

UNITED STATES DISTRICT COURT
FOR THE
DISTRICT OF VERMONT

U.S. DISTRICT COURT
DISTRICT OF VERMONT
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VERMONT SAFETY DEVELOPMENTS)
LLC,)
)
Plaintiff,)
)
v.)
)
HEAD SPORT GmbH,)
)
Defendant.)

Case No. 2:23-cv-89

**ORDER ON MOTION TO STAY AND ON MOTION FOR RECONSIDERATION
(Docs. 39, 44)**

Vermont Safety Developments LLC (“VSD”) alleges that Head Sport GmbH’s “Protector” ski bindings infringe on VSD’s patent No. 7,523,953, entitled “Alpine Ski Binding System Having Release Logic for Inhibiting Anterior Cruciate Ligament Injury” (the ‘953 patent”). (Doc. 1.) Head Sport GmbH (“Head”) has answered, asserted defenses (including invalidity), and filed a counterclaim for declaratory judgment of non-infringement of the ‘953 patent. (Doc. 10.) On July 12, 2024, Head filed a Motion to Stay the case until the U.S. Patent and Trademark Office’s (“PTO”) Patent Trial Appeal Board (“PTAB”) completes its review of a June 28, 2024 *Inter Partes* Review (“IPR”) petition that Head filed under 35 U.S.C. § 311 seeking a determination that all claims of the ‘953 patent are unpatentable. (Doc. 39.) On July 17, 2024, Head filed a motion for a protective order staying claim construction deadlines and the July 24, 2024 deposition of Head’s claim construction expert Maury Hull, Ph.D. pending resolution of the Motion to Stay. (Doc. 41.)

In a text-only order, the court granted the July 17, 2024 motion, staying discovery until the court could hear and decide the July 12, 2024 Motion to Stay. (Doc. 42.) VSD seeks

reconsideration of the text-only order. (Doc. 44.) The court heard argument on the Motion to Stay and the Motion for Reconsideration on August 2, 2024. For the reasons below, the Motion to Stay is GRANTED and the Motion for Reconsideration is DENIED.

Background

VSD filed its patent infringement complaint in this court on May 11, 2023. (Doc. 1.) In October 2023, after VSD filed its answer to Head’s counterclaim (Doc. 10), the parties stipulated to—and the court assigned—an early neutral evaluator. (Docs. 14, 15.) The court entered a Stipulated Discovery Schedule/Order on December 11, 2023. (Doc. 23.) Discovery certificates filed between December 2023 and March 2024 reflect that the parties exchanged initial disclosures and initial infringement, non-infringement, and invalidity contentions. (Docs. 24–28.)

The early neutral evaluator reported on March 22, 2024 that the February 26, 2024 session was productive but that the parties had not reached a settlement. (Doc. 30.) Head represents that, a few days after VSD served its first discovery requests on March 4, 2024, VSD “updated its preliminary infringement contentions withdrawing certain asserted claims (claims 30 and 35–58) and asserting infringement, for the first time, of claims 58–60 of the ‘953 patent.” (Doc. 39 at 7.)

On April 15, 2024, the court granted the parties’ stipulated motion to amend the discovery schedule. (Doc. 32.) The amended schedule contemplated claim construction briefs on or before August 16, 2024 and a claim construction hearing in early September 2024. (*Id.* at 4.) The schedule also set multiple discovery and other deadlines for various periods of time after the court issues an opinion concerning disputed claim language. (*Id.* at 5–6.) On July 1, 2024, the court granted the parties’ stipulated motion to amend the discovery schedule to extend

the claim construction deadlines, with claim construction briefs due on or before September 10, 2024 and a claim construction hearing in late September 2024. (Doc. 36.) The schedule, as amended, states that the case shall be ready for trial by October 2025 “[s]ubject to the timing of the Court’s orders regarding claim construction and summary judgment, if any.” (*Id.* ¶ 19.)

As noted above, Head filed its IPR petition with the PTAB on June 28, 2024. (See Doc. 47-1.)¹ Head filed its Motion to Stay in this court on July 12, 2024. (Doc. 39.) The parties filed a Joint Claim Construction Statement on July 17, 2024, identifying disputed claims terms and the parties’ proposed constructions of those terms. (Doc. 43.) The PTAB has not yet issued a decision on “institution” of *inter partes* review. See generally 37 C.F.R. § 42.108 (institution of *inter partes* review).

Analysis

Here—as in *KneeBinding, Inc. v. Marker Volkl USA, Inc.*—the parties agree that courts evaluating a motion to stay a patent infringement action generally consider three factors: “(1) whether a stay would unduly prejudice or present a clear tactical disadvantage to the non-moving party; (2) whether a stay will simplify the issues in question and trial of the case; and (3) whether discovery is complete and whether a trial date has been set.” *Kneebinding*, No. 15-cv-121, 2018 WL 11420012, at *1 (D. Vt. Jan. 8, 2018) (quoting *Xerox Corp. v. 3Com Corp.*, 69 F. Supp. 2d 404, 406–07 (W.D.N.Y. 1999)). VSD contends, however, that it is unnecessary to address these factors because the PTAB has not made an “institution” decision, and thus Head’s Motion to Stay should be “denied out of hand.” (Doc. 47 at 10.)

¹ Document 47-1 is an excerpt of the IPR petition. The full 96-page petition is available on the U.S. Patent and Trademark Office website and on electronic databases. See Petition for Inter Partes Review, *Head Sport GmbH v. Vt. Safety Developments LLC*, No. IPR2024-01099, 2024 WL 3236106 (Patent Tr. & App. Bd. June 28, 2024).

I. Pending PTAB “Institution” Decision

In *KneeBinding*, the PTAB had instituted the IPR before the court ruled on the motion to stay in that case. 2018 WL 11420012, at *1. This case differs from *KneeBinding* in that respect because the PTAB has not yet issued a decision on institution of Head’s IPR petition. VSD argues that “the factors relevant to a stay analysis cannot be meaningfully addressed until the PTO determines whether to institute an IPR.” (Doc. 47 at 10 (quoting *Rensselaer Polytechnic Inst. v. Apple Inc.*, No. 13-CV-0633, 2014 WL 201965, at *5 (N.D.N.Y. Jan. 15, 2014))). Head maintains that courts can and do stay cases before PTAB institution decisions. (Doc. 39 at 11.)

The court is not persuaded that the absence of a PTAB institution decision means that the stay-related factors are inapplicable. It is true that the *Rensselaer Polytechnic* court cited some cases as concluding that the stay analysis could not be meaningfully addressed before a decision on institution. 2014 WL 201965, at *5. Similarly, as noted in *Trover Group, Inc. v. Dedicated Micros USA*, many courts “have postponed ruling on stay requests or have denied stay requests when the PTAB has not yet acted on the petition for review.” No. 13-CV-1047, 2015 WL 1069179, at *5 (E.D. Tex. Mar. 11, 2015) (Bryson, J.).

However, as stated in *Rensselaer Polytechnic*, other courts “have concluded that the plaintiff risks only a modest delay where the court stays pending litigation while awaiting the PTO’s initial response to an IPR petition, and that risk of delay is, on balance, prudent in light of the prospect of benefiting from the PTO’s unique expertise on a highly complex topic.” 2014 WL 201965, at *5. And the *Rensselaer Polytechnic* court itself discussed the relevant factors and sub-factors in significant detail. The court concludes that the better course is to evaluate the stay-related factors.

II. The Relevant Stay-Related Factors

A. Undue Prejudice or Clear Tactical Disadvantage

As stated in *Rensselaer Polytechnic*, “[t]he question of undue prejudice or clear tactical advantage is informed by four sub-factors, including ‘(1) the timing of the review request; (2) the timing of the request for stay; (3) the status of the review proceedings; and (4) the relationship of the parties.’” *Rensselaer Polytechnic*, 2014 WL 201965, at *4 (quoting *Davol, Inc. v. Atrium Med. Corp.*, No. 12-CV-0958, 2013 WL 3013343, at *2 (D. Del. June 17, 2013)). “It should be noted that ‘[m]ere delay in the litigation does not establish undue prejudice.’” *Id.* (quoting *Universal Elecs., Inc. v. Universal Remote Control, Inc.*, 943 F. Supp. 2d 1028, 1033 (C.D. Cal. 2013)).

1. Timing of the Review Request

VSD filed its complaint in this court on May 11, 2023. (Doc. 1.) Service was completed on July 3, 2023. (Doc. 9.) By law, Head could file an IPR petition no later than July 3, 2024. *See* 35 U.S.C. § 315(b) (“An inter partes review may not be instituted if the petition requesting the proceeding is filed more than 1 year after the date on which the petitioner, real party in interest, or privy of the petitioner is served with a complaint alleging infringement of the patent.”). Head filed its IPR petition on June 28, 2024—five days before § 315(b)’s deadline. “The fact that an accused infringer waits until one year after being served with a complaint in an infringement action to submit its IPR petition ‘at least raises the possibility that [it] was a dilatory tactic.’” *Rensselaer Polytechnic*, 2014 WL 201965, at *4 (alteration in original; quoting *Evolutionary Intelligence LLC v. Yelp Inc.*, No. C-13-03587, at *9 (N.D. Cal. Dec. 18, 2013)).

Citing *Brice Environmental Services Corp. v. Arcadis, U.S., Inc.*, No. 21-cv-00141, 2022 WL 2966442, at *2 (D. Alaska July 27, 2022), Head asserts that it reasonably waited to file

the IPR petition until after the early neutral evaluation “because the ENE had the potential to resolve the parties’ dispute and avoid the expense of preparing and filing the Petition in the first place.” (Doc. 39 at 13.) VSD contends that *Brice* is distinguishable and that—given Head’s resources and the invalidity defenses and contentions Head had already asserted—Head did not need “four full months after the ENE” to prepare and file its IPR petition. (Doc. 47 at 14.) Head maintains that it reasonably waited to avoid the effort of preparing the petition in the event of resolution in the ENE process and that it also required time to address the new patent claims that VSD asserted in VSD’s March 2024 updated contentions. (Doc. 48 at 9.)

The court recognizes that *Brice* differs from this case—particularly because the parties in *Brice* jointly stipulated to a stay pending resolution of the IPR process. *Brice*, 2022 WL 2966442, at *1. On the other hand, the *Brice* court analyzed the stay-related factors, and in its discussion of the prejudice factor, the court noted that although the defendant filed its IPR petition one year after the complaint was filed, “[i]t was reasonable for Defendant to wait to file for *inter partes* review until after it learned whether this case would survive its Motion to Dismiss,” which the court had denied two months before the defendant filed its IPR petition. *Id.* at *2. Head has not filed a motion to dismiss in this case, but, just as a successful motion to dismiss might obviate the need for an IPR, a successful ENE or other process could do the same. *See SunPower Corp. v. PanelClaw, Inc.*, No. 12-1633, 2014 WL 12774919, at *1 (D. Del. May 16, 2014) (delay in filing IPR petitions was due in part to settlement discussions).

The court also recognizes that Head is a large multinational corporation with significant resources. Thus, after the ENE concluded in February 2024, the court can reasonably presume that Head had the ability to efficiently prepare an IPR petition. *Cf. Rensselaer Polytechnic*, 2014 WL 201965, at *4 (reasoning that Apple Inc.’s access to resources would likely enable it to

address multiple tasks—evaluation of venue, standing, and preparation of IPR petition—“in parallel”). But even the *Rensselaer Polytechnic* court conceded that it was “not in a position to suggest how long a party spends on certain tasks.” *Id.* And in this case, the court recognizes that Head required additional time to address the new patent claims that VSD asserted in its March 2024 updated contentions.

2. Timing of the Stay Request

Head filed its Motion to Stay on July 12, 2024—two weeks after it filed its IPR petition. VSD concedes that Head moved for a stay “relatively soon after filing its IPR petition.” (Doc. 47 at 13.) This factor does not weigh against a stay.

3. Status of Review Proceedings

VSD asserts that “there are no review proceedings” before the PTAB, noting that VSD’s deadline to file its Patent Owner Preliminary Response (“POPR”) is October 18, 2024, and the PTAB will then have until January 18, 2025 to decide whether to “institute.” (Doc. 47 at 14.) The court recognizes that the argument for a stay here is perhaps not as strong as in cases where the PTAB has already decided in favor of institution. However, as discussed above, even before issuance of a decision on institution, granting a stay while awaiting the PTAB’s institution decision may be “prudent in light of the prospect of benefiting from the PTO’s unique expertise on a highly complex topic.” *Rensselaer Polytechnic*, 2014 WL 201965, at *5.

4. Relationship of the Parties

VSD concedes that the parties in this case are not direct competitors. (Doc. 47 at 13.) This factor also does not weigh against a stay. *See Rensselaer Polytechnic*, 2014 WL 201965, at *6 (“Where, as here, the parties are not direct competitors . . . there is little risk that the

plaintiff will suffer irreparable harm through the continued use of accused technology that cannot be compensated through monetary relief.”).

B. Simplification

Head contends that granting a stay would simplify this case because the PTAB could resolve the issues of unpatentability and the civil action “has the potential to become moot should the PTAB cancel each of VSD’s asserted claims.” (Doc. 39 at 16.) VSD asserts that it has “multiple, strong arguments against institution” and that “[a]ny simplification is therefore speculative.” (Doc. 47 at 15.) The court agrees that the pre-institution status of the PTAB proceedings is relevant to the “simplification” factor. *See Entangled Media, LLC v. Dropbox Inc.*, No. 23-cv-03264, 2024 WL 1974554, at *3 (N.D. Cal. May 3, 2024) (“Courts frequently find that ‘any simplification of the issues is speculative because the PTAB has not yet instituted review’ and have denied motions to stay on that ground. . . . This Court agrees that a lack of simplification at this stage weighs heavily against a stay at this juncture.” (quoting *Entropic Commc’ns, LLC v. DirecTV, LLC*, No. 22-cv-07775, 2023 WL 3407132, at *2 (C.D. Cal. Apr. 17, 2023))).

As discussed above, however, the status of the PTAB proceedings is not dispositive of Head’s motion to stay in this case. The court considers all the relevant factors and circumstances together. *See Rensselaer Polytechnic*, 2014 WL 201965, at *3 (“[A]n overarching consideration of the circumstances in their totality governs.”). And, while the parties and the court cannot predict with certainty whether the PTAB will grant institution, the possibility of simplification merits consideration of a “modest delay” in this litigation. *Rensselaer Polytechnic*, 2014 WL 201965, at *5.

C. Discovery and Trial Date

Head argues that, despite the fact that the complaint was filed over a year ago, the case is only in its “beginning stages” because “[n]o confidential documents have been produced, claim construction briefing has not started, depositions relating to claim construction positions have not occurred, the parties have not conducted nor scheduled fact depositions, expert discovery has not begun, and trial is far away.” (Doc. 39 at 12.) VSD contends that litigation has advanced sufficiently to disfavor a stay because “[t]he parties have been in the claim construction phase of this litigation since exchanging claim terms for construction on April 2, 2024.” (Doc. 47 at 18.) Head maintains that the “heaviest lifts” of the claim construction process all lie in the future, including “expert claim construction depositions, claim construction briefing, the claim construction hearing, and the subsequent, anticipated Order from the Court.” (Doc. 48 at 11.)

The *Entangled Media* court declined to characterize that case as “in its ‘infancy’” where “the Court had already heard arguments on a dispositive motion and set a case schedule with a trial date, and the parties had engaged in significant discovery and started the claims construction process.” 2024 WL 1974554, at *4. *Entangled Media* does not support the proposition that merely starting the claims construction process is enough to disfavor a stay. The majority of the substantive claims construction has yet to be done in this case. And this case differs significantly from *Entangled Media* in other respects; in that case:

At the time Dropbox filed this motion, the parties had spent over fourteen months engaged in discovery, including written discovery, the production of over 47,000 pages of documents, the issuance of subpoenas, and extensive negotiation of a protective order. The Court has already heard and issued a decision on Dropbox’s motion to dismiss.

Id. at *2. And “[a]pproximately one month before Dropbox petitioned for inter partes review, the Court issued a scheduling order setting a trial date.” *Id.*

In contrast, only preliminary and minimal production has occurred thus far in this case. No dispositive motion has yet been filed, let alone ruled upon. No trial is currently scheduled, and the October 2025 date in the Second Amended Stipulated Discovery Schedule/Order is “[s]ubject to the timing of the Court’s orders regarding claim construction and summary judgment, if any.” (Doc. 36 at 4.) This case is further along than *Zomm, LLC v. Apple Inc.* was at the time the alleged infringer moved for a stay. 391 F. Supp. 3d 946, 956 (N.D. Cal. 2019) (court had not yet issued a scheduling order). And it appears that the parties have worked diligently to prepare to litigate claims construction, having exchanged claim terms, proposed constructions, construction expert declarations, the July 17, 2024 Joint Claim Construction Statement, and having scheduled expert depositions. But, in the court’s view, “there is more work ahead of the parties and the Court than behind the parties and the Court.” *Brice*, 2022 WL 2966442, at *1 (quoting *Medtronic, Inc. v. Axonics Modulation Techs., Inc.*, No. 19-02115, 2020 WL 5087820, at *2 (C.D. Cal. May 8, 2020)).

In sum, the court concludes that the relevant factors and circumstances favor a stay in this case. Because VSD and Head are not direct competitors, there is little basis to find “undue prejudice.” To the extent that granting a stay might result in some tactical disadvantage to VSD in the PTAB process, denying the stay could result in a tactical disadvantage to Head in that process. The court is not persuaded that granting the stay would result in a “clear” tactical disadvantage to VSD. The possibility of significant simplification and the relatively minimal proceedings in this court thus far weigh in favor of a modest stay.

III. Scope of the Stay

In its Motion and Reply, Head seeks a stay “until the PTAB completes its review of the IPR Petition challenging the Asserted Patent.” (Doc. 39 at 20; Doc. 48 at 13.) If the PTAB

declines to institute, then its review would be complete. Head indicated at the August 2, 2024 hearing that it would proceed with this litigation immediately in that circumstance. If the PTAB grants institution, then its review would continue and the factors discussed above would likely favor continuing the stay. At minimum, a “modest delay” is appropriate pending the PTAB’s decision on institution.

IV. Reconsideration Motion (Doc. 41)

VSD’s Motion for Reconsideration seeks reconsideration of the court’s July 17, 2024 text-only Order and a stay of “claim construction deadlines, including the noticed deposition of Dr. Maury Hull, pending the Court’s disposition of Head’s Motion to Stay.” (Doc. 41 at 7.) Because the court is granting the motion to stay, VSD’s reconsideration motion is moot.

Conclusion

Head Sport GmbH’s Motion to Stay (Doc. 39) is GRANTED. The court will stay this case until the PTAB issues its ruling on institution. The stay will remain in place if the PTAB grants institution, without prejudice to VSD’s right to seek dissolution of the stay.

Vermont Safety Developments LLC’s Motion for Reconsideration (Doc. 44) is DENIED as MOOT.

Dated at Burlington, in the District of Vermont, this 19th day of August, 2024.

/s/ Geoffrey W. Crawford
Judge, U.S. District Court