 3453780, at *5 (N.D. Cal. May 29, 2015)). If the
21 defendant has stopped sales of the accused products, the harm to plaintiff is mitigated.
22 Id. Here, Plaintiff has not provided any evidence of undue prejudice.

23 Because the patent has expired and no infringement is currently ongoing, any delay
24 in awarding monetary damages does not constitute undue prejudice. See Warsaw
25 Orthopedic, Inc., 2016 WL 4466973, at *2. Thus, the prejudice factor supports a stay.

1 As discussed above, there is also no tactical disadvantage to the plaintiff by granting a
2 stay.

3 **B. Whether to Stay or Defer Ruling Pending PTAB Decision on IPR Petition**

4 Whether to stay a case before the PTAB determines to institute IPR proceedings is
5 committed to the Court’s discretion. See VirtualAgility Inc. v. Salesforce.com, Inc., 759
6 F.3d 1307, 1315-16 (Fed. Cir. 2014); Loyalty Conversion Sys. Corp v. American
7 Airlines, Inc., Case No. 13cv655, 2014 WL 3736514, at *1 (E.D. Texas July 29, 2014).

8 The Federal Circuit expressed no opinion on which method on handling stays was the
9 better practice. VirtualAgility Inc., 759 F.3d at 1316. The court recognized that district
10 courts have deferred ruling on a stay until the PTAB renders its decision, other district
11 court have ruled on motions to stay before the PTAB made its decision and still others
12 denied motions to stay as premature subject to refileing the motion after the PTAB
13 institutes post-grant review. Id. at 1315-16. In VirtualAgility, the Federal Circuit held
14 that the district court did not err in waiting to rule on the motion to stay until the PTAB
15 made its decision to institute review. Id. at 1315.

16 In Loyalty Conversion, Federal Circuit Judge William C. Bryson deferred ruling
17 on a motion to stay until the PTAB made its decision whether to grant the petition for
18 review since the time to act was drawing near. Loyalty Conversion Sys. Corp., 2014 WL
19 3736514, at *2. The court explained that simplification of issues did not cut in favor of a
20 stay because it was speculative whether the PTAB would grant the petition. Id. But
21 because the factors did not cut strongly one way or the other, the court decided to defer
22 ruling. Id. In another case, Judge Bryson noted that the majority of district courts
23 addressing stays pending PTAB review have either “postponed ruling on stay requests or
24 have denied stay requests when the PTAB has not yet acted on the petition for review.”
25 Trover Grp., Inc. v. Dedicated Micros USA, Case No. 13 cv1047-WCB, 2015 WL
26 1069179, at *5 (E.D. Tex. Mar. 11, 2015).

1 The parties agree that the PTAB has until March 6, 2019 to decide whether to
2 institute IPR proceedings. While many courts have withheld ruling on a motion to stay
3 until the PTAB makes a decision, see id., in essence, postponing ruling on a stay request
4 is akin to staying the case until the PTAB decides whether to institute IPR proceedings.

5 Because of the potential of simplification of issues if the PTAB institutes IPR
6 proceedings, and a decision by the PTAB is expected shortly, and the other factors
7 support a stay, the Court finds that a short stay is appropriate until the PTAB makes that
8 decision. See Loyalty Conversion, 2014 WL 3736514, at *2 (deferring ruling); Fisher-
9 Price, Inc. v. Dynacraft BSC, Inc., Case No. 17cv3745-PJH, 2017 WL 5153588, at *1
10 (N.D. Cal. Nov. 7, 2017) (although the PTAB had not yet determined whether to institute
11 IPRs, because the scope of litigation would be significantly simplified if the PTAB
12 institutes the IPR, the Court found a stay was appropriate “at least until the PTAB has
13 determined whether to institute the IPRs.”).

14 In consideration of the three factors, the Court exercises its discretion and
15 GRANTS in part a stay pending a decision by the PTAB.

16 **Conclusion**

17 Based on the above, the Court GRANTS in part Defendant’s motion to stay the
18 case pending a decision by the PTAB whether it will institute *inter partes* review. The
19 parties shall inform the Court of the PTAB’s decision whether to proceed with IPR within
20 three (3) days of its ruling. If the PTAB institutes *inter partes* review, the stay shall
21 continue until completion of the review, and the parties shall inform the Court within
22 three (3) days of the PTAB’s decision. If the PTAB declines to institute *inter partes*

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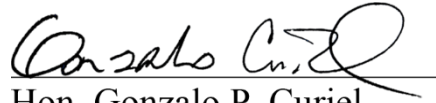
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1 review, the parties may move to lift the stay so the case may proceed. The hearing set for
2 November 9, 2018 shall be vacated.

3 IT IS SO ORDERED.

4 Dated: October 30, 2018


5 Hon. Gonzalo P. Curiel
6 United States District Judge