

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MERCEDES-BENZ USA, LLC and
MERCEDES-BENZ U.S. INTERNATIONAL, INC.,

Petitioners,

v.

INNOVATIVE DISPLAY TECHNOLOGIES LLC,

Patent Owner.

IPR2015-00359, Patent No. 7,384,177
IPR2015-00360, Patent No. 7,300,194
IPR2015-00361, Patent No. 6,755,547
IPR2015-00363, Patent No. 7,404,660
IPR2015-00366, Patent No. 8,215,816
IPR2015-00368, Patent No. 7,434,974
IPR2015-00994, Patent No. 6,886,956
IPR2015-01044, Patent No. 7,384,177
IPR2015-01067, Patent No. 6,508,563
IPR2015-01113, Patent No. 7,404,660
IPR2015-01114, Patent No. 8,215,816
IPR2015-01115, Patent No. 7,434,974

**JOINT MOTION TO TERMINATE PROCEEDINGS
FOR INTER PARTES REVIEW OF
U.S. PATENT NOS. 7,384,177; 7,300,194; 6,755,547; 7,404,660; 8,215,816;
7,434,974; 6,886,956; 6,508,563; PURSUANT TO 35 U.S.C. § 317**

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Pursuant to 35 U.S.C. § 317(a) and 37 C.F.R. § 42.74(a)-(b), Petitioners Mercedes-Benz USA, LLC and Mercedes-Benz U.S. International, Inc. (“Mercedes” or “Petitioners”), and Patent Owner Innovative Displays Technology LLC (“IDT” or “Patent Owner”) jointly request termination of *Inter Partes* Review (“IPR”) of: U.S. Patent No. 7,384,177, Case No. IPR2015-00359; U.S. Patent No. 7,300,194, Case No. IPR2015-00360; U.S. Patent No. 6,755,547, Case No. IPR2015-00361; U.S. Patent No. 7,404,660, Case No. IPR2015-00363; U.S. Patent No. 8,215,816, Case No. IPR2015-00366; U.S. Patent No. 7,434,974, Case No. IPR2015-00368; U.S. Patent No. 6,886,956, Case No. IPR2015-00994; U.S. Patent No. 7,384,177, Case No. IPR2015-01044; U.S. Patent No. 6,508,563, Case No. IPR2015-01067; U.S. Patent No. 7,404,660, Case No. IPR2015-01113; U.S. Patent No. 8,215,816, Case No. IPR2015-01114; and U.S. Patent No. 7,434,974, Case No. IPR2015-01115. Mercedes and IDT are collectively referred to herein as “Parties.” The Parties agree that each party bar its own fees and expenses.

The respective IPRs are in their early stages as follows:

Case No.	IPR Petition Filing Date	IDT Preliminary Response Date	Institution Decision Date
IPR2015-00359	12/4/2014	4/30/2015	N/A
IPR2015-00360	12/4/2014	4/30/2015	5/22/2015
IPR2015-00361	12/4/2014	4/30/2015	N/A
IPR2015-00363	12/4/2014	4/30/2015	N/A

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Case No.	IPR Petition Filing Date	IDT Preliminary Response Date	Institution Decision Date
IPR2015-00366	12/4/2014	5/2/2015	N/A
IPR2015-00368	12/4/2014	4/30/2015	N/A
IPR2015-00994	4/2/2015	N/A	N/A
IPR2015-01044	4/13/2015	N/A	N/A
IPR2015-01067	4/17/2015	N/A	N/A
IPR2015-01113	4/24/2015	N/A	N/A
IPR2015-01114	4/25/2015	N/A	N/A
IPR2015-01115	4/27/2015	N/A	N/A

No depositions have been taken. The Patent Owner has not filed any substantive paper, and the Patent Owner has submitted no declaration. The Parties have agreed to settle their dispute and have reached an agreement to terminate all of the aforementioned IPRs. The Settlement Agreement between the Parties has been made in writing and is filed separately as Exhibit 1026, concurrently with a Joint Request to Treat Agreement as Business Confidential Information Under 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c). There are no collateral agreements referred to in the Parties' Settlement Agreement.

As stated in 35 U.S.C. § 317(a), because both Mercedes and IDT request this termination, it is understood that no estoppel under 35 U.S.C. § 315(e) shall attach to Petitioners Mercedes. As provided in 37 C.F.R. § 42.73(d)(3), because no

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adverse judgment has been entered, it is also understood that, as to the Patent Owner IDT, no estoppel under 37 C.F.R. § 42.73(d)(3) shall attach to IDT.

On June 23, 2015, the Parties advised the Board that the Parties had reached a settlement in this IPR, and the Parties sought authorization to file joint motions to terminate the proceedings, using a combined caption listing each of the affected IPRs. On June 24, 2015, the Parties received written authorization to file the joint motions to terminate with a combined caption.

The Parties understood that they were also to file a separate paper requesting that the Settlement Agreement be treated as business confidential information as specified in 37 C.F.R. § 42.74(c).

Termination of the aforementioned proceedings is appropriate as the parties have agreed to settle their disputes.

The patents at issue here have been litigated between the parties in the following case:

Description	Docket No.	Status
<i>IDT v. Mercedes-Benz U.S. International, Inc., et al.</i>	2:14-cv-00535, EDTX	Joint Motion to Dismiss with prejudice filed June 22, 2015 and Order dismissing case entered June 23, 2015.

No new litigation or proceeding involving the aforementioned patents is contemplated in the foreseeable future.

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Termination of this proceeding is appropriate at this stage in the proceeding in view of the Settlement Agreement. The Settlement Agreement ends all patent disputes between the parties, including this proceeding. Moreover, as shown above, the Settlement Agreement resulted in the dismissal of the underlying civil action.

Both Congress and the federal courts have expressed a strong interest in encouraging settlement in litigation. *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 cases.”), *cert. denied*, 479 U.S. 950 (1986). The U.S. Court of Appeals for the Federal Circuit also places a particularly strong emphasis on settlement. *See Cheyenne River Sioux Tribe v. U.S.*, 806 F.2d 1046, 1050 (Fed. Cir. 1986) (noting that the law favors settlement to reduce antagonism and hostility between parties). Moreover, the Board generally expects that a proceeding will terminate after the filing of a settlement. *See, e.g., Office Patent Trial Practice Guide*, 77 Fed. Reg. 48,756, 46,768 (Aug. 14, 2012).

Maintaining this proceeding after Petitioner’s settlement with Patent Owner would discourage future settlements by removing a primary motivation for settlement: eliminating litigation risk by resolving the parties’ disputes and ending the pending proceedings between them. For patent owners, litigation risks include

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