Paper 12

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

DYNACRAFT BSC, INC.,
Petitioner,

v.

MATTEL, INC.,
Patent Owner.

Case IPR2018-00038
Patent 7,222,684

JOINT MOTION FOR TERMINATION

Petitioner Dynacraft BCS, Inc. ("Petitioner") and Patent Owner Mattel, Inc. ("Patent Owner") jointly request termination of IPR2018-00038 ("IPR '38") directed to U.S. Patent No. 7,222,684 ("the '684 patent") under 35 U.S.C. § 317(a) and 37 C.F.R. § 42.72.

On October 9, 2017, Petitioner filed four petitions for *inter partes* review of the '684 patent (IPR '38), U.S. Patent No. 7,950,978 ("the '978 patent") (IPR2018-00039 ("IPR '39")), U.S. Patent No. 7,487,850 ("the '850 patent") (IPR2018-00040 ("IPR '40")), and U.S. Patent No. 7,621,543 ("the '543 patent") (IPR2018-00042 ("IPR '42")). On April 17, the Board instituted *inter partes* review in IPRs '38, '39, and '40 and denied institution in IPR '42. No final written decision on the merits has been entered in IPRs '38, '39, and '40. The Parties have settled all of their disputes relating to the '684, '978, '850, and '543 patents and reached an agreement to terminate IPRs '38, '39, and '40.

The Parties' settlement agreement has been made in writing, and a true copy of it is being filed concurrently as Exhibit 1019. No other agreements, written or oral, exist between or among the Parties. The Parties jointly request that the settlement agreement be treated as business confidential information under 37 C.F.R. § 42.74(c) and be kept separate from the files of the above captioned *inter partes* review proceeding under 35 U.S.C. § 317(b) and 37 C.F.R § 42.74(c). In

view of that request, the settlement agreement has been filed for access by the "Parties and Board Only."

As stated in 35 U.S.C. § 317(a), because Petitioner and Patent Owner jointly request termination with respect to Petitioner, no estoppel under 35 U.S.C. § 315(e) shall attach to Petitioner. As stated in 37 C.F.R. § 42.73(d)(3), because no adverse judgment has been entered as to Patent Owner, no estoppel shall attach to Patent Owner.

I. Reasons Why Termination Is Appropriate

Termination is proper under 35 U.S.C. § 317(a) because the Parties are jointly requesting termination and the Office has not yet "decided on the merits of the proceeding before the request for termination is filed." Here, no decision on the merits has been made. Accordingly, the Parties are entitled to terminate this proceeding under § 317(a) upon their joint request.

Concluding these proceedings at this early juncture as to all Parties promotes the Congressional goal of establishing a more efficient and streamlined patent system that limits unnecessary and counterproductive litigation costs. Permitting termination upon settlement provides increased certainty as to the outcome of these proceedings and helps promote settlement and create a timely, cost-effective alternative to litigation. *See*, "Changes to Implement *Inter Partes* Review Proceedings, Post-Grant Review Proceedings, and Transitional Program for

Covered Business Method Patents," Final Rule, 77 Fed. Reg., no. 157, p. 48680 (Tuesday, August 14, 2012).

II. Related District Court Litigation and Status

The '684, '978, '850, and '543 patents are the subject of concurrent litigation captioned *Fisher-Price, Inc. v. Dynacraft BSC, Inc.*, Case No. 4:17-cv-03745-PJH in United States District Court for the Northern District of California ("the Litigation"). The Litigation has been settled by the Parties and has been dismissed with prejudice according to the terms of the settlement agreement.

Respectfully submitted,

/ Larry L. Saret/
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Attorney for Patent Owner

Dated: July 30, 2018

Certificate of Service

Pursuant to 37 C.F.R. § 42.6, I hereby certify that a copy of the foregoing document was served by electronic mail upon the following:

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