

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION**

LUMINATI NETWORKS LTD.,

Plaintiff,

v.

TESO LT, UAB, METACLUSTER LT,
UAB, OXYSALES, UAB,

Defendants.

§
§
§
§
§
§
§
§
§
§
§

CIVIL ACTION NO. 2:19-CV-00395-JRG

ORDER

Before the Court is Defendants Teso LT, UAB, Oxysales, UAB, and Metacluster LT, UAB's (collectively, "Defendants" or "Teso") Motion to Stay Pending *Inter Partes* Reviews (the "Motion"). (Dkt. No. 124). In the Motion, Defendants ask the Court to stay all action in the above-captioned matter pending the Patent Trial and Appeal Board's ("PTAB") *inter partes* review of the patents-in-suit.

Plaintiff Luminati Networks Ltd. ("Luminati") has asserted three patents against Defendants: U.S. Patent Nos. 10,469,614 (the "'614 Patent"); 10,257,319 (the "'319 Patent"); and 10,484,510 (the "'510 Patent") (collectively, the "Asserted Patents"). (Dkt. No. 1 ¶ 14). Defendants filed petitions for *inter partes* review on July 14, 2020, July 28, 2020, and September 4, 2020, challenging all three Asserted Patents.¹ (Dkt. No. 124 at 2-3). The PTAB will issue its institution decisions no later than January 26, 2021 for the '319 Patent, February 22, 2021 for the '510 Patent, and March 9, 2021 for the '614 Patent. (*Id.* at 3).

¹ IPR2020-01266 ('319 Patent IPR); IPR2020-01358 ('510 Patent IPR); IPR2020-01506 ('614 Patent IPR).

The district court has the inherent power to control its own docket, including the power to stay proceedings. *Clinton v. Jones*, 520 U.S. 681, 706 (1997). How to best manage the court’s docket “calls for the exercise of judgment, which must weigh competing interests and maintain an even balance.” *Landis v. N. Am. Co.*, 299 U.S. 248, 254–55 (1936).


“District courts typically consider three factors when determining whether to grant a stay pending *inter partes* review of a patent in suit: (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.” *NFC Techs. LLC v. HTC Am., Inc.*, Case No. 2:13-cv-1058-WCB, 2015 WL 1069111, at *2 (E.D. Tex. Mar. 11, 2015) (Bryson, J.). “Based on th[ese] factors, courts determine whether the benefits of a stay outweigh the inherent costs of postponing resolution of the litigation.” *Id.*

Where a motion to stay is filed before the PTAB institutes any proceeding, courts often withhold a ruling pending action on the petition by the PTAB or deny the motion without prejudice to refile in the event that the PTAB institutes a proceeding. *VirtualAgility Inc. v. Salesforce.com, Inc.*, 759 F.3d 1307, 1316 (Fed. Cir. 2014) (citing *Checkfree Corp. v. Metavante Corp.*, No. 12-cv-15, 2014 WL 466023, at *1 (M.D. Fla. Jan. 17, 2014)); *see also NFC Techs.*, 2015 WL 1069111, at *6. Indeed, this Court has a consistent practice of denying motions to stay when the PTAB has yet to institute post-grant proceedings. *Trover Group, Inc. v. Dedicated Micros USA*, No. 2:13-cv-1047-WCB, 2015 WL 1069179, at *6 (E.D. Tex. Mar. 11, 2015) (Bryson, J.) (“This Court’s survey of cases from the Eastern District of Texas shows that when the PTAB has not yet acted on a petition for *inter partes* review, the courts have uniformly denied motions for a stay.”).

Considering these circumstances, the Court concludes that the Defendants' motion is premature, and a stay of these proceedings in advance of the PTAB's decision on whether or not to institute *inter partes* review of any of the Asserted Patents should be denied. Accordingly, the Motion is **DENIED WITHOUT PREJUDICE** to refiling of the same, which shall be permitted within fourteen (14) days following the PTAB's institution decision regarding the last of the patents-in-suit to be acted upon by the PTAB.

So Ordered this

Oct 29, 2020



RODNEY GILSTRAP
UNITED STATES DISTRICT JUDGE