

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

NUVASIVE, INC.,)	
)	
Plaintiff,)	
)	
v.)	Civil Action No. 15-286-LPS-CJB
)	
NEUROVISION MEDICAL PRODUCTS,)	
INC.,)	
)	
Defendant.)	

MEMORANDUM ORDER

1. Before the Court is a motion to stay the proceedings in the instant patent infringement case, a motion filed by declaratory judgment Defendant Neurovision Medical Products, Inc. (“Defendant” or “Neurovision”). (D.I. 12) Defendant seeks a stay of this case in its entirety, until the United States Patent and Trademark Office (“PTO”) decides whether to institute a proceeding regarding a petition for *inter partes* review (“IPR”), which was filed on December 23, 2014 by declaratory judgment Plaintiff NuVasive, Inc. (“Plaintiff” or “NuVasive”). With its IPR petition, Plaintiff seeks to invalidate all 19 claims of one of the two patents-in-suit, United States Patent No. 8,634,894 (“the '894 Patent”). (D.I. 13 at 1, 12; D.I. 14, ex. 3 at 1) If the PTO does ultimately decide to institute the IPR proceeding, Defendant asks that the sought-after stay extend until the conclusion of that proceeding. (D.I. 13 at 12)¹

¹ Plaintiff has also filed a letter motion seeking to strike certain references Defendant made in its briefing and exhibits thereto, regarding a trademark dispute between the parties that is currently pending in federal court in California. (D.I. 17, 18; *see also* D.I. 20, ex. 1) The Court DENIES that motion. In doing so, it finds that Defendant’s references to the trademark dispute (along with other references in the briefing to the history of litigation between the parties) may aid the Court’s analysis of the extent to which Plaintiff’s opposition to the motion to stay is (as Defendant asserts) motivated by Plaintiff’s desire to put Defendant at a clear tactical disadvantage. With that said, in denying the motion, the Court is not necessarily suggesting that the trademark dispute will ultimately have much of an impact on its final decision

2. A court has discretionary authority to grant a motion to stay. *See Cost Bros., Inc. v. Travelers Indem. Co.*, 760 F.2d 58, 60 (3d Cir. 1985). This Court has typically considered three factors when deciding a motion to stay: (1) whether granting the stay will simplify the issues for trial; (2) the status of the litigation, particularly whether discovery is complete and a trial date has been set; and (3) whether a stay would cause the non-movant to suffer undue prejudice from any delay, or allow the movant to gain a clear tactical advantage. *See, e.g., Cooper Notification, Inc. v. Twitter, Inc.*, Civ. No. 09-865-LPS, 2010 WL 5149351, at *1 (D. Del. Dec. 13, 2010).

3. After taking into account the three stay-related factors set forth above (to the extent they are relevant to the Court's decision here), as well as the particular circumstances of this case, the Court will DENY Defendant's motion, with leave to renew the motion after the PTO makes a determination on whether to initiate IPR proceedings in response to Plaintiff's petition.² The Court determines that this course—as opposed to a decision to grant a stay

on the motion to stay. The Court will simply give the facts relating to that trademark dispute the weight it feels they deserve. *Cf. Lighthouse Fin. Grp. v. Royal Bank of Scot. Grp., PLC*, 902 F. Supp. 2d 329, 349 n.15 (S.D.N.Y. 2012).

² The Court notes that in its briefing, Defendant had argued that a stay with respect to the '894 Patent was mandatory and automatic, pursuant to 35 U.S.C. § 315(a)(2). Defendant asserted that because Plaintiff had filed its IPR petition challenging the validity of the '894 Patent prior to the date that Plaintiff filed the instant declaratory judgment Complaint (in which Plaintiff also challenges the validity of the '894 Patent), the case should be stayed. (D.I. 13 at 1, 5) However, pursuant to 35 U.S.C. § 315(a)(2)(B), the automatic stay provision is no longer implicated if “after the date on which the petitioner files a petition for inter partes review of the patent” the “patent owner files a civil action or counterclaim alleging that the petitioner or real party in interest has infringed the patent[.]” And in this case, subsequent to the filing of Plaintiff's IPR petition, Defendant did file an Answer, which included a counterclaim alleging that Plaintiff has infringed the '894 Patent. (D.I. 25 at 8-10) Thus, because the plain language of Section 315(a)(2) indicates that under such circumstances, Section 315(a)(2)'s automatic stay provision no longer has force, and because Defendant has not pointed the Court to authority to

pending the PTO's ruling—is the better approach here, for the three reasons set forth below.

4. The first relates to the status of the instant case and the IPR proceeding. As Defendant notes, the PTO's "decision on whether to initiate IPR is imminent[,]" (D.I. 13 at 9), as it is due by July 21, 2015, (D.I. 15 at 3, 10). Thus, that decision will come well before the parties will have engaged in time-consuming and costly discovery and claim construction-related activity in this case. Therefore, even if the PTO ultimately institutes the IPR proceeding, and Defendant then renews its motion to stay thereafter, having proceeded forward with initial discovery in the meantime will not unduly prejudice Defendant or be unduly harmful to the efficient management of these proceedings. *See McRo, Inc. v. Bethesda Softworks, LLC*, Civil Action No. 12-1509-LPS-CJB, 2014 WL 1711028, at *3 (D. Del. May 1, 2014); *cf. Nexans Inc. v. Belden Inc.*, C.A. No. 12-1491-SLR-SRF, 2014 WL 651913, at *4 (D. Del. Feb. 19, 2014) (denying a motion seeking a stay until the completion of an IPR proceeding, which was anticipated to occur within three months from the Court's decision, in part because the "potential benefits of reduced discovery are not likely to be so significant to the parties that they warrant taking this case off of its present scheduling track"). Even if the Court granted a renewed motion at that later stage, the modest amount of case-related activity that will have occurred in the interval will not have amounted to a large-scale waste of resources.

5. Second, denial of the instant motion without prejudice to renew will allow for some additional clarity in the record, in various respects. As an initial matter, further clarity will come simply from receiving the PTO's decision itself. If no review is instituted, the asserted

the contrary, the Court is constrained to reject Defendant's argument as to the current applicability of Section 315(a)(2)'s automatic stay provision.

basis for a stay will fall away; if the PTO does institute a review, the Court will be able to examine the grounds upon which review has been granted, and to determine the effects, if any, on the pending case. *See McRo, Inc.*, 2014 WL 1711028, at *3; *Automatic Mfg. Sys., Inc. v. Primera Tech., Inc.*, No. 6:12-cv-1727-Orl-37DAB, 2013 WL 1969247, at *3 (M.D. Fla. May 13, 2013).³ Moreover, there is currently a pending motion to dismiss the claims relating to the additional patent-in-suit (United States Patent No. 8,467,844), (D.I. 27), and briefing on that motion was just completed this week, (D.I. 34). It may be that by the time the PTO's decision is issued (and if Defendant thereafter renews the motion to stay), the Court will have been able to fully review the motion to dismiss briefing and resolve the motion. Such review and resolution of the motion to dismiss could aid in the assessment of whether granting a stay would simplify the issues for trial.

6. Third, the Court is also impacted by Chief Judge Stark's recently issued "Revised Procedures for Managing Patent Cases." *See* Honorable Leonard P. Stark, Revised Procedures

³ The Court acknowledges that despite these potential benefits, there have been cases where our Court has deemed it appropriate to stay a patent case even prior to the PTO's decision on whether a petition for IPR will be granted—cases where the other stay-related factors have mitigated strongly in favor of a stay. *See Princeton Digital Image Corp. v. Konami Digital Entm't Inc.*, Civil Action Nos. 12-1461-LPS-CJB, 13-335-LPS-CJB, 2014 WL 3819458, at *6 (D. Del. Jan. 15, 2014); *Neste Oil OYJ v. Dynamic Fuels, LLC*, Civil Action No. 12-1744-GMS, 2013 WL 3353984, at *4 (D. Del. July 2, 2013). Certain of these decisions were partly motivated by the fact that the moving party submitted statistical data showing that, at the time the motion to stay was pending, the PTO had granted review in "nearly all" of the IPR petitions on which it had issued decisions. *See, e.g., Princeton Digital Image Corp.*, 2014 WL 3819458, at *2 & n.5; *see also Neste Oil OYJ*, 2013 WL 3353984, at *4 n.4. Here, however, Defendant has submitted no statistical evidence as to the current rate at which the PTO has been granting IPR petitions. Moreover, at oral argument on the pending motion, Defendant's counsel acknowledged that the PTO grant rate has declined relative to the date of the prior judicial decisions referred to herein. In light of that, and for the other reasons set out in this Memorandum Order, the facts of this case do not warrant a stay pending the PTO's decision.

for Managing Patent Cases (June 18, 2014), *available at* [http://www.ded.uscourts.gov/judge/](http://www.ded.uscourts.gov/judge/chief-judge-leonard-p-stark) chief-judge-leonard-p-stark (follow “New Patent Procedures” tab; then download “Patent Procedures” document). In that document, Chief Judge Stark notes that “[g]enerally, we will not defer the [Case Management Conference] and scheduling process due to the pendency of” a motion to dismiss, transfer or stay. *Id.* at 6. The Court reads this procedure as expressing the District Court’s preference that, in the main, cases filed by a plaintiff should move forward—even in the face of early-filed motions that have yet to be fully resolved. *Cf. Kraft Foods Grp. Brands LLC v. TC Heartland LLC*, Civil Action No. 14-28-LPS, D.I. 32 (D. Del. Jan. 7, 2015) (oral order denying defendants’ request to stay entry of a scheduling order due to a pending motion to dismiss). Applied to the situation here, this procedure counsels that while waiting for a PTO decision that will impact the merits of the motion to stay, a Scheduling Order should be entered and the case should move forward.

7. For all the reasons set forth above, Defendant’s motion to stay is DENIED, without prejudice to its ability to renew the motion after the PTO has issued a decision on whether to initiate the above-referenced IPR proceeding. In order to conserve litigant and judicial resources, the Court further ORDERS that: (1) no later than five days after the date of the PTO’s decision on whether to institute review, the parties shall advise the Court of the decision by joint letter; (2) no later than five days after that joint letter is filed, Defendant shall file a letter (of no more than three, single-spaced pages) indicating whether it wishes to renew its motion to stay, and, if so, describing how the PTO’s decision impacts the merits of the renewed motion; (3) if Defendant does seek to renew the stay motion, then no later than five days after Defendant’s letter is filed, Plaintiff shall file a responsive letter (of no more than three, single-

spaced pages) discussing its view as to how the PTO's decision impacts the merits of the renewed motion; and (4) if Defendant's motion is renewed, then aside from the additional letter briefs referred to above, the Court will otherwise consider the renewed motion on the papers already filed as to the instant motion to stay, as well as on the substance of the parties' arguments made during the June 22, 2015 oral argument.

Dated: June 23, 2015



Christopher J. Burke
UNITED STATES MAGISTRATE JUDGE