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8 UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
9 AT SEATTLE

10 DOCUSIGN INC,

11 Plaintiff,

12 v.

13 RPOST COMMUNICATIONS LTD,

14 Defendant.

CASE NO. C13-735-MJP

ORDER GRANTING MOTION TO  
STAY

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16 This matter comes before the Court on Defendant's motion to stay these proceedings  
17 pending the United States Patent and Trademark Office's reexamination of U.S. Patent No.  
18 5,629, 982 ("the '982 Patent"), which is the subject of this suit. (Dkt. No. 40.) Having reviewed  
19 the motion, the response (Dkt. No. 43), reply (Dkt. No. 44), and all related papers, the Court  
20 GRANTS the motion.

21 **Background**

22 In March of this year, Defendant requested the United States Patent and Trademark  
23 Office ("PTO") reexamine the '982 Patent. (Dkt. No. 40-2.) The PTO granted the request as to  
24 claims 1-2, 4-7, 9, 12-14, and 16-19. (Id.) These claims are the same ones asserted by Plaintiff.

1 The Court has conducted a Markman hearing and construed the disputed terms. (Dkt.  
2 No. 37.) The parties exchanged written discovery. No party has conducted depositions yet,  
3 although some have been scheduled and are imminent. Discovery must be completed by June  
4 26, 2014. (Dkt. No. 39.) Trial is set for November 2014. (Dkt. No. 18.)

### 5 Discussion

6 The Court has broad discretion to manage its docket, including the inherent power to  
7 grant a stay pending a PTO reexamination. Procter & Gamble Co. v. Kraft Foods Global Inc.,  
8 549 F.3d 842, 849 (Fed. Cir. 2008). When determining whether to grant a stay, courts generally  
9 consider three factors: 1) whether a stay will simplify the issues in question; 2) the stage of  
10 litigation, i.e. whether discovery is complete and whether a trial date has been set; and 3)  
11 whether a stay would unduly prejudice the non-moving party. CMB Indus., Inc. v. Zurn Indus.,  
12 Inc., C00-0364RSL, 2003 WL 25956135 (W.D.Wash. Dec. 16, 2003) (citing Xerox Corp. v.  
13 3Com Corp., 69 F.Supp.2d 404 (W.D.N.Y. 1999)).

14 Defendant asserts that, based on the strength of the prior art, there exists a high likelihood  
15 that the PTO will amend or cancel the claims asserted in this case. (Dkt. No. 40 at 4.) If that  
16 were to occur, Defendant contends, this litigation would be over or curtailed. (Id.) Further,  
17 Defendant argues that because the claims are potentially subject to amendment or cancellation, it  
18 cannot properly defend itself in this litigation. (Id.) In response, Plaintiffs minimize the  
19 significance of the PTO's grant of the request to reexamine the '982 Patent by suggesting little  
20 benefit when this Court has already issued its construction order. Plaintiff's argument misses the  
21 mark. If the PTO cancels or amends the '982 Patent's claims—the same claims to be litigated  
22 before this Court—then the litigation could be simplified or radically altered. This factor weighs  
23 in favor of a stay.

1 Turning to the next factor—the stage of the case—the Court finds this too weighs in  
2 favor of a stay. Although a trial date has been set and the parties have exchanged some written  
3 discovery, the overall case development appears still early with no depositions conducted yet.  
4 Discovery is far from complete. Moreover, the trial date is still more than six months away. A  
5 stay is appropriate under these circumstances.

6 Finally, the Court finds Plaintiff will not suffer prejudice if a stay is entered. Plaintiff  
7 claims to have been sandbagged by this motion and Defendant’s request for re-examination of  
8 the ‘982 Patent, because Defendant knew of the basis for the motion yet waited to file it. Other  
9 than an unexplained “tactical advantage,” Plaintiff identifies no harm that will result should this  
10 case be stayed. Moreover, the Court is puzzled by Plaintiff’s insistence that a stay is a tactical  
11 advantage for Defendant when the PTO’s possible cancellation or amendment the some of the  
12 claims may also alter or have a simplifying effect on Defendant’s invalidity assertions based on  
13 prior art. On this record, the Court does not find prejudice. Nor is the Court persuaded that the  
14 delay inherent in the examination process its itself prejudicial. See Implicit Networks, Inc. v.  
15 Advanced Micro Devices, Inc., No. C08–184JLR, 2009 WL 357902, at \* 2 (W.D.Wash. Feb. 9,  
16 2009). The Court finds this factor weighs in favor of a stay.

### 17 Conclusion

18 In sum, the Court finds a stay pending reexamination may simplify the issues, the  
19 litigation is not too advanced; and Plaintiff will not be unduly prejudiced. The motion is  
20 GRANTED. The Parties are ordered to provide a report regarding the status of the  
21 reexamination every six months from the date of this order.

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1 The clerk is ordered to provide copies of this order to all counsel.

2 Dated this 23rd day of May, 2014.

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4 Marsha J. Pechman  
5 Chief United States District Judge

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