

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

BRIESE LICHTTENCHNIK VERTRIEBS)	
GmbH, and HANS-WERNER BRIESE,)	No. 09 Civ. 9790
)	
Plaintiffs,)	ORDER STAYING EXECUTION OF
)	<u>JUDGMENT</u>
-against-)	
)	
BRENT LANGTON, B2PRO, KEY)	
LIGHTING, INC., and SERGIO ORTIZ,)	
)	
Defendants.)	
)	
)	
)	

Now before the Court is Defendants' motion to stay execution of the judgment pending the United States Patent and Trademark Office's ("PTO") review of U.S. Patent No. 5,841,146 (the "'146 patent"). ECF No. 520 ("Mot."). The motion is fully briefed and appropriate for resolution without oral argument. ECF Nos. 522 ("Opp'n"), 523 ("Reply").

This case was tried before a jury in October 2013. The jury found all four defendants jointly and severally liable for infringing Claim 1 of the '146 patent. Defendants have requested reexamination of the '146 patent before the PTO, and they have appealed the judgment to the Federal Circuit. Defendants previously moved for a stay pending reexamination on March 5, 2014. At that point, the PTO had issued a Non-Final

Office Action rejecting Claim 1 of the '146 patent. The Court denied Defendants' motion, but noted that it would be willing to reconsider a motion to stay if the PTO were to render a final action on the validity of the '146 patent while the appeal is pending and the judgment remains non-final. ECF No. 505, at 7. The PTO has now issued a Final Office Action rejecting Claim 1 of the '146 patent in light of prior art. ECF No. 521 ("Schewe Decl.") Ex. 1. The appeal before the Federal Circuit is still pending.

In ruling on Defendants' first motion to stay, the Court considered both staying the case pending reexamination and staying the case pending appeal. As the Court noted in that order, a stay pending PTO reexamination is discretionary and involves consideration of 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." ECF No. 505, at 3 (citing Telemac Corp. v. Teledigital, Inc., 450 F. Supp. 2d 1107, 1110 (N.D. Cal. 2006)). Finalization of the PTO decision does not alter the Court's analysis of these factors very much. Discovery and the trial are still both complete; it is therefore still impossible for a stay to simplify issues for trial; and the finalization has no effect on the likelihood of prejudice to Plaintiffs. Moreover, though the PTO has issued its Final Office Action, that action does not cancel the patent.

Cancellation does not occur until the PTO's appeals processes are completed, which could take years.

However, the Final Office Action does change the calculus with regard to a stay pending appeal. One of the factors to consider in that analysis is whether Defendants are likely to succeed on appeal. In its previous order, the Court explained that Defendants could not demonstrate that likelihood because the PTO action was in its early stages. ECF No. 505, at 10. The PTO action is still in its early stages, but the Final Office Action has moved the process forward significantly. Additionally, Plaintiffs have offered to stipulate not to enforce the judgment until the appeal is complete. Opp'n at 7. Accordingly, the Court deems it prudent to STAY execution of the judgment and all pending motions -- including Defendants' motion to stay pending reexamination -- until Defendants' appeal to the Federal Circuit is decided. Within fifteen (15) days of the Federal Circuit's decision, the parties shall notify the Court of the outcome.

IT IS SO ORDERED.

July 28, 2014



UNITED STATES DISTRICT JUDGE