

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

PASON SYSTEMS USA CORP.,

Petitioner,

v.

AUTO-DRIL, INC.,

Patent Owner.

Patent No. 6,994,172

Issue Date: February 7, 2006

Title: WELL DRILLING CONTROL SYSTEM

Case IPR: 2016-00624

**PASON SYSTEMS USA CORP. AND AUTO-DRIL, INC.'s JOINT
MOTION TO TERMINATE PROCEEDING PURSUANT TO
35 U.S.C. § 317**

Pursuant to 35 U.S.C. § 317(a), Petitioner Pason Systems USA Corp. (“Pason”) and Patent Owner Auto-Dril, Inc. (“Auto-Dril”) (collectively, “the Parties”) jointly request termination of the *Inter Partes* Review of U.S. Patent No. 6,994,172, Case No. IPR2016-00624 based on a resolution between the Parties.

I. Reasons for Granting the Motion

Generally, the Board expects that a proceeding will terminate after the filing of a joint motion to terminate. *See, e.g.*, Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,768 (Aug. 14, 2012). Pursuant to 37 C.F.R. § 42.20(b), the Petitioner sought prior authorization from the Board to file this request on April 12, 2016. The Board gave the Parties authorization to file this request via email on April 19, 2016. Case No. IPR2013-00428, Paper No. 56 provides guidance as to the content of a motion to terminate. There, the Board indicates that a joint motion, such as this one, should (a) include a brief explanation as to why termination is appropriate; (b) identify all parties in any related litigation involving the patent at issue; (c) identify any related proceedings currently before the Office, and (d) discuss specifically the current status of each such related litigation or proceeding with respect to each party to the litigation or proceeding. *Id.* at 2. This motion satisfies each of the above requirements and is accompanied by a copy of the Parties’ Confidential Global License and Dismissal Agreement (“the Agreement”), as required by 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(b).

A. Brief Explanation of Why Termination is Appropriate

Termination is appropriate because a final written decision has not been reached in this proceeding. Pason filed its petition for Inter Partes review on February 16, 2016. Auto-Dril has not filed a preliminary response, and one is not due until May 16, 2016. This *Inter Partes* review has not been instituted.

Termination of this proceeding is appropriate because Petitioner will no longer be participating in this proceeding, and the Board has not decided the merits of the proceeding. The Parties have reached an agreement to terminate this *Inter Partes* review, which is memorialized in their Agreement. The Agreement also terminates the Parties' related district court litigation regarding the '172 Patent: *Auto-Dril, Inc. v. Pason Systems USA Corp.*, Civil Action No. 4:16-cv-00293 in United States District Court for the Southern District of Texas – Houston Division (consolidated for pretrial purposes under lead case *Auto-Dril Inc. v. National Oilwell Varco, L.P.*, Civil Action No. 4:16-cv-00280). This district court litigation was dismissed per the Parties' Agreement on April 6, 2016.

B. All Parties in Any Pending Related Litigation Involving the Patent at Issue

In addition to Petitioner, National Oilwell Varco, L.P. and Canrig Drilling Technology, Ltd. are defendants in two related patent infringement actions styled *Auto-Dril, Inc. v. National Oilwell Varco, L.P.*, Civil Action No. 4:16-cv-00280, and *Auto-Dril, Inc. v. Canrig Drilling Technology, Ltd.*, Civil Action No. 4:16-cv-

00287, both currently pending in United States District Court for the Southern District of Texas (consolidated for pretrial purposes under lead case *Auto-Dril Inc. v. National Oilwell Varco, L.P.*, Civil Action No. 4:16-cv-00280). The Agreement to terminate the district court litigation only includes termination as to Petitioner, and not to National Oilwell Varco, L.P. and Canrig Drilling Technology, Ltd.

In addition, National Oilwell Varco, L.P. and Patent Owner are also parties in a related civil action styled *National Oilwell Varco, L.P. v. Auto-Dril, Inc.*, Civil Action No. 5:15-cv-27 currently pending in United States District Court for the Eastern District of Texas.

C. Related Proceedings Currently Before the Office

There is no other pending *inter partes* review proceeding involving the '172 Patent.

D. Current Status of Each Such Related Litigation or Proceeding With Respect to Each Party to the Litigation or Proceeding

Sections II.B and C above indicate the status of each related litigation or proceeding with respect to each.

II. Confidential Global License and Dismissal Agreement

Pursuant to 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(b), the Parties' Agreement is in writing, and a true and correct copy is being filed concurrently

herewith as Exhibit 1018.¹ The Parties are also filing concurrently herewith a joint request under 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c) to treat the Agreement as business confidential information and keep it separate from the files of the '172 Patent.

III. Conclusion

For all of these reasons, Pason and Auto-Dril respectfully request termination of the *Inter Partes* Review of U.S. Patent No, 6,994,172, Case No. IPR2016-00624.

Dated: April 20, 2016

Respectfully submitted,

ARNOLD, KNOBLOCH &
SAUNDERS, L.L.P.

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**ATTORNEY FOR PETITIONER
PASON SYSTEMS USA CORP.**

¹ The Agreement is being filed via the Patent Review Processing System (PRPS) with access to "Parties and Board only."

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