

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

VONAGE HOLDINGS CORP., VONAGE AMERICA, INC., VONAGE
MARKETING LLC, and NETFLIX, INC.,

Petitioner,

v.

STRAIGHT PATH IP GROUP, INC.,
Patent Owner

Case IPR2014-01241
Patent 6,108,704

**NETFLIX, INC. AND STRAIGHT PATH IP GROUP, INC.'S
JOINT MOTION TO TERMINATE PROCEEDING
PURSUANT TO 37 C.F.R. § 42.74**

As permitted by the Patent Trial and Appeal Board's Order (Paper No. 7) entered September 9, 2014, Petitioner Netflix, Inc. ("Netflix") and Patent Owner Straight Path IP Group, Inc. ("Straight Path") jointly request termination as to Netflix in *Inter Partes Review* proceeding IPR2014-01241, relating to U.S. Patent No. 6,108,704 (the '704 Patent), pursuant to 37 C.F.R. § 42.74. Petitioners Vonage Holdings Corp., Vonage America, Inc., and Vonage Marketing LLC remain in the *Inter Partes Review* proceeding and do not oppose Netflix and Straight Path's request.

Petitioner Netflix and Vonage filed this Petition for *Inter Partes Review* of the '704 Patent on August 1, 2014. Straight Path has not yet filed a preliminary response. No decision on institution has been entered in this proceeding.

Netflix and Straight Path have now settled their dispute with respect to the '704 Patent, and have reached agreement to terminate this proceeding as to Netflix.

Filed concurrently herewith is a complete, true and correct copy of an agreement to settle this *Inter Partes Review* proceeding as to Netflix as well as to settle outstanding disputes as to Netflix. (*See Exhibit 1024*). Netflix and Straight Path request that the settlement agreement be treated as business confidential information, and kept separate from the files of this proceeding in accordance with 37 C.F.R. § 42.74(c). A request for treatment of the settlement agreement as confidential business information is submitted herewith.

Netflix filed four related Petitions for *Inter Partes Review* on August 1, 2014. Those proceedings are IPR2014-01223, relating to U.S. Patent No. 6,513,066; IPR2014-01224, relating to U.S. Patent No. 6,701,365; IPR2014-01225, relating to U.S. Patent No. 6,009,469; and IPR2014-01234, relating to U.S. Patent No. 6,131,121. Netflix and Patent Owner are concurrently requesting termination of those proceedings as to Netflix.

The settlement agreement does not involve other parties in the Related Proceedings identified in Patent Owner's Mandatory Notices filed August 21, 2014 (Paper No. 5). Accordingly, those proceedings may continue despite this settlement.

Under 35 U.S.C. § 317(a), “[a]n 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.” (emphasis added). Netflix and Patent Owner are jointly requesting termination of the proceeding as to Netflix. *See, e.g., CBS Interactive, Inc., et al., v. Helferich Patent Licensing, LLC, et al.*, Case IPR2013-00033, 2013 WL 5970152, *1 (P.T.A.B. 2013) (terminating proceeding as to a single petitioner). The Office has not yet issued a decision instituting the trial or a final written decision and has accordingly not decided the merits of the proceeding. Under similar circumstances, the Office has exercised its

authority to terminate proceedings prior to the institution of a trial. *See Porche Cars N. America, Inc. v. Vehicle Interface Technologies, LLC*, Case IPR2014-00014, 2014 WL 1510862 (P.T.A.B. 2014).

Additionally, the Office recognizes strong public policy reasons favoring settlement between parties. Office Patent Trial Practice Guide, 77 Fed. Reg. 48756, 48768 (Aug. 14, 2012) (“There are strong public policy reasons to favor settlement between the parties to a proceeding.”). Terminating this proceeding as to Netflix would promote those policy considerations in view of the settlement between Netflix and Straight Path. Accordingly, termination as to Netflix is appropriate.

As required by the Order, this Joint Motion identifies all defendants in any related district court litigation in which infringement or invalidity of the claims of the ’704 Patent have been alleged:

Case Name	Docket No.	Court	Defendants	Status as to Defendant(s)
<i>Net2phone, Inc. v. Ebay, Inc. et al.</i>	10-cv-04090 (Transferred from DNJ 06-cv-02469)	WDAK	<ul style="list-style-type: none"> • Ebay, Inc. • Skype Technologies SA • Skype, Inc. 	Terminated
<i>Innovative</i>	12-cv-00007	EDVA	Vivox, Inc.	Terminated

Case Name	Docket No.	Court	Defendants	Status as to Defendant(s)
<i>Communications Technologies, Inc. v. Vivox, Inc.</i>				
<i>Innovative Communications Technologies, Inc. v. Stalker Software, Inc., etc.</i>	12-cv-00009	EDVA	<ul style="list-style-type: none"> • Stalker Software, Inc. 	Terminated
<i>Straight Path IP Group, Inc. v. LG Electronics, Inc. et al.</i>	13-cv-00933	EDVA	<ul style="list-style-type: none"> • LG Electronics, Inc. • LG Electronics U.S.A., Inc. • LG Electronics MobileComm U.S.A., Inc. • Netflix, Inc. (Intervenor) 	Terminated as to Netflix, Inc.; pending as to remaining defendants

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