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8 UNITED STATES DISTRICT COURT
9 CENTRAL DISTRICT OF CALIFORNIA

10 FACET TECHNOLOGIES, LLC,

11 Plaintiff,

12 v.

13 LIFESCAN, INC.,

14 Defendant.
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Case No. 2:22-cv-01717-MCS (MARx)

**ORDER REGARDING MOTION TO
STAY PENDING *INTER PARTES*
REVIEW (ECF NO. 129)**

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18 Defendant LifeScan, Inc. (“Defendant” or “LifeScan”) filed a motion to stay the
19 case pending *inter partes* review of U.S. Patent No. 8,840,635 (the “’635 Patent”)
20 (“Mot.,” ECF No. 129). Plaintiff Facet Technologies, LLC (“Plaintiff” or “Facet”)
21 opposed (“Opp.,” ECF No. 136), and LifeScan replied (“Reply,” ECF No. 152). The
22 Court finds the Motion appropriate for resolution without oral argument. *See* Fed. R.
23 Civ. P. 78(b); C.D. Cal. R. 7-15. The Motion is **DENIED**.

24 **I. BACKGROUND**

25 Facet brought this action on March 15, 2022. (“Compl.,” ECF No. 1.) Facet
26 alleges that LifeScan infringes at least claims 1, 6, 8, 14, and 18 of the ’635 Patent.
27 (“FAC,” ECF No. 93.) The ’635 Patent is directed to “improved lancet and lancet
28 endcap configurations” to facilitate safer blood testing necessary to treat certain medical

conditions, such as diabetes. (FAC ¶¶ 21, 26.) Discovery is underway. (Mot. 12.) The parties have exchanged document requests and productions. (*Id.*) The parties have not yet taken any depositions. (*Id.* 14.) The parties filed motions to compel productions from each other. (*Id.* 13–14.) The discovery cut-off date is May 1, 2023.¹ (*Id.* 13.) Trial is set to begin on September 12, 2023. (ECF No. 57.) The Court issued its claim construction ruling on January 20, 2023. (ECF No. 122.) LifeScan brought the motion to stay on March 31, 2023. (*See* Mot.)

LifeScan filed petitions for *inter partes* review (“IPR”) challenging all claims of the ’635 Patent on March 20, 2023. (Mot. 8.) LifeScan expects the PTAB will issue institution decisions on its petitions in the next three to six months. (*Id.* 12 (citing 35 U.S.C. § 314).) The following chart summarizes the current status of the PTAB proceedings:

’635 Patent Claims	Proceeding	Status
Claims 1–3, 5–8, 14 and 16–18	IPR2023-000712	pending institution
Claims 1, 4, and 9–15	IPR2023-000713	pending institution

II. LEGAL STANDARDS

It is within the discretion of a district court to stay judicial proceedings pending administrative reexamination of one or more patents at issue in the judicial proceedings. This is part of a district court’s “broad discretion to stay proceedings as an incident to its power to control its own docket.” *Clinton v. Jones*, 520 U.S. 681, 706 (1997); *accord Landis v. N. Am. Co.*, 299 U.S. 248, 254 (1936). The party requesting a stay “must make out a clear case of hardship or inequity in being required to go forward, if there is even a fair possibility that the stay for which he prays will work damage to [someone] else.” *Landis*, 299 U.S. at 255. Thus, a court must balance competing interests in assessing whether it is appropriate to enter a stay. These interests include “the possible damage which may result from the granting of a stay, the hardship or inequity which a party

¹ LifeScan indicates it proposed extending this date to June 1, 2023. Mot. at 13.

1 may suffer in being required to go forward, and the orderly course of justice measured
 2 in terms of the simplifying or complicating of issues, proof, and questions of law which
 3 could be expected to result from a stay.” *Lockyer v. Mirant Corp.*, 398 F.3d 1098, 1110
 4 (9th Cir. 2005) (*quoting CMAX, Inc. v. Hall*, 300 F.2d 265, 268 (9th Cir. 1962)).

5 When determining whether a stay requested by an alleged infringing party should
 6 be granted pending the completion of *inter partes* review, district courts consider the
 7 following factors: “(1) the stage of the litigation; (2) whether a stay will simplify the
 8 issues; and (3) whether a stay would unduly prejudice the non-moving party.” *Star*
 9 *Envirotech, Inc. v. Redline Detection, LLC*, No. SACV 12-01861 JGB (MLGx), 2013
 10 WL 1716068, at *2 (C.D. Cal. Apr. 3, 2013); *accord Universal Elecs., Inc. v. Universal*
 11 *Remote Control, Inc.*, 943 F. Supp. 2d 1028, 1030–31 (C.D. Cal. 2013). “[T]he totality
 12 of the circumstances governs.” *Universal Elecs.*, 943 F. Supp. 2d at 1031 (*quoting*
 13 *Allergan Inc. v. Cayman Chem. Co.*, No. SACV 07-01316-JVS (RNBx), 2009 WL
 14 8591844, at *2 (C.D. Cal. Apr. 9, 2009)).

15 **III. DISCUSSION**

16 **A. Stage of Proceedings**

17 When determining whether the status of the litigation supports a stay, “[t]he
 18 status of discovery, claim construction, trial setting, and the Court’s expenditure of
 19 resources are all relevant considerations.” *Cannarella v. Volvo Car USA LLC*, No. CV
 20 16-6195-RSWL-JEMx, 2016 WL 9450451, at *12 (C.D. Cal. Dec. 12, 2016). “[T]he
 21 parties . . . have [already] expended non-trivial resources into this litigation.” *Polaris*
 22 *Innovations Ltd. v. Kingston Tech. Co., Inc.*, No. SACV 16-00300-CJC (RAOx), 2016
 23 WL 7496740, at *2 (C.D. Cal. Nov. 17, 2016).

24 At the time LifeScan filed the instant motion, discovery was underway and the
 25 Court had already issued its claim construction ruling. *See* § II, *supra*. The fact
 26 discovery cut-off date is impending and trial is set for this coming fall. *Id.* Thus, this
 27 case is not in its early stages. The Court and parties have already invested significant
 28 resources into this case. Moreover, it does not appear that the PTAB has afforded

1 LifeScan’s petitions a filing date yet. At the earliest, the PTAB may not issue an
 2 institution decision until this July, two months after the close of fact discovery in this
 3 matter. At the latest, the PTAB might not issue an institution decision until October,
 4 one month after trial in this matter is set to begin.

5 LifeScan argues that discovery is still in its early stages because significant third
 6 party document productions are outstanding and the parties have not taken any
 7 depositions. (Mot. 10.) LifeScan attributes the early stage of discovery to Facet’s delay
 8 in securing new patent counsel and protracted negotiations over the protective order.
 9 (*Id.*) Facet disputes this account. (*See Opp.* 11.) Facet further responds that by the time
 10 of the hearing on LifeScan’s motion, the parties will have taken several depositions and
 11 substantially completed discovery. (*Id.* 18–19.)

12 The Court agrees with Facet. Though the stage of the litigation is evaluated at the
 13 time of the motion, discovery was well underway and the Court had already issued its
 14 claim construction ruling at that time. The stage of the litigation disfavors a stay here.

15 **B. Simplification of the Issues**

16 The test for this factor is “whether a stay will simplify the issues in question and
 17 trial of the case.” *Aten Int’l Co., Ltd. v. Emine Tech. Co., Ltd.*, No. SA CV 09-0843 AG
 18 (MLGx), 2010 WL 1462110, at *7 (C.D. Cal. Apr. 12, 2010). Other courts have held
 19 “that the stay of a patent infringement action is not warranted when based on nothing
 20 more than the fact that a petition for inter partes review was filed.” *Polaris*, 2016 WL
 21 7496740, at *2 (internal quotation marks omitted) (collecting cases). This is because a
 22 “[c]ourt cannot know . . . whether granting a stay would lead to more or less judicial
 23 efficiency” before the Patent Trial and Appeal Board issues an institution decision. *Carl*
 24 *Zeiss A.G. v. Nikon Corp.*, No. 2:17-cv-03221-RGK-MRW, 2018 WL 1855525, at *4
 25 (C.D. Cal. Feb. 9, 2018). “The PTAB may in fact not institute IPR.” *Id.* “If this were to
 26 occur, the partial stay would needlessly delay a portion of this litigation and complicate
 27 matters further.” *Id.* Thus, LifeScan’s argument that pending IPR petitions support a
 28 stay is unavailing. Mot. 20–28.

1 LifeScan argues this factor favors a stay because IPRs often result in invalidation
2 of at least some claims or settlement of the case. (Mot. 14.) LifeScan also argues
3 granting the stay will conserve judicial resources by reducing the amount of prior art at
4 issue in this litigation. (*Id.* 15.) Thus, per LifeScan, even if a claim survives, a stay will
5 still simplify the issues at least somewhat. (*Id.*)

6 Facet argues that LifeScan’s delay in filing its petitions has “all but guaranteed
7 that the parties will not receive any institution decision from the PTAB before trial.”
8 (Opp. 22.) Facet acknowledges that the simplification factor may favor a stay even for
9 pending petitions, but argues that “holistic evaluation of the litigation” counsels against
10 a stay here. (*Id.*)

11 The Court agrees with Facet. Any simplification resulting from the petitions is
12 wholly speculative because the PTAB has not yet decided whether to institute review.
13 *See Polaris*, 2016 WL 7496740, at *2. The simplification factor disfavors a stay.

14 **C. Potential Undue Prejudice**

15 When considering prejudice or a clear tactical disadvantage to the patentee,
16 courts consider “(1) the timing of the petition for review; (2) the timing of the request
17 for the stay; (3) the status of the review proceedings; and (4) the relationship of the
18 parties.” *Telesign Corp.*, 2016 WL 6821111, at *4 (quoting *E. Digital Corp. V.*
19 *Dropcam, Inc.*, No. 14-cv-04922-JST, 2016 WL 658033, at *4 (N.D. Cal. 2016)).
20 “Courts have repeatedly found no undue prejudice unless the patentee makes a specific
21 showing of prejudice beyond the delay necessarily inherent in any stay.” *PersonalWeb*
22 *Techs.*, 69 F. Supp. 3d at 1029; *see also Wonderland*, 2015 WL 1809309, at *4 (“The
23 general prejudice of having to wait for resolution is not a persuasive reason to deny the
24 motion for stay.”)

25 LifeScan argues it timely filed its petitions and motion and that mere delay does
26 not amount to prejudice. (Mot. 26.) LifeScan further points out that Facet did not move
27 for a preliminary injunction and argues that Facet already contributed to delays in this
28 action by failing to timely secure new counsel. (*Id.* 26–27.) Facet responds that LifeScan

1 waited nearly the entire statutory period to file its petitions. (Opp. 25–26.) Facet further
 2 argues that a stay could delay this case by at least an additional year, forcing Facet to
 3 contend with LifeScan’s alleged infringement in the meantime. (*Id.*) Facet also argues
 4 that the parties are direct competitors. (Opp. 24.)

5 Here, the timing of LifeScan’s petition may suggest prejudice, especially coupled
 6 with the fact that the close of fact discovery is impending. *See, e.g., Fulfillium, Inc. v.*
 7 *ReShape Med., LLC*, No. 2:17-cv-08419-RGK-PLA, 2018 WL 9848044, at *3 (C.D.
 8 Cal. June 4, 2018) (“[W]ait[ing] until the final hour to petition for IPR strongly suggests
 9 gamesmanship.”). Additionally, the relationship of the parties, as competitors, disfavors
 10 a stay. *Verinata Health, Inc. v. Ariosa Diagnostics, Inc.*, No. C 12-05501 SI, 2014 WL
 11 121640, at *3 (N.D. Cal. Jan. 13, 2014) (*quoting Boston Sci. Corp. v. Cordis Corp.*, 777
 12 F. Supp.2d 783, 789(D. Del. 2011) (“Courts are generally reluctant to stay proceedings
 13 where the parties are direct competitors.”) Thus, while delay alone does not suggest
 14 undue prejudice, the facts here disfavor a stay.

15 **IV. CONCLUSION**

16 Considering the totality of the factors, the Court concludes the factors weigh
 17 against issuing a stay. Thus, the Court **DENIES** the motion. Because the PTAB has not
 18 yet decided whether to institute LifeScan’s petitions, the Court denies LifeScan’s
 19 motion without prejudice. However, given the advanced stage of the litigation, the Court
 20 urges LifeScan to carefully consider whether renewing this motion is prudent in the
 21 event the PTAB institutes review.

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 23 **IT IS SO ORDERED.**

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 25 Dated: May 1, 2023



26 MARK C. SCARSI
 27 UNITED STATES DISTRICT JUDGE
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