

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
EASTERN DIVISION

THE OHIO WILLOW WOOD COMPANY,

Plaintiff,

Case No. 2:05-cv-1039

JUDGE SARGUS

Magistrate Judge Kemp

v.

ALPS SOUTH CORPORATION,

Defendant.

OPINION AND ORDER

This matter is before the Court for consideration of The Ohio Willow Wood Company's ("OWW" or "Plaintiff") Motion for Relief from Stay (doc. 38). For the reasons that follow, the Court **GRANTS** OWW's Motion.

I.

OWW is an Ohio corporation with its principal place of business in Mt. Sterling, Ohio. ALPS is a Florida corporation with its principal place of business in St. Petersburg, Florida. The parties are direct competitors in the prosthetic liner market.

This action, brought on November 16, 2005, is for alleged infringement of Plaintiff's patent entitled "Tube Sock-Shaped Covering" and numbered U.S. Patent No. 6,964,688 ("the 688 patent").

Plaintiff had previously filed, on December 27, 2004, another patent infringement action against ALPS in this district involving Plaintiff's patent entitled "Gel and Cushioning Devices" and numbered U.S. Patent No. 5,830,237 ("the 237 patent") and Plaintiff's patent entitled "Open-Ended Polymeric Annular Sleeve" and numbered U.S. Patent No. 6,406,499 ("the 499

patent”). See *The Ohio Willow Wood Co. v. ALPS South Corp.*, Case No.: 2:04-cv-01223. That action is pending before the Honorable Gregory L. Frost. Both parties agree that the issues regarding the 237 and 499 patents are also at issue in this action. Defendant contends that the 688 patent is based on the same fundamental characteristics and concepts reflected in the 237 and 499 patents.¹

Defendant moved to stay both this action and that pending before Judge Frost because it had applied to the United States Patent and Trademark Office (“USPTO”) for reexamination of the 237, 499, and 688 patents. Based upon the requests for ex parte reexamination, Judge Frost stayed the 237 and 499 cases on November 22, 2006. On December 1, 2006, the USPTO granted Defendant’s first requests for ex parte reexamination of the 237, 499, and 688 patents. This action was stayed on February 9, 2007.

Defendant requested second reexaminations of different claims in the 499 and 688 patents on March 28, 2008 and April 4, 2007, respectively. The USPTO granted these second requests for reexamination on both patents.

On June 21, 2007, the PTO issued an office action in the first ex parte reexamination of the 688 patent, confirming 13 of the claims and rejecting 13 of the claims. On October 26, 2007, the PTO merged the first and second ex parte reexaminations of the 688 patent. On January 2, 2008, Defendant requested a third ex parte reexamination of certain claims within the 688 patent, which was granted on February 6, 2008. On March 14, 2008, OWW moved for relief from the stay of this action involving the 688 patent. On January 13, 2009, the PTO completed the

¹ Plaintiff has also commenced suit against another entity, DAW Industries, Inc., for alleged infringement of the 237 patent (Case No. 2:04-CV-1222) and the 688 patent (Case No. 2:05-CV-1038). These cases have been consolidated and are also pending before Judge Frost.

reexamination process for the 688 patent and published the ex parte reexamination certificate determining that “claims 1, 2, and 4-7 are patentable as amended,” and that “claims 8-13, 16-28, 48, 50, 51, 54-67 and 69, dependent on an amended claim, are determined to be patentable.” (Pl.’s Mot., doc. 38, at Ex. A).

On January 20, 2009, Defendant filed a fourth reexamination request. The USPTO has not decided whether to grant the request for ex parte reexamination. Based on the submission of its fourth request, however, Defendant contends that the litigation should continue to be stayed pending the outcome in the USPTO. Specifically, Defendant states that an additional reexamination is necessary due to the amendments made to the 688 patent as a result of the prior reexaminations. Plaintiff seeks relief from the stay, claiming that Defendant is abusing the reexamination process in order to delay a hearing on the merits. Plaintiff also contends that it is being prejudiced by Alps’ continuing infringement while the stay is in effect.

II.

This Court’s February 9, 2007 Order staying this action states: “this action will be stayed in its entirety until notification, by written filing, that the reexamination process has concluded and that Plaintiff desires to pursue claims in this Court.” (Opinion and Order, Doc. 29, at 5). In accordance with the Court’s Order, Plaintiff attached the USPTO’s reexamination certificate to its Motion for Relief from Stay. For purposes of the February, 2007 stay, the “reexamination process has concluded.” Although Defendant has filed a fourth reexamination request, that request has not yet been accepted by the PTO.

The decision to stay litigation pending reexamination is within the discretion of the trial court. Courts typically consider 1) whether a stay would result in simplification of the issues and

the trial of the case; 2) whether discovery is complete and whether a trial date has been set; and 3) whether a stay would unduly prejudice the non-moving party. *See Xerox Corp. v. 3Com Corp.*, 69 F.Supp. 2d 404, 406-07 (W.D. NY 1999). The Court considered these factors and granted a stay on the grounds that the reexamination process might result in simplification of the issues for trial. Abuse of the reexamination process, however, cannot be rewarded by an indefinite stay of litigation to the prejudice of the patent holder. The Court is mindful that while Alps' reexamination requests have resulted in amendments to the claims of the 688 patent, the patent has survived three reexaminations intact and is presumed valid and enforceable. Accordingly, the Court finds that presently, there are no grounds upon which to extend the litigation stay currently in effect.

If and when the USPTO grants Defendant's fourth request for reexamination, Defendant may renew its Motion to Stay. Defendant will have the burden to establish that its fourth reexamination request is not a tactic designed to delay the litigation, but rather has the potential to simplify the triable issues. Defendant must also demonstrate that its fourth request could not have been submitted in conjunction with prior reexamination requests, and that Plaintiff will not be unduly prejudiced by an additional stay of the litigation.

III.


For the foregoing reasons, Plaintiff's Motion (doc. 38) is hereby GRANTED, and the stay is hereby VACATED. The Court further ORDERS as follows:

- 1) Plaintiff's Motion for a Preliminary Conference under Local Civil Rule 65.1 (doc. 42) is GRANTED. The conference will be conducted by telephone on Thursday, February 12, at 11 a.m. The Court will initiate the call.

- 2) Plaintiff's Motion to File Under Seal portions of its Motion for Preliminary Injunction (doc. 39) is GRANTED.
- 3) Defendant's response to Plaintiff's Motion for Preliminary Injunction (doc. 41) is due 21 days from the date of this Order, and Plaintiff's Reply within 11 days of service thereof. (Local Civ. R. 7.2).

IT IS SO ORDERED.

2-5-2009
DATE


EDMUND A. SARGUS, JR.
UNITED STATES DISTRICT JUDGE