

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

LOWE'S COMPANIES, INC.,
LOWE'S HOME CENTERS, LLC, and L G SOURCING, INC.,
Petitioners,

v.

NICHIA CORPORATION,
Patent Owner.

Case IPR2018-00066
Patent No. 7,915,631

**JOINT MOTION TO TERMINATE PROCEEDING
PURSUANT TO 35 U.S.C. § 317**

Pursuant to 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c), Patent Owner Nichia Corporation (“Patent Owner”) and Petitioners Lowe’s Companies, Inc., Lowe’s Home Centers, LLC, and L G Sourcing, Inc. (“Petitioners”) jointly move the Patent Trial and Appeal Board (“Board”) to terminate the following *inter partes* review proceeding in its entirety:

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On May 15, 2018, the parties notified the Board by email that they had agreed in principle to a settlement that would affect this IPR proceeding and were negotiating a definitive settlement agreement.

On June 13, 2018, the parties notified the Board by email that the parties had reached a final settlement and requested authorization to file the present motion. On June 15, 2018, the Board authorized the parties to do so. Pap.9. In support of the Motion to Terminate Proceeding, the parties state as follows:

Pursuant to 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(b), Petitioners and Patent Owner jointly file herewith a true copy of their confidential settlement agreement. Because the settlement agreement is confidential, the parties respectfully request that it be treated as business confidential information, kept separate from the underlying patent file, and made available only as provided in 35

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U.S.C. § 317(b) and 37 C.F.R. § 42.74(c). The parties have filed herewith a separate paper setting forth this request.

The statutory provision on a settlement relating to *inter partes* reviews 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.

This proceeding is in its early stages. This *inter partes* review was recently instituted on April 25, 2018. Pap. 7. No discovery has yet been requested or scheduled. The parties have settled their dispute and have agreed to file a stipulated dismissal in the district court litigation in which U.S. Patent No. 7,915,631 had been asserted (Case No. 5:16-cv-00142 (W.D.N.C.)).¹

¹ Patent Owner notes that an IPR petition filed by a different petitioner, VIZIO, Inc., challenging claims of the '631 patent is still pending at this time. *See VIZIO, Inc. v. Nichia Corporaion*, IPR2018-01100. However, by email correspondence to the Board dated June 12, 2018, Patent Owner and VIZIO jointly requested authorization to file a joint motion to terminate IPR2018-01100 in its entirety.

As noted above, the parties' settlement agreement has been made in writing, and a true and correct copy shall be filed with this Office as business confidential information pursuant to 35 U.S.C. § 317(b).

Because the Board has not decided the merits of this *inter partes* review proceeding, Section 317 provides that the proceeding should be terminated with respect to Petitioners. Moreover, because Lowe's Companies, Inc., Lowe's Home Centers, LLC, and L G Sourcing, Inc. are the only petitioners in the proceeding, once the proceeding is terminated with respect to them, no petitioner will remain in the *inter partes* review, and the Office may terminate the review in its entirety under Section 317. Patent Owner and Petitioners jointly submit that the Board should do so.

Because these proceedings were only recently instituted, termination would save significant expenditure of resources by the Board and would further the purpose of IPR proceedings to provide an efficient and less costly alternative forum for patent disputes (including by encouraging settlement). The Board has routinely terminated proceedings at the request of settling parties in cases that have progressed much further than the present proceeding, *see, e.g., Apex Medical Corp. v. Resmed Ltd.*, IPR2013-00512, Pap. 39, at 24 (Sept. 12, 2014) (granting motion to terminate in its entirety notwithstanding that instituted proceeding was fully briefed); *Volusion, Inc. v. Versata Software, Inc.*, CBM2013-00018, Pap. 52, at 2

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(June 17, 2014) (granting motion to terminate instituted proceeding in its entirety after final oral hearing); *see also ARM, Ltd. v. Godo Kaisha IP Bridge 1*, IPR2017-00527, Pap. 10, at 2-3 (May 12, 2017) (granting motion to terminate in its entirety after preliminary response but prior to institution). The parties respectfully request that the Board terminate this *inter partes* review proceeding in its entirety. Indeed, the Board has stated an *expectation* that proceedings such as this one 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. 48756, 48768 (Aug. 14, 2012) (emphasis added). For at least the reasons noted above, the Board’s expectation that such proceedings should be terminated is proper and well justified here.

III. CONCLUSION

Wherefore, Patent Owner and Petitioners respectfully request that the Board grant the parties’ joint motion to terminate Case No. IPR2018-00066 in its entirety and grant the request to treat the settlement agreement between the parties as business confidential information.

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