

Judge Albright Grants Motion to Stay Pending IPR Given That the Case Was in Early Stages of Litigation

JULY 5, 2022

On June 8, 2022, Judge Albright granted Defendant Lone Star National Bancshares-Texas, Inc.'s ("Lone Star") motion to stay pending an instituted IPR filed in December 2021.

The plaintiff filed suit against Lone Star in March 2021. Shortly before the plaintiff filed suit, a non-defendant third party filed an IPR petition related to the asserted patent, on which the PTAB instituted a proceeding on September 7, 2021. Lone Star then filed a motion to stay on December 15, 2021, arguing that Lone Star expects a final written decision on the validity of the asserted patent by September 7, 2022.

Judge Albright examined three factors to determine whether to stay the case pending the IPR decision: (1) whether the stay will unduly prejudice the nonmoving party, (2) whether the proceedings before the court have reached an advanced stage, including whether discovery is complete and a trial date has been set, and (3) whether the stay will likely result in simplifying the case before the court.

1. As to the first factor, the Court noted that the case was still in its infancy, having not progressed beyond the pleading stage. Neither the *Markman* hearing, nor fact discovery had been completed. Specifically, the plaintiff filed its Case Readiness Status Report on April 21, 2022, months after Lone Star filed its motion to stay. Based on the Case Readiness Status Report, the *Markman* hearing would not occur any earlier than October 13, 2022, meaning that trial would not occur until the end of 2023. Based on these facts, the Court found that the first factor weighed in favor of staying the case.
2. As to the second factor, the Court noted little-to-no judicial resources had been expended on the case, given the stage of discovery. The Court also noted that it would benefit from preserving judicial resources in granting the stay by not ruling on unnecessary issues. Thus, the Court found this factor in favor of staying the case.
3. Finally, the Court found that IPR would simplify the issues in the case. The PTAB had suggested that the asserted patent may be directed to material anticipated or obvious regarding prior art. Invalidity would obviously limit the dispute because Lone Star had asserted invalidity as a counterclaim. Also, the Court noted that the PTAB's final decision could provide information relevant to claim construction. Thus, this final factor also weighed in favor of staying the case.

For these reasons, the Court held that the case should be stayed pending the IPR decision on September 7, 2022.

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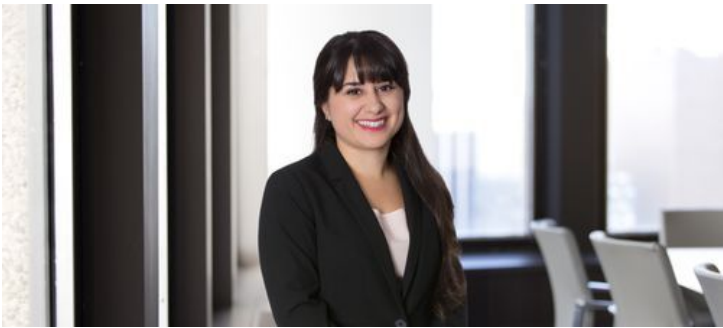
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