

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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CALLIDUS SOFTWARE, INC.  
Petitioner

v.

VERSATA DEVELOPMENT GROUP INC.,  
Patent Owner.

AND

VERSATA SOFTWARE, INC.  
Real Party-In-Interest

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Case CBM2013-00054  
Patent 7,908,304

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**PETITIONER'S AND PATENT OWNER'S  
JOINT MOTION TO TERMINATE PROCEEDING  
UNDER 35 U.S.C. § 327(a)**

## **I. STATEMENT OF RELIEF REQUESTED**

Pursuant to 35 U.S.C. § 327(a), 37 C.F.R. § 42.72, and the Board's authorization of this motion by e-mail on November 17, 2014 (Paper No. 43), Petitioner and Patent Owner jointly request termination of Covered Business Method ("CBM") Review CBM2013-00054 of U.S. Patent No. 7,908,304 ("the '304 Patent").

## **II. STATEMENT OF FACTS**

The Board instituted this proceeding on March 4, 2014, but the proceeding has not yet proceeded to a final decision.

On October 27, 2014, Petitioner's counsel, Deborah Fishman, after conferring with Patent Owner informed the Board via email that the Parties had reached an agreement in principle to resolve their dispute and requested a two-week postponement of oral hearing or to a time thereafter at the Board's convenience.

The request to postpone oral hearing was denied, and oral hearings took place on October 29, 2014. At the end of oral hearing, Patent Owner's counsel informed the Board that the Parties expected an agreement settling all disputes involving the '304 Patent to be signed shortly and would request authorization to file a Joint Motion to Terminate these proceedings.

The parties have executed a Reseller Agreement (“Agreement”) definitively resolving all disputes related to the ’304 Patent. Under the Agreement, the parties will cause the related patent litigation styled *Versata Software, Inc., Versata Development Group, Inc., and Versata, Inc. v. Callidus Software, Inc.*, Civil Action No. 1:12-cv-00931-SLR, pending in the United States District Court for the District of Delaware (“Patent Litigation”) to be dismissed with prejudice. Petitioners are the only defendants in the Patent Litigation. The Parties have requested authorization to file this motion seeking termination of this CBM proceeding.

The ’304 Patent is also involved in CBM2014-00118 before the Board. CBM2014-00118 is between the same Petitioner and Patent Owner, and a Joint Motion to Terminate is being concurrently filed in that proceeding. The ’304 Patent is not involved in any other litigation or any other proceeding. Patent Owner represents that no litigation or any other proceeding involving the ’304 Patent is contemplated in the foreseeable future.

### **III. PATENT OWNER’S STATEMENT OF EXPLANATION FOR THE RELIEF REQUESTED**

The Board should terminate CBM2013-00054 without rendering a final written decision for the following reasons:

First, the statutory condition for termination under 35 U.S.C. § 327(a) is satisfied—this joint motion for termination is being filed before the Board has decided the merits of the proceeding. Under section 327(a), a post-grant review shall be terminated, “unless the Office has decided the merits of the proceeding before the request for termination is filed.” There are no other preconditions of 35 U.S.C. § 327(a).

Second, no motions or other matters are outstanding, and concluding this review at this juncture promotes efficient use of the resources of the Board and saves expense for the parties.

Third, the parties have agreed to terminate this proceeding and the related Patent Litigation under the Agreement, providing a definitive resolution of all disputes between the parties related to the '304 Patent. Thus, there is no longer a case-in-controversy between the Parties involving the '304 Patent.

Fourth, no other party has petitioned for covered business method review or *inter partes* review with respect to the '304 patent. No other party is asking the Board to review the validity of the '304 patent. Patent Owner represents that no litigation or any other proceeding involving the '304 Patent is contemplated in the foreseeable future.

Fifth, even at this stage of the proceedings, if the Board declines to terminate these proceedings, 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.

These considerations have prompted the Board to terminate *inter partes* and covered business method review proceedings under similar circumstances. In *Clio USA, Inc. v. the Procter and Gamble Company*, oral argument took place before the Board on July 28, 2014, a joint motion to terminate was filed on October 30, 2014, and the Board terminated the IPR on October 31, 2014. *Clio USA, Inc. v. the Procter and Gamble Company*, IPR2013-00438, Paper 57, October 31, 2014. In *Volusion, Inc. v. Versata Software, Inc. and Versata Development Group, Inc.*, the Board terminated two CBM proceedings following oral hearings after the parties had resolved both the CBM and related litigation proceedings. *Volusion, Inc. v. Versata Software, Inc. and Versata Development Group, Inc.*, CBM2013-00017, Paper 53, June 17, 2014 and CBM2013-00018, Paper 52, June 17, 2014. In *Sony Corp. v. Tessera Inc.*, the Board terminated 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).

Thus, under these circumstances, there is every reason to honor the Parties’ wishes as expressed in their Agreement. Although the Board has discretion to continue a CBM after settlement, there is no public policy justification for doing so

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