UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Case IPR2014-00062
Patent 7,802,310

Title: CONTROLLING ACCESS TO DATA IN A DATA PROCESSING SYSTEM

JOINT MOTION TO TERMINATE PROCEEDING

DOCKET ALARM Find authenticated court documents without watermarks at docketalarm.com.

Petitioners Rackspace US, Inc. and Rackspace Hosting, Inc. ("Petitioner") and Patent Owner PersonalWeb Technologies, LLC and Level 3 Communications have reached a settlement and, pursuant to 37 C.F.R. §§ 42.72 and 42.74, and the Board's authorizing order dated October 6, 2014, jointly request termination of this *inter partes* review of U.S. Patent No. 7,802,310 under 35 U.S.C. § 317(a).

The parties have settled their disputes and have executed a settlement agreement to terminate this proceeding, as well as four other IPRs involving the same parties and the related district court litigation styled *PersonalWeb Tech. LLC et al v. Rackspace US, Inc. et al.*, No. 6-12-cv-00659 (E.D. Tex.). The parties' Stipulation of Dismissal, concurrently-filed in the district court litigation is included herewith as Exhibit 2024. Pursuant to 37 C.F.R. § 42.74(b), the parties' settlement agreement is in writing, and a true and correct copy is being filed as Exhibit 1026.[1] The parties are also filing a joint request to treat the settlement agreement as business confidential information and to keep it separate from the files and the involved patent under 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c).

[1] The settlement agreement is being filed electronically with access to the "Parties and Board Only."

DOCKET ALARM Find authenticated court documents without watermarks at docketalarm.com.

Statement of Precise Relief Requested

The Parties jointly request that the Board terminate this IPR ***as to both parties***, without rendering a final written decision.

Statement of Reasons for the Relief Requested

Termination of this proceeding entirely as to all parties is proper for numerous reasons, including the following.

Incomplete Record. The record in this proceeding is incomplete, and the Board has not yet decided the merits of this proceeding. For example, Petitioner has not filed a reply brief or reply declarations, Petitioner has not addressed the arguments and evidence from the Patent Owner's Response, Patent Owner has not yet deposed any reply witnesses and has not yet filed observations on cross-examination, neither party has filed (or responded to) a motion to exclude, and no oral hearing has yet been requested or held.

The Board has terminated, without final written decision, other *inter partes* review proceedings having very similar postures. For example, in *Sealed Air Corporation v. Pregis Innovative Packaging, Inc.*, the Board terminated five related IPRs without reaching final written decision. In those proceedings, the petitioner had not yet filed its replies to the patent owner's responses, and no motions were outstanding at the time of termination. IPR2013-00554, Paper 47, p. 2 (September 12, 2014). The instant IPR is in the same procedural posture:

DOCKET ALARM
Find authenticated court documents without watermarks at docketalarm.com.

Petitioner has not yet filed its Reply, and there are no outstanding motions before the Board.

Similarly, in *Xerox Corp. v. RR Donnelley & Sons Co.*, the Board terminated two related IPRs without reaching final written decision. Again, the petitioner had not yet filed its replies to the patent owner's responses. The Board therefore found that "the record lacks full briefing…and accordingly lacks 'streamlin[ed,] and converg[ed]' issues, as necessary to render a decision in a 'timely, fair, and efficient manner.'" *Xerox Corp. v. RR Donnelley & Sons Co.*, IPR2013-00529, Paper 21, p. 3 (August 29, 2014). Here also, the record lacks full briefing, and numerous issues have not been streamlined. Accordingly a final written decision is not appropriate.

Finally, in *Apex Medical Corp. v. ResMed Limited*, the Board terminated an IPR without reaching final written decision, even where the petitioner had filed its reply. IPR2013-00512, Paper 39 (September 12, 2014), pp. 2-3. The Board entered judgment by terminating the proceeding with respect to both parties, specifically noting that "the record is not yet closed." *Id.* at p. 3. As in *Apex Medical Corp.*, the record in this proceeding is not yet closed, and termination as to all parties is appropriate.

Under these circumstances, there is every reason to honor the Parties' wishes to terminate ***as to both parties*** without final written decision.

DOCKET ALARM
Find authenticated court documents without watermarks at docketalarm.com.

No Further Participation by Petitioner. Petitioner hereby informs the Board that Petitioner will not be filing any reply papers in this proceeding, will not be attending any oral hearing in this proceeding, will not oppose any motions to exclude in this proceeding, and will not be participating further in this proceeding in any respect before the Board.

Thus, because the record will not be developed and is currently incomplete, termination as to all parties is favored.

Global Settlement Between the Parties. The settlement is a global settlement between Petitioner and Patent Owners (PersonalWeb and Level 3—who both represent that they practice the patent at issue in their respective businesses). After the requested termination of this proceeding and the four other IPRs involving the same parties, and given the Stipulation of Dismissal concurrently filed with the district court, no other disputes between the parties remain. There is no other litigation or dispute in any court or forum involving Patent Owner and Petitioner.

Maintaining this *Inter Parties* Review Would Discourage Settlements of Concurrent Proceedings and Waste Judicial Resources. Congress and federal courts have expressed a strong interest in encouraging settlement of disputes. *See, e.g., Delta Air Lines, Inc. v. August*, 450 U.S. 346, 352 (1981) ("The purpose of [Fed. R. Civ. P.] 68 is to encourage the settlement of litigation."); *Bergh v. Dept. of Transp.*, 794 F.2d 1575, 1577 (Fed. Cir. 1986) ("The law favors settlement of

DOCKET ALARM
Find authenticated court documents without watermarks at docketalarm.com.

DOCKET ALARM

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts

Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research

With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips

Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.

WHAT WILL YOU BUILD? | sales@docketalarm.com | 1-866-77-FASTCASE

fastcase® Smarter legal research.