

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ZTE (USA) INC.,

Petitioner,

v.

Papst Licensing GmbH & Co. KG

Patent Owner.

Case No. IPR2017-00415¹

Patent No. 6,895,449 B2

**JOINT MOTION TO TERMINATE
WITH RESPECT TO ZTE (USA), INC. AND PAPST LICENSING GMBH &
CO. KG PURSUANT TO 35 U.S.C. § 317 AND 37 C.F.R. § 42.74**

¹ Case IPR2017-01617 has been joined with this proceeding.

Pursuant to 35 U.S.C. § 317, 37 C.F.R. §§ 42.72 and 42.74, and the Board's authorization of January 2, 2018, Petitioner ZTE (USA), Inc. ("ZTE") and Patent Owner Papst Licensing GmbH & Co. KG ("Patent Owner" or "Papst") jointly move to terminate the present *inter partes* review proceeding with respect to ZTE and Papst in light of Patent Owner Papst and Petitioner ZTE's settlement of their dispute regarding U.S. Patent No. 6,895,449 ("the '449 patent").

ZTE and Patent Owner are concurrently filing a true and complete copy of their written Settlement Agreement (Confidential Exhibit 2012) in connection with this matter as required by the statute. ZTE and Patent Owner certify that there are no other agreements or understandings, oral or written, between the parties, including any collateral agreements, made in connection with, or in contemplation of, the termination of the present proceeding with respect to ZTE and Patent Owner. A joint request to treat the Settlement Agreement as business confidential information kept separate from the file of the involved patent pursuant to 35 U.S.C. § 317(b) is being filed concurrently.

LEGAL STANDARD

An *inter partes* review proceeding “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). 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 No. 26, at *2 (P.T.A.B. July 28, 2014).

ARGUMENT

Termination of the present *inter partes* review proceeding with respect to ZTE and Papst is appropriate because (1) ZTE and Papst have settled their dispute regarding the '449 patent and have agreed to terminate the proceeding with respect to ZTE and Papst, (2) the Office has not yet decided the merits of the proceeding, and (3) public policy favors the termination.

First, the Settlement Agreement completely resolves the controversy between Patent Owner and ZTE relating to the '449 patent. ZTE (USA), Inc. and ZTE Corporation were named defendants in *Papst Licensing GmbH & Co. KG v.*

Apple Inc., No. 6:15-cv-1095-RWS (E.D. Tex) and the consolidated case *Papst Licensing GmbH & Co. KG v. ZTE Corporation and ZTE (USA), Inc.*, No. 6:15-cv-1100-RWS (E.D. Tex.). On December 29, 2017, ZTE and Patent Owner filed a joint motion to dismiss with prejudice all asserted claims against the ZTE entities and all asserted counterclaims by the ZTE entities.

Second, the Office has not decided the merits of the proceeding. Although the Board has instituted trial (Paper 8), the proceeding is still in the briefing stage and there is no determination of whether an oral hearing will occur.

Third, public policy favors the termination. As recognized by the rules of practice before the Board:

There are strong public policy reasons to favor settlement between the parties to a proceeding. The Board will be available to facilitate settlement discussions, and where appropriate, may require a settlement discussion as part of the proceeding. 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.

Patent Office Trial Practice Guide, Fed. Register, Vol. 77, No. 157 at 48768 (Aug. 14, 2012). Moreover, no public interest or other factors militate against termination of this proceeding with respect to ZTE and Papst as no parties remain in the proceeding.

As to the remaining *Heartland Tanning* requirements, Exhibit A identifies each district court litigation that involves the '449 patent or any related patents and discusses the current status of these related litigations. Exhibit B identifies all petitions for *Inter Partes* Review that have been filed against the '449 patent or any related patent and discusses the status of each.

CONCLUSION

For the foregoing reasons, ZTE and Patent Owner jointly and respectfully request that the instant proceeding be terminated with respect to both Petitioner ZTE and Patent Owner Papst.

Date: January 8, 2018

Respectfully submitted,

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