

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

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DAVID A. TROPP, :

Plaintiff, :

-against- :

CONAIR CORPORATION, BROOKSTONE, INC., :
BRIGGS & RILEY TRAVELWARE LLC, DELSEY :
LUGGAGE INC., EBAGS, INC., EAGLE CREEK, a :
division of VF OUTDOOR, INC., MASTER LOCK :
COMPANY, LLC, HP MARKETING CORP. LTD., x
L.C. INDUSTRIES, LLC, OUTPAC DESIGNS INC.,
MAGELLAN'S INTERNATIONAL TRAVEL
CORPORATION, SAMSONITE CORPORATION,
TITAN LUGGAGE, USA, TRAVELPRO
INTERNATIONAL, INC., TUMI, INC., TRG
ACCESSORIES, LLC, and WORDLOCK, INC.,

Defendants.

MEMORANDUM AND ORDER

08-CV-4446 (ENV) (RLM)

VITALIANO, D.J.

Defendants, manufacturers or distributors of airline luggage and/or luggage locks, move to stay this action pending the resolution of a related case also pending before this Court, captioned Travel Sentry, Inc. v. Tropp, Civil Action No. 1:06-cv-06415 (ENV) (RLM) (the “related case”).¹ Plaintiff David A. Tropp opposes the motion. For the reasons set forth below, the motion is denied.

I. BACKGROUND

On November 3, 2008, Tropp commenced this patent infringement action relating to two of his patents: (1) United States Patent No. 7,021,537, filed November 12, 2003, and issued April

¹ Although only 15 of the 17 named defendants have formally joined in the instant motion, the motion papers represent that all defendants are in favor of a stay.

4, 2006 (the “537 Patent”); and (2) United States Patent No. 7,036,728, filed November 12, 2004 and issued May 2, 2006 (the “728 Patent”). The 728 Patent claims priority from and is a continuation in part of the 537 Patent. Both patents are entitled “Method of Improving Airline Luggage Inspection” and describe a method of airline luggage screening via a dual-access luggage lock system. By making use of a special lock, an owner can secure his luggage while also giving a screening entity, such as the Transportation Security Administration, access to the luggage without clipping the lock or damaging the luggage. Travel Sentry, Inc. (“Travel Sentry”), not a party to this case but the plaintiff in the related case, is involved in the development of a similar locking system. Travel Sentry licenses the trademark for its locking system to other entities, including defendants, which in turn manufacture, distribute, license and/or sell locks using Travel Sentry’s trademark. In his complaint, Tropp alleges that defendants have infringed the 537 Patent and 728 Patent “by making Travel Sentry’s travel lock system for luggage available to consumers, directly or through its licensees.” Compl. at ¶¶ 34, 39.

On December 4, 2006, approximately two years before Tropp filed this action, Travel Sentry brought its related case in this Court against Tropp, seeking a declaration that the 537 Patent and 728 Patent are invalid and that Travel Sentry does not infringe any valid claim of either patent. On January 5, 2007, Tropp denied Travel Sentry’s allegations in the related case and counterclaimed for infringement of the 537 Patent and 728 Patent. Following discovery, on December 15, 2008, the Court held a hearing pursuant to Markman v. Westview Instruments, Inc., 517 U.S. 370, 373 (1996), to address the proposed construction of Tropp’s patent claims. Prior to the Markman hearing, the parties to the related case agreed that summary judgment motions would be served within 30 days of the Court’s Markman ruling. The ruling was entered

on September 24, 2009. Travel Sentry then served its motions for summary judgment for invalidity and non-infringement on October 16, 2009. On October 23, 2009, upon Tropp's request (which Travel Sentry opposed), the Court extended Tropp's time to respond to Travel Sentry's summary judgment motions in the related case until November 16, 2009, and extended Travel Sentry's time to reply until November 23, 2009.

Tropp filed the instant action just before the Markman hearing in the related case. Over the following months, defendants' time to answer or otherwise respond to the complaint was extended by various stipulations. On February 27, 2009, the parties filed a stipulation stating that, in light of defendants' intent to seek a stay pending resolution of the related case, Tropp consented to a global extension of time to move or answer to either 20 days from the entry of an order denying the motion to stay, or, if the stay was granted, until 20 days from its dissolution. After defendants did file the motion, Magistrate Judge Roanne L. Mann, on May 5, 2009, granted defendants' further request to defer the scheduling of discovery until it was determined by this Court.

II. DISCUSSION

“[T]he power to stay proceedings is incidental to the power inherent in every court to control the disposition of the causes on its docket with economy of time and effort for itself, for counsel, and for litigants.” Landis v. N. Am. Co., 299 U.S. 248, 254-55 (1936). The factors relevant in determining whether to issue a stay pending resolution of a related federal civil proceeding are: (1) the private interests of the plaintiff in proceeding expeditiously with the civil litigation as balanced against the prejudice to the plaintiff if delayed; (2) the private interests of and burden on the defendants; (3) the interests of the court; (4) the interests of persons not parties

to the civil litigation; and (5) the public interest. See Kappel v. Comfort, 914 F. Supp. 1056, 1058 (S.D.N.Y. 1996) (quoting Volmar Distribs. v. N.Y. Post Co., 152 F.R.D. 36, 39 (S.D.N.Y. 1993)). “The proponent of a stay bears the burden of establishing its need.” Clinton v. Jones, 520 U.S. 681, 706 (1997). Thus, the moving party “must make out a clear case of hardship or inequity in being required to go forward, if there is even a fair possibility that the stay for which he prays will work damage to someone else.” Landis, 299 U.S. at 255.

Defendants’ primary contention is that a stay of this case will promote judicial economy. They argue that “identical legal issues,” that is, the allegations of infringement, are already before the Court in the related case, which they anticipate will be resolved in the very near future. Mem. at 4. Then, assuming that the disposition in the related case will either narrow or moot issues here, defendants argue that essentially duplicative efforts in this case would be “a grave waste of judicial resources.” Mem. at 10. In support of this position, defendants cite other patent cases in which courts have granted stays pending resolution of earlier-filed litigation concerning the same patents. See, e.g., Consolidated Aluminum Corp. v. Hi-Tech Ceramics, No. CIV-87-983E, 1988 WL 32213 (W.D.N.Y. April 1, 1988) (staying case pending resolution of validity of subject patents in an earlier-filed action that had already proceeded through trial, and noting that the decision in the other case might have collateral estoppel effect); Trumatic Machine & Tool Co., Inc. v. O.M. Scott & Sons Co., 183 F. Supp. 838 (S.D.N.Y. 1960). By way of analogy, defendants also rely on cases in which courts have stayed patent infringement actions pending resolution of interlocutory appeals, see, e.g., Nichols Inst. Diagnostics, Inc. v. Scantibodies Clinical Lab., Inc., 166 Fed. Appx. 487 (Fed. Cir. 2006), and pending reexamination of patent validity by the United States Patent and Trademark Office. See, e.g., Magna Donnelly Corp. v. Pilkington N. Am., Inc., No. 4:06-CV-126, 2007 WL 772891 (W.D.

Mich. Mar. 12, 2007).

Defendants assert that Tropp would suffer no prejudice from the requested stay because Tropp was on notice of the facts giving rise to his claims in this case nearly two and half years before he filed this (undisputedly timely) action, and therefore cannot credibly claim that he will be harmed if it is stayed, especially given the current status of the related case. Mem at 8. Further, defendants observe, in the event that the related case turns out favorably for him, Tropp would still not be harmed since he would have a remedy at law enabling recovery of any damages suffered during the period of the stay. Mem. at 9. Finally, defendants argue that they themselves “would be severely prejudiced” if required to proceed with this litigation and extensive discovery – all of which could be rendered unnecessary by a dispositive ruling against Tropp in the related case.

Tropp vigorously opposes the stay. While Tropp concedes that both cases revolve around the same two patents, he argues that a simple race to the courthouse alone is an insufficient basis for a stay. On that point, Tropp argues that stays granted in favor of earlier-filed patent litigation were also supported by additional circumstances such as identical parties, evidence of forum-shopping and extreme procedural complexity, none of which is present here. He does not, however, articulate any prejudice other than the general prejudice that adheres to delay in access to judicial resolution.

All in all, Tropp correctly perceives that many of the pitfalls of two-track litigation are not present here. Both actions are filed in the same court and assigned to the same district judge and magistrate judge. The cases are ripe for consolidated handling. In this light especially, defendants have not established that the potential benefits of staying this action outweigh the burdens of the delay it would cause for Tropp. The fact that defendants will incur expenses in

the course of discovery is simply not out of the ordinary reality of the commercial litigation process, and does not constitute a “clear case of hardship or inequity” warranting a stay. Landis, 299 U.S. at 255. While the Court is cognizant of defendants’ point that discovery in this case may be particularly labor-intensive and time-consuming given the number of parties involved, the Court views this as a further indication that discovery should get underway promptly.

With the fat boiled away, the argument advanced by defendants pivots on Travel Sentry’s success in the related case. From there, if that were to happen, all would be right with the world – Tropp would be estopped here and even the Court would benefit from avoiding further proceedings. But such a result in the related case is far from obvious. Clearly, there is no advantage to Tropp to be forced to await the outcome of the related case and, if in any way successful, to begin anew in this case. Nor would such a redux be of any benefit to the Court. Given that both cases are pending before the same district and magistrate judges, an opportunity to manage both simultaneously and in a coordinated fashion is the optimal course.

Indeed, joint processing and management of two cases with considerable overlap of facts and law lowers the risks of needless duplication of judicial resources and inconsistent results. And, surely, unlike deference to a proceeding before the Patent and Trademark Office, there is no statute, regulation, rule or policy that impels a court to stay one private patent litigation in favor of another. Given these considerations, a stay of this action to await the outcome of the related case brought by Travel Sentry is not warranted. On the other hand, if the parties in this action all agreed to cross-use discovery from the related case and agreed not to replicate here any of the discovery developed there, e.g., not to re-depose witness previously deposed, then the balance point would likely move in favor of a stay. That, however, is not yet the status of proceedings here.

III. CONCLUSION

For the reasons set forth above, the Court denies defendants' motion to stay this case, but grants leave to renew should the parties agree to limit substantially the discovery to be sought in this case by stipulating to the cross-use and non-replication of discovery developed in the related case.

SO ORDERED.

Dated: Brooklyn, New York
October 30, 2008

s/ENV

ERIC N. VITALIANO
United States District Judge