

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

**NOVOZYMES NORTH
AMERICA, INC.,**

Plaintiff,

v.

**DANISCO US INC. and DUPONT
NUTRITION & BIOSCIENCES**

Defendants.

Case No. 1:19-cv-01902-JDW

ORDER

AND NOW, this 31st day of March, 2020, upon consideration of Defendants’ Motion to Stay Pending *Inter Partes* Review (D.I. 23-24), the opposition thereto (D.I. 27), and the reply (D.I. 29), the Court notes as follows.

1. Defendants Danisco US Inc. and Dupont Nutrition & Biosciences seek to stay the instant patent infringement action pending *inter partes* review. Defendants filed an IPR petition against the patent-in-suit, United States Patent No. 7,820,419 (the “419 Patent”) on January 27, 2020. (D.I 24, Ex. A). With the IPR Petition, Defendants seek to invalidate the ‘419 Patent that Plaintiff Novozymes North America, Inc. asserts against Defendants in the instant case.

2. The Patent Trial and Appeal Board has not instituted the IPR Petition. Given the filing date, the PTAB is statutorily required to decide whether to institute the IPR Petition by August 13, 2020. *See* 35 U.S.C. § 314(b).

3. A court has discretionary authority to grant a motion to stay, “since it is a matter of the court's inherent power to conserve judicial resources by controlling its own docket.” *Cost Bros. v. Travelers Indem. Co.*, 760 F.2d 58, 60 (3d Cir. 1985). This Court has typically considered three

factors when deciding a motion to stay: (1) whether granting the stay will simplify the issues for trial; (2) the status of the litigation, particularly whether discovery is complete and a trial date has been set; and (3) whether a stay would cause the non-movant to suffer undue prejudice from any delay, or allow the movant to gain a clear tactical advantage. *See, e.g., Toshiba Samsung Storage Tech. Korea Corp. v. LG Elecs., Inc.*, 193 F. Supp. 3d 345, 348 (D. Del. 2016).

4. After taking into account the three stay-related factors set forth above, as well as the facts of this case, the Court will deny Defendants' motion, with leave to renew the motion after the PTAB makes a determination on whether to institute an IPR proceeding in response to Defendants' IPR Petition. The Court determines that this is the better approach here, for the reasons set forth below.

5. *First*, the status of the instant litigation weighs against the granting of a stay pending the PTAB's decision on institution. Here, the parties agree that the PTAB is required to rule on the IPR Petition no later than August 13, 2020. A schedule has not been entered in this case because the Court has not yet held an initial status conference pursuant to Fedl R. Civ. P. 16. Both parties acknowledge that they have taken relatively little discovery thus far.

6. Given the current posture, the Court expects that the PTAB's IPR decision will come before the parties expend significant resources on discovery or claim construction. Because the PTAB's institution decision will come on or before August 13, it is likely that the institution decision will precede large scale discovery efforts. *See Universal Secure Registry, LLC v. Apple Inc.*, No. CV 17-585-CFC-SRF, 2018 WL 4486379, at *3 (D. Del. Sept. 19, 2018) (denying a stay where parties had engaged in some "preliminary discovery" because "it is more practical to allow preliminary claim construction activity to proceed while awaiting the PTAB's decision on whether to institute proceedings on [the] petitions"); *Advanced Microscopy Inc. v. Carl Zeiss Microscopy*,

LLC, No. 15-516-LPS-CJB, 2016 WL 558615, at *1 (D. Del. Feb. 11, 2016). Accordingly, denial of the instant motion without prejudice will not cause Defendants undue harm, even were a stay later to be granted after the PTAB's institution decision is issued.

7. *Second*, the Court finds that the simplification-of-issues-for-trial factor weighs against a stay in this litigation. Unless the PTAB institutes IPR proceedings, Defendants' argument regarding the alleged simplification of issues for trial rests on the mere "speculation that such institution will occur." *Universal Secure Registry, LLC v. Apple Inc.*, No. CV 17-585-CFC-SRF, 2018 WL 4486379, at *2; *see also Advanced Microscopy*, 2016 WL 558615, at *1 ("If no review is instituted, the asserted basis for a stay will fall away."). Without any certainty as to whether the PTAB will instate the IPR Petition, the extent to which the issues will be simplified remains unknown. If the PTAB institutes Defendants' IPR Petitions then Defendants may renew their motion, and the simplification factor will be analyzed differently at that time.

8. The Court is not persuaded by Defendants' argument that the IPR Petition has the "unique facts" like those in *RetailMeNot* that favor a stay. *See RetailMeNot, Inc. v. Honey Sci. LLC*, No. CV 18-937-CFC-MPT, 2020 WL 373341, at *4 (D. Del. Jan. 23, 2020). *RetailMeNot* is distinguishable from this case because the Court in *RetailMeNot* found that the "unique facts of [that] case [made] institution more probable." *Id.* Notably, the Court found that the probability of institution was greater in that case in light of the patent examiner's rejection of the defendant's related "co-pending continuation application" based upon the same arguments. *Id.* at *4. Defendants suggest that Novozymes' decisions in a prior IPR proceeding make this case analogous with the unique circumstances in *RetailMeNot*. The Court, however, does not know why Novozymes made the decisions it did in the prior IPR proceeding and does not have enough information to determine that the prior proceeding makes this case analogous to *RetailMeNot*.

9. *Third*, the Court finds that the delay caused by staying this action pending the IPR could create at least some tactical disadvantage for and cause undue prejudice to Novozymes. Novozymes has tried to move this litigation forward, including serving discovery and initiating a meet and confer pursuant to Rule 26(f). Staying the case at this point would allow Defendants to evade discovery on the claims at issue in this litigation and risks “prolonging the final resolution of the dispute and thereby may result in some inherent prejudice to the plaintiff.” *Copy Prot. LLC v. Netflix, Inc.*, No. CV 14-365-LPS, 2015 WL 3799363, at *1 (D. Del. June 17, 2015).

Therefore, for the reasons stated above, Defendants’ Motion to Stay (D.I.23) is **DENIED WITHOUT PREJUDICE.**

BY THE COURT:

/s/ Joshua D. Wolson
JOSHUA D. WOLSON, J.