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9  
10 **UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF ARIZONA**

11 VPR Brands, LP

12 Plaintiff,

13 v.

14 Jupiter Research, LLC,

15 Defendants.  
16  
17  
18

Case No. 2:20-cv-02185-DJH

**DEFENDANT JUPITER  
RESEARCH, LLC'S MOTION TO  
STAY PENDING THE  
RESOLUTION OF *INTER PARTES*  
REVIEW**

**(ORAL ARGUMENT REQUESTED)**

19 Defendant Jupiter Research, LLC ("Jupiter") moves this Court to stay this civil  
20 litigation pending the resolution of Jupiter's petition requesting *Inter Partes* Review of  
21 U.S. Patent No. 8,205, 622 (the "'622 Patent") ("IPR2022-00299"). IPR 2022-0299 was  
22 filed on December 20, 2021 with the Patent Trial and Appeal Board (the "PTAB" or  
23 "Board") of the United States Patent and Trademark Office ("PTO"). IPR2022-00299  
24 includes four grounds for invalidating claims 13 – 18 of the '622 Patent, which claims are  
25 those being asserted by VPR Brands, LP ("VPR") against Jupiter in this litigation. Based

1 on the dates on which the petition was filed, Jupiter expects the PTAB to institute  
2 proceedings on the IPR petition not later than June 20, 2022.

3 A stay of this case will simplify the issues in the litigation and conserve judicial  
4 resources. IPR2022-0299 will likely invalidate all of claims 13 – 18, hence there is no  
5 need for the Court to expend its resources on litigating claims that the PTAB is likely to  
6 hold invalid. Nor is there any reason for the parties to expend respective resources and  
7 time pursuing discovery, preparing expert reports, and drafting dispositive motions on  
8 those claims. Even if some of the claims survive the IPR, a stay would give this Court the  
9 benefit of seeing the PTAB's evaluation of various invalidity arguments. A stay will not  
10 unduly prejudice or tactically disadvantage VPR because any harm that VPR suffers from  
11 Jupiter's alleged infringement can be remedied with money damages after trial. In  
12 addition, Jupiter is willing to stay its counterclaims (so that its own case will not proceed  
13 while VPR's case is stayed). The Court should therefore grant Jupiter's motion and stay  
14 this case pending resolution of Jupiter's IPR.

## 14 **MEMORANDUM OF POINTS AND AUTHORITIES**

### 15 **I. PRELIMINARY STATEMENT**

16 On November 13, 2020, VPR sued Jupiter alleging that Jupiter's vaping products  
17 infringe U.S. Patent Nos. 8,205, 622 ("Asserted Patent" and/or "'622 Patent"). [Dkt. 1].  
18 Jupiter was served by waiver of service on December 21, 2020. VPR did not immediately  
19 move for a temporary restraining order or preliminary injunction, nor has VPR done so at  
20 any point in this litigation.

21 On March 15, 2021, VPR communicated by email a document that alleged  
22 infringement of claims 13, 14 and 15 with respect to one Jupiter product, and stated (with  
23 respect to the deadline to provide Jupiter with infringement contentions) that "VPR cannot  
24 fully comply because we have not received responses to our discovery so that we can  
25 inspect all of your client's products that infringe. However, for the product we know

1 about, the attached contains the claims asserted and VPR's infringement contentions  
2 concerning those claims."

3 On or about May 25, 2021, Jupiter sent to counsel for VPR samples of  
4 approximately 20 devices requested by VPR to allow VPR to inspect those devices. In  
5 spite of Jupiter providing those devices, and VPR having an opportunity to analyze the  
6 devices, VPR did not subsequently provide revised preliminary infringement contentions.

7 On October 15, 2021, Jupiter served on VPR Defendant's First set of  
8 Interrogatories requesting that VPR specifically identify "each claim of the Patents-In-  
9 Suit that You assert Jupiter infringes." Jupiter also specifically requested that for each  
10 claim that VPR is alleging is infringed, VPR specifically identify which of the Jupiter  
11 products provided to VPR infringes each claim, and further, "provide a chart identifying  
12 specifically where each element of each claim that you allege is infringed is found within  
13 each Jupiter product accused of infringement, including for each element that You contend  
14 is governed by 35 U.S.C. § 112(6), the identity of the structure(s), act(s), or material(s) in  
the accused product that performs the claimed function."

15 On December 2, 2021, after requesting and being granted an extension to respond,  
16 VPR identified claim 13-15 as asserted claims, and also added claims 16-18. However,  
17 VPR did not provide a revised infringement contention chart showing the requested  
18 information (a document showing which of the products infringed which claims, and  
19 showing how each claim element of the alleged infringing claims were met). Instead,  
20 VPR simply referenced ECF 1-2 (the claim chart attached to the November 2020  
21 complaint), referring to it as the "current claim chart." To be clear, ECF 1-2 only alleges  
22 infringement of claim 13, and furthermore, only alleges infringement by one Jupiter  
product (the Jupiter Liquid 6).

23 To date VPR has not served Jupiter with revised infringement contentions.

24 On December 20, 2021, Jupiter filed its IPR petition challenging all of the asserted  
25 claims of the '622 Patent Asserted in the Complaint. Below is a chart listing VPR's patent  
in suit, asserted claims, the date of the IPR filing, IPR petition number, and the IPR  
institution or projected institution date:

Patent	Claims Asserted in Litigation	IPR Filing Date	IPR Petition Number	IPR Projected Institution Date
8,205,622	13-18	12/20/21	IPR2022-00299	June 20, 2021

Discovery is in its early stages: fact discovery is ongoing, and no expert discovery has taken place. The Scheduling Order set the close of all discovery on June 3, 2022. [Dkt. 19]. To date only one fact witness deposition has taken place as of the filing of this motion. However at least two fact witnesses (one of which is a 3<sup>rd</sup>-party witness) and a (30(b)(6) corporate representative of the Plaintiff are to be deposed by the Defendant. No expert reports have yet been written, and briefing on dispositive motions including *Daubert* motions is not due until July 6, 2022. The Court has not entered any claim construction orders.

## **II. LEGAL STANDARD ON MOTIONS TO STAY**

In determining whether to stay a case pending review by the PTO, “a court must consider the following factors: (1) whether a stay will simplify the issues in question and trial of the case; (2) whether discovery is complete and whether a trial date has been set; and (3) whether a stay would unduly prejudice or present clear tactical disadvantage to the nonmoving party.” *Medicis Pharm. Corp. v. Upsher-Smith Labs., Inc.*, 486 F.Supp.2d 990, 992 (D. Ariz. 2006).

The decision to stay litigation is left to the discretion of the trial court. *Clinton v. Jones*, 520 U.S. 681, 706 (1997). As such this Court has inherent power to stay an action pending *Inter Partes* review. *See Murata Mach. USA v. Daifuku Co. Ltd.*, 830 F.3d 1357, 1361-1362 (Fed. Cir. 2016). In the District of Arizona, this Court has recognized “a liberal policy in favor of granting motions to stay” pending the outcome of PTAB proceedings. *Medicis Pharm.*, 486 F.Supp.2d at 993.

1 A stay may be “particularly justified where the outcome of the reexamination  
 2 would be likely to assist the court in determining patent validity and, if the claims were  
 3 cancelled in the reexamination, would eliminate the need to try the infringement issue.”  
 4 *Wonderland Nursery Goods Co., Ltd. v. Baby Trend, Inc.*, No. EDCV 14-01153-VAP  
 5 (SPx), 2015 U.S. Dist. LEXIS 53053, at \*5 (C.D. Cal. Apr. 20, 2015). In a recent case  
 6 addressing the issue of a stay in the context of pending IPR proceedings, the Court granted  
 7 the stay in part because the movant “exhibited diligence (both in seeking IPR and in  
 8 requesting a stay once the IPR process began), the case was in its early stages at the time  
 9 the stay was requested, and the Court has not yet held *Markman* hearings or set a trial  
 10 date.” *Parsons Xtreme Golf LLC v. Taylor Made Golf Co.*, No. CV-17-03125-PHX-DWL,  
 11 2018 U.S. Dist. LEXIS 202071, at \*2 (D. Ariz. Nov. 29, 2018). The *Parsons* Court  
 12 acknowledged that “[i]ssuing a stay is the norm, rather than the exception, under these  
 13 circumstances.” *Id.* In elaborating in its reasons for granting the stay, the court noted  
 14 that “[i]t is also relevant that Congress's intent in creating the IPR system was to create an  
 15 improved process for evaluating patent claims, by allowing subject matter experts to  
 16 render binding decisions on a relatively expedited and cost-efficient basis.” *Id.* “Issuing  
 17 a stay here—rather than the alternative of requiring the parties to engage in costly, parallel  
 18 litigation of overlapping issues in two different forums—will best effectuate Congress's  
 19 intent.” *Id.* at 2-3 (*citing* Fed. R. Civ. P. 1 (the rules of civil procedure should be construed  
 to promote the “just, speedy, and inexpensive determination of every action and  
 proceeding”). The Court should apply those same policy considerations in this case.

### 20 **III. THIS COURT SHOULD STAY THIS CASE PENDING CONCLUSION OF** 21 **THE *INTER PARTES* REVIEW PROCEEDINGS ON VPR’S PATENT**

22 All three factors favor granting Jupiter’s motion pending the outcome of IPR2022-  
 23 20299. A stay is likely to narrow, and possibly eliminate, the issues in the case by  
 24 invalidating VPR’s asserted claims and may also limit Jupiter’s invalidity defenses by  
 25 virtue of statutory estoppel. Discovery is in its early stages, and a trial date has not been  
 set. There is no undue prejudice or clear tactical disadvantage to VPR because Jupiter’s

1 IPR petition has been timely filed, and if VPR were to prevail at trial, VPR could be made  
 2 whole with money damages even if trial in this matter is delayed as a result of the stay.  
 3 Nor will VPR suffer any tactical disadvantage because Jupiter is prepared to stay its  
 4 counterclaims pending outcome of Jupiter's IPR petition. Given these facts, the Court  
 5 should grant Jupiter's motion and stay the case.

6 **A. A stay will likely simplify the issues for trial by virtue of the IPR**  
 7 **invalidating the asserted claims.**

8 The scope of the civil litigation does not exceed the scope of the IPR proceeding.  
 9 *See Digital Ally, Inc. v. Enforcement Video, LLC*, 16-2346-JTM, 2018 WL 780555, \*1  
 10 (D. Kan. Feb. 8, 2018). In fact, the exact same claims at issue in this case are those at  
 11 issue in IPR2022-0299. A stay pending the Board's final written decision of the IPR will  
 12 simplify the issues of this case because the IPR is likely to invalidate some or all of VPR's  
 13 asserted claims, and because Jupiter may be estopped from raising certain invalidity  
 14 defenses. Courts have noted that waiting for the outcome of a PTO review "could  
 15 eliminate the need for trial if the claims are cancelled or, if the claims survive, facilitate  
 16 trial by providing the court with expert opinion of the PTO and clarifying the scope of the  
 17 claims." *Advanced Micro Devices, Inc. v. LG Elecs., Inc.*, No. 14-cv-01012-SI, 2015 U.S.  
 18 Dist. LEXIS 15496, at \*11 (N.D. Cal. Feb. 9, 2015); *accord Gould v. Control Laser Corp.*,  
 19 705 F.2d 1340, 1341-1342 (Fed. Cir. 1983).

20 Here, IPR2022-0299 challenges all of the asserted claims, which, if successful on  
 21 all six (6) asserted claims, would eliminate the need for trial entirely. IPR2022-0299 cites  
 22 three (3) patents related to the subject matter of the '622 Patent (electronic cigarettes).  
 23 Each of the three (3) patents cited in IPR2022-00299 are statutory prior art to the '622  
 24 Patent, and none of which were considered by the USPTO during the prosecution of the  
 25 '622 Patent. "Although there is no guarantee that an IPR will eliminate all the claims at  
 issue, the higher standard to initiate an IPR ... gives at least some promise that certain  
 challenged claims will be struck down or amended if the PTO grants the petitions."

1 *Software Rights Archive, LLC v. Facebook, Inc.*, No. C-12-3970 RMW, 2013 U.S. Dist.  
2 LEXIS 133707, at \*16-17 (N.D. Cal. Sep. 17, 2013).

3 Even if the Board's final written decision invalidates some, but not all of the claims,  
4 the issues in this case will be simplified. As the Federal Circuit noted in *Versata Software,*  
5 *Inc. v. Callidus Software Inc.*, "there can still be a simplification of the issues when only  
6 some, but not all, of the claims asserted in litigation are challenged . . ." 771 F.3d 1368,  
7 1372 (Fed. Cir. 2014) *vacated on other grounds*, 780 F.3d 1134, 1136 (Fed. Cir. 2015);  
8 *see also Evolutionary Intelligence LLC v. Yelp Inc.*, No. C-13-03587 DMR, 2013 U.S.  
9 Dist. LEXIS 178547, at \*16 (N.D. Cal. Dec. 18, 2013) ("Should the PTAB cancel or  
10 narrow *any* of the asserted claims of the Asserted Patents, the scope of this litigation may  
11 be significantly simplified.") (emphasis in original). As for those claims that the Board  
12 finds patentable, this decision will nonetheless simplify the issues because Jupiter will be  
13 estopped from raising invalidity defenses that it raised or could have raised in its IPR  
14 petition. *See* 35 U.S.C. § 315(e)(2) ("The petitioner in an inter partes review of a claim in  
15 a patent ... that results in a final written decision ... may not assert either in a civil action  
16 ... that the claim is invalid on any ground that the petitioner raised or reasonably could  
17 have raised during that inter partes review.").

18 Furthermore, "With regards to IPR, "[s]ome of the advantages of a stay include the  
19 fact that the record of the reexamination may be entered at trial[;] that the PTO's expertise  
20 will govern[,] thus simplifying the case; that evidentiary and other issues will be further  
21 narrowed following a reexamination; and that costs will be reduced." *Spellbound Dev.*  
22 *Group, Inc. v. Pac. Handy Cutter, Inc.*, No. SACV 09-951 DOC (Anx), 2011  
23 U.S. Dist. LEXIS 54597, 2011 WL 1810961, at \*2 (C.D. Cal. May 12, 2011). An IPR may  
24 also alleviate discovery problems and lead to settlement. *See Allergan*, 2009  
25 U.S. Dist. LEXIS 131889, 2009 WL 8591844, at \*1." *Omnitracs, LLC v. Platform Sci.,*  
*Inc.*, No. 20-cv-0958-JLS-MDD, 2021 U.S. Dist. LEXIS 43055, at \*20-21 (S.D. Cal. Mar.  
8, 2021)

A stay pending an IPR decision may resolve discovery issues and avoid potential contradictions in claim construction between the Court and the Board. With respect to



discovery issues, in particular, as mentioned above, each claim invalidated by the Board removes the need to assess validity or infringement of that claim in this action. Moreover, in the event that some of VPR's claims survive IPR, and even if VPR managed to show infringement, the issues in this case would still be substantially streamlined.

Accordingly, the simplification of issues before the Court weighs in favor of granting a stay because soon-to-be instituted IPRs will simplify the issues regardless of the outcome of their final written decisions.

**B. A stay is appropriate because discovery and claim construction are ongoing and a trial date has not been set.**

The first factor, discussed above, considers whether waiting for PTAB decisions is likely to result in less work for the Court and the parties. The second factor asks whether the case has proceeded so far toward trial that the work of the Court and the parties has largely already been done. Here, discovery is in its early states and ongoing, and no trial date is set. These facts favor a stay. Courts in this Circuit have consistently granted stay motions in similar circumstances. *Wonderland Nurserygoods Co. v. Baby Trend, Inc.*, No. EDCV 14-01153-VAP (SPx), 2015 U.S. Dist. LEXIS 53053, at \*6 (C.D. Cal. Apr. 20, 2015) (finding the stage of litigation weighed in favor of stay where "fact discovery [was] not yet complete, expert discovery ha[d] not yet begun, and a trial date ha[d] not yet been set"). In *Aten International Co., Ltd. v. Emine Technology Co., Ltd.*, the Court, in granting a motion to stay pending reexamination, characterized a four-year-long litigation as still being in its "early stages." *Aten Int'l Co. v. Emine Tech. Co.*, No. SACV 09-0843 AG (MLGx), 2010 U.S. Dist. LEXIS 46226, at \*21-22 (C.D. Cal. Apr. 12, 2010).

The *Aten* court noted that "[n]o depositions have been taken, no expert discovery has been propounded, and no claim construction has taken place on the [asserted] patent." *Id.* Other courts in this Circuit have done likewise. *SAGE Electrochromics, Inc. v. View, Inc.*, No. 12-cv-06441-JST, 2015 U.S. Dist. LEXIS 1056, at \*6-7 (N.D. Cal. Jan. 5, 2015) (finding this factor favored a stay where the parties had "exchanged documents, responded



1 to discovery requests, litigated a discovery dispute, underwent claim construction for four  
2 patents, and briefed claim construction on the remaining five patents").

3 Here, VPR filed its original complaint approximately 13 months ago on November  
4 13, 2020 [Dkt. 1]. Jupiter was not served until December 21, 2020 (by waiver of service).  
5 Discovery is in its early stages as only one fact deposition has been taken and no expert  
6 discovery in the litigation has taken place. Although parties have submitted claim  
7 construction briefs, no claim construction order has been entered. No dispositive motions  
8 or *Daubert* motions have been filed in this case, and the deadlines for these motions are  
9 over six months away. A trial schedule has not yet been determined.

10 Accordingly, this second factor weighs in favor of granting a stay.

11 **C. A stay would not unduly prejudice or present a clear tactical**  
12 **disadvantage to VPR, but will instead reduce the burden and costs of**  
13 **unnecessary discovery.**

14 Any stay of district court litigation to allow the PTAB to complete its work will  
15 inherently involve some delay of the district court proceedings. Without more, however,  
16 that delay cannot constitute undue prejudice to VPR. "Courts repeatedly have held [sic]  
17 found no undue prejudice unless the patentee makes a specific showing of prejudice  
18 beyond the delay necessarily inherent in any stay." *Affinity Labs of Texas LLC v. Samsung*  
19 *Elecs. Co.*, No. 14-CV-2717 YGR, 2014 U.S. Dist. LEXIS 105850, at \*18 (N.D. Cal. Aug.  
20 1, 2014); "The Court has previously found that a defendant who waited six months after  
21 being served with infringement contentions to file its IPR petition did not delay so as  
22 to prejudice the patentee." *GoPro, Inc. v. C&A Mktg., Inc.*, No. 16-cv-03590-JST, 2017  
23 U.S. Dist. LEXIS 92480, at \*13-14 (N.D. Cal. June 15, 2017). Another case comments  
24 that, "It should be noted that "delay inherent in the reexamination process does not  
25 constitute, by itself, undue prejudice.'" *ProtectConnect, Inc. v. Leviton Mfg. Co.*, No.  
10cv758 AJB (BGS), 2011 U.S. Dist. LEXIS 44045, at \*7 (S.D. Cal. Apr. 22, 2011)  
(quoting *ESCO Corp. v. Berkeley Forge & Tool, Inc.*, No. C 09-1635 SBA, 2009  
U.S. Dist. LEXIS 94017, 2009 WL 3078463, at \*3 (N.D. Cal. Sept. 28, 2009)) (internal  
quotation marks omitted).

1 “In evaluating prejudice, this Court considers: “(1) the timing of the reexamination  
 2 request; (2) the timing of the request for stay; (3) the status of reexamination proceedings;  
 3 and (4) the relationship of the parties.” *SAGE Electrochromatics*, 2015 U.S. Dist. LEXIS  
 4 1056, 2015 WL 66415 at \*3 (quoting *Ever Win Int’l Corp. v. Radioshack Corp.*, 902  
 5 F.Supp.2d 503, 508 (D.Del.2012)).” *GoPro, Inc.*, 2017 U.S. Dist. LEXIS 92480, at \*12.

6 **1. Jupiter’s filing of the IPRs was prompt and timely.**

7 Jupiter was diligent in filing its IPR petition. It is normal to petition for IPRs after  
 8 the infringement contentions have been clearly identified so that the petitioner knows  
 9 which patent claims are being asserted. Accordingly, courts have found that petitioning  
 10 for IPRs after the service of infringement contentions does not weigh against a finding of  
 11 prejudice. *See e.g., GoPro, Inc.*, 2017 U.S. Dist. LEXIS 92480, at \*15 (finding filing a  
 12 petition for IPR four months after service of infringement contentions was reasonable);  
 13 *Evolutionary Intelligence*, 2013 U.S. Dist. LEXIS 178547, at \*29 (finding filing a petition  
 14 for IPR five months after service of infringement contentions was reasonable); *SAGE*  
 15 *Electrochromics, Inc. v. View, Inc.*, No. 12-cv-06441-JST, 2015 U.S. Dist. LEXIS 1056,  
 16 at \*13 (N.D. Cal. Jan. 5, 2015) (“[The defendant] acted with reasonable diligence in filing  
 17 its IPR petitions within six months of being served with [the plaintiff’s] revised  
 infringement contentions.”).

18 Here, Jupiter filed its IPR petition December 20, 2021, four months after a  
 19 telephonic discussion between counsel for Jupiter and VPR in an attempt to clarify claim  
 20 terms and the basis for VPR’s infringement contentions on August 17, 2021, and less than  
 21 one month after VPR’s service of its response to Jupiter’s interrogatory requesting  
 22 identification of the specific asserted claims. Jupiter’s IPR was filed within one year of  
 23 the Asserted Patent being asserted against Jupiter, as permitted by statute, so the timing is  
 24 presumptively reasonable. *See e-ImageData Corp v. Dig. Check Corp*, No. 16-CV-576,  
 25 2017 U.S. Dist. LEXIS 23050, at \*9 (E.D. Wis. Feb. 17, 2017) (noting that the court does  
 not hold the prejudice factor against the defendant for its decision to file an IPR on the  
 last available day because “it was Congress that concluded that parties could wait up to

one year before petitioning for IPR.”). Furthermore, until early December, less than one month before Jupiter filed its IPR, the parties were still engaged in discussions attempting to address claim construction issues.

**2. Jupiter’s motion to stay is timely.**

Jupiter diligently brought this motion within one week of its filing of the IPR petition against all of the asserted claims. Thus, Jupiter did not unduly delay the case in moving for a stay. “Moreover, Defendant filed its motion to stay just two weeks after filing its IPR petitions, and there is no evidence of gamesmanship on Defendant's part. *See* Mot. at 3.” *Abcellera Biologics, Inc. v. Berkeley Lights, Inc.*, No. 20-CV-08624-LHK, 2021 U.S. Dist. LEXIS 161897, at \*4 (N.D. Cal. Aug. 26, 2021).

**3. Status of the IPR proceeding supports a finding of no prejudice.**

Although a decision to institute has not yet been made, that fact treated as less speculative than it has been in the past in light of recent Supreme Court precedent. “Following the Supreme Court's decision in *SAS Institute, Inc. v. Iancu*, this factor in the pre-institution phase is less speculative now that the PTAB is statutorily required to address every contested claim if the PTAB grants review of an IPR petition. 138 S. Ct. 1348, 200 L. Ed. 2d 695 (2018); *see also Wi-Lan Inc.*, 2018 U.S. Dist. LEXIS 88516, 2018 WL 2392161, at \*2 (“[w]hile review is not guaranteed and, therefore, the benefits of review are only speculative at this juncture, in light of the Supreme Court's mandate to review all contested claims upon a grant of IPR and the complexity of this case the Court finds this factor weighs in favor of a limited stay.”) *Omnitracs, LLC v. Platform Sci., Inc.*, No. 20-cv-0958-JLS-MDD, 2021 U.S. Dist. LEXIS 43055, at \*22 (S.D. Cal. Mar. 8, 2021) Another portion of *Omnitracs* is supportive: “In *Blast Motion*, the court found this factor weighed in favor of a stay where the PTAB's decision [\*23] on whether to institute IPR proceedings were expected within five months, and the Defendant challenged all of the patents in the underlying suit. 2016 U.S. Dist. LEXIS 195639, 2016 WL 5107678, at \*6. Here, similar to *Blast Motion*, the last decision whether to institute

1 IPR is expected within four months and Defendant has challenged all the Patents-in-  
2 Suit. *See* Mot. Mem. at 9 ("The [PTAB] will likely issue institution decisions on four of  
3 the IPRs . . . by April 2021, and remainder by June 2021.") (citations omitted). Because  
4 Defendant has filed IPR petitions on all of the seven Patents-in-Suit, it is likely that the  
5 PTAB's review would streamline the issues before the court. *See Delphix Corp. v. Actifio,*  
6 *Inc.*, No. 13-CV-04613-BLF, 2014 WL 6068407, at \*2 (N.D. Cal. Nov. 13, 2014) (where  
7 the patents subject to IPR were a significant portion of the underlying action, finding this  
8 factor favored a stay in the pre-institution phase because "[a]t a minimum, instituting a  
9 brief, limited stay of approximately five months to see whether and how the PTAB will  
10 act on Defendant's IPR petitions will conserve judicial resources and avoid inconsistent  
11 results") (citation omitted). Therefore, the Court finds this factor weighs in favor of  
12 a stay." *Id.* at \*22-23.; "Because the pending IPRs could result in invalidation of all the  
13 asserted claims of the '408 family, the second factor weighs in favor of a stay. Although  
14 the PTAB has not yet instituted the IPRs, courts  
15 routinely stay lawsuits pending institution decisions." *Abcellera Biologics, Inc. v.*  
16 *Berkeley Lights, Inc.*, No. 20-CV-08624-LHK, 2021 U.S. Dist. LEXIS 161897, at \*4  
17 (N.D. Cal. Aug. 26, 2021). "A stay is favored where "the outcome of the reexamination  
18 would be likely to assist the court in determining patent validity and, if the claims were  
19 canceled in the reexamination, would eliminate the need to try the infringement  
20 issue." *Evolutionary Intelligence LLC v. Apple, Inc.*, Case No. 13-cv-04201 WHA, 2014  
21 U.S. Dist. LEXIS 2763, 2014 WL 93954, at \*2 (N.D. Cal. Jan. 9, 2014) (quoting *Slip*  
22 *Track Sys., Inc. v. Metal Lite, Inc.*, 159 F.3d 1337, 1341 (Fed. Cir. 1998)). "A stay may  
23 also be granted in order to avoid inconsistent results, obtain guidance from the PTAB, or  
24 avoid needless waste of judicial resources." *Id.* "Indeed, it is not uncommon for this court  
25 to grant stays pending reexamination *prior* to the PTO deciding to reexamine the  
patent." *Pragmatus AV, LLC v. Facebook, Inc.*, Case No. 11-cv-02168 EJD, 2011 U.S.  
Dist. LEXIS 117147, 2011 WL 4802958, at \*3 (N.D. Cal. Oct. 11, 2011) (emphasis  
added)." *PersonalWeb Techs., LLC v. Apple Inc.*, 69 F. Supp. 3d 1022, 1027 (N.D. Cal.  
2014).

1 Furthermore, the nature of the IPR itself supports this factor. IPR2022-0299 cites  
2 four separate and distinct grounds of invalidity for the six (6) asserted claims in this civil  
3 litigation. Each ground is based upon prior art in the field of vaping devices/electronic  
4 cigarettes that were not considered during the prosecution of the Asserted Patent. It is  
5 reasonable to expect that the Board will institute the IPR based upon the petition  
6 challenging validity of the asserted claims. In addition, as noted above with respect to  
7 recent Supreme Court precedent, if the PTAB determines that review is appropriate on  
8 even one of the six claims, it must review all six claims. Thus, within weeks of the  
9 completion of briefing on this motion, all of VPR's six (6) asserted patent claims will  
likely be under review at the PTO.

#### 10 **4. Relationship of the Parties**

11 Based on the pleadings and information exchanged thus far between the Parties, it  
12 appears that VPR is a non-practicing entity ("NPE"). It neither makes nor sells the products  
13 that it claims are covered by the '622 Patent. Indeed, it appears that VPR simply purchased  
14 the patent, and rather than using it to actually compete in the vaping/electronic cigarette  
15 market, is simply sending out demand letters demanding licenses of those who actually are  
16 creating and selling products in this market (and suing those who don't acquiesce to their  
17 demands). In short, the only thing VPR is seeking from this enterprise is money. Because  
18 that is all it is seeking, and it is not an active participant in actually manufacturing and/or  
19 selling products, VPR is not a "competitor" of Jupiter in a meaningful sense, and its efforts  
20 can best be characterized as attempting to "tax" Jupiter's active participation in the market.  
21 This fact therefore demonstrates that a stay will work no undue prejudice against VPR, as  
22 it can be made whole (if it ultimately prevails) by being awarded the only thing it seeks –  
23 monetary damages.  
24  
25

1                   **5.     Awaiting the outcome of PTAB proceedings will present no**  
2                   **tactical disadvantage or undue prejudice to VPR.**

3             In addition to the above four factors, Courts often look to a plaintiff's decision not  
4     to seek a preliminary injunction at the outset of the case as an indicator of a lack of undue  
5     prejudice. *See Wonderland Nursery*, 2015 U.S. Dist. LEXIS 53053, at \*11 (noting  
6     Plaintiff's decision not to seek a preliminary injunction undermines Plaintiff's contention  
7     that monetary damages will be insufficient). Courts have also found that a Plaintiffs'  
8     failure to pursue injunctive relief undermines their position that monetary relief is  
9     inadequate to compensate for any harm incurred as a result of the stay. *Blast Motion v.*  
10    *Zepp Labs*, No. 15-CV-700 JLS (NLS), 2016 U.S. Dist. LEXIS 195639, at \*13 (S.D. Cal.  
11    Mar. 29, 2016) ("[T]he Court does find that Plaintiff's failure to pursue a preliminary  
injunction undermines its position that monetary damages are insufficient.").

12            In addition, Courts have found that "[a] plaintiff's [\*19] decision not to assert  
13    preliminary injunctive relief undercuts a party's argument that a stay would be  
14    prejudicial. *See Uniloc USA Inc v. LG Elecs. U.S.A. Inc.*, No. 18-CV-06737-JST, 2019  
15    U.S. Dist. LEXIS 72002, 2019 WL 1905161, at \*6 (N.D. Cal. Apr. 29, 2019) ("[That  
16    Plaintiff] did not seek injunctive relief further undercuts its prejudice  
17    argument."); *Pragmatus Telecom, LLC v. NETGEAR, Inc.*, No. C 12-6198 SBA, 2013  
18    U.S. Dist. LEXIS 68616, 2013 WL 2051636, at \*3 (N.D. Cal. May 14, 2013) ("[The  
19    plaintiff] only seeks damages, not injunctive relief. As such, any delay resulting from  
20    a stay will not result in undue prejudice."); *Masimo Corp.*, 2021 U.S. Dist. LEXIS 18691,  
21    2021 WL 321481, at \*6 ("Even if [the plaintiff] suffers some irreparable harm in the form  
22    of loss of market share, [the plaintiff's] failure to seek preliminary injunctive relief  
undercut [its] argument that [it] cannot be made whole by monetary damages.") (citations  
omitted).” *Omnitracs*, 2021 U.S. Dist. LEXIS 43055, at \*18-19.

23            Here, VPR never even sought a preliminary injunction or TRO. Indeed, it sought  
24    no immediate or expedited relief, and in fact, in discovery, as VPR has implicitly  
25    acknowledged (by failing to pursue injunctive relief), any harm to VPR from Jupiter's



1 alleged infringement can be sufficiently remedied by monetary damages and awaiting the  
2 outcome of the PTAB's decision will cause no undue prejudice to VPR.

3 Furthermore, the maximum duration of the stay (less than 6 months), weighs  
4 against prejudice. See, for example, above at Section 3 (Status of IPR Proceedings) for  
5 cases indicating that stays of 4-5 months weigh in favor of a stay. *See also Blast Motion*,  
6 2016 U.S. Dist. LEXIS 195639, at \*14 ("[I]f the PTO does not grant Defendant's IPR  
7 requests, the stay will be in place no longer than five months, weighing against finding  
8 undue prejudice.").

9 **6. Jupiter is willing to stay its counterclaims pending the outcome**  
10 **of the IPR proceedings against VPR's patents.**

11 When the Court grants a stay of VPR's claims against Jupiter, Jupiter consents to  
12 staying its counterclaims against VPR pending the outcome of IPR2022-0299. The stay  
13 of both parties' claims at this time will avoid the need to utilize Court resources to  
14 litigate this matter.

15 **D. Totality of the Circumstances**

16 Stay decisions are in the discretion of the court and are made on a case-by-case  
17 basis in view of all of the circumstances of the case. "Ultimately 'the totality [\*24] of  
18 the circumstances governs,' *Universal Elecs.*, 943 F. Supp. 2d at 1035 (quoting *Allergan*,  
19 2009 U.S. Dist. LEXIS 131889, 2009 WL 8591844, at \*2) (internal quotation marks  
20 omitted), and 'the court must decide stay requests on a case-by-case basis,' *TPK Touch*  
21 *Solutions*, 2013 U.S. Dist. LEXIS 162521, 2013 WL 6021324, at \*1." *Omnitracs*, 2021 U.S. Dist. LEXIS 43055, at \*20.

22 The Omnitrac case is helpful in summarizing why there, as here, based on the  
23 totality of the circumstances, a stay is appropriate. "On balance, the early stage in the  
24 litigation, Defendant's lack of dilatory tactics, and the short-term length of  
25 the stay ultimately outweigh Plaintiffs' attenuated allegations of undue  
prejudice. [\*25] *See, e.g., Sec. People, Inc. v. Ojmar US, LLC*, No. 14-CV-04968-HSG,  
2015 U.S. Dist. LEXIS 70011, 2015 WL 3453780, at \*5 (N.D. Cal. May 29, 2015)



(granting a stay prior to the PTO's institution of IPR despite finding that "the undue prejudice factor is either neutral or weighs slightly against a stay of this action"). Therefore, in light of the Court's interest in managing its docket efficiently, the Court GRANTS IN PART Defendant's Motion to Stay. *See Wi-LAN*, 2018 U.S. Dist. LEXIS 88516, 2018 WL 2392161, at \*2 ("Although, the PTO has not yet decided whether to grant review of [defendant's] petitions, the [c]ourt finds a limited stay would further promote the interests of justice and judicial economy."). *Omnitracs*, 2021 U.S. Dist. LEXIS 43055, at \*24-25.

#### IV. CONCLUSION

As in the *Omnitracs* case and other cases cited above, a stay is appropriate in this case. Discovery is ongoing, no trial date has been set, there is no prejudice to VPR (an if there is, VPR's lack of pursuit of immediate injunctive relief demonstrates that any such prejudice can be remedied by monetary damages), and we will all know, in less than six months, the PTAB's opinion on whether or not any of VPR's claims are likely to survive. For the foregoing reasons, the Court should stay this case pending the resolution of the PTAB's *Inter Partes* review proceedings involving VPR's patent in suit.

DATED this 27th day of December, 2021.

Respectfully submitted,

SCHMEISER, OLSEN & WATTS LLP

By:

/s/ Anthony L. Meola

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**CERTIFICATE OF SERVICE**

I hereby certify that on December 27, 2021 I electronically transmitted the attached document to the below listed attorneys for Plaintiff:

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UNITED STATES DISTRICT COURT  
DISTRICT OF ARIZONA  
PHOENIX DIVISION

CASE NO.: CV-20-02185-PHX-DJH

VPR BRANDS, LP,

Plaintiff,

v.

JUPITER RESEARCH, LLC,

Defendant.

**PROPOSED ORDER RE: JUPITER  
RESEARCH, LLC'S MOTION TO STAY  
PENDING THE RESOLUTION OF  
*INTER PARTES* REVIEW**

This Court, having considered Defendant Jupiter Research, LLC's Motion to Stay Pending the Resolution of *Inter Partes* Review, and good cause appearing therefrom;  
IT IS HEREBY ORDERED GRANTING Defendant Jupiter Research, LLC's Motion to Stay Pending the Resolution of *Inter Partes* Review.

IT IS SO ORDERED, this \_\_\_\_ day of \_\_\_\_\_, 2021

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UNITED STATES DISTRICT JUDGE