

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

BARCO, N.V. and BARCO, INC.,

Plaintiffs,

v.

EIZO NANA O CORPORATION,
and EIZO NANA O
TECHNOLOGIES, INC.,

Defendants.

CIVIL ACTION FILE

NUMBER 1:11-cv-2964-TCB

ORDER

This case comes before the Court on Plaintiffs Barco N.V. and Barco, Inc.'s motion to lift the stay of litigation in this case [69]. For the reasons set forth below, the motion will be denied.

I. Background

Barco filed this action in September 2011, alleging that Defendants Eizo Nanao Corporation and Eizo Nanao Technologies, Inc. ("Eizo") infringed various claims in U.S. Patent No. 7,639,849 (the '849

patent).¹ In December 2011, Barco filed a reissue application with the United States Patent and Trademark Office (the “PTO”), in which it added seventy-eight new claims to the original thirty-seven claims of the ‘849 patent. In April 2012, given the reissue application and the potential new scope of the patent, the Court granted a stay, pending resolution of PTO reissue proceedings. In July 2012, while the reissue application was pending, Eizo filed an *inter partes* reexamination, seeking to reexamine the original thirty-seven claims of the ‘849 patent.

In October 2012, the ‘849 patent was reissued by the PTO as RE43,707 (the ‘707 patent).² Soon thereafter, Barco filed a motion to lift the stay in this Court. In January 2013, because the *inter partes* reexamination proceedings initiated by Eizo were still pending before the PTO, the Court concluded that the advantages of deferring to the PTO and the procedural posture of the case weighed in favor of maintaining the stay. However, Barco was granted leave to amend its

¹ The ‘849 patent had thirty-seven claims. Barco originally asserted infringement of claims 1, 22-26, 34 and 37.

² In December 2012, Eizo had also filed an *ex parte* reexamination of the new ‘707 claims subject to review.

complaint at that time, which it did on January 17, 2013. Barco's amended complaint withdrew the '849 patent, and instead alleged infringement of certain claims in the newly issued '707 patent.

In response, in January 2014, Eizo filed an *inter partes* review with the PTO, challenging the '707 claims now asserted against it in the amended complaint.

All proceedings before the PTO have now concluded, with the exception of the pending *inter partes* review of four claims of the '707 patent.³ Barco, in its current motion to lift the stay, argues that if the stay is promptly lifted, it will forego asserting those four contested claims against Eizo, and will instead file an amended complaint asserting only the claims in the '707 patent that have survived the various PTO proceedings. Eizo, for its part, argues that maintenance of the stay would further simplify the issues in this case, and that any

³ Eizo has represented to the Court that it will not institute any additional *ex parte* reexaminations before the PTO with respect to the '849 and '707 patents. Additionally, all parties have represented that they will not appeal the outcome of the initial *inter partes* reexamination. The PTO also denied Eizo's request to initiate a second *inter partes* review and Eizo has promised to relinquish any additional efforts to seek reexamination of Barco's relevant patents.

delay at this point will not extend beyond July 2015, the PTO's internal deadline for resolution of *inter partes* review.⁴

II. Analysis

In determining whether to issue or maintain a stay, courts consider three factors: (1) whether a stay will simplify the issues in the case; (2) whether discovery is complete and a trial date has been set; and (3) whether a stay would unduly prejudice or present a tactical advantage to the non-moving party. *Tomco Equip. Co. v. SE Agri-Sys., Inc.*, 542 F. Supp. 1303, 1307 (N.D. Ga. 2008) (citing *Xerox Corp. v. 3Com Corp.*, 69 F. Supp. 2d 404, 406-07 (W.D.N.Y. 1999); *Xpedite Sys., LLC v. J2 Global Commc'ns., Inc.*, No. 1:11-cv-706-RWS, 2012 WL 3527313, at *1 (N.D. Ga. Aug. 13, 2012).

Despite the fact that Barco is now willing to abandon the four claims still under review by the PTO, the Court is persuaded that the substance of those four claims, and the arguments made by Barco in related PTO proceedings, may impact enforcement proceedings in this

⁴ Under 35 U.S.C. § 316(a)(11), the PTO must issue a final decision within one year of the date of institution of *inter partes* review. The parties agree that a final decision should issue no later than July 2015.

Court. To the extent that the PTO's resolution of the four remaining claims impacts Barco's infringement contentions and Eizo's defenses in this action, awaiting PTO resolution will simplify the issues in this case. The four claims still under review in the PTO share language and limitations with other claims currently asserted against Eizo, and the arguments made by both parties in PTO proceedings will likely impact later claim construction and infringement determinations. *See Grober v. Mako Products, Inc.*, 686 F.3d 1335, 1341 (Fed. Cir. 2012) (finding that statements made in post-grant proceedings are relevant to later claim construction); *Krippelz v. Ford Motor Co.*, 667 F.3d 1261, 1266 (Fed. Cir. 2012) ("A patentee's statements during reexamination can be considered during claim construction, in keeping with the doctrine of prosecution disclaimer."). Despite Barco's willingness to drop the four claims still under review, the PTO's consideration of those claims will likely have the effect of clarifying and potentially mooting issues, thereby streamlining the efforts of the parties and the Court in this proceeding.

As to the second factor, the procedural posture of this case warrants maintenance of the stay. This case remains at its most nascent stage. Defendants have not yet served written discovery, no depositions have been taken, no claim constructions has occurred, and no trial has been set. Barco argues that Eizo has created ongoing delays in this case by abusing the PTO's reexamination process. But the Court is not persuaded that Eizo's reexamination requests to date have been abusive, and Eizo has repeatedly represented to the Court that no further appeals or reexaminations will be sought. This case remains at its earliest stage, which overwhelmingly favors maintenance of the stay.

As to the third factor, Barco does advance compelling arguments regarding prejudice to its interest through maintenance of the stay. As direct competitors in the market, Barco argues that continuation of the stay in this action results in significant economic harm by allowing Eizo to produce, use, and sell allegedly infringing products. But the Court is not persuaded that the risk of prejudice for an additional five months outweighs its finding as to the other two factors under consideration. Proceedings in the PTO to this point have resulted in reissue of the

patent, cancellation and amendment of multiple claims by Barco, a significant change in the scope of claims, and a narrowing of issues to be presented in this Court. The Court appreciates Barco's economic concerns in urging for more swift resolution of this case, but imminent and final resolution of all proceedings in the PTO counsels in favor of maintaining the stay for a few additional months.

The parties agree that final resolution of the PTO's reexamination of the '707 patent, namely review of the 101, 102, 103, and 104 claims, should be completed no later than July 2015. The Court is sensitive to Barco's concerns regarding any further delays in this case. As such, the parties are directed to notify the Court as soon as a final determination has been reached by the PTO in these remaining matters, so that the stay may be lifted and discovery may recommence in this action.

Plaintiffs' motion to lift the stay [69] is denied. This case is stayed pending final resolution of the PTO's reexamination of the '707 patent.

IT IS SO ORDERED this 6th day of February, 2015.

A handwritten signature in black ink, appearing to read "Timothy C. Batten, Sr.", written in a cursive style. The signature is positioned above a horizontal line.

Timothy C. Batten, Sr.
United States District Judge