

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

VOLUSION, INC.
Petitioner

v.

VERSATA DEVELOPMENT GROUP, INC.
Patent Owner

Case CBM2013-00017
U.S. Patent No. 6,834,282 B1

Before HOWARD B. BLANKENSHIP, SALLY C. MEDLEY, and
KEVIN F. TURNER, *Administrative Patent Judges*.

**JOINT MOTION TO TERMINATE PROCEEDINGS IN VIEW OF
SETTLEMENT PURSUANT TO 35 U.S.C. § 327(a)**

AND

**JOINT NOTICE OF SETTLEMENT PURSUANT TO 35 U.S.C.
§ 327(b) AND 37 C.F.R. § 42.74**

Patent Owner and Petitioner (together, “the Parties”), have reached a settlement regarding U.S. Patent No. 6,834,282 (“the ’282 Patent”).

Pursuant to the Board’s authorization granted by the Order – Conduct of the Proceeding entered June 3, 2014 (“Order”), the Parties file the instant motion jointly requesting termination of this Covered Business Method Review (“CBM”) proceeding.

Statement of Precise Relief Requested

The Parties jointly request that the Board terminate this CBM without rendering a final written decision.

Statement of Reasons for the Relief Requested

The Parties have reached a settlement and executed a Settlement Agreement regarding their disputes relating to the ’282 Patent involved in *Versata Software, Inc., et al. v. Volusion, Inc.*, Civ. A. No. 1:12-cv-00893-SS (W.D. Tex.). Because there is no longer a case-in-controversy between the Parties involving the ’282 Patent and because the Board has not yet decided this CBM on its merits, the Parties jointly request that the Board terminate this CBM pursuant to 35 U.S.C. § 327(a). The Settlement Agreement also addresses this CBM.

Petitioner previously filed a copy of the Settlement Agreement (Ex. 1025) with the Board, as required by 35 U.S.C. § 327(b) and 37 C.F.R.

§ 42.74. The Parties requested in a Joint Request to Keep Separate filed May 28, 2014 (Paper No. 50) that this Settlement Agreement be treated as business confidential information and be kept separate from the file of the involved patent, pursuant to 35 U.S.C. § 327(b) and 37 C.F.R. § 42.74(c). As instructed by the Board in the Order, the Parties jointly represent that the settlement agreement filed as Exhibit 1025 is a *true copy* of the settlement agreement entered into by the Parties. Order, p. 2.

Termination of these proceedings without rendering a final written decision is justified for three fundamental reasons. First, the Parties have reached a global settlement of all disputes between them and have executed a final settlement agreement with mutual releases and covenants-not-to-sue. The settlement resolves all Patent Office and District Court proceedings between the Parties, eliminating any active controversy before the Board. Second, no other party has petitioned for covered business method review or *inter partes* review with respect to the '282 patent. No other party is asking the Board to review the validity of the '282 patent.

These considerations have prompted the Board to dismiss *inter partes* review proceedings under similar circumstances. In *Sony Corp. v. Tessera Inc.*, the Board dismissed an IPR at an advanced stage of the proceedings because the parties had resolved both the IPR and related district court

litigation through a “global settlement.” *Sony Corp. v. Tessera Inc.* (IPR2012-00033), Paper 46, p. 2 (Dec 20, 2013). The Board specifically noted that, even though the patent owner was asserting the same patent against a different defendant in district court litigation, that defendant “could have, but did not, file a petition for *inter partes* review” or “motion for joinder, in order to join this review.” *Id.* For the same reasons, termination without rendering a final written decision is justified here.

In *Interthinx, Inc. v. Corelogic Solutions, LLC* (CBM2012-00007), the Board declined to terminate the proceedings and noted that “Patent Owner has identified ongoing litigation concerning the subject patent” against a third party, Redfin Corp., who was not a party to the CBM proceedings. CBM2012-00007, Paper 47, p. 2 (November 12, 2013).

In these proceedings, per the Board’s Order, Patent Owner has below identified additional proceedings involving the ’282 Patent. However, Patent Owner represents that, to the extent that any claims of the ’282 Patent are pursued in the identified proceedings, Patent Owner will only pursue infringement of one or more of the non-instituted claims 21-23.

Furthermore, Patent Owner represents that no additional litigation or proceeding involving the ’282 Patent is contemplated in the foreseeable future. Thus, the additional current proceedings involving the ’282 Patent

will not involve pursuit of any claims upon which this CBM proceeding was instituted.

Furthermore, if the Board declines to terminate these proceedings in this case, it would unnecessarily discourage settlement in other cases. In this case, the filing of a joint motion to terminate these proceedings (as well as the district court litigation) was an express condition of settlement.

Under these circumstances, there is every reason to honor the Parties' wishes. Although the Board has discretion to continue a CBM after settlement, there is no public policy justification for doing so here because all disputes before the Patent Office regarding the '282 patent are resolved and no instituted claims are asserted in any current proceeding.

Status of Litigations or Proceedings

As instructed by the Board in the Order, Patent Owner lists the following additional litigations involving the '282 Patent, and their statuses:

Litigation	Court	Status
<i>Versata Software Inc. and Versata Development Group, Inc. v. Cloud9 Analytics Inc</i> (1:12-cv-00925-LPS)	D. Del	Active
<i>Versata Software Inc. and Versata Development Group, Inc. v. Nehanet Corporation</i> (1:12-cv-00926-LPS)	D. Del	Active

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