Exhibit R

JS-6

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

SOUTHERN DIVISION

BOSTON SCIENTIFIC CORP., ET AL.,

Plaintiffs,

v.

EDWARDS LIFESCIENCES CORP.,

Defendant.

Case No.: SACV 16-00730-CJC(GJSx)

ORDER GRANTING DEFENDANT'S MOTION TO STAY CASE PENDING *INTER PARTES* REVIEW

I. INTRODUCTION AND BACKGROUND

Plaintiffs Boston Scientific Corporation and Boston Scientific Scimed, Inc. (together, "Boston"), initiated this action against Defendant Edwards Lifesciences Corporation ("Edwards") on April 19, 2016, alleging patent infringement of the following patents: (1) U.S. Patent No. 8,709,062 ("the '062 Patent"); (2) U.S. Patent No. 6,302,558 ("the '558 Patent"); (3) U.S. Patent No. 6,371,963 ("the '963 Patent"); (4) U.S.

Patent No. 7,749,234 ("the '234 Patent"); (5) U.S. Patent No. 7,828,767 ("the '767 Patent"); (6) U.S. Patent No. 6,007,543 ("the '543 Patent"); (7) U.S. Patent No. 6,712,827 ("the '827 Patent"); and (8) U.S. Patent No. 6,915,560 ("the '560 Patent"). These eight patents protect certain products used in Boston's transcatheter aortic valve implantation (TAVI) device. (Dkt. 64 [Defendant's Memorandum in Support of Motion to Stay, hereinafter "Def.'s Mem."] at 2–3.) A TAVI device is a medical device that can deliver a replacement heart valve into a patient without open heart surgery. (*Id.*) Edwards brought counterclaims against Boston seeking, *inter alia*, a declaration that the patents at issue are invalid. (Dkt. 49.)

Edwards has filed petitions for *inter partes* review ("IPR") of the eight patents at issue here. An IPR is an expedited proceeding for review of patent claims by the United States Patent and Trademark Office ("PTO"). *See* 35 U.S.C. §§ 311 *et seq*. Anyone who is not the patent owner may petition for IPR to cancel one or more claims of a patent. *Id.* § 311(b). If the PTO decides to grant a petition, the PTO begins, or "institutes," IPR of the patent. *Id.* § 311(a). Once a petition is instituted, the PTO must conclude IPR within one year, with a possible six-month extension for good cause. *Id.* § 316(a)(11).

On June 29, 2017, the PTO instituted IPR on one of the eight patents that Edwards is alleged to have infringed in this lawsuit. (Def.'s Mem. at 5.) The PTO will decide whether to institute on the remaining seven patents by November 9, 2017. (*Id.* at 6–7.)

Before the Court is Edwards' motion to stay this case pending the PTO's IPR determinations. (Dkt. 63.) For the following reasons, the motion is GRANTED.[1]

[1] Having read and considered the papers presented by the parties, the Court finds this matter appropriate

II. LEGAL STANDARD

District courts have the inherent power to manage their dockets and stay proceedings. *Landis v. N. Am. Co.*, 299 U.S. 248, 254–55 (1936). This inherent power includes "the authority to order a stay pending conclusion of a PTO reexamination." *Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1427 (Fed. Cir. 1988). The party seeking a stay bears the burden of showing that a stay is warranted. *Landis*, 299 U.S. at 255.

In determining whether a stay pending patent reexamination is appropriate, courts generally consider three factors: "(1) whether discovery is complete and whether a trial date has been set; (2) whether a stay will simplify the issues in question and trial of the case; and (3) whether a stay would unduly prejudice or present a clear tactical disadvantage to the nonmoving party." *Universal Elecs., Inc. v. Universal Remote Control, Inc.*, 943 F. Supp. 2d 1028, 1030–31 (C.D. Cal. 2013). Ultimately, however, "the totality of the circumstances governs." *Id.* at 1031.

III. DISCUSSION

The Court finds that a stay in this case is warranted under the totality of the circumstances. The first factor weighs in favor of a stay because the Court has not yet expended substantial time and effort preparing for trial in this case. *Universal Elecs., Inc.*, 943 F. Supp. 2d at 1031 ("The Court's expenditure of resources is an important factor in evaluating the stage of the proceedings."). While a trial date has been set and this case has been pending for seventeen months, the parties have only filed one dispositive motion: an unopposed motion to dismiss. (Dkts. 31, 33, 34.) The Court has not otherwise engaged with the substantive merits of the case, such as deciding on a motion for summary judgment or construing the patent claims at issue. While discovery has been underway for several months, it is not expected to be complete until late

February 2018, which is over five months from now. (Dkt. 44 [Order Granting Stipulation on Scheduling Deadlines].) Given the significant amount of time and resources the parties and the Court are expected to spend from now until trial, a stay at this stage is appropriate. *Pragmatus AV, LLC v. Facebook, Inc.*, No. 11-CV-02168-EJD, 2011 WL 4802958, at *3 (N.D. Cal. Oct. 11, 2011) ("When, as here, there has been no *material* progress in the litigation, courts in this district strongly favor granting stays pending *inter partes* reexamination.") (emphasis added).

The second factor also weighs in favor of a stay. The PTO has already instituted IPR of one of the patents at issue, and may institute review of the other seven patents. If the PTO amends or invalidates any of these patents, the issues in this litigation must be amended accordingly. Moving forward with litigation and trial before the PTO issues its decisions risks the parties and the Court spending resources on issues that may ultimately become moot. On the other hand, waiting for the PTO's final determinations "could eliminate the need for trial if the claims are cancelled or, if the claims survive, facilitate trial by providing the court with expert opinion of the PTO and clarifying the scope of the claims." *Target Therapeutics, Inc. v. SciMed Life Sys., Inc.*, No. C-94-20775 RPA, 1995 WL 20470, at *2 (N.D. Cal. Jan. 13, 1995). Although it is not certain what the PTO will do, the prudent course of action is to wait for the PTO's determinations before proceeding with additional discovery, motions, and trial.

Finally, a stay will not unduly prejudice Boston. The only form of prejudice Boston claims it will experience is delay in reaching summary judgment and trial. (Dkt. 79 [Plaintiff's Opposition, hereinafter "Opp."] at 16.) But "[d]elay is a feature common to all stayed cases, and mere delay in the litigation does not establish undue prejudice." *Aten Int'l Co., Ltd v. Emine Tech. Co.*, No. SACV09-0843AGMLGX, 2010 WL 1462110, at *7 (C.D. Cal. Apr. 12, 2010). Further, Boston is seeking only monetary damages in this case (Def.'s Mem. at 14), so it will be sufficiently compensated for any

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