

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

IBG LLC; INTERACTIVE BROKERS LLC;
TRADESTATION GROUP, INC.; TRADESTATION SECURITIES,
INC.; TRADESTATION TECHNOLOGIES, INC.; and IBFX, INC.
Petitioners

v.

TRADING TECHNOLOGIES INTERNATIONAL, INC.
Patent Owner

CBM2015-00179
Patent 7,533,056

**PETITIONERS' MOTION TO STAY THE
CO-PENDING EX PARTE REEXAMINATION**

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As authorized by the Board on April 8, 2016 (Paper 37 at 3), Petitioners request that the Board exercise its authority under 35 U.S.C. § 325(d) and 37 C.F.R. § 42.222(a) to stay co-pending Reexamination Control No. 90/013,578. As correctly explained in Patent Owner's prior motion, the issues in the reexamination overlap completely with this CBM review. (Paper 32 at 3.) A stay is warranted here to avoid potentially inconsistent outcomes. If the reexamination proceeds in parallel, the Central Reexamination Unit will be put in the uniquely difficult position of evaluating the same issues while a trial record develops before the Board. The reexamination is still in its early stages and no final action has issued. While Patent Owner represents that it will amend, it has not yet done so. Nor has Patent Owner clarified whether it intends to amend the claims under review, or merely add new claims to the patent. Regardless, Patent Owner will have the same opportunity once the Board completes its review and lifts any stay. Accordingly, judicial economy strongly favors staying the co-pending reexamination.

Petitioners contacted counsel for Patent Owner and counsel stated that Patent Owner intends to oppose this motion to stay the reexamination.

I. The reexamination is still in its early stages and the CRU should have an opportunity to consider the Board's assessment of the issues.

In this proceeding, the Board instituted trial on claims 1-15 based on, *inter alia*, TSE, Togher, Schott, and Cooper. (Institution Decision at 31.) The CRU initiated *ex parte* reexamination and issued a First Office Action rejecting claims

1-15 based on TSE, Togher, and Schott. (Ex. 2037 at 4.) Accordingly, as Patent Owner agrees (Paper 32 at 3), there is complete overlap between the claims and grounds at issue in this proceeding and the co-pending reexamination.

A response to the CRU's First Office Action is apparently due on April 28, 2016, in view of an extension of time sought by Patent Owner. (*See* Paper 32 at 2 n.1.) Patent Owner has not yet responded. While reexaminations are conducted with special dispatch, the CRU has authority to grant extensions of time, and they have done so in this instance. The Board similarly has a statutory mandate to issue a final written decision in this review no later than one year from institution, which is projected to fall on February 24, 2017. *See* 35 U.S.C. § 316(a)(11); 37 C.F.R. § 42.100(c). Thus, while both tribunals must conduct their proceedings justly and speedily, the reexamination remains in its early stages—whereas this proceeding is scheduled to reach a final written decision on the merits in less than a year.¹

If the reexamination proceeds in parallel, the CRU will be put in the difficult position of interpreting the same issues being litigated before the Board without the

¹ The Office's most recent statistics indicate that the average pendency of an *ex parte* reexamination is 22.3 months. (Ex. 1047 at 1.) The Office's statistics do not specify whether this number includes both appealed and unappealed cases. And the most recent statistics on *ex parte* reexamination appeals to the Board suggest an 18 month pendency from Notice of Appeal to a final decision. (Ex. 1048 at 1.)

benefit of the record before the Board, or the Board's assessment of the issues. At the present time, the reexamination is awaiting action by the Patent Owner and the CRU has not yet issued a final decision. As such, there is a prime opportunity for the CRU to suspend its judgment and allow the Board to rule on common issues. The CRU should be given the benefit of the Board's insight on these matters, and not be put in the position of unnecessarily reaching an inconsistent conclusion.

II. Staying the reexamination will avoid inconsistent outcomes, eliminate duplicative analysis, and prevent wasting of the Board's resources.

Conducting the reexamination concurrently with this proceeding duplicates efforts and could produce inconsistent results. Patent Owner's intent to amend does *not* weigh in favor of allowing these proceedings to run in parallel. To the contrary, the Board has repeatedly cited the possibility of amendment during an *ex parte* reexamination as a factor weighing *in favor* of a stay, given that amendment would likely waste Office resources: "[B]ecause all the challenged claims also are being reexamined, the Patent Owner could amend those claims, which could change the scope of the challenged claims while the Board is conducting its review." *The Scotts Company LLC v. Encap, LLC*, IPR2013-00110, Paper 10 (May 13, 2013).²

² See also *CB Distributors, Inc. et al. v. Ryuan Investments (Holdings) Limited*, IPR2013-00387, Paper 6 (Jan. 24, 2013); *Invue Security Products Inc. v. Merchandising Technologies, Inc.*, IPR2013-00122, Paper 15 (Apr. 2, 2013); *Lumondi Inc. v. Lennon Image Technologies LLC*, IPR2013-00432, Paper 7 (Aug.

Another relevant consideration is that, should the Board find the challenged claims unpatentable in this review, Patent Owner would be estopped from taking action that is inconsistent with the adverse judgment, including obtaining “a claim that is not patentably distinct from a finally refused or canceled claim” under 37 C.F.R. § 42.73(d)(3). A stay of the co-pending reexamination pending termination or completion of this proceeding will prevent the CRU from expending significant time and resources evaluating claims that may be subject to such an estoppel.

III. Patent Owner has not yet amended and will have an opportunity to enter any amendments after the Board has concluded its review.

And even if the Board is persuaded that Patent Owner’s intent to amend weighs in favor of denying a stay, that intent is still speculative. Patent Owner has not submitted a response to the First Office Action. Patent Owner has not indicated whether it intends to amend the claims in this review, or whether it intends to add new claims—or both. Furthermore, Patent Owner will have an opportunity to take such action after the Board has concluded its review. Granting a stay in this case will not deprive Patent Owner of that opportunity. Patent Owner could have filed its amendment earlier but elected to move for an extension of time, request a stay, only to withdraw its request for a stay, and then oppose a stay based on its alleged

6, 2013); *Google Inc. v. Grandeye Ltd.*, IPR2013-00547, Paper 7 (Sept. 30, 2013); *Goertek, Inc. et al. v. Knowles Electronics, LLC*, IPR2013-00614, Paper 11 (Nov. 13, 2013) (noting that this would be an “inefficient use of Office resources.”)

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