

Paper No. 49

Filed: August 13, 2020

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAMSUNG ELECTRONICS CO., LTD. AND
SAMSUNG ELECTRONICS AMERICA, INC.
PETITIONER,

V.

IMAGE PROCESSING TECHNOLOGIES LLC
PATENT OWNER.

CASE IPR2017-01218

PATENT 8,983,134

BEFORE JONI Y. CHANG, MIRIAM L. QUINN, AND SHEILA F. MCSHANE,
ADMINISTRATIVE PATENT JUDGES.

JOINT MOTION TO TERMINATE PROCEEDING

I. INTRODUCTION

Petitioner Samsung Electronics Co., Ltd. and Samsung Electronics America, Inc., and Patent Owner Image Processing Technologies LLC have fully executed a settlement agreement in writing that resolves all underlying disputes between the parties, including this proceeding. In an email dated August 6, 2020, the Board authorized the parties to file a joint motion to terminate this *inter partes* review. As required by the Board and by 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(b), the parties jointly certify that they are submitting herewith a true, fully executed copy of the settlement agreement along with a joint request to file that settlement agreement as business confidential information designated “Parties and Board Only,” as authorized by the Board in its August 6, 2020 email and by 37 C.F.R. § 42.74(c). The parties also jointly certify that aside from the settlement agreement filed herewith, there are no collateral agreement or understandings made in connection with, or in contemplation of, the termination of this proceeding.

II. STATUS OF PROCEEDINGS

A Final Written Decision was issued in the present proceeding on September 28, 2018, Paper No. 40. Patent Owner filed a Notice of Appeal on January 11, 2019, and Petitioner filed a Notice of Cross Appeal on January 25, 2019. On October 31, 2019, the Federal Circuit issued a decision in *Arthrex, Inc. v. Smith & Nephew, Inc.*, 941 F.3d 1320 (Fed. Cir. 2019), vacating multiple PTAB decisions,

including this one. On May 1, 2020, the Board entered a General Order holding this case, among others, in abeyance until the Supreme Court acts on a petition for certiorari of the Federal Circuit's *Arthrex* decision.

The following are the only proceedings between the parties in the United States, or that involve the subject patent:

District Court Case	U.S. Patent Nos.	Status
<i>Image Processing Technologies LLC v. Samsung Electronics Co., Ltd. and Samsung Electronics America, Inc.</i> , Case No. 2:16-CV-00505-JRG (E.D. Tex.)	8,983,134 8,805,001 8,989,445 6,959,293 7,650,015	Order dismissing case with prejudice and closing case entered on August 6, 2020

USPTO Action	U.S. Patent No.	Status
IPR2017-01218	8,983,134	Subject of this joint motion to terminate
IPR2017-00353	8,983,134	Joint motion to terminate filed concurrently with this motion
IPR2017-00347	8,805,001	Terminated
IPR2017-01228	8,805,001	Terminated
IPR2017-00357	8,989,445	Terminated
IPR2017-01212	8,989,445	Terminated
IPR2017-01217	8,989,445	Terminated
IPR2017-00355	7,650,015	Terminated
IPR2017-01231	7,650,015	Terminated
IPR2017-00336	6,959,293	Terminated
IPR2017-01189	6,959,293	Terminated
90/014,056	6,959,293	Certificate Issued

III. RELIEF REQUESTED

Petitioner and Patent Owner jointly request that the Board terminate this proceeding in its entirety. Termination is appropriate at this stage in view of the settlement agreement the parties are filing herewith. The agreement ends all patent disputes between the parties, including this proceeding.

Both Congress and the 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 [Federal Rule of Civil Procedure] 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 U.S. Court of Appeals for the Federal Circuit also places a particularly strong emphasis on settlement. *See Cheyenne River Sioux Tribe v. U.S.*, 806 F.2d 1046, 1050 (Fed. Cir. 1986) (noting that the law favors settlement to reduce antagonism and hostility between parties). Moreover, the Board generally expects that a proceeding will terminate after the filing of a settlement. *See, e.g., Office Patent Trial Practice Guide*, 77 Fed. Reg. 48,756, 46,768 (Aug. 14, 2012). While the Board did issue a Final Written Decision in this case, that decision has been vacated based on the Constitutional issue decided in *Arthrex*, meaning that a new panel and new trial could be required here. There is no public policy reason to allow this proceeding to continue, however, as there are over 100 other PTAB

proceedings similarly situated and this proceeding presents no unique circumstances with respect to the issues in *Arthrex*.

Maintaining this proceeding after Petitioner's settlement with Patent Owner would discourage future settlements by removing a primary motivation for settlement: eliminating litigation risk by resolving the parties' disputes and ending the pending proceedings between them. For patent owners, litigation risks include the potential for an invalidity ruling against their patents. If a patent owner knows that an *inter partes* review or covered business method review will likely continue regardless of settlement, it creates a strong disincentive for the patent owner to settle.

IV. CONCLUSION

For the foregoing reasons, Petitioner and Patent Owner jointly request that the Board terminate this proceeding in its entirety.

Respectfully submitted,

Dated: August 13, 2020

By: /s/ Nicholas J. Whilt
Nicholas J. Whilt
Reg. No. 72,081

*Counsel for Petitioner Samsung
Electronics Co., Ltd. and Samsung
Electronics America, Inc.*

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