

EXHIBIT 2007

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner

v.

MOBILE TELECOMMUNICATIONS TECHNOLOGIES, LLC,
Patent Owner

Case IPR2014-01034
Patent No. 5,894,506

**PATENT OWNER'S EXPLANATION
AS TO WHY TERMINATION IS APPROPRIATE**

Mobile Telecommunications Technologies, LLC (“Patent Owner”) respectfully submits that this *inter partes* review proceeding should be terminated with respect to the Patent Owner, because (1) Patent Owner and the only Petitioner involved in the proceedings have filed a joint request to terminate this proceeding as to Petitioner; (2) the proceeding is in its early stage, (3) the merits of the Petition have not been determined, and (4) concluding these proceedings at this early juncture promotes the Congressional goal to establish a more efficient and streamlined patent system that, *inter alia*, limits unnecessary and counterproductive litigation costs. *See* “Changes to Implement *Inter Partes* Review Proceedings, Post-Grant Review Proceedings, and Transitional Program for Covered Business Method Patents,” Final Rule, 77 Fed. Reg., no. 157, p. 48680 (Tuesday, August 14, 2012). By permitting termination of review proceedings as to all parties, upon settlement of their disputes, the United States Patent and Trademark Office (“USPTO”) provides a measure of certainty as to the outcome of such proceedings. This certainty helps foster an environment that promotes settlements, creating a timely, cost-effective alternative to litigation. In contrast, maintaining these proceedings in the absence of Petitioner would effectively pit the Patent Owner against the USPTO, a scenario never intended by the legislators that enacted the laws governing these proceedings.

Consider that, under 35 U.S.C. § 317(a), termination as to the Petitioner is mandatory upon joint request of the parties (which has been filed), and once that termination is effected, there will be no counter-party in these proceedings. In enacting the applicable law Congress did not intend in such circumstances that the USPTO would step into the shoes of the Petitioner or assume an *ex parte* examination role. Instead, the Leahy-Smith America Invents Act replaced *inter partes* reexamination with review proceedings and entrusted such matters to the Patent Trial and Appeal Board (“PTAB”) rather than the examining corps. Commenting on these marked changes to USPTO practice, Senator Kyl noted that the new procedures were intended to be strictly adjudicative in nature, where “the petitioner, rather than the Office, bears the burden of showing unpatentability.” 157 Congressional Record S1375, daily ed. March 8, 2011. As these changes were borrowed from the Senator’s prior bill from the 110th Congress, S. 3600, he cited with approval his comments in support of that prior legislation:

“The bill uses an oppositional model, which is favored by PTO as allowing speedier adjudication of claims. Under a reexam system, the burden is always on PTO to show that a claim is not patentable. Every time that new information is presented, PTO must reassess whether its burden has been

met. This model has proven unworkable in inter partes reexam, in which multiple parties can present information to PTO at various stages of the proceeding, and which system has experienced interminable delays. Under an oppositional system, by contrast, the burden is always on the petitioner to show that a claim is not patentable. *Both parties present their evidence to the PTO, which then simply decides whether the petitioner has met his burden.*” 154 Congressional Record S9987, daily ed. Sept. 27, 2008 (emphasis added).

Senator Kyl’s comments¹ make clear that the new review proceedings were not intended to devolve into the prior “unworkable” system of reexamination in the event no petitioner was left. The PTAB’s role was intended to be that of an

¹ Senator Kyl also explained that although section 316(a)(4) of the then-pending Patent Reform Act of 2011, S.23, gave the USPTO discretion in prescribing regulations governing the new proceeding, the USPTO had assured Congress that it would “use this discretion to convert inter partes into an adjudicative proceeding.” This change also was effectively compelled by section 316(e) of the Act, which assigned to a petitioner the burden of proving a proposition of unpatentability. 157 Congressional Record S1375, daily ed. March 8, 2011.

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