
UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES – GENERAL

Case No. 8:19-cv-01335-JLS-KES
Title: MicroVention, Inc. v. Balt USA, LLC

Date: January 20, 2021

Present: **Honorable JOSEPHINE L. STATON, UNITED STATES DISTRICT JUDGE**

Melissa Kunig
Deputy Clerk

N/A
Court Reporter

ATTORNEYS PRESENT FOR PLAINTIFF: ATTORNEYS PRESENT FOR DEFENDANT:

Not Present

Not Present

PROCEEDINGS: (IN CHAMBERS) ORDER (1) DENYING DEFENDANT’S MOTION TO STAY (DOC. 47) AND (2) ORDERING PARTIES TO SUBMIT PROPOSED DATES FOR CLAIM CONSTRUCTION HEARING

Before the Court is Defendant’s Motion to Stay. (Mot., Doc. 47; Mem., Doc. 48.) Plaintiff opposed and Defendant replied. (Opp., Doc. 50; Reply, Doc. 51.) The Court finds this matter appropriate for decision without oral argument. *See* Fed. R. Civ. P. 78(b); C.D. Cal. R. 7-15. Accordingly, the hearing currently scheduled for **January 22, 2021 at 10:30 a.m.** is VACATED. Having considered the parties’ papers and for the reasons below, the Court DENIES the Motion.

In July 2019, Plaintiff Microvention, Inc. (“Microvention”) filed this action against Balt USA, LLC (“Balt”) alleging infringement of three patents: U.S. Patent Nos. 8,182,506 (“the ’506 patent”), 9,414,819 (“the ’819 patent”), and the ’338 patent. (Doc. 1.) These patents describe implantable embolic devices for the treatment of aneurysms. On July 8, 2020, Balt filed a petition for *inter partes* review (“IPR”) of claims 1-10 of the ’338 patent (the “Petition” or the “IPR”) with the Patent Trial and Appeal Board (“PTAB”). In its petition, Balt submits prior art that it contends invalidate the claims of the ’338 patent. On August 3, 2020, after the parties informed it of Balt’s IPR petition, the Court directed the parties to advise whether any party intends to request a stay of this action. (Doc. 44.) Balt subsequently filed the present motion on August 18, 2020.

Courts have inherent power to manage their dockets and stay proceedings, including the authority to order a stay pending conclusion of a PTAB examination. *See*

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Ethicon, Inc. v. Quigg, 849 F.2d 1422, 1426–27 (Fed.Cir.1988) (citation omitted).

District courts generally consider three factors in determining whether to grant a stay pending reexamination: “(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.” *MyGo, LLC v. Mission Beach Indus., LLC*, No. 3:16-CV-2350-GPC-RBB, 2017 WL 1354790, at *3 (S.D. Cal. Apr. 13, 2017) (citations omitted).

Here, the enumerated factors weigh against a stay of this action. *First*, Balt filed its IPR petition a year after this action had commenced, and months after the parties had filed their claim construction briefing. (*See Docs. 33, 26.*) Moreover, Microvention avers that it is actively conducting discovery. (*Opp. at 6–7.*) And the close of fact discovery in this matter is about a month away. (*See Docs. 44.*) The status of proceedings in this matter therefore weighs against a stay at this juncture.

Second, the potential for Balt’s IPR petition to simplify the issues in this action is low. Even if the PTAB decides to institute IPR proceedings here, Balt’s petition seeks to invalidate the claims of only one of three patents Microvention asserts here. Moreover, Microvention argues persuasively that the prior art at issue in Balt’s petition was part of the record during prosecution of the ’338 patent and that the examiner considered it during prosecution of ’338 patent’s parent application. (*Opp. at 5–6; see Horikawa Decl., Doc. 50-2, ¶ 25 and Ex 12 to Horikawa Decl., Doc. 50-13.*) Balt counters that consideration of this prior art during prosecution of a related patent application does not carry weight and makes an argument for why that prosecution history, if considered, supports Balt’s obviousness argument. (*Reply at 9–10.*) Although Balt’s argument may ultimately carry the day at the PTAB, the fact that the prior art at issue in its petition was on the record during the ’338 patent’s prosecution and was considered by the examiner during prosecution of the parent application lessens the likelihood that IPR will invalidate the claims at issue here. Accordingly, the Court is not confident that a stay will simplify the issues here.

Finally, even if the PTAB institutes IPR proceedings, its decision is not due until January 2022. Because fact discovery is near its close, claim construction has been fully briefed, and two of the three patents Microvention asserts here are not at issue in Balt’s

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IPR petition, a stay of the action until the PTAB issues a final decision would be inefficient and prejudicial to Microvention.

For the foregoing reasons, the Court DENIES Balt’s Motion to Stay. The parties are ORDERED to meet and confer and submit proposed dates for a claim construction hearing within **ten (10) days** of this Order’s issuance. The parties are advised that, on January 6, 2021, the Chief Judge issued General Order 20-002, extending the Central District’s Continuity of Operations Plan, which suspends all in-person hearings in civil matters, through at least January 29, 2021. The COVID-19 pandemic is ongoing and the status of in-person hearings beyond January remains uncertain; therefore, the parties should be prepared to conduct the claim construction hearing, and present any visual materials, by Zoom.

Initials of Deputy Clerk: mku