

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

LEAK SURVEYS, INC.,

Plaintiff,

v.

FLIR SYSTEMS, INC.,

Defendant.

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No. 3:13-cv-02897-M

ORDER

Before the Court is Plaintiff's Status Report, filed on October 20, 2017. (ECF No. 139). Plaintiff requests that the Court continue the stay on this case until the Supreme Court decides *Oil States Energy Servs., LLC v. Greene's Energy Grp., LLC*, 639 F. App'x 639 (Fed. Cir. 2016), *cert. granted in part*, 137 S. Ct. 2239 (2017). For the reasons stated below, the Court **DENIES** Plaintiff's request.

I. Procedural Background

On July 25, 2013, Plaintiff filed suit for infringement of U.S. Patent Nos. 8,193,496 and 8,426,813. (ECF No. 1). On September 5, 2014, the Patent Trial and Appeal Board ("PTAB") instituted *inter partes* review ("IPR") of the asserted claims in this case. (ECF No. 82). On October 20, 2014, the Court stayed the case pending the PTAB's ruling. (ECF No. 98).

On September 3, 2015, the PTAB invalidated all asserted claims. (Ex. A, ECF No. 124). On January 10, 2017, the Federal Circuit affirmed the PTAB's decision. (Ex. A, ECF No. 133). The Federal Circuit denied rehearing, (ECF No. 137), and the Supreme Court denied *certiorari* review, (ECF No. 139).

II. Legal Standard

A district court has the inherent power to control its own docket, including the power to stay proceedings. *See Newco Enterprises, LLC v. Super Heaters N. Dakota, LLC*, 2015 WL 12731763, at *1 (N.D. Tex. Jan. 26, 2015). In its discretion, the court may “hold one lawsuit in abeyance to abide the outcome of another, especially where the parties and the issues are the same.” *Procter & Gamble Co. v. Kraft Foods Global, Inc.*, 549 F.3d 842, 845 (Fed. Cir. 2008) (quoting *Am. Life Ins. Co. v. Stewart*, 300 U.S. 203, 215 (1937)).

When deciding whether to continue a stay, the court evaluates the same three factors it considered when it imposed the stay: “(1) whether the stay will unduly prejudice the nonmoving party or present a clear tactical disadvantage to 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 simplify issues in question in the litigation.” *Pers. Audio LLC v. Google, Inc.*, 230 F. Supp. 3d 623, 626 (E.D. Tex. 2017) (quoting *Trover Grp., Inc. v. Dedicated Micros USA*, 2015 WL 1069179, *2 (E.D. Tex. Mar. 11, 2015)). In particular, a stay may be lifted “if the circumstances that persuaded the court to impose the stay in the first place have changed significantly.” *Network-1 Sec. Sols., Inc. v. Alcatel-Lucent USA Inc.*, 2015 WL 11439060, at *1 (E.D. Tex. Jan. 5, 2015).

III. Analysis

The PTAB ultimately invalidated all asserted claims in this case. Plaintiffs have exhausted appeals related to the PTAB’s decision. Accordingly, this case is moot. *See Fresenius USA, Inc. v. Baxter Int’l, Inc.*, 721 F.3d 1330, 1340 (Fed. Cir. 2013) (“[W]hen a claim is cancelled, the patentee loses any cause of action based on that claim, and any pending litigation in which the claims are asserted becomes moot.”); *NFC Tech. LLC v. HTC Am., Inc.*,

2015 WL 1069111, at *4 (E.D. Tex. Mar. 11, 2015) (“[I]f the [IPR] result[s] in cancellation of some or all of the asserted claims, either some portion of the litigation will fall away, or the litigation will come to an end altogether.”). Continuing the stay will only serve to prejudice Defendant by delaying final resolution of this case.

Nonetheless, Plaintiff argues that the Court should continue the stay until the Supreme Court decides *Oil States*, in which the Supreme Court took up the following question:

Whether *inter partes* review, an adversarial process used by the Patent and Trademark Office (PTO) to analyze the validity of existing patents, violates the Constitution by extinguishing private property rights through a non-Article III forum without a jury.

Plaintiff asserts that a decision finding IPRs unconstitutional would void all previous IPR decisions such that they would no longer have any preclusive effect. (ECF No. 139 at 2).

Plaintiff overstates the potential effect of *Oil States*. Even if the Supreme Court holds that IPRs are unconstitutional, it may choose not to apply the new rule retroactively.¹ Even if the Supreme Court applies the new rule retroactively, it would seemingly only apply to cases still pending on direct review of the PTAB decision.² See *Harper v. Virginia Dep't of Taxation*, 509 U.S. 86, 86 (1993). Accordingly, the outcome of *Oil States* is unlikely to affect the PTAB's judgment here, where Plaintiff has exhausted all appeals.

¹ The Supreme Court considers three factors to determine whether a decision announcing a new rule should apply retroactively. See *Chevron Oil Co. v. Huson*, 404 U.S. 97 (1971). The factors are: (1) whether the holding in question “decid[ed] an issue of first impression whose resolution was not clearly foreshadowed” by earlier cases, (2) “whether retrospective operation will further or retard [the] operation” of the holding in question, and (3) whether retroactive application “could produce substantial inequitable results” in individual cases. *Id.* at 106-07.

² In contrast to civil cases, criminal cases that are final on direct appeal may be subject to collateral review if the new rule is (1) substantive or (2) is a watershed rule that implicates the “fundamental fairness and accuracy of the criminal proceeding.” *Whorton v. Bockting*, 549 U.S. 406, 407 (2007) (quoting *Saffle v. Parks*, 494 U.S. 484, 495 (1990)).

IV. Conclusion

For the reasons stated above, Plaintiff's request is **DENIED**. The stay is **LIFTED**, and the case is **DISMISSED WITH PREJUDICE**. Each party is to bear its own costs of court.

SO ORDERED.

November 13, 2017.


BARBARA M. G. LYNN
CHIEF JUDGE