

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

RACKSPACE US, INC. and RACKSPACE HOSTING, INC.,
Petitioners,

v.

PERSONALWEB TECHNOLOGIES, LLC and
LEVEL 3 COMMUNICATIONS,
Patent Owner.

Case IPR2014-00057 (Patent 5,978,791)
IPR2014-00058 (Patent 8,099,420)
IPR2014-00059 (Patent 6,415,280)
IPR2014-00062 (Patent 7,802,310)
IPR2014-00066 (Patent 6,928,442)¹

Before KEVIN F. TURNER, JONI Y. CHANG, and
MICHAEL R. ZECHER, *Administrative Patent Judges*.

CHANG, *Administrative Patent Judge*.

ORDER
Conduct of the Proceedings
37 C.F.R. § 42.5

¹ This Order addresses the same issue in the above-identified *inter partes* reviews. For efficiency, we enter one Order to be filed in all of the cases. The parties, however, may not use this style of filing in subsequent papers, without prior authorization.

IPR2014-00057 (Patent 5,978,791); IPR2014-00058 (Patent 8,099,420);
IPR2014-00059 (Patent 6,415,280); IPR2014-00062 (Patent 7,802,310);
IPR2014-00066 (Patent 6,928,442)

Petitioners and Patent Owner jointly requested the conference call with the Board, seeking authorization to file a motion to terminate in each of the above-identified *inter partes* reviews. A conference call was held on October 6, 2014, between respective counsel for the parties and Judges Turner, Chang, and Zecher. As an initial matter, we notified the parties that the papers and exhibits² filed on October 3, 2014, in the above-identified proceedings, have been expunged, because the parties did not seek or have prior authorization before filing the papers and exhibits.

During the conference call, the parties indicated that they have settled their dispute, and reached a settlement agreement regarding the patents at issue. Generally, the Board expects that a proceeding will terminate after the filing of a settlement agreement. *See, e.g.*, Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,768 (Aug. 14, 2012). The rule governing settlement indicates that any agreement between the parties made in connection with, or in contemplation of, the termination of a proceeding shall be in writing and filed with the Board. 37 C.F.R. § 42.74. Based on the facts before us, we authorize the parties to file a joint motion to terminate in each above-identified proceeding.

According to 35 U.S.C. § 317(a), an *inter partes* review shall be terminated with respect to any petitioner upon the joint request of the petitioner and patent owner, unless the Office has decided the merits of the proceeding before the request for termination is filed. Nevertheless, we have

² IPR2014-00057, Paper 31, Ex. 1013; IPR2014-00058, Paper 26, Ex. 1013; IPR2014-00059, Paper 24, Ex. 1013; IPR2014-00062, Paper 27, Ex. 1025; IPR2014-00066, Paper 24, Ex. 1016.

IPR2014-00057 (Patent 5,978,791); IPR2014-00058 (Patent 8,099,420);
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the discretion to proceed to a final written decision, even if no petitioner remains in the *inter partes* review.

As movants, the parties have the burden to show entitlement to the relief requested. 37 C.F.R. § 42.20(c). Each joint motion must include a sufficient explanation as to why termination is appropriate at such a late stage when Patent Owner already has filed its Response in the proceedings.

The parties also are required to file *a true copy* of the parties' settlement agreement, in accordance with 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(b). A redacted version of the settlement agreement will not be accepted as a true copy of the settlement agreement.

The parties may request that each settlement agreement be treated as business confidential information under 37 C.F.R. § 42.74(c). Such a request must be filed, as a separate paper, with the settlement agreement. The parties are directed to FAQ G2 on the Board's website at <http://www.uspto.gov/ip/boards/bpai/prps.jsp> for instructions on how to file their settlement agreement as confidential (e.g., uploading as "Parties and Board Only").

Accordingly, it is

ORDERED that the parties are authorized to file a joint motion to terminate in each above-identified proceeding; the joint motions are due no later than October 14, 2014;

FURTHER ORDERED that the parties are required to file a true copy of the parties' settlement agreement in connection with the termination of the proceeding, in accordance with 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(b);

IPR2014-00057 (Patent 5,978,791); IPR2014-00058 (Patent 8,099,420);
IPR2014-00059 (Patent 6,415,280); IPR2014-00062 (Patent 7,802,310);
IPR2014-00066 (Patent 6,928,442)

FURTHER ORDERED that the parties may file a separate paper requesting that each settlement agreement be treated as business confidential information as specified in 37 C.F.R. § 42.74(c); and

FURTHER ORDERED that any confidential settlement agreement must be filed, as an exhibit, electronically in the Patent Review Processing System (“PRPS”) in accordance with the instructions provided on the Board’s website (e.g., uploading as “Parties and Board Only”).

IPR2014-00057 (Patent 5,978,791); IPR2014-00058 (Patent 8,099,420);
IPR2014-00059 (Patent 6,415,280); IPR2014-00062 (Patent 7,802,310);
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