

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MERCEDES-BENZ USA, LLC, and
MERCEDES-BENZ U.S. INTERNATIONAL, INC.
Petitioner,

v.

VELOCITY PATENT, LLC,
Patent Owner.

Case IPR2015-00290
Patent 5,954,781

Before JAMESON LEE, GLENN J. PERRY, and PETER P. CHEN,
Administrative Patent Judges.

LEE, *Administrative Patent Judge.*

Order
Denying Request for Authorization to File
Motion to Stay IPR Proceeding
37 C.F.R. § 42.5

Introduction

A conference call was held on January 12, 2015. The participants were respective counsel for the parties and Judges Lee, Perry, and Chen. Counsel for Petitioner initiated the call to request permission to file a motion to stay this proceeding. We have not yet instituted trial. The Notice According Filing date issued on December 9, 2014 (Paper 2), and Patent Owner's Preliminary Response is not due until March 9, 2015. The request is *denied*.

Discussion

According to Petitioner, Reexamination 90/013,252, directed to U.S. Patent No. 5,954,781, the patent involved in this proceeding, is pending and progressing. Petitioner notes that it does not know what new or amended claims, if any, eventually will emerge from reexamination of the involved patent. Petitioner explains that because it already has been sued by Patent Owner, by the time a reexamination certificate issues, perhaps with new or amended claims, Patent Owner will likely argue that institution of another *inter partes* review on the same patent is precluded by the "1 year" time bar of 35 U.S.C. § 315(b).

Petitioner adds, however, that it does not believe the potential argument by Patent Owner has merit. Nevertheless, Petitioner prefers to not have to respond to such argument by Patent Owner, if and when Petitioner files a new petition after the reexamination certificate issues. Thus, Petitioner would like to file, in this proceeding, a motion for stay, to await the outcome of reexamination. According to Petitioner, such a stay would obviate a need for it to file a new petition after issuance of a reexamination certificate, directed to new or amended claims.

Under 35 U.S.C. § 315(d), an *inter partes* review may be stayed, if the patent on review also is involved in another proceeding or matter before the Office, such as in the case of the present circumstance. A stay, however, generally is undesirable because it lengthens the pendency of the proceeding. Indeed, we note that "[a]ny modification of times *will take any applicable statutory pendency goal into account.*" 37 CFR § 42.5(c)(1) (Emphasis added).

Per 35 U.S.C. § 314(b), the Director shall determine whether to institute an *inter partes* review within 3 months after receiving a preliminary response or, if no such preliminary response is filed, the last date on which such response may be filed. And if trial is instituted, 35 U.S.C. § 316(a)(11) requires that a final determination be made within 1 year after the date the director notices the institution of review, except that the period may be extended by not more than 6-months, upon a showing of good cause.

At the outset, we reject any notion that no statutory pendency goal is affected by a stay until a reexamination certificate issues. Even though no preliminary response has been filed and no trial has been instituted, a stay delays institution of trial, if a trial otherwise would be instituted, and also delays the date of final determination in the trial. As a mathematical matter, one can argue: (1) that because the institution of trial is delayed as much as the final determination is delayed, any trial would be conducted within the period required by 35 U.S.C. § 316(a)(11), and also (2) that because no preliminary response has yet been filed, any institution of trial, despite entry of a stay, would still occur within the period required by 35 U.S.C. § 314(b).

We see the circumstance differently, because 37 C.F.R. § 42.1(b) provides that the rules "shall be construed to secure the just, *speedy*, and inexpensive resolution of *every proceeding.*" (Emphasis added.) In that regard, we note that a

preliminary proceeding refers to that part of the proceeding prior to institution of trial, and is a part of the overall proceeding. Thus, a stay for an indefinite period, entered during a preliminary proceeding, does affect the above-stated applicable statutory pendency goals, and affects them in a significant way.

In addition, the factual bases offered by Petitioner to support the filing of a request for a stay are unpersuasive, for several reasons.

First, speculation and conjecture do not support a stay of proceeding. Petitioner's contentions are based on a series of speculation and conjecture. Petitioner speculates that new or amended claims will result from the reexamination proceeding at issue. Petitioner also speculates that such hypothetical new or amended claims will, in its view, be unpatentable. Petitioner further speculates that it will want to challenge those claims.

Second, a stay only would obviate an obstacle for Petitioner, to the sole detriment of Patent Owner. Petitioner desires to deprive Patent Owner an opportunity to make an argument, under 35 U.S.C. § 314(b), against a later petition. The considerations are all one-sided and do not fit the "just" factor of 37 C.F.R. § 42.1(b).

Third, Petitioner does not adequately explain why its Petition in this proceeding would be of value to Petitioner with regard to claims not presently in U.S. Patent 5,954,781. The time bar under 35 U.S.C. § 314(b) for institution of review appears to have equal application where Petitioner seeks to amend an already filed petition rather than file a new petition. It applies to institution of review, not to the filing of a petition. Whatever argument Petitioner would face in the context of the filing of a new petition, it also would face in the context of a motion to amend the existing Petition.

Conclusion

For the foregoing reasons, the articulated reasons for granting a stay do not support a request for authorization to file a motion for stay.

Order

It is

ORDERED that Petitioner's request for authorization to file a motion for stay of this proceeding is *denied*.

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