

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

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

v.

FUNDAMENTAL INNOVATION SYSTEMS INTERNATIONAL LLC,
Patent Owner.

Case IPR2018-00274
Patent No. 7,834,586

**JOINT MOTION TO DISMISS SAMSUNG FROM THE
PROCEEDING PURSUANT 35 U.S.C. § 317(a) AND 37 C.F.R. § 42.5(a)**

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U.S. Patent and Trademark Office
P.O. Box 1450
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I. Statement of Relief Requested

Pursuant to 35 U.S.C. § 317(a) and 37 C.F.R. § 42.5(a), and the Board's authorization via email on July 13, 2018, Petitioner Samsung Electronics Co., Ltd. and Samsung Electronics America, Inc. (collectively, "Samsung"), and Patent Owner, Fundamental Innovation Systems International LLC, jointly move that the Board dismiss Samsung from the above-captioned proceeding as a result of a settlement between Samsung and Patent Owner.

The parties are filing concurrently herewith a request that the settlement agreement between the parties, submitted as Exhibit 2015, be treated as business confidential information and be kept separate from the file of the involved patent, pursuant to 37 C.F.R. § 42.74(c).

The settlement agreement is being filed as "Only to Board" so that ZTE would not have access to it.

II. Statement of Facts

In February of 2017, Patent Owner brought a suit against Samsung in the United States District Court for the Eastern District of Texas (Civ. No. 2:17-cv-00145-JRG-RSP), asserting infringement of one or more claims of U.S. 7,834,586 (the "'586 Patent"). The '586 Patent is also the subject of civil action numbers 2:16-cv-01424-JRG-RSP (against LG Electronics, Inc. *et al.*) and 2:16-cv-01425-JRG-RSP (against Huawei) pending in the U.S. District Court for the Eastern

District of Texas, and Civil Action No. 3:17-cv-01827-N (against ZTE Corporation *et al.*) pending in the U.S. District Court for the Northern District of Texas.

Samsung and ZTE (USA) Inc. (“ZTE”) sought *inter partes* review of the ’586 Patent in this proceeding. Patent Owner filed its preliminary responses on June 8, 2018. The Board's institution decision is not due until September 8, 2018.

On July 6, 2018, Samsung and Patent Owner entered into a settlement agreement. *See* Ex. 2015 (Confidential). Pursuant to the terms of the settlement agreement, the parties agree, among other things, for Samsung to withdraw with prejudice from the above-captioned IPR proceeding.

III. Argument

A. Legal Standard

35 U.S.C. § 317(a) provides that “[a]n inter partes review instituted under this chapter 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.”

Moreover, “[t]he Board may determine a proper course of conduct in a proceeding for any situation not specifically covered by this part and may enter non-final orders to administer the proceeding.” 37 C.F.R. § 42.5(a). The Board may also “take up petitions or motions for decisions in any order, may grant, deny, or dismiss any petition or motion, and may enter any appropriate order.” 37 C.F.R.

§ 42.71(a). Hence, in the past, the Board has dismissed a pre-institution proceeding or allowed a party to withdraw from a pre-institution proceeding under 37 C.F.R. §§ 42.5(a) and 42.71(a). *Cf. Samsung Electronics Co., Ltd. v. Nvidia Corp.*, IPR2015-01270, Paper 11 (PTAB Dec. 9, 2015) (dismissing Samsung's petition pre-institution under 37 C.F.R. §§ 42.5(a) and 42.71(a)); *Borgwarner Emissions Systems, LLC v. Modine Manufacturing Co.*, IPR2018-00407, Paper 11 (PTAB, July 5, 2018) (dismissing petition pre-institution under 37 C.F.R. §§ 42.5(a) and 42.71(a)).

B. The Board Should Exercise Its Discretion and Dismiss Samsung from the Above-Captioned Proceeding

As noted in the Statement of Facts, Samsung and Patent Owner have settled their dispute. The Board has also yet to issue a decision on institution. Dismissing Samsung from the proceedings would effect the agreement between the Patent Owner and Samsung.

Dismissing Samsung from the proceedings would not prejudice ZTE because ZTE can continue litigating the merits of the case before the Board.

C. Status of Related Matters

The parties are filing herewith as Exhibit 2015 a true copy of settlement agreement entered between the parties on July 6, 2018. The settlement agreement was entered into in contemplation of dismissing Samsung from this proceeding and

Fundamental Innovation Systems International LLC v. Samsung Electronics Co., Ltd. et al., E.D. Tex., No. 2:17-cv-00145-JRG-RSP. This settlement agreement is the only agreement or understanding between Samsung and Patent Owner made in connection with, or in contemplation of dismissing Samsung. 37 C.F.R. § 42.74(b).

IV. Conclusion

Samsung and Patent Owner respectfully request that the Board grant the parties' Joint Motion to dismiss Samsung from the proceeding. The parties also request that the Board grant Samsung and Patent Owner's joint request to treat the settlement agreement between the parties as business confidential information and keep it separate from the file of the '586 Patent.

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