

IN THE UNITED STATES COURT OF FEDERAL CLAIMS

_____)	
CELLCAST TECHNOLOGIES, LLC and)	
ENVISIONIT LLC,)	
)	
Plaintiffs,)	
v.)	
)	
THE UNITED STATES,)	No. 15-1307
)	
Defendant,)	Judge Victor J. Wolski
)	
and)	
)	
INTERNATIONAL BUSINESS MACHINES)	
CORPORATION,)	
)	
Third-party Defendant.)	
_____)	

DEFENDANTS' MOTION TO STAY PROCEEDINGS

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INTRODUCTION

Defendants jointly and respectfully request that this action be stayed pending institution decisions for five separate *Inter Partes* review (IPR) petitions filed with the U.S. Patent and Trademark Office (PTO). Because the PTO will make its institution determinations on or before May 7, 2017, amidst the parties' claim construction briefing presently scheduled to conclude on May 24, 2017, Defendants request that this Court stay this action until the PTO decides whether to institute the IPRs and order the parties to submit a Joint Status Report on May 15, 2017, that: (1) informs the Court of the determination made by the PTO with respect to the pending petitions; and (2) proposes further proceedings, including whether the stay should be maintained or lifted.

On November 10-11, 2016, counsel for the Defendants' conferred with plaintiffs' counsel, who stated that plaintiffs will not consent to the requested stay of proceedings. *See* A374 (Exhibit H) (email correspondence).¹ The government suggested an expedited briefing schedule "[i]n the interest of resolving the motion to stay quickly," A375, however, Plaintiffs did not agree to the proposed expedited briefing schedule, nor did they agree to postpone depositions in this matter pending resolution of this motion. A374.

I. STATEMENT OF THE ISSUE

Whether, in considering the three factors courts generally examine, this action should be stayed pending a decision by the PTO on whether to institute *Inter Partes* Review of the five patents-in-suit.

¹ "A____" refers to the corresponding page number in the attached Appendix.

II. STATEMENT OF THE CASE

In this lawsuit, plaintiffs, CellCast Technologies, LLC (CellCast) and EnvisionIT, LLC (EnvisionIT) are seeking compensation pursuant to 28 U.S.C. § 1498. The Complaint references “the Integrated Public Alert Warning System (‘IPAWS’)” and alleges that “IPAWS utilizes the inventions claimed in the Asserted Patents.” Complaint at ¶ 20. The Complaint specifically identifies IPAWS as the system whose manufacture or use is allegedly covered by each asserted patent. *See* Complaint at ¶¶ 50, 55, 60, 65, and 70. Plaintiffs’ Complaint asserts five separate patents, *see* Complaint at ¶¶ 48-72, namely: 7,693,938; 8,103,719; 8,438,221; 8,438,212; and 9,136,954 (collectively, the Asserted Patents).

Following a request from Plaintiffs, in an Order dated September 23, 2016, the Court extended the default deposition limits to “twenty oral depositions, and twenty-five depositions in total of either variety (oral or by written questions).” Docket No. 38 at 2. On October 14, 2016, Plaintiffs identified a list of allegedly infringed claims from the five asserted patents. (hereinafter, “the asserted claims”). Then, on November 1 and November 2, 2016, undersigned government counsel filed five (5) *Inter Partes* Review Petitions before the United States Patent Trial and Appeal Board (PTAB or Board), pursuant to 35 U.S.C. §§ 311-319, requesting *Inter Partes* Review of the patentability of the each of the asserted claims from the five patents patents-in-suit. The five IPR Petitions were assigned the following case numbers: IPR 1 (claims 1, 2, 4, 17, and 23, of the ’954 Patent) was assigned case number IPR2017-00180; IPR2 (claim 19 of the ’221 patent) IPR2017-00160; IPR3 (claim 1, 11, 12, 13, 42, 47, and 57 of the ’938 Patent) IPR2017-00183; IPR4 (claims 14, 15, 23, 27, and 30, of the ’719 Patent) IPR2017-00186; IPR5 (13, 14, 15, and 20 of the ’212 Patent) IPR2017-00185. Copies of the five petitions

are attached hereto as Exhibits A-E, respectively.² See A1-357.

The patent owner may file a preliminary response to each of the five (5) petitions implicated in this matter on or before February 7, 2017. See 37 C.F.R. § 42.107(b) (setting a 3-month time-period from the date of a notice indicating that the request to institute an *inter partes* review has been granted a filing date). Thus, pursuant to the time period set forth in 35 U.S.C. § 314(b), the PTAB will make its institution determinations on or before May 7, 2017, i.e., within 3 months of the filing of a patent owners preliminary response (or if no such response is filed, within 3 months of February 7, 2017).

III. DISCUSSION

A. RELEVANT LAW

1. History of Post-Issuance review of Patents by the U.S. Patent Office

Congress authorized the PTO to revisit the patentability of claims in issued patents in 1980 when it enacted the *ex parte* reexamination scheme, which remains in effect today. See Act of Dec. 12, 1980, Pub. L. No. 96-517, 94 Stat. 3015 (codified as amended at 35 U.S.C. 301-307). As explained by Congress in legislative history, reexamination was intended to “strengthen[] investor confidence in the certainty of patent rights by creating a system of administrative reexamination of doubtful patents.” H.R. Rep. No. 1307 Part I, 96th Cong., 2d Sess. at 3, *reprinted in* 1980 U.S.C.C.A.N. 6460, 6462. The House Report further notes “[i]t is anticipated that these measures provide a useful and necessary alternative for challengers and for patent

² Copies of the exhibits accompanying the as-filed petitions have not been appended to this motion. However, electronic copies of the as-filed exhibits are publically available for viewing and download from the filing dockets using the Patent Trial and Appeal Board End to End System, at available at <https://ptab.uspto.gov/#/login> (then search IPR case number or patent number for filing docket).

owners to test the validity of United States patents in an efficient and relatively inexpensive manner.” *Id.* at 3, 6463.

In 1999, Congress expanded the PTO’s authority to review the patentability of claims in issued patents, by creating the *inter partes* reexamination process. 35 U.S.C. 311-318 (2000). Under this now-superseded process, a third party that requested reexamination enjoyed a greater opportunity to participate in the patent’s reexamination, and, after 2002, in any subsequent appeal. *See Cooper Techs. Co. v. Dudas*, 536 F.3d 1330, 1332 (Fed. Cir. 2008).

In 2011, Congress overhauled and expanded the *inter partes* reexamination processes for reconsidering the patentability of such claims. *See Leahy-Smith America Invents Act*, Pub. L. No. 112-29, § 6, 125 Stat. 284, 299-305 (AIA or Act). Enacted in response to “a growing sense that questionable patents are too easily obtained and are too difficult to challenge,” H.R. Rep. No. 98, 112th Cong., 1st Sess. Pt. 1, at 39 (2011) (2011 House Report), the AIA replaced *inter partes* reexamination with *inter partes* review, an adversarial proceeding before the new Patent Trial and Appeal Board. *See* 35 U.S.C. § 311 et seq.; *see also* 35 U.S.C. § 6. Congress created *inter partes* review to “establish a more efficient and streamlined patent system that will improve patent quality and limit unnecessary and counterproductive litigation costs.” 2011 House Report at 40. As recently explained by the Supreme Court, “[t]he new statute [i.e., 35 U.S.C. § 314] provides a challenger with broader participation rights. It creates within the Patent Office a Patent Trial and Appeal Board (Board) composed of administrative patent judges, who are patent lawyers and former patent examiners, among others. §6.” These administrative patent judges have considerable expertise in evaluating patent validity. *See, e.g.*, 157 Cong. Rec. S5319 (daily ed. Sept. 6, 2011) (Statement of Sen. Kyl) (noting that the IPR serves as “an inexpensive substitute for district court litigation [that] allows key issues to be addressed by experts in the

field”); *Health Diagnostic Lab., Inc. v. Bos. Heart Diagnostics Corp.*, No. 3:14CV796-HEH, slip op. at 1 n.1 (E.D. Va. Feb. 4, 2015) (“While the Court has undertaken review of various patents, there is no substitute for the considerable expertise of three administrative patent judges.”).

Under the new procedure, the Board must decide whether to institute an IPR within six months of the notice indicating that a filing date has been granted to the petitioner. *See* 35 U.S.C. § 314(b); 37 C.F.R. § 42.107(b). If instituted, the “Board conducts the proceedings, reaches a conclusion, and sets forth its reasons.” *Cuozzo Speed Techs., LLC v. Lee*, No. 15-446, 2016 WL 3369425, at *5 (U.S. June 20, 2016). When review is instituted, at its conclusion, the Director of the PTO will issue “a certificate [1] canceling any claim of the patent finally determined to be unpatentable, [2] confirming any claim of the patent determined to be patentable, and [3] incorporating in the patent by operation of the certificate any new or amended claim determined to be patentable.” 35 U.S.C. § 318 (b) (numerical annotations added).

Current statistics from the Patent Office show that the Board institutes 64% of petitions (excluding 696 petitions that were terminated by the parties prior to the Board’s institution decision). *See* Exhibit F (Patent Trial and Appeal Board Statistics (as of September 30, 2016), at 10.³ A367. In 84% of instituted petitions that are not terminated by the parties prior to a final decision, the Board invalidated some or all of the challenged claims. *See id.* In light of these overwhelming statistics and Congress’s intent that IPRs “limit unnecessary and counterproductive litigation costs,” (2011 House Report at 40), district courts have stayed parallel district court litigation in a majority of cases. *See* Exhibit G (Lex Machina Motion Metric Report from June 25, 2015) A373 (reflecting a figure of 89% for the Eastern District of Virginia and a figure of 71% as the national average).

³ Also available at https://www.uspto.gov/sites/default/files/documents/aia_statistics_september2016A.pdf

2. The Power to Stay Proceedings

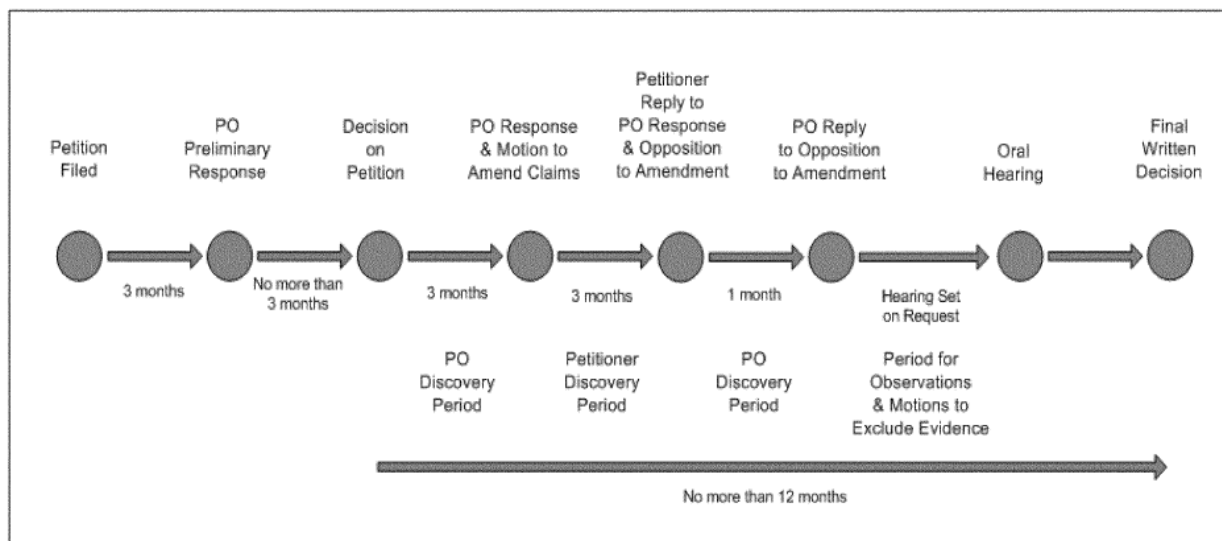
The power of a federal trial court to stay its proceedings, even for an indefinite period of time, is beyond question. This power springs from the inherent authority of every court to control the disposition of its cases. When and how to stay proceedings is within the sound discretion of the trial court.

Cherokee Nation of Oklahoma v. United States, 124 F.3d 1413, 1416 (Fed. Cir. 1997) (citing *Landis v. North American Co.*, 299 U.S. 248, 254-55 (1936)). Courts considering whether to stay proceedings in favor of *inter partes* review proceedings before the PTO have weighed three factors: (1) the impact of *inter partes* review, including whether a stay would simplify the issues in question and streamline the trial; (2) how far the litigation has progressed, taking into account whether discovery is complete and a trial date has been set; and (3) whether a stay would unduly prejudice or present a clear tactical disadvantage to the non-moving party. *See, e.g., Straight Path IP Group, Inc. v. Vonage Holdings Corp.*, No. 14–502(JLL) (JAD), 2014 WL 4271633, at *2 (D.N.J. Aug. 28, 2014); *CANVS Corp. v. United States*, 118 Fed. Cl. 587, 592 (2014); *Semiconductor Energy Lab. Co. v. Chimei Innolux Corp.*, No. SACV 12-21-JST JPRX, 2012 WL 7170593, at *1 (C.D. Cal. Dec. 19, 2012). Some district courts have noted that additional factors may also be considered in the analysis and that “the totality of the circumstances governs.” *Automatic Mfg. Sys., Inc. v. Primera Tech., Inc.*, No. 6:12-CV-1727-ORL-37, 2013 WL 1969247, at *1 (M.D. Fla. May 13, 2013); *Conair Corporation v. Tre Milano, LLC*, C.A. No. 3:14-cv-1554-AWT, Ruling on Motion to Stay, at 12 (D. Conn. July 1, 2015) (noting that three-factor test “does not capture every relevant consideration” and that “the totality of the circumstances governs” (internal citations omitted)).

B. A DECISION ON INSTITUTION WILL BE MADE BY MAY 7, 2017, AT THE LATEST

As noted above, pursuant to the time period set forth in 35 U.S.C. § 314(b), the PTAB

will make its institution determinations on or before May 7, 2017, i.e., within 3 months of the filing of a patent owners preliminary response (or if no such response is filed, within 3 months of February 7, 2017). The graphic below is reproduced from the Office Patent Trial Practice Guide, 77 Fed. Reg. 48756 (Aug. 14, 2012) and demonstrates the expedited nature of IPR proceedings.



77 Fed. Reg. at 48757.

“[T]here is a liberal policy in favor of granting motions to stay proceedings pending the outcome of USPTO [post-issuance review proceedings].” *ASCII Corp. v. STD Entertainment USA, Inc.*, 844 F. Supp. 1378, 1381 (N.D. Cal. 1994). Other courts have explained that “[a] stay is particularly appropriate for cases in the initial stages of litigation or in which there has been little discovery.” *Sec. People, Inc. v. Ojmar US, LLC*, No. 14-CV-04968-HSG, 2015 WL 3453780, at *2 (N.D. Cal. May 29, 2015) (internal citations omitted); *Orbital Australia Pty v. Daimler AG*, No. 15-CV-12398, 2015 WL 5439774, at *3 (E.D. Mich. Sept. 15, 2015) (granting a stay pending a requested but not yet granted petition for IPR); *Pleasurecraft Marine Engine Co. v. Indmar Products Co.*, No. 8:14-cv-04507, 2015 WL 5437181, at *1 (D.S.C. Sept. 15, 2015) (same) (“Preventing potentially futile expenditures of time and resources by the parties

and the Court weigh in favor of granting a stay at this stage in the litigation. This is true even though review has not yet been initiated by the USPTO, given that there has not already been significant efforts expended in discovery and/or claim construction.”); *see Cheetah Omni, LLC v. United States*, Case No. 1:11-cv-00255-FMA (Fed. Cl. Jun. 7, 2013), ECF No. 54 (granting a preliminary stay pending a requested but not yet granted petition for IPR).

This case is in its initial stages and no depositions have taken place yet. Despite seeking leave of court to surpass the default deposition limits established by this court’s rules, Plaintiffs did not serve *any* deposition notices until the day after the first two IPR Petitions were served. *Compare* A78-80; A131-133) (reflecting November 1, 2016, as the service date of first two Petitions), *with* A380 (Exhibit J) (fronting email for combined deposition Notices reflecting a delivery time of November 2, 2016, at 5:05PM).⁴ The parties have not yet embarked upon a series of exchanges and briefs relating to claim construction presently scheduled to occur on January 13, 2017; February 10, 2017; March 10, 2017; April 12, 2017; and May 24, 2017. *See* Docket No. 33 (scheduling order). Even at the time institution decisions are due, i.e., May 7, 2017, the parties will remain embroiled in claim construction briefing scheduled to conclude on May 24, 2017, followed by a hearing on claim construction before this Court. Given the initial stage of this litigation, a brief stay until the Board’s decisions on institution has the potential to greatly preserve the resources of the parties and the Court.

C. INTER PARTES REVIEW WILL SIMPLIFY ISSUES IN THIS ACTION

The first factor to be considered in whether to grant a stay is the impact of *inter partes*

⁴ As reflected in Exhibit H, the government had asked plaintiffs to postpone depositions until the Court rules on this motion to stay, and to agree to an expedited briefing schedule. A375. Plaintiffs agreed to neither request. A374.

review, including whether a stay would simplify the issues in question and streamline the trial. Should the IPRs be instituted, all outcomes from the requested review of the patents-in-suit have the potential to greatly simplify and clarify the issues in this case. Accordingly, this factor weighs heavily in favor of granting a stay.

First, should review result in cancellation of every claim in the patents-in-suit, this entire lawsuit will be rendered moot. This is because “cancelled claims [a]re void *ab initio*,” *Fresenius USA, Inc.*, 721 F.3d 1330, 1346 (Fed. Cir. 2013). Indeed, as explained by the Supreme Court, “unless [the patent] exists, and is in force at the time of trial and judgment, the suits fail.” *Moffitt v. Garr*, 66 U.S. 273, 283 (1861). *See Fresenius USA, Inc.*, 721 F.3d at 1347 (“[i]n light of the cancellation of [the patentee’s] remaining claims, [the patentee] no longer has a viable cause of action against [the accused infringer]. Therefore, the pending litigation is moot.”).

Although not requiring dismissal of this action, alternative outcomes will significantly simplify the issues in question in this action. For example, should only some claims be cancelled during review, Plaintiffs will no longer be entitled to assert infringement of such cancelled claims in this action, thereby significantly simplifying aspects of liability, validity, and damages in this case.

Under another scenario, should Plaintiffs successfully narrow their patent claims by amendment during the review, such an amendment would have a direct effect on the scope of accused infringement in this action and preclude any recovery for pre-amendment infringement. This is because when claims are narrowed during post-grant review, a patentee may only recover for infringement of such claims occurring *after the issuance of the final certificate*. *See* 35 U.S.C. § 318(c); *Bloom Engineering Co., Inc. v. North American Mfg. Co., Inc.*, 129 F.3d 1247, 1249–50 (Fed. Cir. 1997) (“Unless a claim granted or confirmed upon reexamination is identical

to an original claim, the patent cannot be enforced against infringing activity that occurred before issuance of the reexamination certificate.”) (applying 35 U.S.C. § 252, which by statute has the same effect as section 318(c)). Thus, under this scenario, any advances made in discovery in the interim would be rendered moot and the litigation resources expended by the parties and the Court, including those relating to claim construction proceedings, would be wasted.

The *Fresenius* case in particular illustrates how the timely ordering of a stay can prevent waste of significant judicial and party resources. In *Fresenius*, the district court declined to stay the case pending the concurrent reexaminations of the patents-in-suit. *Fresenius USA, Inc.*, 721 F.3d at 1332-33. Although the district court granted judgment that the patents were not invalid and awarded the plaintiff significant damages, on appeal, the Federal Circuit reversed and remanded the case. *Id.* On remand, the district court again awarded the plaintiff damages. *Id.* at 1333-34. During the pendency of the litigation, however, the PTO invalidated all of the relevant patent claims, and the Federal Circuit affirmed the PTO’s decision. *Id.* 1334-35. As such, the Federal Circuit ended up vacating the district court’s judgment and remanding to dismiss the case. *Id.* at 1347. Such costly litigation that ultimately resulted in a vacated judgment could have been avoided had the case initially been stayed pending the reexamination.

Even if one or more of the claims in each of the patents-in-suit were to survive the IPR review, any statements made by Plaintiffs to the PTO in distinguishing their claims from the prior art should be fully considered by this Court in any future claim constructions proceedings, as statements made during prosecution of the patent become part of the intrinsic record and have a meaningful impact on the scope of the surviving claims. *See, e.g., Intellectual Ventures I LLC v. PNC Fin. Servs. Grp., Inc.*, 2014 WL 3942277, at *2 (W.D. Pa. Aug. 12, 2014) (“[T]he PTO’s decisions will become part of the intrinsic records of the patents, and will therefore, simplify the

issues to be decided by this Court”); *Pragmatus AV, LLC v. Yahoo! Inc.*, 2014 WL 1922081, at *5 (N.D. Cal. May 13, 2014) (“Under Federal Circuit law, comments made by a patent holder during inter partes reexamination proceedings can limit claim scope. The same should be true now that *inter partes* review, rather than *inter partes* reexamination, is in effect.” (internal citations omitted)). The potential for the review proceedings to affect claim construction, and any invalidity grounds not before the PTO (such as Section 101 grounds), counsels in favor of a stay.

For example, statements made to the PTO by a patentee or applicant during examination, including statements characterizing the claimed invention and arguments distinguishing the claims from the prior art, can narrow the scope of a claim by requiring that claim terms be construed more restrictively than their ordinary meaning. *Spectrum Int’l v. Sterilite Corp.*, 164 F.3d 1372, 1378 (Fed. Cir. 1998); *see also Computer Docking Station Corp. v. Dell, Inc.*, 519 F.3d 1366, 1374-78 (Fed. Cir. 2008) (construing the claim term “portable computer” to exclude computers with built-in keyboards and displays such as standard laptops, because during prosecution the applicant distinguished its invention from prior art laptop computers). It is axiomatic that patent claims cannot be construed broadly in litigation after being presented narrowly to the PTO. *See Computer Docking Station Corp.*, 519 F.3d at 1374-75.

The Federal Circuit has explained:

That explicit arguments made [by an applicant] during prosecution to overcome prior art can lead to narrow claim interpretations makes sense, because the public has a right to rely on such definitive statements made during prosecution. Indeed, by distinguishing the claimed invention over the prior art, an applicant is indicating what the claims do not cover.... Accordingly, claims may not be construed one way in order to obtain their allowance and in a different way against accused infringers.

Spectrum Int’l, 164 F.3d at 1378 (internal quotations and citations omitted). It is therefore

proper to alter any previously adopted claim term constructions during litigation, particularly based on new evidence such as that created during PTO proceedings. For example, the Federal Circuit has instructed that trial courts “should monitor the proceedings before the PTO to ascertain whether its construction of any of the claims has been impacted by further action at the PTO.” *Procter & Gamble Co. v. Kraft Foods Global*, 549 F.3d 842, 848 (Fed. Cir. 2008); *cf. In re Etter*, 756 F.2d 852 (Fed. Cir. 1985) (wherein the Federal Circuit acknowledged that “an auxiliary function [of post-grant proceedings] is to free the court from any need to consider prior art without the benefit of the PTO’s initial consideration.”). Just recently in *Finjan, Inc. v. Symantec Corp.*, 2016 WL 6563342, *2 (N.D. Cal. Nov. 4, 2016), after staying proceedings pending an IPR institution decision, Judge Gilliam of the U.S. District Court for the Northern District of California ordered a *second* claim construction hearing in light of arguments the patentee made during the IPR proceedings to save its patents. Should Plaintiffs here make any statements to distinguish the prior art presented in the review proceedings, any advances made in claim construction proceedings in this action in the interim could similarly be rendered at best insufficient and at worst entirely moot.

D. AS THIS CASE IS IN THE INITIAL STAGES, A STAY SHOULD BE GRANTED

The second factor to be considered in whether to grant a stay is how far the litigation has progressed, taking into account whether discovery is complete and a trial date has been set. This case is in its infancy. The parties are in the initial stages of the lawsuit and no depositions have occurred. Again, despite seeking leave of court to surpass the default deposition limits established by this court’s rules, Plaintiffs did not serve *any* deposition notices until day after the first two IPR Petitions were filed. *Compare* A78-80; A131-133) (reflecting November 1, 2016, as the service date of first two Petitions), *with* A380 (Exhibit J) (fronting email for combined

deposition Notices reflecting a delivery time of November 2, 2016, at 5:05PM). The parties have yet to engage in any claim construction proceedings, which, as noted above, may be significantly impacted by the PTO review proceedings. The parties have not yet embarked upon a series of exchanges and briefs relating to claim construction presently scheduled to occur on January 13, 2017; February 10, 2017; March 10, 2017; April 12, 2017; and May 24, 2017. *See* Docket No. 33. A stay would prevent the parties from expending unnecessary resources on claim construction proceedings, which, as noted above, may be significantly impacted by the PTO review proceedings.

Accordingly, the bulk of the expenses and work for the parties and the Court are still in the future, and granting a stay at this early stage will help avoid potentially unnecessary expenses. *See VirtualAgility, Inc. v. Salesforce.com, Inc.*, 759 F.3d 1307, 1317 (Fed. Cir. 2014) (finding that stay was warranted where discovery had not yet begun and no trial date had been set); *Destination Maternity Corp. v. Target Corp.*, 12 F.Supp.3d 762, 770 (E.D. Pa. Mar. 24, 2014) (granting stay even though “the parties have already conducted a significant amount of discovery, [but] fact and expert discovery is nowhere near complete” and a trial date had not been set); *Zillow, Inc. v. Trulia, Inc.*, 2013 WL 5530573, at *6 (W.D. Wash. Oct. 7, 2013) (granting stay when “in light of the significant amount of discovery, claim construction analysis, and motions practice that still lies ahead for the parties and the court”). Accordingly, this factor weighs heavily in favor of a stay.

E. A STAY WOULD PRESENT NO DISADVANTAGE OR UNDUE PREJUDICE BECAUSE PLAINTIFFS CAN PURSUE THE SAME REMEDY THEY PRESENTLY SEEK AFTER REVIEW IS COMPLETED

The third factor to be considered in whether to grant a stay is whether a stay would unduly prejudice or present a clear tactical disadvantage to the non-moving party. “Where

Plaintiffs have an adequate remedy at law, there is no undue prejudice [in granting a stay].”

Dataquill Ltd. v. High Tech Computer Corp., No. 08-CV-543, 2009 WL 1391537, at *4 (S.D. Cal. May 14, 2009) (granting stay pending reexamination); *see also VirtualAgility*, 759 F.3d at 1318 (“A stay will not diminish the monetary damages to which [the patentee] will be entitled if it succeeds in its infringement suit.”). Of course, Plaintiffs cannot obtain injunctive relief in this § 1498(a) action, since only compensatory damages are available. It is a matter of settled law that injunctive relief is not available under the limited waiver of sovereign immunity granted by 28 U.S.C. § 1498. *See Leeson v. United States*, 599 F.2d 958, 968 (Ct. Cl. 1979) (“The injunctive relief of 35 U.S.C. § 283 could not be awarded, of course, since this court lacks the power to grant such relief.”). Thus, monetary damages, which Plaintiffs are free to pursue after review proceedings conclude and the stay is lifted, will adequately compensate such patent owners. Moreover, in this Court, the availability of pre-judgment interest will compensate Plaintiffs for the costs of any delay should a monetary judgment be entered in their favor after review proceedings have concluded. *See* Docket No. 19 at 2 (Order of April 25, 2016) (citing *Boeing Co. v. United States*, 86 Fed. Cl. 303, 307, 322–325 (2009)). Thus, Plaintiffs cannot be prejudiced by a stay because monetary damages and delay compensation provide adequate redress for any infringement eventually proven in this forum.

Defendants are requesting only that this Court initially stay this case pending the Board’s initial determinations regarding institution. The Board is statutorily required to make this decision within six months of the filing dates of the petitions, which would fall on May 7, 2017. A stay of such a short duration would not prejudice the Plaintiffs. Moreover, “[d]elay alone does not usually constitute undue prejudice, because parties having protection under the patent statutory framework may not complain of the rights afforded to others by that same statutory

framework.” *Asetek Holdings, Inc v. Cooler Master Co., Ltd.*, 2014 WL 1350813, at *4 (N.D. Cal. April 3, 2014) (internal quotations omitted).

Granting a stay presents no tactical disadvantage for Plaintiffs in that they will similarly benefit from the preservation of litigation resources resulting from a hold in proceedings in this forum.⁵ Given the stage of this litigation, the PTAB is the most efficient forum for quickly and finally resolving questions of patent validity due to its one-year statutory deadline for reaching decisions. *See* 35 U.S.C. § 316(a) (11) (establishing the 1-year period and permitting the Office to extend this deadline by 6 months for good cause).

⁵ Indeed, the government explained to Plaintiffs that discovery they recently served in this matter was irrelevant to this case and was instead a matter properly addressed in discovery before the Board. As explained in a letter sent concurrently to Plaintiffs’ counsel, “[a] brief stay of proceedings in this matter would permit [their] client and the government to focus on this discovery, which plaintiffs improvidently propounded in this § 1498 action, in the proper forum (i.e., the PTAB) rather than burden this Court unnecessarily with potential motions practice on issues that are pertinent solely to the Board proceedings.” *See* A379 (Exhibit I) (Letter of D. Ruddy to P. Chassman dated November 15, 2016).

CONCLUSION

For the foregoing reasons, Defendants request that this Court grant this motion to stay the current action pending institution of review proceedings at the PTO. Because the PTO will make its institution determinations on or before May 7, 2017, Defendants request that this Court stay this action and order the parties to submit a Joint Status Report on Joint Status Report on May 15, 2017, that: (1) informs the Court of the action taken by the PTO in the pending petitions; and (2) proposes further proceedings, including whether the stay should be lifted.

Respectfully submitted,

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