

**** NOT FOR PRINTED PUBLICATION ****

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
LUFKIN DIVISION

PERSONAL AUDIO, LLC,	§	
	§	
<i>Plaintiff,</i>	§	
	§	CIVIL ACTION No. 9:11CV120
v.	§	
	§	
APPLE, INC.,	§	JUDGE RON CLARK
	§	
<i>Defendant.</i>	§	

**ORDER GRANTING DEFENDANT’S MOTION TO STAY, DENYING PLAINTIFF’S
MOTION TO STRIKE, AND DENYING AS MOOT DEFENDANT’S MOTION FOR
EXPEDITED CONSIDERATION**

Plaintiff Personal Audio, LLC originally filed suit against Defendant Apple, Inc., alleging infringement of U.S. Patent Nos. 6,199,076 and 7,509,178. *See Personal Audio, LLC v. Apple, Inc.*, 9:09-cv-111 (E.D. Tex.). The patents are directed toward an audio program player that will play a sequence of audio program files and accept commands from the user to skip forward or backward in the sequence. At the July 2011 trial, the jury found that the asserted claims of the patents-in-suit were infringed, did not find that any of the asserted claims are invalid, and awarded damages in the form of a lump sum royalty of \$8 million. The court subsequently denied a number of Personal Audio motions and requests directed toward the damages award.¹ Both parties have appealed the verdict and the court’s orders, and this appeal remains pending at this time.

¹*See, e.g.*, 9:09-cv-111, Doc. # 460 (Personal Audio’s motion for judgment as a matter of law); Doc. # 480-1 (post-trial letter to the court requesting a second trial); Doc. # 549 (motion for a new trial); Doc. # 556 (renewed motion for judgment as a matter of law); Docs. # 492, 515, 552, 558 (court’s orders on these motions).

After the July 2011 trial had concluded, Personal Audio filed the instant case, which is directed solely to the argument—rejected at least four times by this court—that it is entitled to pursue a second case as to certain Apple products, because the lump sum jury verdict in the first case did not cover all Apple products. Citing the court’s prior determination as to the effect of the jury verdict, Apple moved to stay this case pending resolution of the appeals. Apple’s position is that once the appeals have been exhausted, its license defense will resolve the case.² Doc. # 16 (filed on August 29, 2011).

Personal Audio opposed the motion to stay, arguing that if Apple believed the license defense to be dispositive, it should have filed a motion for summary judgment or for judgment on the pleadings. Doc. # 22 (filed on September 16, 2011). The day before the response was filed, Personal Audio filed a separate motion to strike Apple’s license defense, basically reiterating the argument that has already been rejected on multiple occasions by this court. Doc. # 21.

On September 26, Apple filed an “emergency” motion to expedite consideration of the motion to stay or, in the alternative, to stay its response to Personal Audio’s motion to strike until the motion to stay was resolved. The court requested responsive briefing to the motion to expedite by noon on September 29, 2011. Personal Audio timely submitted a response, arguing that this was not an emergency, as Apple had briefed the issue already, in response to Personal Audio’s motions in the -111 case, and could rest on its prior briefing here.

This court has the inherent power to control its own docket, including the power to stay proceedings. *Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1426-27 (Fed. Cir. 1988).

²Apple’s license defense is based on the court’s prior determination that the jury’s lump-sum award in the first case grant Apple a fully paid up license for all past and future sales of Apple products that incorporate the patented technology. *See, e.g.*, Doc. # 492 at 2-3.

In deciding whether to stay litigation . . . this court considers: 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.

Anascope, Ltd. v. Microsoft Corp., 475 F. Supp. 2d 612, 615 (E.D. Tex. 2007) (in the reexamination context).

Having considered all the arguments presented in the parties' papers, the court will rule as follows. Apple's motion to stay this case until resolution of the appeals is granted. Discovery has not commenced, and no Scheduling Order has been entered. A stay will simplify the issues in this case. The court sees no reason to waste time and resources proceeding with the instant case, which is based entirely on a ruling the court made in the -111 case as to the effect of the jury verdict, until the Federal Circuit has ruled. Staying this case will not unduly prejudice or present a clear tactical disadvantage to Personal Audio, as it simply maintains the status quo until the Federal Circuit has ruled.

Further, Personal Audio's motion to strike is denied, as the court has ruled on the merits of Personal Audio's position on multiple occasions. It makes little sense to keep re-hashing this argument at the district court level, when the issue is now before the Federal Circuit. Finally, in light of the above rulings, Apple's motion for expedited consideration is denied as moot.

IT IS THEREFORE ORDERED that Defendant Apple, Inc.'s Motion to Stay [Doc. # 16] is GRANTED. This case is STAYED until further Order of this court, pending resolution of the currently pending Federal Circuit appeals in the 9:09-cv-111 case.

IT IS FURTHER ORDERED that Plaintiff Personal Audio, LLC's Motion to Strike [Doc. # 21] is DENIED.

IT IS FURTHER ORDERED that Defendant Apple, Inc.'s Motion for Expedited Consideration [Doc. # 24] is DENIED AS MOOT.

So **ORDERED** and **SIGNED** this **3** day of **October, 2011**.

A handwritten signature in black ink, appearing to read "Ron Clark", written in a cursive style.

Ron Clark, United States District Judge