

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

HTC CORPORATION, HTC AMERICA, Inc.
ZTE CORPORATION, and ZTE (USA), Inc., Petitioners,

v.

CELLULAR COMMUNICATIONS EQUIPMENT LLC,

Patent Owner

Case IPR2017-01508
U.S. Patent No. 8,385,966

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

I. Introduction

Pursuant to 35 U.S.C. § 317(a) and 37 C.F.R. § 42.74(a), Petitioners ZTE Corporation, and ZTE (USA), Inc. (“Petitioners” or “ZTE”) and Patent Owner Cellular Communications Equipment LLC (“CCE”) (collectively, “the Parties”) jointly request termination of *inter partes* review of U.S. Patent No. 8,385,966 (“the ‘966 Patent”). The filing of this request was authorized by Supervisory Paralegal Specialist Eric W. Hawthorne on September 10, 2018.

II. Statement of Facts

ZTE and CCE have reached a Settlement Agreement to end their disputes in this proceeding, a related IPR proceeding (No. IPR2017-01509), and the underlying litigation in the Eastern District of Texas (*Cellular Communications Equipment LLC v. ZTE Corporation, et al.*, 6:16-cv-00476-RWS-KNM (E.D. Tex.)). The ‘966 Patent is not presently asserted in any other pending litigation.

A true and correct copy of the Agreement is filed separately and concurrently with this motion as Exhibit 2016, along with a request to treat the Agreement as business confidential information under 37 C.F.R. § 42.74(c). Exhibit 2016 is being filed electronically as “Board Only.” There are no other agreements, oral or written, between the parties made in connection with, or in contemplation of, the termination of this proceeding.

III. Relief Requested

Termination of this *inter partes* review is requested, and the parties respectfully submit that such termination is appropriate. The relevant statutory provision on settlement provides that an *inter partes* review “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). Here, the Board has not yet decided the merits of the present *inter partes* review proceeding, and so under 35 U.S.C. § 317(a) the proceeding should be terminated upon this joint request.

In previous proceedings, the Board has granted joint motions to terminate even when a proceeding was at a late stage, such as after oral argument. For example, in *Clio USA, Inc. v. The Procter & Gamble Co.*, the Board terminated the proceeding after the oral hearing had already occurred because the Board had “not yet decided the merits of this proceeding.” *Clio USA, Inc. v. The Procter & Gamble Co.*, IPR2013-00438, Paper 57 at 2 (PTAB Oct. 31, 2014); *see also Apple Inc. v. Nagravision SA*, Case IPR2015-00971, Paper 30 at 2-3 (PTAB Sept. 7, 2016) (termination request granted after oral hearing). Additionally, in *Blackberry Corp., et al. v. MobileMedia Ideas, LLC*, the Board agreed to terminate the proceeding with respect to the petitioner nearly three months after the oral hearing. *Blackberry Corp.,*

et al. v. MobileMedia Ideas, LLC, IPR2013-00036, Paper 64 at 2-3 (PTAB Jan. 21, 2014). As such, even though the oral hearing has occurred in this proceeding, the parties respectfully submit that it is appropriate to terminate the proceeding under § 317(a).

Additionally, termination of this proceeding would further the underlying purpose of *inter partes* review, which is to provide an efficient and less costly alternative forum for patent disputes. Maintaining the proceeding as to ZTE, however, would discourage further settlements, as patent owners in similar situations would have a strong disincentive to settle if they perceived that an *inter partes* review would nevertheless continue with respect to a petitioner that has settled. Indeed, the Board has stated an expectation that proceedings such as these will be terminated after the filing of a settlement agreement: “[t]here are strong public policy reasons to favor settlement between the parties to a 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. 35 U.S.C. 317(a), as amended....” Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,768 (Aug. 14, 2012).

For at least these reasons, termination of this proceeding is warranted.

IV. Conclusion

For the foregoing reasons, the Parties respectfully request termination of the *inter partes* review of U.S. Patent No. 8,385,966, Case No. IPR2017-01508.

Dated: September 10, 2018

Respectfully submitted,

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