

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

USDC SDNY
DOCUMENT
ELECTRONICALLY FILED
DOC #:
DATE FILED: 1/12/2016

-----X
:
IMPULSE RADIO LLC, :
:
Plaintiff, :
:
-against- :
:
IBIQUITY DIGITAL CORP. et al., :
Defendants. :
:
-----X

15 Civ. 2725 (LGS)

ORDER

LORNA G. SCHOFIELD, District Judge:

WHEREAS, on September 2, 2015, Defendants iBiquity Digital Corporation (“iBiquity”) and iHeartMedia, Inc. (“iHeart”) moved to dismiss the Amended Complaint pursuant to Federal Rule of Civil Procedure 12(b)(1), (6).

WHEREAS, on October 7, 2015, a conference was held.

WHEREAS, by order dated October 8, 2015, a schedule was set for Defendants to file petitions for Covered Business Method Review (“CBMR”) and for iBiquity to file a motion to stay proceedings.

WHEREAS, on November 6, 2015, Defendants filed petitions for CBMR of U.S. Patent No. 7,908,172 (the “’172 patent”).

WHEREAS, on November 6, 2015, iBiquity filed a motion to stay proceedings pending the Patent Trial and Appeal Board’s (“PTAB”) review of the ‘172 patent’s validity, which iHeart joined. It is hereby

ORDERED that iBiquity’s motion for a stay is GRANTED.

Section 18(b) of the Leahy-Smith America Invents Act (“AIA”) lists four factors for deciding whether to enter a stay:

- (A) whether a stay, or the denial thereof, will simplify the issues in question and streamline the trial;
- (B) whether discovery is complete and whether a trial date has been set;
- (C) whether a stay, or the denial thereof, would unduly prejudice the nonmoving party or present a clear tactical advantage for the moving party; and
- (D) whether a stay, or a denial thereof, will reduce the burden of litigation on the parties and on the court.

AIA § 18(b), Pub. L. No. 112-29, 125 Stat. 284, 331 (2011). Courts may grant motions to stay even before the PTAB institutes review. *See VirtualAgility Inc. v. Salesforce.com, Inc.*, 759 F.3d 1307, 1316 (Fed. Cir. 2014) (“While a motion to stay could be granted even before the PTAB rules on a post-grant review petition, no doubt the case for a stay is stronger after post-grant review has been instituted.”).

Each of the factors weighs in favor of a stay. First, the PTAB’s determinations would simplify issues and streamline trial, as this case concerns the validity of Impulse’s ‘172 patent. A PTAB ruling on the validity of any of the ‘172 patent’s claims would also reduce the burden of litigation on the parties and the Court. Second, iBiquity’s motion for a stay comes early in this litigation. Defendants filed their CBMR petitions within one month of the case’s initial pretrial conference, and no trial dates or deadlines governing discovery (other than initial disclosures) or the filing of dispositive motions have been set. Finally, Plaintiff has not established that it would be unduly prejudiced by a stay, or that Defendants filed their CBMR petitions for tactical reasons. Defendants announced that they either intended to file or contemplated filing CBMR petitions and accompanying motions for a stay in the parties’ September 30, 2015, joint status letter. The timing of this motion -- before discovery and the commencement of claim construction activities -- weighs against a finding that either side would be unduly prejudiced or receive a “clear tactical advantage” by the issuance of a stay. It is further

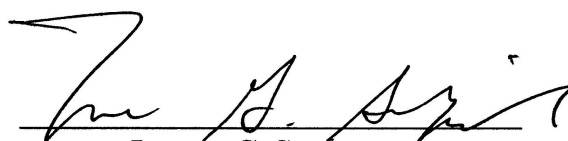
ORDERED that the parties shall file a joint letter as to the status of the CBMR petitions and/or the PTAB’s review by April 15, 2016, and every sixty days thereafter. It is further

ORDERED that the parties shall file a joint letter not to exceed five pages in length within seven days of receiving the PTAB's decision on whether it will institute review of the '172 patent. The parties' letter shall append the decision and summarize its implications for case management. It is further

ORDERED that Defendants' motions to dismiss are DENIED without prejudice to renewal.

The Clerk of Court is directed to close the motions at Docket Nos. 50, 53 and 72.

Dated: January 12, 2016
New York, New York



LORNA G. SCHOFIELD
UNITED STATES DISTRICT JUDGE