

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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NETFLIX, INC. &  
ROKU, INC.

Petitioner,

v.

CONVERGENT MEDIA SOLUTIONS, LLC,

Patent Owner.

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*INTER PARTES* REVIEW OF U.S. PATENT NO. 8,850,507  
Case IPR No.: IPR2016-01761

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**JOINT MOTION OF PETITIONERS AND PATENT OWNER TO TERMINATE  
PROCEEDING PURSUANT TO 35 U.S.C. §317 AND 37 C.F.R. §42.74**

### STATEMENT OF PRECISE RELIEF REQUESTED

Pursuant to 35 U.S.C. § 317, 37 C.F.R. § 42.74, and the Board's authorization provided on April 28, 2017, Petitioners Netflix, Inc. and Roku, Inc. ("Petitioner") and Patent Owner Convergent Media Solutions, LLC ("Patent Owner" or "CMS") (collectively, the "Parties") jointly request termination of *Inter Partes* Review No. IPR2016-01761 pursuant to settlement. As there are no other petitioners in this proceeding and the proceeding is still at an early stage, the Parties respectfully submit that termination of this proceeding is appropriate.

### STATEMENT OF FACTS

Petitioner filed their petition in this proceeding for *Inter Partes* Review of U.S. Patent No. 8,850,507 (the "'507 Patent") on September 8, 2016. On April 3, 2017, AT&T Services, Inc. filed an IPR petition and Motion for Joinder challenging the '507 Patent, IPR2017-01235. AT&T Services, Inc. is otherwise time barred, under 35 U.S.C. §315(b), from challenging the '507 Patent via IPR. No other petitions related to the '507 Patent are pending.

Patent Owner elected not to file a Preliminary Response. Petitioner and Patent Owner have reached a Settlement Agreement to end their disputes in this proceeding and the underlying litigation. Pursuant to 35 U.S.C. §317(b) and 37 C.F.R. §42.74(b), the agreement between the Parties is in writing, constitutes

the entire understanding and agreement between the Parties, and a copy of the Settlement Agreements are submitted herewith as Exhibits 2001 (Netflix) and 2002 (Roku).

The Parties jointly request that the Settlement Agreements filed as Exhibits 2001 and 2002 be treated as business confidential information and kept separate from the underlying patent file, as provided in 35 U.S.C. §317(b) and 37 C.F.R. §42.74(c), to maintain confidentiality of the settlement agreement.

### **ARGUMENT**

A joint motion to terminate generally “must (1) include a brief explanation as to why termination is appropriate; (2) identify all parties in any related litigation involving the patents at issue; (3) identify any related proceedings currently before the Office, and (4) discuss specifically the current status of each such related litigation or proceeding with respect to each party to the litigation or proceeding.” *Heartland Tanning, Inc. v. Sunless, Inc.*, IPR2014-00018, Paper 26 at 2 (PTAB Jul. 28, 2014).

The Board should terminate this proceeding as the Parties jointly request, for the following reasons.

1. Brief Explanation as to Why Termination Is Appropriate

The Parties have met the statutory requirement that they file a “joint request”

to terminate before the office “has decided the merits of the proceeding.” 35 U.S.C. §317(a). The proceeding is still at an early stage. Patent Owner elected not to file a Preliminary Response. The Board entered an institution decision as to claims 1-17 on two grounds. Patent Owner’s Response is due on June 6, 2017.

The Parties have reached a settlement as to the ’507 Patent to end this dispute. A copy of the confidential Settlement Agreement pertaining to this case is filed concurrently herewith. *See Exs. 2001 and 2002.* The Parties further jointly certify that there is no other agreement or understanding between them, including any other collateral agreements, made in connection with, or in contemplation of, the termination of the instant proceeding as set forth in 35 U.S.C. §317(b).

The Parties respectfully submit that termination of this proceeding is appropriate because (a) this proceeding is at an early stage and no motions are outstanding; (b) the Parties have reached agreement to end their dispute concerning the ’507 Patent; (c) the Parties have agreed to dismiss the related district court litigation between themselves with respect to the ’507 Patent; (d) the Parties agree that this *Inter Partes* Review should be terminated; and (e) termination of this proceeding will preserve the Board’s resources and obviate the need for any more Board involvement in the present proceeding.

2. Identity and Status of Parties in Related Litigation Involving the Patent

The '507 Patent was in dispute against Petitioners in *Convergent Media Solutions, LLC v. Netflix, Inc.*, No. 3:15-cv-02160-M (N.D. Tex.) and *Convergent Media Solutions, LLC v. Roku, Inc.*, No. 3:15-cv-02163-M (N.D. Tex.). These cases have been dismissed pursuant to the settlement agreements between the Parties. These cases were consolidated for pre-trial purposes with lead case *Convergent Media Solutions, LLC v. AT&T, Inc.* 3:15-cv-2156-M (N.D. Tex.), which is still on-going. There are no other current or contemplated pending litigation proceedings involving the '507 Patent.

3. Identity and Status of Any Related Proceedings Before the Office

On April 3, 2017, AT&T Services, Inc. filed an IPR petition and Motion for Joinder challenging the '507 Patent, IPR2017-01235. AT&T Services, Inc. is otherwise time barred, under 35 U.S.C. §315(b), from challenging the '507 Patent via IPR. No other petitions related to the '507 Patent are pending.

**CONCLUSION**

For at least the foregoing reasons, Petitioner and Patent Owner respectfully request termination of this *Inter Partes* Review.

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