



Stays Pending Reexamination in the EDVA

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Under what circumstances can a defendant get a stay of litigation in the EDVA pending the outcome of reexamination proceedings of the patent-in-suit?

Juxtacomm [filed suit](#) against Lanier Parking Systems of Virginia, and others, for infringement of US Patent No. [6,195,662](#), titled "System for Transforming and Exchanging Data between Distributed Heterogenous Computer Systems." Defendant Lanier Parking Systems immediately responded with a [Motion for Stay](#) pending the ongoing *ex parte* reexamination of the '662 patent, in addition to filing its Answer. Lanier explained that on May 12, 2011, the PTO issued a final office action rejecting claims of the '662 patent, including claim 1, the only claim specifically identified in the complaint. Noting the three factors the EDVA has considered in deciding whether to stay litigation pending a reexamination: (i) whether discovery was complete and a trial date was scheduled, (ii) whether a stay would have simplified the matters at issue, and (iii) whether a stay would have unduly prejudiced or clearly disadvantaged the non-moving party; Lanier contends that because the case is in its infancy, because the rejected claims may be dispositive, and because Juxtacomm is a non-practicing entity, each of these factors weighs in favor of a stay. Lanier relies on the following EDVA cases in which the Court granted a stay pending reexamination of the patent(s)-in-suit:

- *NTP, Inc. v. T-Mobile USA, Inc.*, Nos. 3:07-CV-548, 549, 550, 551, 2007 WL 3254796 (E.D. Va. Nov. 2, 2007) (Spencer, J.)
- *NTP, Inc. v. Palm, Inc.*, No. 3:06-CV-836, (E.D.Va. Mar. 22, 2007) (Spencer, J.)

In its [opposition](#), Juxtacomm cites recent caselaw in the EDVA denying motions for stay pending reexamination:

- *NTP, Inc. v. Research in Motion, Ltd.*, 397 F. Supp. 2d 785 (E.D. Va. 2005)

(Spencer, J.)

- *Sunbeam Products, Inc. v. Hamilton Beach Brands, Inc.*, No. 3:09-cv-791, 2010 WL 1946262 (E.D. Va. May 10, 2010) (Payne, J.)
- *ePlus, Inc. v. Lawson Software*, No. 3:09-cv-620, 2010 WL 1279092 (E.D. Va. Mar. 31, 2010) (Payne, J.)
- *Osmose, Inc. v. Arch Chemicals, Inc.*, No. 2:10-cv-00108 (E.D. Va. Jan. 28, 2011) (Friedman, J.)
- *01 Communique Lab. v. Logmein, Inc.*, No. 01:10-cv-1007, 2010 WL 4736204 (E.D. Va. Nov. 12, 2010) (Hilton, J.)
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Juxtacomm's opposition explains that since the final office action issued, the examiner has withdrawn her rejection of the claims based on obviousness, although she has continued rejections based on anticipation by a reference titled DBMS Copy Plus. In addition, Juxtacomm notes that the Eastern District of Texas denied a similar motion to stay by defendants in a case on the same '662 patent just recently on May 24, 2011, and the parties in that case are proceeding to discovery (although Lanier points out in its motion that the ED Texas case was much farther along: a Markman hearing had already been held, and the parties had produced over 6 million pages of documents, served over 100 discovery requests, taken 14 depositions, and spent more than 40 days reviewing source code). Juxtacomm argues that (1) it will suffer severe prejudice by a stay because the reexamination could take years; (2) a stay will not simplify the case because the PTO's decision may be overturned; (3) the fact that the case is in its infancy, standing alone, does not justify a stay; and (4) neither party will suffer hardship by proceeding with the litigation.

The case is assigned to Judge Spencer in the Richmond Division.

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