

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY, LTD.,
TSMC NORTH AMERICA CORPORATION, FUJITSU
SEMICONDUCTOR LIMITED, FUJITSU SEMICONDUCTOR
AMERICA, INC., ADVANCED MICRO DEVICES, INC., RENESAS
ELECTRONICS CORPORATION, RENESAS ELECTRONICS
AMERICA, INC., GLOBAL FOUNDRIES U.S., INC.,
GLOBALFOUNDRIES DRESDEN MODULE ONE LLC & CO. KG,
GLOBALFOUNDRIES DRESDEN MODULE TWO LLC & CO. KG,
TOSHIBA AMERICA ELECTRONIC COMPONENTS, INC., TOSHIBA
AMERICA INC., TOSHIBA AMERICA INFORMATION SYSTEMS,
INC., TOSHIBA CORPORATION, and THE GILLETTE COMPANY

Petitioners,

v.

ZOND, LLC,
Patent Owner.

Case IPR2014-00781¹
Patent 7,147,759 B2

Before KEVIN F. TURNER, JONI Y. CHANG, SUSAN L.C. MITCHELL,
and JENNIFER M. MEYER, *Administrative Patent Judges*.

CHANG, *Administrative Patent Judge*.

DECISION

Granting Joint Motion to Terminate as to Petitioner TSMC
37 C.F.R. § 42.74

¹ This Decision addresses similar issues in the *inter partes* reviews identified in the Appendix of this Decision. For efficiency, we enter this Decision in this case as representative.

We instituted an *inter partes* review in each of the proceedings identified in the Appendix of this Decision, challenging U.S. Patent Nos. 6,805,779 B2, 6,806,652 B1, 6,853,142 B2, 6,896,773 B2, 6,896,775 B2, 7,147,759 B2, 7,604,716 B2, 7,808,184 B2, and 7,811,421 B2. Paper 13.² After institution, we also granted the revised Motions for Joinder filed by Taiwan Semiconductor Manufacturing Company, LTD., TSMC North America Corporation (collectively, “TSMC”), Fujitsu Semiconductor Limited and Fujitsu Semiconductor America, Inc. (collectively, “Fujitsu”), Advanced Micro Devices, Inc. (“AMD”), Renesas Electronics Corporation, Renesas Electronics America, Inc. (collectively, “Renesas”), GLOBALFOUNDRIES U.S., Inc., GLOBALFOUNDRIES Dresden Module One LLC & Co. KG, GLOBALFOUNDRIES Dresden Module Two LLC & Co. KG (collectively, “GlobalFoundries”), Toshiba America Electronic Components, Inc., Toshiba America Inc., Toshiba America Information Systems, Inc., and Toshiba Corporation (collectively, “Toshiba”), and The Gillette Company (“Gillette”). *See, e.g.*, Papers 16, 17, 18. A list of these Joinder Cases is provided in the Appendix of the instant Decision.

On March 11, 2015, Patent Owner Zond, LLC (“Zond”) and TSMC filed a Joint Motion to Terminate, with respect to TSMC, in each pending *inter partes* review listed in the Appendix. Paper 33, “Mot.” They also filed a true copy of their Written Settlement Agreement, made in connection with the termination as to TSMC, pursuant to 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(b). Ex. 1238. They further request that the Written Settlement

² All citations are to IPR2014-00781, as representative, unless otherwise noted.

Agreement be treated as business confidential information under 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c). Paper 34. For the reasons set forth below, the Joint Motions to Terminate, with respect to TSMC, and the Joint Requests are *granted*.

Under the Leahy-Smith America Invents Act, settlement between the parties to a proceeding is encouraged. Notably, 35 U.S.C. § 317(a), in part, provides the following (emphasis added):

(a) IN GENERAL.—An inter partes review instituted under this chapter shall be *terminated with respect to any petitioner upon the joint request of the petitioner and the patent owner*, unless the Office has decided the merits of the proceeding before the request for termination is filed. If the inter partes review is terminated with respect to a petitioner under this section, *no estoppel under section 315(e) shall attach to the petitioner*, or to the real party in interest or privy of the petitioner, on the basis of that petitioner's institution of that inter partes review.

Here, although the instant *inter partes* reviews have been instituted, we have not entered a final written decision in any of the proceedings. Upon review of the procedural posture of these proceedings and the facts before us, we determine that the parties' contentions have merit.

In their Joint Motions to Terminate, Zond and TSMC indicate that they have settled all of their disputes involving the aforementioned patents. Mot. 2. In particular, they have agreed to settle and dismiss their related district court litigations, with prejudice, concerning these patents. Mot. 7; Ex. 1237. More importantly, the termination of each review at issue, with respect to TSMC, will not result in the termination of the review, as additional Petitioners remain.

Because TSMC was designated as Lead Petitioner for seventeen joined proceedings (*see, e.g.*, Paper 18, 6), we requested, in our prior Order authorizing the filing of the Joint Motions to Terminate, that the parties to designate a new lead petitioner for these proceedings and to identify any impact on the new lead petitioner's ability to file substantive papers, scheduling changes, and consolidation of oral hearings. Paper 32, 3. In response, the remaining Petitioners working together with Zond and TSMC reached an agreement regarding these issues.

Pursuant to our prior Order, the parties filed, on March 16, 2015, a Motion to Designate Lead Petitioners and to Amend Scheduling Order in each proceeding. Paper 35. The Motion provides a list of Lead and Backup petitioners (reproduced in the Appendix of this Decision). *Id.* at 3–4. The parties also stipulate to different dates for Due Dates 2–5 in certain proceedings, and propose to consolidate the oral hearings for the earlier proceedings with those for the later proceedings, changing Due Dates 6–7 for the earlier proceedings. *Id.* at 4–6. The parties believe that the proposal would allow the remaining Petitioners sufficient time to accommodate TSMC's termination while timely meeting the deadlines. *Id.* at 4. We also observe that the parties' proposal would not impact the trial schedules for these proceedings significantly, nor our ability to complete the proceedings timely. In a separate decision, we will grant the parties' Motions to Designate Lead Petitioner and to Amend Scheduling Order.

Generally, the Board expects that a proceeding will terminate as to the parties upon settlement. *See, e.g., Office Patent Trial Practice Guide*, 77 Fed. Reg. 48,756, 48,768 (Aug. 14, 2012). Given the facts before us, we

determine that it is appropriate to terminate these proceedings with respect to TSMC. The proceedings, however, will not be terminated with respect to Zond, as additional Petitioners remain in the proceedings.

In consideration of the foregoing, it is hereby:

ORDERED that the Joint Motion to Terminate, with respect to TSMC, filed in each pending review identified in the Appendix is *granted*;

FURTHER ORDERED that these reviews are terminated with respect to TSMC only; but these reviews continue to proceed with Zond and the remaining Petitioners—namely Fujitsu, AMD, Renesas, GlobalFoundries, Toshiba, and Gillette;

FURTHER ORDERED that the Joint Requests that the Written Settlement Agreement be treated as business confidential information kept separate from the patent file, and made available only to Federal Government agencies on written request, or to any person on a showing of good cause, pursuant to 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c), are *granted*; and

FURTHER ORDERED that any subsequent papers filed in these *inter partes* reviews should not include TSMC in the caption.

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