

Judge Albright Denies Apple's Motion To Stay Proceedings Pending Intra-District Transfer Decision

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On February 2, 2023, Judge Albright denied Apple, Inc.'s ("Apple") Motion to Stay Pending Transfer.

On February 10, 2022, Plaintiff SpaceTime3D, Inc. ("SpaceTime") sued Apple in the Waco Division of the Western District of Texas for infringement of three patents. On July 14, 2022, Apple moved for intra-district transfer to the Austin Division of the Western District. The Court set the *Markman* hearing for November 17, 2022. On November 16, 2022, Apple filed the Motion to Stay pending a decision on the intra-district transfer. The Court postponed the *Markman* hearing so the parties could conduct full briefing on the Motion.

In deciding the Motion to Stay, the Court applied four factors: "(1) whether the movant has made a showing of likelihood of success on the merits; (2) whether the movant will suffer irreparable injury if the stay is not granted; (3) whether granting the stay would substantially harm the other parties; and (4) whether the stay would serve the public interest."

The Court started its analysis by observing that caselaw affords district courts *more* discretion and deference in adjudicating **intra**-district transfers than **inter**-district transfers. Because the Court has the power to retain the case whether or not the transfer is granted, it does not have to stay proceedings or decide whether to transfer the case intra-district until closer to the trial date.

The Court then applied the factors in the following fashion:

- Factor 1, Success on the Merits: The Court did not substantively reach this factor since all other factors weighed strongly against transfer. For purposes of the decision, it assumed this factor would favor Apple.
- Factor 2, Apple's Irreparable Injury: The Court found Apple would not suffer irreparable injury. The Court stated that Apple's proposed hardships of preparing for a *Markman* hearing and embarking on fact discovery were "fundamental components of any patent case no matter where a case is litigated," especially when the transfer is **intra**-district and the divisions share the same local rules governing discovery. And to the extent that Apple argued it would suffer prejudice based on different discovery procedures between judges, the Court noted such prejudice was "sheer speculation" without basis.
- Factor 3, Harm to SpaceTime: The Court found that Apple did not meet its burden to show SpaceTime would not be prejudiced, noting it was not SpaceTime's burden to prove Apple's Motion. The Court found that SpaceTime

had shown that a stay would interfere with its right to timely enforce its patents, a right long-recognized by the Federal Circuit.

- Factor 4, Public Interest: The Court found a stay would “greatly disserve the public interest.” According to the Court, Apple had no substantive basis for its argument that duplicative proceedings would deplete judicial resources, and Apple had not met the demanding burden it needed to meet to justify a stay.

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