

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ZTE (USA) INC.,
SAMSUNG ELECTRONICS CO., LTD., AND
SAMSUNG ELECTRONICS AMERICA, INC.,
Petitioners,

v.

PAPST LICENSING GMBH & CO. KG
Patent Owner.

Case IPR2017-00714¹
Patent 6,470,399

**JOINT MOTION TO TERMINATE WITH RESPECT TO
ZTE (USA) INC.²
PURSUANT TO 35 U.S.C. § 317 AND 37 C.F.R. § 42.74**

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Patent Trial and Appeal Board
United States Patent and Trademark Office
P.O. Box 1450
Alexandria, Virginia 22313-1450

¹ Case IPR2017-01808 has been joined with this proceeding.

² ZTE Corporation was identified as a Real-Party-in-Interest in the Corrected Petition, but was not in fact, nor was it listed in the case caption as a Petitioner. However, the Decision on Institution (Paper 10) included ZTE Corporation in the caption as a Petitioner. ZTE USA is the only ZTE entity who is properly a petitioner, and ZTE USA requests that the record be corrected to reflect this fact. The remainder of this pleading will therefore refer to ZTE USA and includes all ZTE entities who are actually a Petitioner.

Pursuant to 35 U.S.C. § 317, 37 C.F.R. §§ 42.72 and 42.74, and the Board's authorization of January 9, 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 in light of Patent Owner and ZTE's settlement of their disputes.

ZTE and Patent Owner are concurrently filing a true and complete copy of their written Settlement Agreement in connection with this matter as required by 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. 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 is appropriate because (1) ZTE and Patent Owner have settled their disputes and have agreed to terminate the proceeding with respect to ZTE, (2) the Office has not yet decided the merits of the proceeding, (3) the termination with respect to ZTE will not materially affect the proceeding, and (4) public policy favors the termination.

First, the Settlement Agreement completely resolves the controversy between Patent Owner and ZTE relating to the '399 patent. ZTE (USA) Inc. and ZTE

Corporation, which are two of the real parties in interest in the present proceeding, 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, although the Board has instituted trial (Paper 10), the Office has not decided the merits of the proceeding.

Third, the termination with respect to ZTE will not materially affect the proceeding. ZTE's co-petitioner Samsung will remain a petitioner in this proceeding. Samsung has already taken a lead role in this proceeding in view of the settlement between ZTE and Papst. The proceeding is therefore expected to continue with Samsung as the remaining petitioner.

Fourth, 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.

As to the remaining *Heartland Tanning* requirements, Exhibit A identifies each district court litigation that involves the '399 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 '399 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 ZTE.

Date: January 12, 2018

Respectfully submitted,

By: /Nicholas T. Peters/
Nicholas T. Peters
Registration No. 53,456
Paul B. Henkelmann
Registration No. 65,891
FITCH, EVEN, TABIN & FLANNERY,
LLP
120 S. LaSalle Street, Suite 1600
Chicago, IL 60603

*Attorneys for Patent Owner Papst
Licensing GmbH & Co. KG*

By: /Scott R. Miller/

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