

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK**

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DAVID A. TROPP,

Plaintiff,

**MEMORANDUM
AND ORDER**

-against-

08-CV-4446 (ENV)

CONAIR CORP., et al.,

Defendants.

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ROANNE L. MANN, UNITED STATES MAGISTRATE JUDGE:

Currently pending before this Court, on a referral from the Honorable Eric. N. Vitaliano, is a motion filed by fifteen of the seventeen defendants in this patent infringement action,¹ to stay all discovery pending the District Court's resolution of their pending motion for summary judgment based on 28 U.S.C. § 1498. See generally Certain Defendants' Memorandum of Law In Support of Their Motion to Stay Discovery Pending Resolution of Their Motion for Summary Judgment ("Movants' Mem."), ECF Docket Entry ("D.E.") #162; Certain Defendants' Reply in Support of Their Motion to Stay Discovery Pending Resolution of Their Motion for Summary Judgment ("Reply"), D.E. #166; see also Letter to the Court from William L. Prickett (March 26, 2010) ("3/26/10 Letter"), D.E.# 172. Plaintiff Tropp

¹ The fifteen moving defendants, referred to collectively herein as "movants," are 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., Magellan's International Travel Corporation, Samsonite Corporation, Titan Luggage USA, Travelpro International, Inc., Tumi, Inc., TRG Accessories, LLC, and Wordlock, Inc.

(“plaintiff” or “Tropp”) opposes the motion for a stay. See Plaintiff’s Memorandum of Law in Opposition to the Motion by Certain Defendants for a Stay, D.E. #164; see also Letter to the Court from Ronald D. Coleman (March 29, 2010), D.E. #173. For the reasons discussed below, the motion for a stay is denied.

BACKGROUND

On November 3, 2008, Tropp commenced this patent infringement action relating to two patents: United States Patent No. 7,021, 537 and United States Patent No. 7,036,728. Both patents are entitled “Method of Improving Airline Luggage Inspection” and describe a locking system that provides the Transportation Security Administration with access to search airline passengers’ locked luggage using a master key. Travel Sentry, Inc. (“Travel Sentry”), not a party to this action but the plaintiff in a pending related case (the “Travel Sentry case”), developed a similar locking system.² In the instant complaint, Tropp alleges that the defendants herein infringed on his patents “by making Travel Sentry’s travel lock system for luggage available to consumers, directly or through licensees.” Compl. ¶¶ 34, 39, D.E. #1.

On March 11, 2009, fifteen of the seventeen defendants in this action moved to stay the proceedings in this case pending resolution of the related Travel Sentry case. See First

² In the Travel Sentry case, filed on December 4, 2006, Travel Sentry seeks a declaration that Tropp’s two patents are invalid and that Travel Sentry does not infringe any valid claim of either patent. See Compl., Travel Sentry, Inc. v. Tropp, 06-CV-6415, D.E. #1. Tropp has denied Travel Sentry’s allegations and counterclaimed for infringement of his patents. See generally Answer to Compl. & Counterclaim, Travel Sentry, Inc. v. Tropp, 06-CV-6415, D.E. #14.

Memorandum of Law In Support of Motion to Stay Proceedings (Apr. 1, 2009) (“First Motion to Stay”), D.E. #77. This Court deferred discovery pending resolution of that motion by the District Court. See Minute Order (May 5, 2009), D.E. #88. On October 30, 2009, Judge Vitaliano denied movants’ first motion to stay the proceedings pending resolution of the Travel Sentry case, but granted “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.” See Memorandum & Order (Oct. 30, 2009) (“10/30/09 Order”) at 7, D.E. #97.³ Thereafter, Tropp served discovery requests, including a deposition of each defendant pursuant to Rule 30(b)(6) of the Federal Rules of Civil Procedure, document demands, requests to admit, and twelve non-party subpoenas seeking both documents and depositions. See Letter to the Court from Zachary W. Berk (June 10, 2010) (“6/10/10 Movants’ Letter”) at 2, D.E. #201; Movants’ Mem. at 3.

On February 3, 2010, defendants moved for summary judgment on the ground that the allegedly infringing procedures are performed by and for the government with its “authorization [and] consent,” and that therefore, pursuant to 28 U.S.C. § 1498, Tropp may assert infringement claims only against the United States and only in the U.S. Court of Federal Claims. See Certain Defendants’ Memorandum of Law in Support of Motion for Summary Judgment Based on 28 U.S.C. § 1498 (“Summ. J. Mem.”), D.E. #153. On January 25, 2010, the parties executed a stipulation in which they agreed to “use the discovery obtained in the

³ Though dated October 30, 2008, the opinion was docketed on November 2, 2009.

[Travel Sentry case] in this case” See Stipulation Concerning Discovery (Jan. 25, 2010) ¶ 1, D.E. #143. One month later, the moving defendants then filed this second motion to stay discovery, pending resolution of the defense motion for summary judgment. See Movants’ Mem. Judge Vitaliano thereafter referred the motion to stay discovery to the undersigned magistrate judge. See Referral Order (April 5, 2010).

DISCUSSION

As Judge Vitaliano noted in his October 30, 2009 Order denying movants’ first motion for a stay, “the 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.” 10/30/09 Order at 3 (quoting Landis v. N. Am. Co., 299 U.S. 248, 254 (1936)). This power has been codified in Rule 26(c) of the Federal Rules of Civil Procedure, pursuant to which “a court has discretion to stay discovery ‘for good cause shown.’” Spencer Trask Software & Info. Servs, LLC v. RPost Int’l Ltd., 206 F.R.D. 367, 368 (S.D.N.Y. 2002). Significantly, the party seeking the stay bears the burden of showing good cause. See Fantastic Graphics, Inc. v. Hutchinson, No. 09-CV-2514 (LDW)(ETB), 2010 WL 475309, at *3 (E.D.N.Y. Feb. 8, 2010); Freund v. Weinstein, No. CV-2008-1469 FB MDG, 2009 WL 2045530, at *1 (E.D.N.Y. July 8, 2009); Weitzner v. Sciton, Inc., No. CV 2006-2533(SLT)(MDG), 2006 WL 3827422, at *1 (E.D.N.Y. Dec. 27, 2006). The pendency of a dispositive motion is not, without more, grounds for an automatic stay. See, e.g., Weitzner, 2006 WL 3827422, at *1; Hollins v. U.S. Tennis Ass'n, 469 F.Supp.2d 67, 78

(E.D.N.Y. 2006).

In addition to taking into account the nature and complexity of the particular case, “[c]ourts consider the following factors in determining whether a stay is appropriate: (1) whether the defendant has made a strong showing that the plaintiff's claim is unmeritorious; (2) the breadth of discovery and the burden of responding to it; and (3) the risk of unfair prejudice to the party opposing the stay.” Rivera v. Incorporated Village of Farmingdale, No. CV 06-2613(DRH)(ARL), 2007 WL 3047089, at *1 (E.D.N.Y. Oct. 17, 2007) (citation omitted). Although these factors inform a court’s exercise of discretion, “a case-by-case analysis is required, since such an inquiry is necessarily fact-specific and depends on the particular circumstances and posture of each case.” Hachette Distrib., Inc. v. Hudson County News Co., 136 F.R.D. 356, 358 (E.D.N.Y. 1991). Having considered the circumstances of this case, as well as the aforesaid factors, this Court concludes that movants have not met their burden of establishing good cause for a stay of discovery.

With respect to the first factor, movants have not made a *strong* showing that Tropp’s claims lack merit. See Rivera, 2007 WL 3047089, at *1. As an initial matter, Tropp’s patents are presumptively valid pursuant to 35 U.S.C. § 282. Thus, in satisfying their burden of showing good cause for the stay, movants must do so in the face of a statutory presumption in Tropp’s favor. More importantly, this Court has reviewed the parties’ submissions on the pending dispositive motion and is not nearly as sanguine as movants regarding the outcome of that motion. In addition to overstating the strength of their dispositive motion, which presents

novel legal issues never decided in any precedent binding upon this Court,⁴ movants misstate the legal standard by which their motion to stay should be measured. Movants contend that the Court need not determine whether defendants are likely to prevail on their dispositive motion, but rather whether the “motion appears to raise substantial issues,” see Movants’ Mem. at 8; Reply at 5 -- a test that presumably would be satisfied by any non-frivolous dispositive motion. Movants’ test is not, however, the standard in this district; on the contrary, recent case law makes clear that in deciding whether to grant a stay, courts should consider “whether the defendant has made a *strong* showing that the plaintiff’s claim is unmeritorious.” Rivera, 2007 WL 3047089, at *1 (emphasis added); accord Fantastic Graphics, 2010 WL 475309, at *3; Freund, 2009 WL 2045530, at *1; ADL, LLC v. Tirakian, No. CV 2006-5076(SJF)(MDG), 2007 WL 1988751, at *1 (E.D.N.Y. July 5, 2007); Computer Assocs. Int’l v. Simple.com, Inc., 247 F.R.D. 63, 69 (E.D.N.Y. 2007); Hollins, 496 F.Supp.2d at 78.⁵ In this Court’s view, there has been no such strong showing in this case. Cf. 10/30/09 Order at 6 (observing that Travel Sentry’s success in the related action “is far from obvious”).⁶ Thus, the first factor

⁴ Defendants rely principally on a district court decision from the Eastern District of Missouri: Advanced Software Design Corp. v. Fed. Reserve Bank of St. Louis, No. 4:07CV185 CDP, 2007 WL 3352365 (E.D. Mo. Nov. 9, 2007). See generally Summ. J. Mem.

⁵ Of the three cases cited by movants in support of their argument for a more lenient standard, only one was a decision from this district: Port Dock & Stone Corp. v. Oldcastle Northeast, Inc., No. CV 05-4294 DRH ETB, 2006 WL 897996 (E.D.N.Y. March 31, 2006). Significantly, in quoting language from that opinion out of context, movants ignore the court’s explicit pronouncement that one of the factors to be considered “is whether the defendant has made a strong showing that the claim is unmeritorious” Id. at *1.

⁶ Indeed, courts in this district have refused to grant stays where the movants made far stronger showings in connection with this factor. See, e.g., Computer Assocs., 247 F.R.D. at (continued...)

weighs against granting movants' application for a stay.

Turning to the second factor (the breadth of discovery and the burden of responding to discovery demands), movants argue that they will be greatly burdened if required to proceed with discovery because plaintiff's discovery requests are both expensive and time-consuming. See Movants' Mem. at 6-7. In particular, movants cite the need to attend twelve depositions of non-party witnesses, as well as the depositions for the seventeen defendants, many of which would occur out of state. See id. As an initial matter, it is important to note that Tropp's discovery burden is far greater than that of any one of the individual defendants. Absent a stay, Tropp must respond to the discovery requests of each of the seventeen defendants, and it is Tropp's counsel who will have to conduct the depositions of each of the seventeen defendants, as well as those of the non-party witnesses whom Tropp has subpoenaed. In contrast, each defendant must submit to one deposition and respond to one set of pending requests served by Tropp.

Furthermore, in order to minimize the burden and expense on movants, the Court hereby orders plaintiff to make videoconferencing available for any defendant whose counsel does not wish to travel to participate in out-of-state depositions. Thus, although the depositions may be somewhat time-consuming, the defense need not incur the travel costs; nor

⁶(...continued)

69 (refusing to stay discovery despite the fact that the party seeking the stay had demonstrated that its motion for summary judgment "appears to have substantial grounds," in that a special master had recommended granting summary judgment in that party's favor); Weitzner, 2006 WL 3827422, at *1 (denying motion for stay pending outcome of appeal in a case presenting the same legal issue, where the court concluded that "the law is not clear on [that] issue"); see also Hollins, 469 F.Supp.2d at 78 (denying motion for stay of depositions despite defendants' "colorable showing raising doubts as to the viability of plaintiffs' complaints.").

is it necessary that a defendant and/or its counsel participate at all in depositions of co-defendants and non-party witnesses. Finally, as Judge Vitaliano observed in his Memorandum and Order denying the first defense motion to stay, “while the Court is cognizant of the 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 further indication that discovery should get underway promptly.” 10/30/09 Order at 6. Therefore, this factor does not weigh in movants’ favor.

Movants additionally argue that “if discovery is not stayed during the pendency of the Defendants’ Summary Judgment Motion, the Defendants will be greatly prejudiced.” Movants’ Mem. at 4. However, the only fact cited in support of their claim of prejudice is that the need for discovery will become moot if their dispositive motion is granted (see id.) -- an argument that could be made in many cases in which stays of discovery are sought during the pendency of dispositive motions. As previously noted, the filing of a dispositive motion does not, in itself, establish good cause for a stay, particularly where, as here, movants have not made a *strong* showing that plaintiff’s claims lack merit. See supra pp. 5-6. In essence, movants’ claim of prejudice relates to the burden and expense of discovery -- a factor discussed above and found insufficient to support a stay of discovery. As courts in this district have repeatedly observed, having to participate in depositions does not constitute good cause to warrant staying discovery. See, e.g., Hollins, 469 F.Supp.2d at 79; accord Freund, 2009 WL 2045530, at *3; ADL, 2007 WL 1988751, at *1; accord 10/30/09 Order at 5-6 (“The fact that defendants will incur expenses in the course of discovery is simply not out of the ordinary reality of commercial litigation process, and does not constitute a ‘clear case of hardship or

inequity' warranting a stay.").

Turning to "the risk of unfair prejudice to the party *opposing* the stay" -- the relevant inquiry in the Court's analysis, see Rivera, 2007 WL 3047089, at *1 (emphasis added) -- movants cite prior discovery delays attributable to plaintiff in arguing that Tropp will not be prejudiced by further delays. See Movants' Mem. at 7. For example, movants note that plaintiff waited nearly two and a half years to commence this lawsuit, consented to defendants' request for an extension of time to answer the complaint, and waited until November 23, 2009 to serve the initial discovery requests. See id. These delays do not, however, negate Tropp's claim that he will be prejudiced by continued delay.

Tropp complains of ongoing injury caused by continuing violations and infringement of his patents. This lawsuit was filed on November 3, 2008 and, in the ensuing period of nearly eighteen months, very little discovery has been exchanged. See Weitzner, 2006 WL 3827422, at *1 (denying motion for stay where "the law is not clear on [the applicable dispositive] issue" and "[t]his case has been pending for more than a year and a half"). Although Tropp's discovery requests were served on November 23, 2009, Tropp complains that responses to those requests, served on January 15, 2010, consisted of boilerplate objections without any documents or privilege logs.⁷ See Pl. Opp. at 1-6. Although movants dispute this characterization of their responses to the discovery demands, see Reply at 3-5; 6/10/10 Movants' Letter at 1, it is clear that little progress has been made since the commencement of the lawsuit. Significant time has already elapsed, and any further delay in this litigation would

⁷ Defendants were obligated to submit privilege logs with their responses. See Fed. R. of Civ. P. 26(b)(5)(A); E.D.N.Y. Local Civ. R. 26.2.

prolong the ongoing injury that plaintiff claims to be suffering as a result of defendants' alleged infringement.⁸

On balance, the relevant factors thus weigh against staying discovery in this case. Judge Vitaliano reached the same conclusion in denying movants' earlier motion to stay discovery. See 10/30/09 Order at 6. Movants' efforts to distinguish his October 30th ruling are unavailing. First, they overstate the strength of their pending dispositive motion. See Movants' Mem. at 6 (stating that the dispositive motion "will likely dispose of the entire case"); Reply at 2 (referring to the "high likelihood of success" of defendants' motion for summary judgment); *supra* pp. 5-6.⁹ Second, they cite Judge Vitaliano's observation, in denying their initial motion to stay, that "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 . . . then the balance point would likely move in favor of a stay." 10/30/09 Order at 6. Although the parties have agreed, as recommended, to cross-use discovery from the related case, movants seem to believe that this now entitles them to a stay of discovery in this case. However, if Judge Vitaliano had viewed this circumstance as dispositive of the application to stay discovery, he presumably would have granted the motion, rather than referring it to the undersigned magistrate judge for decision. Additionally, in this Court's view, the parties'

⁸ To be sure, this Court is not suggesting that in the event Tropp prevailed on his claims, monetary damages could not remedy the injuries already suffered. Nevertheless, his alleged injuries are ongoing, and Tropp is entitled to timely redress.

⁹ More than fourteen months ago, in unsuccessfully moving to stay discovery pending the outcome of the Travel Sentry case, movants were similarly overly confident about Travel Sentry's likelihood of success, but see 10/30/09 Order at 6, and about "the comparatively modest amount of additional time needed to resolve" that case. First Motion to Stay at 8.

stipulation *reduces* the discovery burden on the defense and thus weighs against granting the motion for a stay. Indeed, during a telephone conference with this Court on April 27, 2010, movants' counsel was constrained to concede that he "wasn't entirely clear" on the reasoning behind the cited comment. Finally, the passage of more than seven months of relative inactivity since Judge Vitaliano's ruling tips the balance against a stay of discovery.

CONCLUSION

For the foregoing reasons, the Court, in its discretion, denies movants' request for a stay of discovery pending resolution of their motion for summary judgment. Plaintiff is directed to arrange for videoconferencing for any defendant who opts to utilize it in lieu of physically attending an out-of-state deposition of a co-defendant or non-party witness.

Any objections to the rulings contained in this Memorandum and Order must be filed with Judge Vitaliano on or before June 29, 2010. Failure to file objections in a timely manner may waive a right to appeal the District Court order.

SO ORDERED

**Dated: Brooklyn, New York
June 15, 2010**

**ROANNE L. MANN
UNITED STATES MAGISTRATE JUDGE**