

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FINISAR CORPORATION
Petitioner

v.

THOMAS SWAN & CO., LTD.
Patent Owner

Case IPR2014-00461
Patent 7,664,395

JOINT MOTION TO TERMINATE PROCEEDING UNDER 35 U.S.C. § 317

Pursuant to 35 U.S.C. § 317(a), the Patent Owner Thomas Swan & Co. Ltd. and Petitioner Finisar Corp. (collectively “Parties”) hereby jointly move for an order terminating the *inter partes* review, subject to the terms of the Settlement Agreement, dated October 21, 2014, entered into by the Parties.

The IPR Proceeding relates to a petition for *inter partes* review filed February 26, 2014, directed to Patent No. 7,664,395 (the “395 Patent”), and assigned case number IPR2014-00461. Patent Owner filed a Preliminary Response on June 6, 2014. (Paper No. 8.) The PTAB instituted trial on August 21, 2014. (Paper No. 9.)

The Parties have settled their dispute, and have reached agreement to terminate this IPR Proceeding. The Parties’ Settlement Agreement has been made in writing, and a true copy of same is being filed concurrently herewith as an Exhibit.

In addition, the Parties desire that the Settlement Agreement be maintained as business confidential information under 37 C.F.R. § 42.74(c), and a separate joint request to that effect is being filed concurrently herewith.

As stated in 35 U.S.C. § 317(a), because Petitioner and Patent Owner jointly request this termination, no estoppel under 35 U.S.C. § 315(e) shall attach to Petitioner.

1. Reasons Why Termination Is Appropriate.

Termination is proper under 35 U.S.C. § 317(a) because the Parties are jointly requesting termination, and the Office has not yet “decided the merits of the proceeding before the request for termination is filed.” Indeed, it is far too early in this IPR Proceeding for any decision on the merits. Patent Owner’s Response to the Petition and Institution Decision has not yet been filed, and is not due until December 24, 2014 under the current Scheduling Order, as modified by a joint stipulation by the parties. (Paper Nos. 10 and 11.) Moreover, Patent Owner has not yet cross-examined Petitioner’s expert declarant, Dr. Katherine Hall.

As noted in the Patent Office Trial Practice Guidelines, “there are strong public policy reasons to favor settlement between the parties to a proceeding The Board expects that a proceeding will terminate after the filing of a settlement agreement, unless the Board has already decided the merits of the proceeding. 35 U.S.C. 317(a), as amended, and 35 U.S.C. 327.”¹ Accordingly, termination is appropriate here.

2. Status of Related District Court Litigation.

The ’395 Patent is the subject of the following pending litigation: *Thomas Swan & Co. Ltd. v. Finisar Corp., et al.*, No. 2:13-cv-178 (E.D. Tex.). The

¹ See Federal Register Vol. 77, No. 157 at 48768.

defendants in that case are Petitioner Finisar Corp. and its customer Fujitsu Communications, Inc. (“FNC”)² (collectively, “Defendants”).

On September 12, 2014, the Parties notified the District Court that the Parties and FNC had reached an agreement that settles in principle all matters in controversy between them and jointly requested a stay of the case (and any and all attendant deadlines) for thirty (30) days to allow settlement obligations to be met. Such obligations include the drafting and executing a final written settlement agreement.

Consistent therewith, pursuant to the Settlement Agreement, the Parties and FNC have filed with the District Court a stipulated motion and proposed order dismissing with prejudice all claims and counterclaims pending between Thomas Swan & Co. Ltd. and Defendants in that case on October 23, 2014.

² On August 26, 2014, FNC filed a separate petition for *inter partes* review for the ’395 Patent, which was assigned Case No. IPR2014-01384. Pursuant to the Settlement Agreement, Thomas Swan and FNC shall submit a joint motion to terminate this proceeding as well.

3. Related IPR Proceedings

The Parties are also involved in the following IPR proceedings, and pursuant to the Settlement Agreement, shall submit a joint motion to terminate each of these proceedings as well:³

Case No.	Filing Date	Subject Patent
IPR2014-00460	February 26, 2014	US 7,145,710
IPR2014-00462	February 26, 2014	US 8,089,683
IPR2014-00465	February 26, 2014	US 8,335,033

³ On August 26, 2014, FNC also filed petitions for *inter-partes* review for these same patents, and the petitions have been assigned the following case numbers: IPR2014-01383, IPR2014-01382, and IPR2014-01381, respectively. Pursuant to the Settlement Agreement, Thomas Swan and FNC shall submit a joint motion to terminate each of these proceedings as well.

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