

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

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CIVIL MINUTES - GENERAL

CASE NO.: CV 17-02613 SJO (PLAx) DATE: August 30, 2018

TITLE: Immunex Corp. v. Sanofi et al.

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PRESENT: THE HONORABLE S. JAMES OTERO, UNITED STATES DISTRICT JUDGE

Victor Paul Cruz Not Present
Courtroom Clerk Court Reporter

COUNSEL PRESENT FOR PLAINTIFF: **COUNSEL PRESENT FOR DEFENDANTS:**

Not Present Not Present

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PROCEEDINGS (in chambers): ORDER DENYING PLAINTIFF'S MOTION TO STAY [Docket No. ~~254~~ 329]

This matter is before the Court on Plaintiff's Renewed Motion to Stay Case pending Inter Partes Review ("Motion"), filed August 13, 2018. Defendant opposed the Motion ("Opposition") on August 17, 2018, and Plaintiff replied ("Reply") on August 20, 2018. The Court found these matters suitable for disposition without oral argument. See Fed. R. Civ. P. 78(b). For the following reasons, the Court **DENIES** Plaintiff's Motion.

I. FACTUAL AND PROCEDURAL BACKGROUND

Immunex initiated the instant action on April 5, 2017, alleging that Defendants infringe United States Patent No. 8,679,487 (the "'487 Patent"). (See Compl., ECF No. 1.) The claims of the '487 Patent are directed to human antibodies that bind to human anti-interleukin-4-receptor-alpha ("IL-4R"), thereby blocking the actions of the interleukin-4 ("IL-4") and interleukin-13 ("IL-13") signaling molecules, which play a role in inflammatory conditions such as allergy, asthma, and dermatitis. (Compl. ¶¶ 1, 26, Ex. B ("'487 Patent") col. 2:19-33.) Immunex asserts causes of action for infringement of the '487 Patent and declaratory judgment of infringement of the '487 Patent based on Defendants' use, offering for sale, sale, or importation of Dupixent, a treatment for atopic dermatitis and other atopic or allergic disorders consisting of a fully human monoclonal antibody product candidate against IL-4R called dupilumab. (See Compl. ¶¶ 57-65.)

On August 3, 2017, the Court held a scheduling conference in which it ordered that Rules 3 and 4 of the Northern District of California's Patent Local Rules will govern the case and set a claim construction ("Markman") hearing for March 12, 2018, a deadline for completion of claim construction discovery on January 11, 2018, and a deadline for a joint claim construction and prehearing statement on December 7, 2017. (Minutes of Sched. Conf., ECF No. 80.) On October 23, 2017, Defendants requested that the Court permit them to file a motion for summary judgment in conjunction with their claim construction brief to address the issue of indefiniteness. (Mot. for Order for Briefing Sched., ECF No. 128.) Finding that the definiteness of the claim term

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"completes" in the '487 Patent "is inextricable with Defendants' claim construction position, and that the parties have been on notice of each others' positions regarding this term for long before this action began," the Court granted this request. (10/30/2017 Minute Order 1, ECF No. 138.) The Court set a briefing schedule that would allow for a hearing on both claim construction and indefiniteness on the scheduled date for the Markman hearing, repeating the deadline for the completion of claim construction discovery, January 11, 2018, that was provided in the original scheduling order. (10/30/2017 Minute Order 1.) The Court ordered deadlines for Defendants' Joint MSJ/Markman Brief on January 25, 2018, Plaintiff's Joint MSJ Opposition/Markman Brief on February 8, 2018, Defendant's reply on February 15, 2018, and Plaintiff's sur-reply on February 22, 2018. (10/30/2017 Minute Order 1-2.)

On February 15, 2018, Plaintiff filed its Joint MSJ Opposition/Claim Construction brief, including a supplemental expert declaration from Dr. Taussig and a new expert declaration from David G. Myszka ("Dr. Myszka") addressing Defendants' indefiniteness arguments. (Decl. Michael J. Taussig ("Second Taussig Decl."), ECF No. 225-5; Second Taussig Decl. Ex. 40 ("Myszka Decl."), ECF No. 225-7.) On February 16, 2018, Defendants moved to exclude expert declarations proffered by Immunex the day prior that allegedly failed to meet expert disclosure deadlines. (Mot. to Exclude, ECF No. 227.) Defendants also filed an ex parte application to expedite the briefing schedule on the Motion to Exclude on the basis that their reply brief was due in less than a week on February 22, 2018. (ECF No. 226.) The Court denied Defendants' ex parte application on February 20, 2018, instead extending the deadline for Defendants' reply to March 23, 2018. (ECF No. 234.)

On February 20, 2018, Defendants filed notice to the Court that *inter partes* review of the '487 Patent had been instituted before the Patent Trial and Appeal Board ("PTAB"). (ECF No. 233.) On February 21, 2018, Plaintiff filed the Motion to Strike, requesting that the Court strike a large number of paragraphs from Dr. Robinson's expert declaration. (Mot. to Strike, ECF No. 236.) On March 8, 2018, Plaintiff filed an initial Motion to Stay, which the Court denied on May 8, 2018, finding that granting a stay was inappropriate while a fully briefed summary judgment motion remained pending. (Mot. to Stay, ECF No. 254; Minute Order 9-11, ECF No. 298.) In that order, however, the Court permitted Plaintiff to renew its request should the Court ultimately deny the pending Summary Judgment. (Minute Order 11, ECF No. 298).

On July 12, 2018, the Court held a hearing on the combined issues of claim construction and summary judgment. (Minutes, ECF No. 320.) On August 7, 2018, the Court issued its claim construction order, construing the following three terms:

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Claim Term	Claim Construction
"competes"	"inhibits the reference antibody from binding to human IL-4 receptor or is inhibited by the reference antibody from binding to human IL-4 receptor"
"binding affinity (K _a)"	"strength of the binding between the antibody and antigen, expressed in terms of the association of constant K _a "
"human"	"fully human"

(See Claim Construction Order, ECF No. 326.) In light of these constructions, the Court found that summary judgment was inappropriate and denied Defendant's Motion for Summary Judgment. (See Claim Construction Order, ECF No. 326.) Shortly thereafter, Plaintiff renewed its motion to stay this action pending inter partes review. (See *generally*, Motion.)

II. DISCUSSION

A. Legal Standard

District courts have broad discretion to stay judicial proceedings pending inter partes review. See *Star Envirotech, Inc. v. Redline Detection, LLC*, No. SACV 12-01861 JGB (MLGx), 2013 WL 1716068, at *1 (C.D. Cal. Apr. 3, 2013) (citing *Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1426-27 (Fed. Cir. 1988)). Courts in the Central District of California consider the following three "significant factors" when determining whether to stay proceedings pending inter partes review: (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.*, 943 F. Supp. 2d at 1030-31; *Star Envirotech*, 2013 WL 1716068, at *1.

The court's inquiry is not limited to these three factors, however, for it is "the totality of the circumstances [that] governs." *Universal Elecs.*, 943 F. Supp. 2d at 1031 (quoting *Allergan Inc. v. Cayman Chem. Co.*, No. SACV 07-01316 JVS (RNBx), 2009 WL 8591844, at *2 (C.D. Cal. Apr. 9, 2009)). "Courts have inherent power to manage their dockets and stay proceedings, including the authority to order a stay pending conclusion of a PTO reexamination." *Ethicon*, 849 F.2d 1422, 1426-27 (Fed. Cir. 1988) (citations omitted). "There is a liberal policy in favor of granting motions to stay proceedings pending the outcome" of re-examination, especially in cases that are still in the initial stages of litigation and where there has been little or no discovery." *Universal Elecs.*, 943 F. Supp. 2d at 1031 (citations omitted).

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B. Analysis

1. Stage of the Proceedings

The first factor the Court considers is the stage of the proceedings, including "whether discovery is complete and whether a trial date has been set." *Aten Int'l Co., Ltd v. Emine Tech. Co., Ltd.*, No. SACV 09-0843 AG (MLGx), 2010 WL 1462110, at *6 (C.D. Cal. Apr. 12, 2010). "The early stage of litigation weighs in favor of a stay." *PersonalWeb Techs., LLC v. Facebook, Inc.*, No. 5:13-CV-01356-EJD, 2014 WL 116340, at *3 (N.D. Cal. Jan. 13, 2014) (citing *Target Therapeutics, Inc. v. SciMed Life Sys., Inc.*, No. C-94-20775 RPA (EAI), 1995 WL 20470, at *2 (N.D. Cal. Jan. 13, 1995)). Where "no significant discovery or trial preparation" has taken place and no "substantial expense and time" has been invested by the parties in the litigation, courts typically find that this factor weighs in favor of granting a stay. *Target Therapeutics*, 1995 WL 20470, at *2.

Here, the proceedings are neither in their infancy nor substantially complete. The parties have exchanged their invalidity and infringement contentions and have done a significant amount of work relating to discovery and have fully briefed, and the Court has ruled on, claim construction and the summary judgment based on indefiniteness. Nevertheless, the close of discovery is several months away and the trial itself nearly a year from the current date. (Order Granting Joint Application, ECF No. 316.) Accordingly, the Court finds that this factor weighs slightly in favor of stay.

2. Simplification of the Issues in Question

The second factor the Court considers is "whether a stay will simplify the issues in question and trial of the case." *Aten*, 2010 WL 1462110, at *6. "[W]aiting for the outcome of the reexamination could eliminate the need for trial if the claims are cancelled or, if the claims survive, facilitate trial by providing the court with expert opinion of the PTO and clarifying the scope of the claims." *Target Therapeutics*, 1995 WL 20470, at *2.

Plaintiff contends that the outcome of the inter partes review has the potential to simplify the issues before they Court as the PTAB's decision will address Defendant's invalidity arguments regarding anticipation and obviousness. Defendants rebut this argument by stating that, in the present action, they will not be pursuing any of the invalidity challenges currently pending before the PTAB and that there is therefore no risk of duplicative work. (Opp'n 2-3.) Moreover, the Court notes that the PTAB must render its decision on the IPRs no later than February 15, 2019—two months prior to the deadline to file dispositive motions in this case—meaning that the invalidity issues will be narrowed before the deadline for filing summary judgment motions. Finally, the decision on the IPRs will not address the questions of enablement or written description, issues that are likely to be contentious and potential dispositive. While the Court acknowledges that a

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stay would permit the parties to focus solely on the IPRs and avoid the potentially unnecessary expenditure of resources on other issues in this case, this factor nevertheless cautions against a stay.

3. Undue Prejudice or Clear Tactical Advantage

Next, the Court considers "whether a stay would unduly prejudice or present a clear tactical disadvantage to the nonmoving party." *Aten*, 2010 WL 1462110, at *6. Mere delay in the litigation does not establish undue prejudice. *Research in Motion, Ltd. v. Visto Corp.*, 545 F. Supp. 2d 1011, 1012 (N.D. Cal. 2008); see also *Sorensen ex rel. Sorensen Research & Dev. Trust v. Black & Decker Corp.*, No. 06-CV-1572 BTM (CAB), 2007 WL 2696590, at *4 (S.D. Cal. Sept. 10, 2007) ("Protracted delay is always a risk inherent in granting a stay, yet courts continue to stay actions pending reexamination. The general prejudice of having to wait for resolution is not a persuasive reason to deny the motion for stay.").

The posture of the present motion is atypical as it is Plaintiff that has moved for a stay pending IPR over the objections of Defendant. Most commonly it is the defendant that requests a stay, presumably to decrease litigation costs for patents they deem likely to be invalidated during IPR. Plaintiff, however, has failed to provide a legitimate motivation for seeking a stay. To the extent that Plaintiff believes the PTAB will uphold the validity of the patents, a stay would merely draw out the litigation and thereby delay Plaintiff's requested relief. To the extent that Plaintiff believes the PTAB will find the patents invalid, this raises a serious question as to whether this action was brought in good faith. Furthermore, as Defendant aptly notes in its Opposition, "Immunex's complaints [regarding the incursion of needless additional expense] ring hollow given that Defendants had already filed one IPR before Immunex filed its current complaint." (Opp'n 2.) Were Plaintiff truly concerned about unnecessary litigation expenses, it was fully capable of waiting until the IPR's conclusion to bring the present action. While the Court appreciates Plaintiff's efforts to conserve judicial and litigant resources, the present motion offers little to justify the imposition of a stay.

V. RULING

For the foregoing reasons, the Court **DENIES** Plaintiff's Motion to Stay.

IT IS SO ORDERED.