

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No.: CV 19-10593 AB (MAAx)

Date: November 18, 2020

Title: *Guy A. Shaked Investments, Ltd. et al v. Trade Box, LLC*

Present: The Honorable **ANDRÉ BIROTTE JR., United States District Judge**

Carla Badirian  
Deputy Clerk

N/A  
Court Reporter

Attorney(s) Present for Plaintiff(s):

Attorney(s) Present for Defendant(s):

None Appearing

None Appearing

**Proceedings: [In Chambers] ORDER GRANTING MOTION FOR STAY PENDING INTER PARTES REVIEW [Dkt. No. 42] and DENYING AS MOOT MOTION TO AMEND SCHEDULING ORDER [Dkt. No. 43]**

Before the Court is Defendant Trade Box LLC, et al.'s ("Defendant") Motion for Stay Pending Inter Partes Review (Dkt. No. 42) and Motion to Amend the Scheduling Order (Dkt. No. 43). Plaintiffs Guy Shaked Investments, Ltd., et al., ("Plaintiffs") opposed both motions, and Defendant replied. The Court will resolve the Motions without oral argument and therefore **VACATES** the hearing set for November 20, 2020. *See* Fed. R. Civ. P. 78, Local Rule 7-15. The Motion to Stay is **GRANTED** and the Motion to Amend Scheduling Order is **DENIED AS MOOT, WITHOUT PREJUDICE.**

**DISCUSSION**

This patent infringement case involves three utility patents and two design patents related to a heated hair brush. Plaintiffs have filed similar actions against several alleged infringers of the patents herein. A defendant in another case filed

petitions for *inter partes* review (“IPR”) relating to all three of the utility patents in issue in this case, and those petitions encompass all of the claims in issue in this case. Defendant is a real party in interest as to the IPR Petitions and moves to stay this case pending the IPR proceedings.

“A district court has the inherent power to stay its proceedings. This power to stay is ‘incidental to the power inherent in every court to control the disposition of the causes on its docket with economy of time and effort for itself, for counsel, and for litigants.’ ” *Rivers v. Walt Disney Co.*, 980 F. Supp. 1358, 1360 (C.D. Cal. 1997) (quoting *Landis v. N. Am. Co.*, 299 U.S. 248, 254 (1936)).

In deciding whether to grant a stay pending inter partes review proceedings, courts in this District have considered three factors that were originally used to consider requests for stays pending PTO reexamination proceedings: “(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.” *Universal Elecs., Inc. v. Universal Remote Control, Inc.*, 943 F. Supp. 2d 1028, 1030–31 (C.D. Cal. 2013). While these three factors are important, ultimately, “the totality of the circumstances governs.” *Allergan Inc. v. Cayman Chem. Co.*, No. SACV 07-01316 JVS (RNBx), 2009 WL 8591844, at \*2 (C.D. Cal. Apr. 9, 2009).

The Court has considered all of the above factors, and for the reasons well-explained in the moving and reply briefs, concludes that the factors all strongly favor staying this case pending *inter partes* review. First, the case is still in its early stages, as Defendant was served only in March 2020, and there has been little discovery to date. Second, a stay will simplify the issues for this Court to resolve because all of the claims in issue in this case for all three of the utility patents are subjects of the IPR petitions, and IPR review could moot either all or some of Plaintiffs’ claims. But “even if all of the asserted claims survive review, the case would still be simplified because [defendant] would be limited in which arguments it could raise before this Court. *See* 35 U.S.C. § 315(e). Even still, the Court believes it will benefit from the expert evaluation of the issues by the Patent Office.” *Sleep No. Corp. v. Sizewise Rentals, LLC*, No. EDCV1800356ABSPX, 2019 WL 1091335, at \*3 (C.D. Cal. Feb. 12, 2019) (citation omitted). Finally, a stay would not unduly prejudice or tactically disadvantage Plaintiffs; the Court is not persuaded by Plaintiffs’ arguments on this point. Also, in light of the COVID-19 pandemic and the circumstances set forth in Defendant’s Motion to Amend the Scheduling Order, the current trial date would not stick in any event. Therefore, the Court **GRANTS** the Motion to Stay Pending Inter Partes Review.

Because the Court is staying the case pending *inter partes* review, the Court **DENIES AS MOOT**, and without prejudice, Defendant's alternative Motion to Amend the Scheduling Order, which, among other things, seeks to continue existing dates and adopt patent-specific dates. Interestingly, although the parties' Joint Rule 26(f) Report proposed that patent-specific dates be entered, Plaintiffs now oppose entering patent-specific dates. It is not clear why Plaintiffs changed their position. The Court did not initially enter patent dates because the parties did not submit them via a separate stipulation and proposed order, as the Court's orders require.<sup>1</sup> The Court did not expressly reject entering such dates. Once the IPR is concluded, the parties must meet and confer on a new schedule, and they should re-evaluate whether the Court should order patent specific dates. The Court is generally inclined to adopt patent rules and patent specific dates, and expects the parties to propose the rules and schedule that are best suited to the issues in their case, as they are most familiar with them.

## CONCLUSION

For the foregoing reasons, the Court **GRANTS** the Motion for Stay Pending Inter Partes Review (Dkt. No. 42) and **DENIES AS MOOT, AND WITHOUT PREJUDICE**, the Motion to Amend the Scheduling Order (Dkt. No 43).

The Court **ORDERS** the parties to file periodic Joint Status Reports indicating the status of the IPR proceedings and what steps remain in the IPR proceedings. The first such report is due January 29, 2021. Successive reports shall be filed every 70 days thereafter or within 14 days of a decision from the PTAB concluding IPR proceedings as to any of the IPR petitions filed by Defendants on the Asserted Patents, whichever occurs earlier. Each report must indicate on the face page the date on which the next report is due. **The final, post-IPR report must include a Stipulation and Proposed Order for moving the case forward.**

The Court **VACATES** all pending calendar dates. This Court retains jurisdiction over this action and this Order shall not prejudice any party to this action.

**IT IS SO ORDERED.**

---

<sup>1</sup> The Court notes that it appears Defendant appropriately attempted to secure such a stipulation from Plaintiffs after the Scheduling Order was issued, but Plaintiffs would not so stipulate.