

**IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF TEXAS  
WACO DIVISION**

WORLDS INC.,

Plaintiff,

v.

MICROSOFT CORPORATION;

Defendant.

CIVIL ACTION NO. 6:20-cv-872-ADA

**PLAINTIFF WORLDS INC.'S OPPOSITION TO DEFENDANT MICROSOFT  
CORPORATION'S MOTION TO STAY PENDING  
INTER PARTES REVIEW OF THE PATENT-IN-SUIT**

## **I. Introduction**

Microsoft moves this Court to stay the litigation pending completion of an *inter partes* review (“IPR”) proceeding based on a petition filed by Microsoft just one week ago. But the IPR has not been instituted, and contrary to Microsoft’s unabashed confidence in its petition, there is no guarantee that it will be instituted. The relevant factors weigh against a stay. The most important factor, potential simplification of issues in this proceeding, weighs against a stay because the IPR has not been instituted. And the near-universal practice of district courts is to deny pre-institution motions to stay. This case does not warrant different treatment.

The other enumerated factors also weigh against a pre-institution stay. Worlds is entitled to the timely enforcement of its patent rights, and a stay would unduly delay this case without any certainty that the IPR will be instituted. Further, the parties will be focused on claim construction during the early months of this proceeding, and there is only one patent at issue, U.S. Patent No. 8,082,501 (the “’501 patent”), with only four asserted claims. This patent—and these claims—have already been subjected to a thorough claim construction process in *Worlds Inc. v. Activision Blizzard, Inc., et al.*, 1:12-cv-10576 (D. Mass. filed March 30, 2012) (the “Activision litigation”). Therefore, the burden to the parties and the Court is not so heavy as to weigh in favor of a pre-institution stay.

For these reasons, Microsoft’s motion to stay pending IPR should be denied.

## **II. Microsoft’s Motion to Stay Based on a Non-Instituted IPR Petition Should Be Denied**

In deciding whether to grant a stay pending resolution of an IPR petition, courts consider (1) whether a stay will unduly prejudice or present a clear tactical disadvantage to the nonmoving party, (2) whether a stay will simplify the issues in question and trial of the case, and (3) whether discovery is complete and a trial date has been set. *Allure Energy Inc. v. Honeywell Int’l, Inc.*, No. 1:15-CV-079-RP, 2015 WL 4207243, at \*1 (W.D. Tex. July 2, 2015). Microsoft also

addresses a fourth factor: “whether a stay will reduce the burden of litigation on the parties and the court.” *NFC Tech. LLC v. HTC Am., Inc.*, No. 2:13-CV-1058-WCB, 2015 WL 1069111, at \*5 (E.D. Tex. Mar. 11, 2015) (Bryson, J.).

Here, the factors weigh in favor of denying Microsoft’s stay motion.

**A. A Stay Will Unfairly Prejudice Worlds’s Right to a Timely Trial**

Microsoft bases its analysis of this first factor on the ’501 patent’s expired status, and the prejudice that would result from Worlds’ delayed recovery of damages. But Microsoft fails to address any of this District’s case law on this factor, and fails to recognize that the ’501 patent’s expired status is irrelevant to this factor’s analysis.

As this Court has previously found, a patent holder has “an interest in the timely enforcement of its patent right.” *Multimedia Content Management LLC v. DISH Network L.L.C.*, No. 6:18-CV-00207-ADA, Dkt. 73 at 4 (W.D. Tex. May 30, 2019) (Albright, J.) (Ex. A). As Worlds is the original assignee of all patents in the ’501 patent’s family, this statement certainly applies.

Additionally, the delay due to an IPR is extensive. The PTAB is not required to reach a decision on whether to institute the IPR until more than six months from now.<sup>1</sup> While final written decisions normally issue within a year after institution, this one-year period can be extended for another six months. 35 U.S.C. § 316(a)(11); 37 C.F.R. § 42.100. Thus, staying this case pending resolution of the IPR could result in a delay of up to two years, and that does not account for additional delay due to any Federal Circuit appeals of a final written decision. “Such

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<sup>1</sup> Microsoft alleges that the “institution decision is due by June 3, 2021.” Dkt. 22 at 1. This is inaccurate. The PTAB’s institution decision is due three (3) months from the filing date of or deadline for the patent owner’s preliminary response (*see* 35 U.S.C. § 314(b)), which is set three (3) months from the date that the PTAB accords a filing date to the petition (*see* 37 C.F.R. § 42.107(b)). In counsel’s experience, the accordance of a filing date can occur anywhere from one to four weeks after the petition is filed.

a lengthy delay will result in significant prejudice to [Worlds] and, therefore, this factor weighs against a stay.” *Realtime Data LLC v. Actian Corp.*, No. 6:15-CV-463-RWS-JDL, 2016 WL 3277259, at \*2 (E.D. Tex. June 14, 2016); *see also Multimedia Content*, Dkt. 73 (Ex. A) at 4.

Moreover, a stay risks the loss of evidence, and this risk is unnecessary where there is no certainty that Microsoft’s IPR will be instituted or that the issues in this proceeding will be simplified due to the pre-institution stay. For example, employees at Microsoft with knowledge of the accused Minecraft game, or Microsoft’s 2014 acquisition of Mojang and the Minecraft game, could depart the company during a length stay. “[C]rucial witnesses are more likely to be located if discovery is allowed to proceed now, rather than later.” *Anascape, Ltd. v. Microsoft Corp.*, 475 F. Supp. 2d 612, 617 (E.D. Tex. 2007). A stay would also tactically disadvantage Worlds, “as the longer this matter persists, the more likely it is that evidence and witnesses’ memories will disappear or deteriorate.” *Allure Energy, Inc. v. Nest Labs, Inc.*, No. 9:13-CV-102, 2015 WL 11110606, at \*1 (E.D. Tex. Apr. 2, 2015).

Additionally, a stay would require Worlds to “expend considerable financial resources on the IPR proceedings, prior to its day in court.” *Id.* This would be in addition to the considerable financial resources already expended by Worlds on six IPR proceedings, a Federal Circuit appeal in which the appealed PTAB final written decisions were vacated, and a consolidated remand to the PTAB, where the remanded IPRs were ultimately terminated.

As introduced above, Microsoft argues that Worlds would not be prejudiced by a stay because the patent is “expired.” Dkt. 22 at 1. But the expired status of the ’501 patent does not diminish the reasoning applied by this Court in evaluating this first factor, and Microsoft points to no authority for a contrary position. Microsoft has the burden of demonstrating that a pre-institution stay is appropriate, and has failed to do so.

Finally, this Court has recognized that the Seventh Amendment Right to a trial by jury weighs against a stay. *Kerr Machine Co. d/b/a Kerr Pumps v. Vulcan Industrial Holdings, LLC*, No. 6:20-cv-00200 (W.D. Tex. Aug. 2, 2020) (Ex. C); *Continental Intermodal Group - Trucking LLC v. Sand Revolution LLC et al.*, No. 7:18-cv-00147 (W.D. Tex. July 22, 2020) (Ex. D).

This factor weighs against a stay.

#### **B. A Stay Will Not Simplify the Issues for Trial**

“[T]he most important factor bearing on whether to grant a stay in this case is the prospect that the inter partes review proceeding will result in simplification of the issues before the Court.” *NFC Tech.*, 2015 WL 1069111, at \*4. Here, Microsoft’s IPR has not been instituted, and so any purported simplification that might result from a stay is purely speculative.

Courts in this Circuit routinely deny stays where the IPRs have not yet been instituted, with the Eastern District of Texas declaring that “[i]n this district . . . it is the *universal practice*” to deny pre-institution motions to stay. *Trover Grp., Inc. v. Dedicated Micros USA*, No. 2:13-CV-1047-WCB, 2015 WL 1069179, at \*6 (E.D. Tex. Mar. 11, 2015) (emphasis added). This is because Microsoft’s arguments for substantial simplification at this juncture is “purely speculative, because it is also possible that the PTAB may decline to institute IPR proceedings.” *MiMedx Grp., Inc. v. Tissue Transplant Tech. Ltd.*, No. SA-14-CA-719, 2015 WL 11573771, at \*2 (W.D. Tex. Jan. 5, 2015); *see also Nat’l Oilwell Varco, L.P. v. Omron Oilfield & Marine, Inc.*, No. A-12-CA-773-SS, 2013 WL 6097571, at \*2 (W.D. Tex. June 10, 2013) (denying pre-institution stay, noting “there is a real risk at this point the PTAB will decline to grant *inter partes* review, *which would make a stay at this point a complete waste of time*”) (emphasis added); *Affinity Labs of Texas, LLC v. Netflix, Inc.*, No. 1:15-CV-00849-RP, Dkt. 95 at 2 (W.D. Tex. Jan. 17, 2017) (Ex. B) (denying pre-institution motion to stay; “It remains speculative whether the PTO will institute IPR and, even if it does, whether any of Plaintiff’s claims will be

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