IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION

DATATREASURY CORPORATION,	§	
	§	Case No. 2:13-CV-431-JRG-RSP
v.	§	LEAD CASE
	§	
FISERV, INC. et al.	§	

ORDER

Before the Court are Defendants' Motion to Stay Litigation Pending Covered Business Method Review (Case No. 2:13-cv-432, Dkt. No. 195, filed December 18, 2013) (hereinafter "Fidelity Motion") and Defendants' Motion to Stay Litigation Pending Covered Business Method Review (Case No. 2:13-cv-433, Dkt No. 209, filed January 2, 2014) (hereinafter "Jack Henry Motion").

BACKGROUND

The pending Motions seek a stay of two patent infringement suits[1] that were filed on May 28, 2013 and were subsequently consolidated. Each patent infringement case concerns two U.S patents by inventor Claudio R. Ballard: U.S. Patent Nos. 6,032,137 ("'137 Patent") and 5,910,988 ("'988 Patent") (collectively the "patents-in-suit"). The patents-in-suit are directed to systems and methods for, generally, remote image capture with centralized processing and storage. The patents-in-suit have been frequently litigated in one form or another. One or both of the patents-in-suit have been asserted in more than twenty other suits (not including cases presently pending before this Court) since 2002,[2] including nine[3] suits in which the court made

[1] *Datatreasury Corp. v. Fidelity National Information Services, Inc. et al.*, 2:13-cv-432 (hereinafter "Fidelity Case"), and *Datatreasury Corp. v. Jack Henry & Associates, Inc., et al.*, 2:13-cv-433 (hereinafter "Jack Henry Case").

[2] Case Nos. 6:11-cv-00470 (E.D. Tex. September 8, 2011); 2:11-cv-00346 (E.D. Tex. August 2, 2011); 2:11-cv-03275 (N.Y.E.D. July 7, 2011); 5:11-cv-00108 (E.D. Tex. June 2,

claim construction or definiteness findings. The '988 Patent has also been involved in at least two reexaminations: 90/007,829 (filed Nov. 25, 2005) and 90/012,573 (filed Aug. 13, 2012 (ongoing)), and the '137 Patent has been involved in at least one reexamination: 90/007,830 (filed Nov. 25, 2005).

Since the suits were filed on May 28, 2013, Defendants have initiated seven post-grant proceedings as to the patents-in-suit.[4] For the '137 Patent, three post-grant proceedings have been initiated:

- CBM2014-00020, filed October 25, 2013 by Fidelity National Information Services, Inc.;
- CBM2014-00056, filed January 7, 2014 by Jack Henry and Associates, Inc.; and
- IPR2014-00490, filed March 6, 2014 by Fidelity National Information Services, Inc.

For the '988 Patent, four post-grant proceedings have been initiated:

2011); 6:11-cv-00092 (E.D. Tex. Feb. 23, 2011); 2:08-cv-00356 (E.D. Tex. Sept. 17, 2008); 2:08-cv-00187 (E.D. Tex. May 2, 2008); 2:06-cv-00165 (E.D. Tex. April 18, 2006); 2:06-cv-00072 (E.D. Tex. Feb. 24, 2006); 5:05-cv-00173 (E.D. Tex. Sept. 9, 2008); 1:05-cv-07780 (S.D.N.Y. Sept. 2, 2005); 3:05-cv-01355 (Tex. N.D. June 28, 2005); 2:05-cv-00294 (E.D. Tex. June 28, 2005); 2:05-cv-00293 (E.D. Tex. June 28, 2005); 2:05-cv-00290 (E.D. Tex. June 28, 2005); 2:05-cv-00292 (E.D. Tex. June 28, 2005); 2:05-cv-00291 (E.D. Tex. June 28, 2005); 2:05-cv-00073 (E.D. Tex. Feb. 17, 2005); 2:04-cv-00085 (E.D. Tex. March 2, 2004); 2:03-cv-00459 (E.D. Tex. Dec. 19, 2003); 3:03-cv-00059 (N.D. Tex. Jan. 9, 2003); 3:02-cv-02429 (N.D. Tex. Nov. 7, 2002); 5:02-cv-00124 (E.D. Tex. June 5, 2002); 5:02-cv-00094 (E.D. Tex. May 2, 2002); 5:02-cv-00095 (E.D. Tex. May 2, 2002).

[3] Case. Nos. 5:02-cv-95 (E.D. Tex.) (Dkt Nos. 155, 180); 5:02-cv-124 (E.D. Tex.) (Dkt Nos. 214, 249); 5:03-cv-39 (E.D. Tex.) (Dkt Nos. 118, 138); 2:03- cv-459 (E.D. Tex.) (Dkt No. 156); 2:06-cv-072 (E.D. Tex.) (Dkt No. 1221); 2:05-cv-291 (E.D. Tex.) (Dkt No. 247); 2:05-cv-292 (E.D. Tex.) (Dkt No. 205); 2:05-cv-293 (E.D. Tex.) (Dkt No. 187); and 2:06-cv-072 (E.D. Tex.) (Dkt No. 1934)

[4] A comprehensive list of dates is provided in Appendix A.

- CBM2014-00021, filed October 25, 2013 by Fidelity National Information Services, Inc.;
- CBM2014-00057, filed January 7, 2014 by Jack Henry and Associates, Inc.; and
- IPR2014-00489 and IPR2014-00491, both filed March 6, 2014 by Fidelity National Information Services, Inc.

Progressively, each case moved the Court to stay under the covered business method ("CBM") provision of the America Invents Act (discussed below). The Fidelity Case moved for a stay after its CBM petition had been filed while the Jack Henry Case moved for a stay before its CBM petition had been filed. The exact dates are as follows:

- On December 18, 2013, the Fidelity Case moved to stay and briefing completed on January 27, 2014 (Dkt. No. 178) and a notice of supplemental authority was filed on February 11, 2014 (Dkt. No. 214.); and
- On January 2, 2014, the Jack Henry Case moved to stay and briefing completed on February 10, 2014 (Dkt. No. 211.)

After Defendants' briefing completed—on April 4, 2014—various defendants filed an Emergency Motion to Stay Proceedings and Request for Expedited Briefing (Dkt. No. 314) and briefing completed on April 22, 2014 (Dkt. No. 325.)

Approximately one month (May 23, 2014) after briefing completed on the emergency motion, various defendants filed a mandamus petition to the United States Court of Appeals for the Federal Circuit seeking a stay. On July 10, 2014, the Federal Circuit denied defendants' writ, noting that "in *VirtualAgility Inc. v. SalesForce.com, Inc.*, ___ F.3d ___, 2014-1232 (Fed. Cir. July 10, 2014), [the Federal Circuit] recently addressed the proper application of the factors for assessing a motion to stay district court proceedings pursuant to Section 18(a)(1)(B) of the

America Invents Act, Pub L. No. 112-29, 125 Stat. 284, 329–31 (2011) after Covered Business Method Review has been invoked." (Dkt. No. 365 at 2.) In denying defendants' mandamus petition the court stated that it deemed "it the better course to deny the petition and for the district court to promptly consider the motions for a stay in light of *VirtualAgility*." (*Id.*) This Court promptly ordered expedited supplemental briefing in light of the Federal Circuit's *VirtualAgility* decision (Dkt. No. 497, filed July 16, 2014), which was recently completed on July 25, 2014.

The PTAB's first determination that a CBM review should be instituted in the Fidelity proceedings was issued shortly after briefing on the emergency motion concluded. The day that defendants' mandamus petition was denied the PTAB determined that a CBM review should be instituted in the Jack Henry proceedings. For reference the CBM institution dates are as follows:

- On April 29, 2014, CBM review in CBM2014-00020 and CBM2014-00021 by Fidelity National Information Services, Inc. were instituted; and
- On July 10, 2014, CBM review in CBM2014-00056 and CBM2014-00057 by Jack Henry and Associates, Inc. were instituted.

APPLICABLE LAW

The Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (September 16, 2011) ("AIA") provides in § 18(a)(1) for the creation of "a transitional post-grant review proceeding for review of the validity of covered business method patents." Section 18(d)(1) of the AIA defines the term "covered business method patent" as follows:

> a patent that claims a method or corresponding apparatus for performing data processing or other operations used in the practice, administration, or management of a financial product or service, except that the term does not include patents for technological inventions.

Section 18(b) codifies the request for a stay for such transactional proceedings of covered business method patents and states:

> (1) IN GENERAL.--If a party seeks a stay of a civil action alleging infringement of a patent under Section 281 of title 35, United States Code, relating to a transitional proceeding for that patent, the court shall decide whether to enter a stay based on--
>
> (A) whether a stay, or the denial thereof, will simplify the issues in question and streamline the trial;
>
> (B) whether discovery is complete and whether a trial date has been set;
>
> (C) whether a stay, or the denial thereof, would unduly prejudice the nonmoving party or present a clear tactical advantage for the moving party; and
>
> (D) whether a stay, or the denial thereof, will reduce the burden of litigation on the parties and on the court.
>
> (2) REVIEW.--A party may take an immediate interlocutory appeal from a district court's decision under paragraph (1). The United States Court of Appeals for the Federal Circuit shall review the district court's decision to ensure consistent application of established precedent, and such review may be de novo.

The recent decision in *VirtualAgility Inc. v. Salesforce.com, Inc.*, 2014 WL 3360806 (Fed. Cir. July 10, 2014)[5] (hereinafter "*VirtualAgility*") is the first (and to the Court's knowledge only) appellate decision addressing § 18(b) of the AIA. The Federal Circuit's decision addressed the proper application of the factors of § 18(b).

The *VirtualAgility* court jointly addressed "Factors (A) and (D): Simplification of Issues and Reduced Burden of Litigation" and provided the following guidance. *VirtualAgility* at 2. The court found that, while parties may put forward similar arguments for the simplification of

[5] The *VirtualAgility* appeal, filed January 10, 2014, reversed a January 9, 2014, Memorandum Opinion and Order in *VirtualAgility Inc. v. Salesforce.com, Inc.*, Case No. 2:13-cv-11, (E.D. Tex.), ECF No. 117.

issues factor and the burden of litigation factor, both "factor[s] are listed separately in the statute [and] [t]hus, even when both factors point in the same direction—in favor of or against the stay—they continue to be separate, individual factors which must be weighed in the stay determination." *VirtualAgility* at *5. It is "improper [for a district court to] review . . . whether the PTAB was correct in its determination that the claims of the . . . patent were more likely than not invalid." *VirtualAgility* at 5. It "weighs heavily in favor of granting the stay" if the PTAB grants CBM review on every claim of the asserted patents. *Id.* The court found that a "simplification argument would be stronger if all of the prior art or relevant invalidity issues were in the CBM review, as this would entirely eliminate the trial court's need to consider validity in the event that some claims survive CBM review." *Id.* at 6.

"Under the [AIA's] statutory scheme, district courts have no role in reviewing the PTAB's determinations regarding the patentability of claims that are subject to CBM proceedings." *VirtualAgility* at *5. If the PTAB has issued a determination, a district court's review would be "a challenge to the PTAB's 'more likely than not' determination [that] amounts to an improper collateral attack on the PTAB's decision to institute CBM review." *Id.* "If the district court were required to 'review' the merits of the PTAB's decision to institute a CBM proceeding as part of its stay determination, it would undermine the purpose of the stay." *Id.*

The *VirtualAgility* court addressed "Factor (B): Whether Discovery Is Complete and Whether a Trial Date Has Been Set" and provided the following guidance. *VirtualAgility* at *6. It is "not error for the district court to wait until the PTAB made its decision to institute CBM review before it ruled on the motion." *Id.* at 7. "While a motion to stay could be granted even before the PTAB rules on a post-grant review petition, . . . the case for a stay is stronger after post-grant review has been instituted." *Id.* "Generally, the time of the [filing of the] motion is

the relevant time to measure the stage of litigation" for factor (B). *Id.* at 8. There is "no error in also taking into account the stage of litigation as of the date that CBM review was granted." *Id.* n.6. "Similarly, the district court may consider evidence that develops after the date of the stay motion—for example, the fact that the PTAB granted the CBM petition, any claim amendments proposed or entered in the post-grant proceeding, further evidence of competition, and so on—as it pertains to the other three factors." (*Id.*)

The *VirtualAgility* court addressed "Factor (C): Undue Prejudice or Tactical Advantage" and provided the following guidance. *VirtualAgility* at 8. "[C]ompetition between parties can weigh in favor of finding undue prejudice." *VirtualAgility* at 9 (citation omitted). "[W]hether the patentee will be unduly prejudiced by a stay in the district court proceedings during the CBM review, like the irreparable harm-type inquiry, focuses on the patentee's need for an expeditious resolution of its claim." *Id.* "In some circumstances, a defendant's decision to save key pieces of prior art for district court litigation in case its CBM challenge fails would weigh against a stay." *Id.* at 10. "Even though the "splitting" of prior art is allowed by statute in the sense that litigation estoppel does not attach to art that could have been, but was not, raised in CBM review, such behavior can still give the movant a clear tactical advantage within the meaning of § 18." *Id.* "Failure to advance irrelevant or redundant prior art would not demonstrate a clear tactical advantage." *Id.* n.8.

It is presently unresolved what "Congress meant when it indicated that [the Federal Circuit's] 'review may be de novo.'" *VirtualAgility* at *2.

DISCUSSION

Plaintiff and Defendants both agree that this Court should decide the motion to stay based on the standards codified in § 18(b)(1).

A) whether a stay, or the denial thereof, will simplify the issues in question and streamline the trial;

Plaintiff argues that the "[t]he first factor—whether a stay, or the denial thereof, will simplify the issues in question and streamline the trial—is not dispositive of whether the stay should be granted." (Plaintiff's Supplemental Brief, Dkt No. 499 at 2.) Plaintiff argues that contrary to *VirtualAgility* "[s]ection 18(b) places in the [c]ourt—not the PTAB—the power to decide whether the stay will simplify the litigation . . . ." (*Id.* n.2.) Plaintiff concedes that "under the majority opinion in *VirtualAgility*, the Court should accept the PTAB's initial determination that it is more likely than not that it will find the asserted claims invalid, even though the patents have successfully survived a prior reexamination, the patents have survived a prior trial, all of the PTAB's determinations are subject to judicial review, and the Federal Circuit reviews many key issues without deference to the PTAB's decision." (*Id.*) Plaintiff concedes that "under the majority opinion in *VirtualAgility*, the simplification of issues factor weighs towards a stay." (*Id.*)

Defendants argue that the PTAB granted review on all asserted claims of the asserted patents and that the *VirtualAgility* decision held that the PTAB's decision to institute proceedings "weighs heavily in favor of granting a stay." (Defendants' Supplemental Brief, Dkt. No. 500 at 2.)

Defendants do not deny that they may seek to invalidate the patents-in-suit by filing further petitions with the PTAB. Defendants appear to concede that they have not stipulated to be bound by the results of all the other parties' petitions.[6] The Parties appear to agree that the

[6] The defendants have only agreed to be estopped by the outcome of two of the CBM petitions: CBM2014-00020 and CBM2014-00021. (Dkt. No. 186-5, January 31, 2014.)

patents-in-suit have withstood prior challenges to their validity. The Parties appear to agree that not all relevant art is before the PTAB in the post-grant proceedings.

The Parties do not dispute that the PTO has instituted proceedings on Fidelity's petitions (CBM2014-00020 and CBM2014-00021) and Jack Henry's petitions (CBM2014-00056 and CBM2014-00057).

It "weighs heavily in favor of granting the stay" if the PTAB grants CBM review on every claim of the asserted patents. *VirtualAgility* at 5. "Under the [AIA's] statutory scheme, district courts have no role in reviewing the PTAB's determinations regarding the patentability of claims that are subject to CBM proceedings." *VirtualAgility* at *5. If the PTAB has issued a determination, a district court's review would be "a challenge to the PTAB's 'more likely than not' determination [that] amounts to an improper collateral attack on the PTAB's decision to institute CBM review." *Id.*

(B) whether discovery is complete and whether a trial date has been set;

Plaintiff argues that the case is over a year old, is proceeding through discovery, has an upcoming claim construction proceeding, and is scheduled for trial in April 2015. (Plaintiff's Supplemental Brief at 3.) Plaintiff argues that the case has been delayed by tactics on the part of Defendants. (*Id.* at 4.)

Defendants argue that "[r]egardless of whether the pertinent time period runs from the date that Defendants' Motions to Stay were filed, or the date that the PTAB decisions were granted, the litigation at either time was still in its infancy, which favors granting a stay." (Defendants' Supplemental Brief at 4 (internal quotation omitted).) Defendants argue that their motions are permitted by law and that Plaintiff has itself been a source of delay in the schedule. (*Id.* at 5-6.)

This case was filed on May 28, 2013. On January 3, 2014, the Parties were provided with an initial schedule setting the following dates: *Markman* hearing on July 30, 2014 and a trial date of February 9, 2015. After a hearing, at Defendants' request, the Court extended its ordinary schedule by two months and set the *Markman* date on September 26, 2014; the close of fact discovery on December 10, 2014; and a trial date of April 13, 2015. (Dkt. No. 222, filed February 19, 2014.) While these deadlines mark the dates for overall completion, the Court's schedule sets several intermediate completion dates, such as dates for the completion of specific types of discovery (e.g. technical information and email).

The PTAB instituted proceedings on Fidelity's petitions (CBM2014-00020 and CBM2014-00021 discussed above) on April 29, 2014. On this date, under the extended schedule requested by Defendants, the case had been pending for eleven months, the *Markman* hearing was about five months away, the close of fact discovery was less than eight months away, and the trial was a bit less than one year away.

The PTAB instituted proceedings on Jack Henry's petitions (CBM2014-00056 and CBM2014-00057 discussed above) on July 10, 2014. On this date, under the extended schedule requested by Defendants, the case had been pending for thirteen months, the *Markman* hearing was about two and a half months away, the close of fact discovery was five months away, and the trial a bit over ten months away.

(C) whether a stay, or the denial thereof, would unduly prejudice the nonmoving party or present a clear tactical advantage for the moving party; and

C.1 Whether a stay, or the denial thereof, would unduly prejudice the nonmoving party

Plaintiff argues that a stay would consume almost all of the remaining life of its patents: Plaintiff's patents expire in August 2017, and Plaintiff argues that, given the commercial value of its patents, it is likely that the resolution of CBM proceedings could take three years (including

appeals). (Plaintiff's Supplemental Brief at 6.) Plaintiff argues that this would unduly prejudice its "interest in the timely enforcement of its patent rights" and defeat the Court's "obligation 'to secure the just, speedy, and inexpensive determination of every action.'" (*Id.* (citations omitted).)

As to undue prejudice, Plaintiff concedes that it is not in direct competition with Defendants, but Plaintiff argues this is only true because Defendants willfully infringed the patents-in-suit, nearly putting it out of business. (Plaintiff's Supplemental Brief at 7.) Plaintiff argues that this past harm may entitle it to a permanent injunction, and that, while it has not waived its right to injunctive relief in this action, Plaintiff has refrained from litigating a preliminary injunction in this matter given the case's schedule. (*Id.* at 7-8.) Plaintiff argues it should not be penalized for not filing a preliminary injunction because the *VirtualAgility* decision does not require it and "such a requirement would needlessly bog down district courts." (*Id.* at 8.) Plaintiff argues that it "did not delay in filing this lawsuit," that it "has diligently pursued its rights against infringing banks for over a decade," and that it brought the instant suit "within months after settling its last round of cases—during which it learned the true involvement of the service provider defendants' role in the banks' infringement." (*Id.*) Plaintiff argues that its witnesses are older and that delay will, at best, see memories fade, and, at worst, see some of its witnesses pass away.

Defendants argue that "the Federal Circuit made clear that a delay in recovery does not satisfy this factor because —[a] stay will not diminish the monetary damages to which [plaintiff] will be entitled if it succeeds in its infringement suit—it only delays realization of those damages and delays any potential injunctive remedy." (Defendants' Supplemental Brief at 7 (citing *VirtualAgility* at 22.) Defendants argue that Plaintiff may not claim undue prejudice since it did

not seek a preliminary injunction.[7] (*Id.* at 7-8.) Defendants argue that Plaintiff delayed in bringing suit and filed these suits over a decade after Plaintiff's patents issued. (*Id.*) Defendants argue that the age of Plaintiff's witnesses is not a source of undue prejudice since, in *VirtualAgility*, the Federal Circuit found no prejudice where a party's witnesses were in their 60s and 70s. (*Id.* at 9.)

"A plaintiff seeking a preliminary injunction must establish that he is likely to succeed on the merits, that he is likely to suffer irreparable harm in the absence of preliminary relief, that the balance of equities tips in his favor, and that an injunction is in the public interest." *Trebro Mfg., Inc. v. Firefly Equip., LLC*, 748 F.3d 1159, 1165 (Fed. Cir. 2014) (citing *Winter v. Natural Res. Def. Council, Inc.,* 555 U.S. 7, 20 (2008)). An accused infringer can defeat a showing of likelihood of success on the merits by demonstrating a substantial question of validity or infringement. *Id.* (citing *Aria Diagnostics, Inc. v. Sequenom, Inc.*, 726 F.3d 1296, 1304 (Fed. Cir. 2013)). A preliminary injunction is "an extraordinary remedy that may only be awarded upon a clear showing that the plaintiff is entitled to such relief." *Id.* (citing *Winter*, 555 U.S. at 22). As the formidable showing required for a preliminary injunction reflects, it is "an extraordinary remedy," and the Court does not weigh it against the Plaintiff that it chose not to seek an extraordinary remedy.

The Court does not find that the Plaintiff was dilatory in bringing suit. (*See supra*, n.2.) The Court finds that a stay will consume a significant portion of the remaining life of the patents-in-suit. The Court observes that the extension of this suit may consume Plaintiff's resources, denying it the opportunity that it otherwise might have had to enforce its patents.

[7] The Court observes that Defendants simultaneously argue that "DataTreasury also lacks the legal elements necessary to support an injunction." (Defendants' Supplemental Brief at n.6.)

C.2 Whether a stay, or the denial thereof, would present a clear tactical advantage for the moving party

Plaintiff argues that Defendants "have split up [] their invalidity theories between the PTAB and this Court, and their tactics evidence a motive to delay the resolution of this litigation for as long as possible." (Plaintiff's Supplemental Brief at 9.) Plaintiff argues that Defendants have undertaken a strategy to avoid estoppel and to delay this litigation and consume the remaining life of its patents: Defendants have intentionally filed staggered petitions and Defendants have not indicated when they will stop filing more petitions. (*Id.*) Plaintiff argues that "none of the Defendants has stipulated to be bound by the results of all the other party's petitions" and that, on completion of the stay, "at least some Defendants will have the ability to re-litigate the validity issues already decided by the PTAB." (*Id.* at 10.) Plaintiff argues that it will be tactically disadvantaged since—under the current protective order—Defense counsel may participate in certain PTAB proceedings while Plaintiff's counsel is blocked by provisions of the prosecution bar. (*Id.* at 11-12.)

Defendants argue that Plaintiff should have expected different Defendants to file different CBM petitions. (Defendants' Supplemental Brief at 10.) Defendants argue that "none of the vendor Defendants are in privity with each other" and that they are "arch-competitors." (*Id.*) Defendants argue that "the PTAB's institution of proceedings on additional multiple CBM petitions, and highly likely institution of additional CBM and IPR proceedings, is further affirmation that the asserted claims are ―more likely than not unpatentable." (*Id.*) Defendants argue that the allegation of splitting art makes no sense in the context of Fidelity's petitions, since they are based on 35 U.S.C. §§ 101 and 102 and do not rely upon any prior art. (*Id.* at 11.) Defendants argue that Plaintiff has not identified any withheld art and that the "even if a defendant wished to, it is expressly precluded under the rules from submitting all possible prior

art in such post-grant proceedings." (*Id.*) Defendants argue that the protective order's prosecution bar is not relevant and that even if it were Plaintiff agreed to it. (*Id.*)

While Plaintiff argues that it will be tactically disadvantaged by the Court's protective order under a stay, the Court observes that Plaintiff has not requested that the Court modify its protective order.

The Defendants in this matter appear to have deliberately staggered their submissions to the PTAB. Defendants do not deny that they may seek to invalidate the patents-in-suit by filing further petitions with the PTAB. Defendants appear to concede that they have not stipulated to be bound by the results of all the other party's petitions.[8]

(D) whether a stay, or the denial thereof, will reduce the burden of litigation on the parties and on the court.

Plaintiff concedes that "[a]s with the simplification of the issues factor, the Court must accept the PTAB's initial determination under the majority decision in *VirtualAgility*." (Plaintiff's Supplemental Brief at 13.)

Defendants argue that the PTAB has made an initial determination and that a stay plainly reduces the burden of litigation on the parties. (Defendants Supplemental Brief at 12.) Defendants argue that the *VirtualAgility* holding demands a stay in this case. (*Id.* at 14.)

It "weighs heavily in favor of granting the stay" if the PTAB grants CBM review on every claim of the asserted patents. *VirtualAgility* at 5. "Under the [AIA's] statutory scheme, district courts have no role in reviewing the PTAB's determinations regarding the patentability of claims that are subject to CBM proceedings." *VirtualAgility* at *5. If the PTAB has issued a determination, a district court's review would be "a challenge to the PTAB's 'more likely than

[8] *See supra* n.6 (describing Defendants' agreement to be bound for two of the post-grant petitions).

not' determination [that] amounts to an improper collateral attack on the PTAB's decision to institute CBM review." *Id.*

CONCLUSION

Having considered the factors of § 18(b)(1) of the AIA, the Court finds that the factors favor granting a stay. The Court therefore **GRANTS** Defendants' Motion to Stay Litigation Pending Covered Business Method Review (Case No. 2:13-cv-432, Dkt. No. 195) and **GRANTS** Defendants' Motion to Stay Litigation Pending Covered Business Method Review (Case No. 2:13-cv-433, Dkt No. 209) The Court **ORDERS** that the consolidation order (Dkt. No. 131) is hereby vacated. The Court **ORDERS** that the Fidelity Case and the Jack Henry Case are hereby stayed, pending a final written decision on CBM2014-00020 or CBM2014-00021. Within seven days of a final written decision on CBM2014-00020 or CBM2014-00021 the parties shall file a joint status report, and the Plaintiff shall file a motion proposing a case schedule if claims of the patents-in-suit survive.

SIGNED this 14th day of August, 2014.

ROY S. PAYNE
UNITED STATES MAGISTRATE JUDGE

Appendix A – Summary of Dates

- On May 28, 2013, the cases were filed.
- On October 25, 2013, CBM2014-00020 and CBM2014-00021 were filed by Fidelity National Information Services, Inc.;
- On December 18, 2013, the Fidelity Case moved to stay;
- On January 2, 2014, the Jack Henry Case moved to stay ;
- On January 7, 2014, CBM2014-00056 and CBM2014-00057 were filed by Jack Henry and Associates, Inc.;
- On January 27, 2014 briefing completed on the Fidelity Case's motion to stay;
- On February 10, 2014 briefing completed on the Jack Henry Case's motion to stay;
- On March 6, 2014, IPR2014-00489, IPR2014-00490, and IPR2014-00491 were filed by Fidelity National Information Services, Inc.;
- On April 4, 2014, various defendants filed an Emergency Motion to Stay Proceedings and Request for Expedited Briefing;
- On April 22, 2014, briefing completed on defendants' emergency motion (Dkt. No. 325.);
- On April 29, 2014, CBM review in CBM2014-00020 and CBM2014-00021 by Fidelity National Information Services, Inc. were instituted;
- On May 23, 2014, various defendants filed a mandamus petition to the United States Court of Appeals for the Federal Circuit seeking a stay;
- On July 10, 2014, the Federal Circuit denied defendants' mandamus petition;

- On July 10, 2014, CBM review in CBM2014-00056 and CBM2014-00057 by Jack Henry and Associates, Inc. were instituted;
- On July 16, 2014, the Court ordered expedited supplemental briefing in light of the Federal Circuit's *VirtualAgility* decision;
- On July 25, 2014, the parties' expedited supplemental briefing completed.