

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No.: 8:20-cv-00912-SB-JDE

Date: 10/30/2020

Title: *Sterno Home Inc v. Shenzhen Liown Electronics Co Ltd et al*

Present: The Honorable **STANLEY BLUMENFELD, JR., U.S. District Judge**

Victor Cruz
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 STAY PENDING INTER PARTES REVIEW

Before the Court is a motion to stay pending inter partes review (IPR) filed by Defendants L&L Candle Company LLC, Luminara Worldwide LLC, Matchless Candle Co, and Shenzhen Liown Electronics Co. Ltd (collectively Defendants). [Dkt. No. 55](#) (Mot.). Plaintiff Sterno Home Inc. (Plaintiff) filed an opposition, [Dkt. 61](#) (Opp.), and Defendants filed a reply, [Dkt. No. 63](#) (Reply).

“The District Court has broad discretion to stay proceedings as an incident to its power to control its own docket.” [Clinton v. Jones](#), 520 U.S. 681, 706 (1997). In deciding whether to stay an action pending IPR, a court’s discretion is typically guided by three factors: “(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). But the “inquiry is not limited to these three factors”; instead, the “the totality of the circumstances governs.” *Id.* (citation omitted).

First, the Court considers “the stage of proceedings,” including the progress of discovery, the status of claim construction, and whether a trial date has been set. *See id.* at 1031. Generally, this factor favors a stay where “there is more work ahead of the parties and the Court than behind.” *Purecircle USA Inc. v. SweeGen, Inc.*, No. SACV 18–1679 JVS (JDEx), 2019 WL 3220021, at *2 (C.D. Cal. June 3, 2019) (citation omitted).

Here, the parties are still in the beginning stages of litigation. According to Defendants, the parties have only exchanged initial discovery requests and no responses have been served. Mot. 2. There have been no documents produced, depositions taken, dispositive motions filed, or trial dates set. Mot. 4, 11. Plaintiff does not dispute any of this. Instead, it notes that this case is part of a “larger litigation campaign”—two actions before the International Trade Commission and one action in the Western District of Texas—that is “not in its early stages.” Opp. 3-4. But, as Plaintiff concedes, those “related patent actions all concern different patents than this case” and have no overlap with a “number of issues to be resolved [by] this Court.” Opp. 4. Since so much more of *this* case lies ahead than behind, this factor weighs in favor a stay.

Second, the Court evaluates “whether a stay will simplify the issues in question and the trial of the case.” *Universal Elecs.*, 943 F. Supp. 2d at 1032.

Here, Defendants note that the IPR petitions have the potential to “completely moot[] the need to conduct this matter.” Mot. 2. The major overlap between this case and the IPR petitions strongly favors a stay: “If the PTAB cancels all of the asserted claims, this action will be rendered moot. If the PTAB cancels or narrows a portion of the asserted claims, the scope of this litigation may be significantly reduced. Even if no patent claim is eliminated, the intrinsic record developed during the IPR may inform on issues like claim construction.” *Core Optical Techs., LLC v. Fujitsu Network Commc’ns, Inc.*, No. SACV 16–00437–AG–JPRx, 2016 WL 7507760, at *2 (C.D. Cal. Sept. 12, 2016).

Plaintiff does not disagree with the potential significance of a PTAB ruling but emphasizes that the PTAB has not granted the petitions and contends that “staying a case pending a filed, but not instituted, IPR is premature.” Opp. 8. All parties agree, however, that the PTAB is required to decide whether to grant review by February 2021. Mot. 3; Opp. 5. And while the “undecided status of the petition clouds the simplification inquiry and makes simplification more speculative . . . ‘if an IPR is not instituted, the stay will be relatively short and the

action can continue with minimal delay.” [Game & Tech. Co. v. Riot Games, Inc.](#), No. CV 16-06486-BRO (SK), 2016 WL 9114147, at *3 (C.D. Cal. Nov. 4, 2016) (citation omitted). Thus, this factor weighs in favor of a stay.

Third, the Court examines “whether a stay would unduly prejudice or present a clear tactical disadvantage to the nonmoving party.” [Universal Elecs.](#), 943 F. Supp. 2d at 1032. The existence of delay is insufficient by itself to constitute undue prejudice. See [PersonalWeb Techs., LLC v. Apple Inc.](#), 69 F. Supp. 3d 1022, 1029 (N.D. Cal. 2014) (“Courts have repeatedly found no undue prejudice unless the patentee makes a specific showing of prejudice beyond the delay necessarily inherent in any stay.”).

Here, there is no specific showing that Plaintiff would experience undue prejudice from a short stay. Plaintiff did not request preliminary relief and, though “this is not dispositive,” it belies the conclusion that Plaintiff “needs injunctive relief as soon as possible.” [VirtualAgility Inc. v. Salesforce.com, Inc.](#), 759 F.3d 1307, 1318 (Fed. Cir. 2014). Indeed, as Defendants note, Plaintiff itself “request[ed] additional time to respond to the stay motion and a continuance of the Court’s hearing,” indicating that a further modest delay is likely not harmful. [Reply 1](#).

Plaintiff argues that the parties are competitors and that granting the stay offers Defendants an asymmetrical tactical advantage. But both parties agree that they are not the sole competitors in the market. [Mot.](#) 16 (indicating there is a “large number of competitors” and that one of the other suits involves “more than 20 respondents”); [Opp.](#) 12 (conceding “there are other smaller players in the market that license technology from the parties”). A multi-competitor marketplace “undermines the weight that should be afforded Plaintiff’s contentions of undue harm.” [Universal Elecs. Inc. v. Roku, Inc.](#), No. SACV 18-1580 JVS (ADSx), 2019 WL 6974173, at *3 (C.D. Cal. Nov. 4, 2019) (citation omitted). Even more, it appears that the accused products have been on the market for years and that Plaintiff has declined to assert its patents until now. [See Dkt. 64 ¶ 2](#) (“In the United States, Defendants first sold the ‘Moving Flame’ products in 2010, the ‘Wick-to-Flame’ products in 2019, the ‘Matrix’ products in 2015, and the ‘Pushflame’ products in 2016.”). A stay, in these circumstances, amounts to a short extension of the long-standing status quo. Thus, this factor weighs in favor of a stay.

Finally, the Court examines any other factors that may impact the “totality of the circumstances” here. [Universal Elecs.](#), 943 F. Supp. 2d at 1030-31. Defendants argue that the parties’ other concurrent lawsuits favor a stay because there is “no

good reason for these parties to fight over their patents across four separate matters.” [Mot.](#) 17-18. They also argue the “current public health emergency . . . favors a stay.” *Id.* at 18. These arguments are unpersuasive. The other lawsuits seem largely inapposite because, as Defendants reiterate, the “patents here are completely different than those in the other matters, rising and falling separately from the rest.” [Reply](#) 1. And though mindful of COVID-19’s potential impact on parties’ ability to litigate, the Court is also aware that much of litigation can proceed—and has been proceeding—despite the pandemic.

Accordingly, the Court **GRANTS** Defendants’ motion to stay pending inter partes review.

In order to permit the Court to monitor this action, the Court will set a status conference for **February 26, 2021 at 8:30 a.m.** The parties should file a joint status report three days before the conference if the PTAB has not instituted review. If the PTAB grants review, the parties should file a joint status report within 14 days of the grant and summarize the scope of the IPR proceedings and how they impact the case in this Court.

IT IS SO ORDERED.