

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SERVICENOW, INC.,
Petitioner

v.

BMC SOFTWARE, INC.,
Patent Owner

Case IPR 2015-01211
Patent No. 7,617,073

**JOINT MOTION TO TERMINATE WITH
REQUEST TO KEEP SETTLEMENT AGREEMENT SEPARATE AND
TREATED AS BUSINESS CONFIDENTIAL INFORMATION**

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I. INTRODUCTION AND STATEMENT OF REQUESTED RELIEF

On April 15, 2016, the Board authorized the parties to jointly file Motions to Terminate several proceedings pending between Petitioner ServiceNow, Inc. (“ServiceNow”) and Patent Owner BMC Software, Inc. (“BMC Software”) in an e-mail communication responsive to Patent Owner’s Request for a Conference Call. The Board instructed the parties to (1) include a brief explanation as to why termination is appropriate; (2) identify all defendants in any related district court litigation involving the challenged patents; and (3) discuss the current status of each such related litigation with respect to each party to the litigation.

Accordingly, ServiceNow and BMC Software jointly move to terminate the above-captioned proceeding pursuant to 35 U.S.C. § 317(a) and 37 C.F.R. § 42.72 in view of the parties’ agreement to settle their disputes. Accompanying this Motion is a copy of the confidential settlement agreement that settled the claims of three lawsuits between the parties. The parties jointly request that the confidential agreement be kept separate and treated as business confidential information pursuant to 37 CFR § 42.74(c). As explained below, the parties respectfully submit that there is good cause for granting their motion to terminate and their request to keep the confidential settlement agreement separate and treated as business confidential information.

II. BACKGROUND AND RELEVANT FACTS

On May 15, 2015, Petitioner filed a petition requesting *inter partes* review of U.S. Patent No. 7,617,073 (the “Petition”). Patent Owner filed a preliminary response on September 1, 2015. The Board issued its decision granting the petition on November 16, 2015. Patent Owner filed a response on February 22, 2016.

On March 8, 2016, the parties agreed to settle their respective claims against each other (in three separate cases) in a Confidential Settlement Agreement (“the Confidential Agreement”) executed by the parties. In accordance with 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(b), a true copy of the Confidential Agreement is submitted herewith as Exhibit 2006. Pursuant to 37 CFR § 42.74(c), the parties jointly request that the Agreement filed as Exhibit 2006 be treated as business confidential information and kept separate from the files of the subject patent.

Pursuant to the terms of the Confidential Agreement settling the three cases, the parties have now moved to dismiss all previously pending matters between them with the exception of the pending CBM and IPR proceedings before the Patent Trial and Appeal Board which are the subject of this and simultaneously filed joint motions to terminate.

The aforementioned dismissed matters are listed below:

- *BMC Software, Inc. v. ServiceNow, Inc.*, Case No. 2:14-CV-903-JRG (Eastern District of Texas);
- *BMC Software, Inc. v. ServiceNow, Inc.*, Case No. 2:16-CV-132-JRG (Eastern District of Texas); and
- *BMC Software, Inc. v. ServiceNow, Inc.*, EP 807 Landgericht Düsseldorf.

BMC Software and ServiceNow are the only parties to the aforementioned litigation matters. There are no other defendants and there is no other litigation involving the challenged patent.

As authorized by the Board, the parties are also filing Motions to Terminate the remaining IPR and CBM proceedings, also listed below:

- *Inter Partes* Review of Patent No. 5,978,594 filed by ServiceNow, Inc., IPR2015-01176 (U.S. PTO);
- *Inter Partes* Review of Patent No. 8,674,992 filed by ServiceNow, Inc., IPR2015-01631 (U.S. PTO); and
- Covered Business Method Review of Patent No. 6,646,093 filed by ServiceNow, Inc., CBM2015-00170 (U.S. PTO).

III. WHY TERMINATION IS APPROPRIATE

ServiceNow withdraws from and will not participate further in this Review. The parties have resolved their pending disputes and have agreed to refrain, to the extent permitted by law, from further participation in this proceeding and the other IPR proceedings identified above. Accordingly, Service Now and BMC Software jointly request that the Board terminate this Review in its entirety.

Termination of this Review is warranted. Both Congress and 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 Federal Circuit places a particularly strong emphasis on settlement. For example, it endorses the ability of parties to agree to never challenge validity as part of a settlement. *See Flex-Foot, Inc. v. CRP, Inc.*, 238 F.3d 1362, 1370 (Fed. Cir. 2001); *see also Cheyenne River Sioux Tribe v. United States.*, 806 F.2d 1046, 1050 (Fed. Cir. 1986) (noting that the law favors settlement to reduce antagonism and hostility between parties).

Maintaining this Review after ServiceNow’s settlement with BMC Software would discourage future settlements by removing a primary motivation for settlement: eliminating litigation risk by resolving the parties’ disputes and ending

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