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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

MYTEE PRODUCTS, INC., a California corporation,

Plaintiff,

v.

HARRIS RESEARCH, INC., a Utah corporation,

Defendant.

Civil No. 06cv1854 CAB

**ORDER ON EX PARTE APPLICATION
FOR STAY OF INJUNCTION PENDING
APPEAL**

[Doc. No. 290]

and related cross actions.

I. INTRODUCTION

Following a jury verdict in favor of Harris Research, Inc. (“Harris”), finding asserted claims of Harris’ U.S. Patent Nos. 6,298,577 (“the ‘577 patent”) and 6,266,892 (“the ‘892 patent”) infringed and not invalid [Doc. No. 239], on January 20, 2010, the Court granted Harris’ request for a permanent injunction under 35 U.S.C. § 283 against Mytee Products, Inc. (“Mytee”). [Doc. No. 277.] On February 16, 2010, Mytee filed an appeal with the U.S. Court of Appeals for the Federal Circuit. [Doc. No. 281.]

On April 12, 2010, Mytee filed a motion for a stay of the injunction pending the appeal. [Doc. No. 290.] Harris filed an opposition. [Doc. No. 292.] Mytee did not file any reply memorandum. The

1 Court finds this motion suitable for determination on the papers submitted and without oral argument in
2 accordance with Civil Local Rule 7.1(d)(1). For the reasons set forth below, the motion is **DENIED**.

3 II. DISCUSSION

4 A court may stay an injunction pending appeal pursuant to Federal Rule of Civil Procedure
5 62(c). A district court “retains jurisdiction during the pendency of an appeal to act to preserve the status
6 quo.” *Natural Resources Defense Council, Inc. v. Southwest Marine, Inc.*, 242 F.3d 1163, 1166 (9th
7 Cir. 2001). “Rule 62(c) does not restore jurisdiction to the district court to adjudicate anew the merits of
8 the case” and the “district court’s exercise of jurisdiction should not materially alter the status of the
9 case on appeal.” *Mayweathers v. Newland*, 258 F.3d 930, 935 (9th Cir. 2001).

10 District courts consider four factors in ruling on Rule 62(c) motions: “(1) whether the stay
11 applicant has made a strong showing that he is likely to succeed on the merits; (2) whether the applicant
12 will be irreparably injured absent a stay; (3) whether issuance of the stay will substantially injure the
13 other parties interested in the proceeding; and (4) where the public interest lies.” *Saldade v. Adams*, 573
14 F. Supp. 2d 1303, 1315 (E.D. Cal. 2008) (citing *Hilton v. Braunskill*, 481 U.S. 770, 776 (1987)); *see*
15 *also Standard Havens Prods. v. Gencor Indus.*, 897 F.2d 511, 512 (Fed. Cir. 1990). Each factor need
16 not be given equal weight; a flexible balancing approach should be used. *See Arthrocare Corp. v. Smith*
17 *& Nephew, Inc.*, 315 F. Supp. 2d 615, 619 (D. Del. 2004) (citing *Standard Havens*, 897 F.2d at 513).
18 Applying the four factors, the Court does not believe that a stay is appropriate.

19 Mytee has not made a strong showing that it is likely to succeed on the appeal. Mytee’s motion
20 centers on renewal of its argument that Harris’ expert witness was not qualified to give expert testimony
21 and concludes that the Federal Circuit will likely find his testimony was not admissible, and therefore
22 reverse the judgment. [Doc. No. 290-1 at 2-6.] This was the basis of Mytee’s motion for a new trial.
23 The motion for new trial was denied and nothing presented in this motion to stay persuades the Court to
24 reconsider its analysis regarding the qualifications of Harris’ expert and the decision not to exclude his
25 opinion testimony.

26 Mytee also argues that the Federal Circuit is likely to find the Court erroneously granted Harris
27 summary judgment on Mytee’s affirmative defense of obviousness. [*Id.* at 7-10.] Mytee contends the
28 Court erroneously granted Harris’ motion on the basis that Mytee failed to provide expert testimony in

1 support of its obviousness analysis. The Court did not grant Harris' motion because Mytee failed to
2 provide expert testimony supporting its obviousness defense. The Court did find that Mytee failed to
3 provide any meaningful analysis or supporting testimony to establish by clear and convincing evidence
4 that the collection of prior art references Mytee submitted made the claimed inventions obvious to one
5 of ordinary skill in the art. [Doc. No. 144 at 13-15.] The Court finds nothing in Mytee's present motion
6 that demonstrates a strong likelihood it will succeed on appeal given the absence in the record of
7 evidence presented by Mytee as part of the summary judgment proceedings regarding Mytee's
8 obviousness defense.

9 Finally, Mytee informs the Court that in January, 2010, the U.S. Patent and Trademark Office
10 ("USPTO") granted its request for reexamination of the two Harris patents at issue in this litigation.
11 [Doc. No. 290-1 at 10-13.] The reexamination puts prior art references before the USPTO that were not
12 presented in this case. [*Id.* at 12, "none of the prior art references cited by the examiner were considered
13 by this Court."] Therefore the likelihood of success on an appeal from the judgment in this case is not
14 increased by a reexamination proceeding before the USPTO that involves different prior art. The
15 USPTO may ultimately find the Harris patents invalid but that proceeding is not part of the issues on
16 appeal before the Federal Circuit. "Litigation and reexamination are distinct proceedings, with distinct
17 parties, purposes, procedures and outcomes." *Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1427 (Fed. Cir.
18 1988). The allowance of a reexamination does not create a strong likelihood of success on the merits of
19 the appeal from the judgment in this case. Mytee must appeal from the record in this case, and the
20 reexamination proceeding is considering art that was not before this Court.

21 With regard to the second factor, Mytee has not demonstrated that it will be irreparably injured
22 absent a stay. The Court first notes that in response to Harris' motion for a permanent injunction, Mytee
23 provided no evidence or argument regarding the impact an injunction would have on the company.
24 [Doc. No. 266 at 8.] The Court found that the hardship Mytee would experience resulting from the
25 elimination of the infringing product from its product line appeared to be "limited to the injury
26 ordinarily expected when an injunction is imposed." *Commonwealth Scientific & Indus. Research Org.*
27 *v. Buffalo Tech. Inc.*, 492 F. Supp. 2d 600, 606 (E.D. Tex. 2007) (mere hardship incurred in process of
28 ceasing operations is not sufficient). [Doc. No. 277 at 5-6.]

1 To support its motion for a stay of the permanent injunction, Mytee submits a declaration by
2 John LaBarbera, the president of Mytee. [Doc. No. 290-4.] Mr. LaBarbera represents that the
3 injunction is causing a significant financial hardship to Mytee because it is unable to sell additional
4 products configured to work with the enjoined glides, as well as causing the loss of collateral sales of
5 other products that occur with the sale of those products. [*Id.* at ¶¶4-11.] The loss of sales dependent on
6 the continued use of an infringing product does not constitute irreparable harm from which the infringer
7 should be shielded. “One who elects to build a business on a product found to infringe cannot be heard
8 to complain if an injunction against continuing infringement destroys the business so elected.”
9 *Arthrocare Corp.*, 315 F. Supp. 2d at 621 (citing *Windsurfing Int’l, Inc. v. AMF, Inc.*, 782 F.2d. 995,
10 1003 (Fed. Cir. 1986); *E.I. du Pont Nemours & Co. v. Phillips Petroleum Co.*, 659 F. Supp. 92, 94-95
11 (D. Del. 1987)).

12 With regard to the third factor, whether a stay will substantially injure Harris, Mytee reargues its
13 contention that Harris is not irreparably harmed by Mytee’s continued sales of the infringing product
14 because the parties are not direct competitors and money damages would be adequate to compensate
15 Harris for any ongoing sales pending the appeal. [Doc. No. 290-1 at 13-15.] The Court rejected these
16 arguments previously. Mytee has not demonstrated that Harris will not be harmed by a stay of the
17 injunction. *See Kansas City Royals Baseball Corp. v. Major League Baseball Players Ass’n*, 409 F.
18 Supp. 233, 268 (W.D. Mo. 1976) (burden rests on party seeking stay to establish stay would not harm
19 any other party).

20 Finally, Mytee has not demonstrated that the public interest clearly lies in favor of a stay. There
21 are “rare and limited circumstances in which an injunction would be contrary to a significant public
22 interest such as health and safety concerns.” *Commonwealth Scientific*, 492 F. Supp. 2d at 607. In this
23 case there is no evidence that the injunction would cause a harm or a disservice to the public.

24 The infringing products “are not medically necessary items; nor do they possess any other
25 exceptional characteristic or function such that their removal from the stream of commerce would harm
26 the public.” *Fisher-Price Inc.*, 279 F. Supp. 2d at 528. Mytee’s argument that its infringing product
27 fills a market need not met by Harris is not sufficient to justify a stay of the injunction. [Doc. No. 290-1
28 at 15.] As the Court previously concluded, the removal of the infringing product from the stream of

1 commerce may result in Mytee's customers looking for alternative vacuum head devices that may be
2 less efficient, but it does not constitute such a harm to the public that it justifies a stay of the permanent
3 injunction.

4 **III. CONCLUSION**

5 Having considered the relevant briefing and the applicable law, the Court finds that Mytee has
6 not made a strong showing it is likely to succeed on appeal, has not sufficiently shown irreparable
7 injury, has not sufficiently shown Harris would not be harmed by a stay, and has not sufficiently shown
8 that the public interest is best served by a stay. The motion for Stay of Injunction Pending Appeal is
9 **DENIED.**

10 **IT IS SO ORDERED.**

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12 DATED: June 25, 2010

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15 **CATHY ANN BENCIVENGO**
16 United States Magistrate Judge
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