

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ZYNGA, INC.

Petitioner

V.

PERSONALIZED MEDIA COMMUNICATIONS LLC

Patent Owner

Case No. IPR2013-00164

U.S. Patent No. 7,797,717

**JOINT MOTION TO TERMINATE PROCEEDING AND TO FILE
SETTLEMENT AGREEMENT AS BUSINESS CONFIDENTIAL
INFORMATION**

PURSUANT TO 35 U.S.C. § 317 AND 37 C.F.R. §§ 42.72, 42.74

Pursuant to 35 U.S.C. §317(a) and 37 C.F.R. §§ 42.72, Patent Owner Personalized Media Communications LLC (“Patent Owner” or “PMC”) and Petitioner Zynga, Inc. (“Petitioner” or “Zynga”) (collectively, “the Parties”) jointly request termination of the *Inter Partes* Review of U.S. Patent No. 7,797,717 (“the ’717 Patent”), Case No. IPR2013-00162, due to settlement. The Parties further jointly request that the settlement agreement be treated as business confidential information and be kept separate from the files of the ’717 Patent pursuant to 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74, as provided below.

I. Background

Petitioner filed its Petition for *Inter Partes* Review on February 26, 2013 (“Petition”) and Patent Owner filed its Preliminary Patent Owner Response on May 10, 2013. The Patent Trial and Appeal Board (the “Board”) issued a Decision to Institute Trial on July 25, 2013. Patent Owner filed its Response to the Petition on October 25, 2013 and, on January 24, 2014, the Petitioner filed its Reply to Patent Owner’s Response.

On January 30, 2014, Patent Owner and the Petitioner reached an agreement to settle all disputes between them related to all *Inter Partes* Review proceedings, the related litigation (described below), and other patents and patent applications (the “Settlement Agreement”). The Settlement Agreement includes an agreement between the parties to terminate this *Inter Partes* Review proceeding and the three

other related *Inter Parties Review proceedings* (“IPRs”).¹ The Settlement Agreement has been made in writing and involves all parties to the litigation and the real parties-in-interest to this proceeding.

On day the day following settlement, on January 31, 2014, the Parties contacted the Board to request authorization to file termination papers and to request that the Settlement Agreement be maintained as business confidential information. The Board ordered a teleconference that was conducted on Tuesday, February 4, 2014, with both Parties in attendance. During the call, the Board authorized the filing of this motion including an explanation on why termination is appropriate in this case. The Board vacated all IPR due dates so that termination papers could be filed and considered.

II. Request to Terminate and Treat Settlement Agreement as Confidential

Pursuant to the Board’s instructions, this joint motion to terminate is being filed prior to the close of business on Friday, February 7, 2014.

Pursuant to 37 C.F.R. 42.74(c), a true copy of the Settlement Agreement is attached hereto as an exhibit to this joint motion, and is being filed electronically via the PRPS as “Parties and Board Only.” *See* Order for Conduct of the Proceedings, Feb. 4, 2014. The Parties request that the Settlement Agreement be

¹ The three related IPRs are IPR2013-00162 (U.S. Patent No. 7,908,638); IPR2013-00171 (U.S. Patent No. 7,734,251); and IPR2013-00156 (U.S. Pat. No. 7,860,131).

maintained as business confidential information and be kept separate from the files of the '717 Patent pursuant to 37 C.F.R. § 42.74. *See also* 37 U.S.C. § 317(b).

1. Reasons Why Termination Is Appropriate

Termination is proper under 35 U.S.C. § 317(a) because: (1) the Parties are jointly requesting termination; (2) the Board does not have before it full briefing on the issues raised during the trial;² and (3) the Board has not yet “decided the merits of the proceeding before the request for termination is filed.” *See, e.g.*, Office Patent Trial Practice Guide, 77 Fed. Reg. 48756, 48768 (Aug. 14, 2012). As the Board states in its Order for Conduct of the Proceeding, “[g]enerally, the Board expects that a proceeding will terminate after the filing of a settlement agreement.” *See* Order for Conduct of the Proceedings, Feb. 4, 2014. Indeed, termination of this case will save the Parties and the Board costs and time that can be put to other use. Accordingly, the parties respectfully submit that termination of this proceeding is proper under § 317(a).

² Under the Scheduling Order issued by the Board on July 25, 2013, the Parties would have the right to provide additional briefing for consideration by the Board on a number of issues before the Board would make a decision on merits of the proceeding. For example, both Parties have the right to file motions to exclude evidence based on prior objections by March 24, 2014. Furthermore, the Parties have the right to file Oppositions to the Motion(s) to Exclude and the Patent Owner could file its Response to Petitioner’s Observations, all by March 30, 2014. By April 7, 2014, the Parties would be filing Reply briefs for their respective Motions to Exclude.

2. Status of Related Litigation

The '717 Patent was asserted in a patent infringement action before the U.S. District Court for the Eastern District of Texas, *Personalized Media Communications LLC v. Zynga, Inc.*, 2-12-CV-68. A trial was held from November 12, 2013 to November 19, 2013 and judgment was entered in favor of Zynga, Inc. based on the jury's finding of no infringement. A directed verdict was entered by the Court in favor of the PMC as to the issue of validity. The judgment is not being appealed.

3. Identification of Parties in Related Litigation

There are no additional parties in the identified related litigation.

4. Settlement Agreement should be Confidential & Held Separate

By its own terms, the Settlement Agreement is confidential to the Parties and is not to be disclosed to third parties without consent of the other party.

Furthermore, the Settlement Agreement is a global settlement agreement that addresses matters going well beyond the issues presented in this IPR. For at least these reasons, treatment of the Settlement Agreement as business confidential information to be held separate from the files for this IPR is proper.

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