

**UNITED STATES PATENT AND TRADEMARK OFFICE**

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**BEFORE THE PATENT TRIAL AND APPEAL BOARD**

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PRIME FOCUS CREATIVE SERVICES CANADA INC.,  
Petitioner,

v.

LEGEND3D, INC.,  
Patent Owner.

U.S. Patent No. 7,907,793.

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*Inter Partes* Review No.: IPR2016-01243

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**JOINT MOTION TO TERMINATE PROCEEDINGS**

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Patent Trial and Appeal Board  
U.S. Patent and Trademark Office  
P.O. Box 1450  
Alexandria, VA 22313-1450

## I. Statement of Relief Requested

On June 12, 2018, the Board, by email, authorized the parties to file a Joint Motion to Terminate and Joint Request to File Settlement Agreement as Business Confidential Information, within 15 days.

Pursuant to the Board's authorization, as well as 35 U.S.C. § 317(a), 37 C.F.R. § 42.72, and 37 C.F.R. § 42.74, Petitioner and Patent Owner jointly move the Board to terminate the above captioned *inter partes* review (IPR) proceeding in its entirety as a result of settlement between Petitioner and Patent Owner.

The parties have settled all of their disputes involving U.S. Patent No. 7,907,793 ("the '793 Patent") or related to U.S. Patent No. 9,286,941 ("the '941 Patent"), which is a continuation-in-part of the '793 Patent. More specifically, the parties have agreed to jointly request termination of this proceeding and IPR2018-00803 related to the '941 Patent.<sup>1</sup> The parties have also agreed to settle and dismiss the related district court litigation (*Prime Focus Creative Services Canada Inc. v. Legend3D, Inc.*, Case No. 2:15-cv-02340-MWF-PLA (C.D. Cal.)).

Petitioner represents that it will no longer participate in this *inter partes* review and will file no further papers. No litigation proceeding involving the '793 Patent or the '941 Patent is contemplated by the parties in the foreseeable future.

Pursuant to the Board's June 12, 2018 authorization email and 37 C.F.R. § 42.74(b), the parties' settlement agreement and any collateral agreements made in contemplation of termination of the proceeding are in writing, and true and correct copies of such documents are being filed herewith as Exhibit 1041 (Confidential).

Pursuant to the Board's June 12, 2018 authorization email and 37 C.F.R. § 42.74(c), the parties are filing concurrently herewith a separate request that the

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<sup>1</sup> The parties are submitting a Joint Motion to Terminate Proceedings in each of IPR2016-01243 and IPR2018-00803.

settlement agreement being filed herewith (Ex. 1041 (Confidential)) be treated as business confidential information and be kept separate from the files of the involved patent. *See also* 35 U.S.C. 317(b). The parties also hereby jointly request that the settlement agreement be treated as business confidential information and be kept separate from the files of the involved patents. *See* 35 U.S.C. 317(b), 37 C.F.R. § 42.74(c).

## **II. Statement of Facts**

Petitioner filed this IPR petition on June 21, 2016. On December 18, 2017, the Board issued its Final Written Decision (Paper 54). On January 16, 2018, Petitioner filed a request for rehearing (Paper 55, *see also* Papers 57-58). The Board has not yet issued a decision on Petitioner's request for rehearing.

In June 2018, Petitioner and Patent Owner entered into a settlement agreement. *See* Ex. 1041 (Confidential). Under the terms of the settlement agreement, Petitioner agreed to terminate IPR No. IPR2016-01243.

## **III. Related District Court Litigation**

The '793 Patent is currently the subject of the following ongoing litigation: *Prime Focus Creative Services Canada Inc. v. Legend3D, Inc.*, Case No. 2:15-cv-02340-MWF-PLA (C.D. Cal.), which is stayed and which, under the terms of the settlement, the parties have agreed to request dismissal of all claims and counterclaims related to the '793 or '941 Patent with prejudice. There are no additional parties in the related district court litigation, and there is no other litigation involving the '793 Patent or the '941 Patent.

## **IV. Related *Inter Partes* Review**

Petitioner filed IPR2018-00803 related to the '941 Patent, which is a continuation-in-part of the '793 Patent. The parties are also jointly moving to terminate that IPR, concurrently with this Joint Motion.

## V. Joint Statement Regarding Why Termination Is Appropriate

Section 317(a) provides: “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.” 35 U.S.C. § 317(a). It further provides: “If no petitioner remains in the inter partes review, the Office may terminate the review or proceed to a final written decision under section 318(a).” *Id.* Similarly, 37 C.F.R. § 42.72 provides that “[t]he Board may terminate a trial without rendering a final written decision, where appropriate, including where the trial is consolidated with another proceeding or pursuant to a joint request under 35 U.S.C. 317(a).” The Trial Practice Guide additionally counsels that “[t]here are strong public policy reasons to favor settlement between the parties to a proceeding” and that the Board “expects that a proceeding will terminate after the filing of a settlement agreement, unless the Board has already decided the merits of the proceeding. 35 U.S.C. 317(a), as amended, and 35 U.S.C. 327.” Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,768 (Aug. 14, 2012).

Petitioner represents that it will no longer participate in this *inter partes* review and will file no further papers. On June 9, 2018, Petitioner informed the Board by email that the parties agreed to settle. The parties have settled all their disputes involving the ‘793 Patent and the ‘941 Patent, including all related litigation and United States Patent Office proceedings. On June 12, 2018, the Board authorized the parties to file this Joint Motion as well as the Joint Request the parties are filing concurrently herewith. No further litigation proceeding involving the ‘793 Patent or the ‘941 Patent is contemplated by the parties in the foreseeable future.

**A. The Board Should Terminate This IPR Proceeding In Its Entirety**

The Board should terminate the proceedings with respect to Prime Focus, the sole Petitioner in this proceeding. Moreover, because no petitioner remains after termination with respect to Prime Focus, the Board should exercise its discretion and terminate review in its entirety under 35 U.S.C. § 317 and 37 C.F.R. §§ 42.72, 42.74.

In the past, the Board has terminated the entire proceedings based on joint motions to terminate even after the merits had been fully briefed and the matter was ready for oral argument and even after oral argument. *See, e.g., Toyota Motor Corp. v. Blitzsafe Tex. LLC*, IPR2016-00421, Paper 28 (Feb. 21, 2017) (granting motion to terminate even after all substantive papers were filed, “particularly in light of the fact that a final written decision is not due until more than four months from now”); *Plaid Techs., Inc. v. Yodlee, Inc.*, IPR2016-00273, Paper 29 (Feb. 8, 2017) (granting motion to terminate because “the parties’ joint motions to terminate were filed prior to the oral hearings in these cases”); *Apex v. Resmed*, IPR201-00512, Paper 39 (Sept. 12, 2014) (granting joint motion to terminate after the parties had fully briefed the matter); *Rackspace Hosting, Inc. v. Clouding IP, LLC*, CBM2014-00034, Paper 28 (Dec. 9, 2014) (granting motion to terminate after close of evidentiary record and less than ten days before trial); *Volution v. Versata Software*, CMB2013-00018, Paper 52 (June 17, 2014) (granting motion to terminate after oral argument).

The Board has not yet issued its decision on Petitioner’s request for rehearing. Accordingly, termination of the entire proceeding would save the Board administrative resources. Additionally, termination of the entire proceeding would also reduce the burden on the parties.

**B. Written Settlement Statement**

Pursuant to 37 C.F.R. §§ 42.74(b), 42.74(c), the parties are filing herewith as Exhibit 1041 (Confidential) a true copy of the settlement agreement entered between

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