UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

LG Electronics, Inc.,

Petitioner

v.

Broadcom Corporation,

Patent Owner

Case IPR2017-01544
Patent No. 7,342,967

JOINT MOTION TO TERMINATE PROCEEDING PURSUANT TO 35 U.S.C. § 317 and 37 C.F.R. § 42.74

Pursuant to 35 U.S.C. § 317 and 37 C.F.R. § 42.74, and the Board's email correspondence of April 6, 2018, authorizing filing of this paper, Petitioner LG Electronics, Inc. ("Petitioner") and Patent Owner Broadcom Corporation ("Patent Owner") jointly move to terminate the present *inter partes* review proceeding, in light of the parties' resolution of their dispute relating to U.S. Patent No. 7,342,967 (the "'967 Patent").

Termination is appropriate in the instant proceeding because the dispute between the parties has been resolved and because full termination would encourage settlement of Patent Office proceedings, consistent with federal judicial preference and the management of limited judicial and Patent Office resources.

As required by 35 U.S.C. § 317(b), the parties are filing, concurrently herewith, a true copy of their Settlement Agreement (executed on March 30, 2018) as Exhibit 1015.[1] Pursuant to Paragraphs 1.01 and 1.02 of the Settlement Agreement, Petitioner and Patent Owner jointly agreed to terminate this proceeding. Accordingly, the parties jointly request that this proceeding be terminated under 35 U.S.C. § 317(a) and 37 C.F.R. § 42.74. *See, e.g., Rackspace US, Inc., et. al v. PersonalWeb Technologies, LLC, et al.*, IPR2014-00057, Paper

[1] The Settlement Agreement has been filed electronically via E2E for "Parties and Board Only" to preserve confidentiality.

No. 32 (PTAB October 6, 2014). There are no additional collateral agreements or understandings made in connection with, or in contemplation of, termination of the *inter partes* review. The parties have stipulated to dismiss the related litigation involving the '967 Patent in *Broadcom Corp. v. LG Electronics Inc., et al.*, No. 8:17-cv-00404, in the United States District Court for the Central District of California; and International Trade Commission Investigation No. 337-TA-1047. The Settlement Agreement definitively resolves the parties' dispute regarding the '967 patent. Termination of the proceeding is appropriate at this stage.

Under 35 U.S.C. § 317(a), "[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." This proceeding has been instituted and Patent Owner has filed a Patent Owner Response; however, the Board has not issued a Final Written Decision.

Strong public policy considerations favor settlement between the parties to an *inter partes* review proceeding. *See Office Trial Practice Guide*, 77 Fed. Reg. 48768 (Aug. 14, 2012). Additionally, no public interest or other factors weigh against termination of this proceeding. Both Congress and federal courts have expressed a strong interest in encouraging settlement in litigation. *See, e.g., Delta Air Lines, Inc. v. August*, 450 U.S. 346, 352 (1981) ("The purpose of [Fed. R. Civ.

P.] 68 is to encourage the settlement of litigation."); *Bergh v. Dept. of Transp.*, 794 F.2d 1575, 1577 (Fed. Cir. 1986) ("The law favors settlement of cases."), cert. denied, 479 U.S. 950 (1986). The Federal Circuit places a particularly strong emphasis on settlement. For example, it endorses the ability of parties to agree to never challenge validity as part of a settlement. *See Flex-Foot, Inc. v. CRP, Inc.*, 238 F.3d 1362, 1370 (Fed. Cir. 2001); *see also Cheyenne River Sioux Tribe v. U.S.*, 806 F.2d 1046, 1050 (Fed. Cir. 1986) (noting that the law favors settlement to reduce antagonism and hostility between parties).

Maintaining this review after the parties reach a settlement would discourage future settlements by removing a primary motivation for settlement: eliminating litigation risk by resolving the parties' disputes and ending the pending proceedings between them. Further, one of the primary reasons courts endorse settlement is preservation of judicial resources. Maintaining this review after the parties have settled their disputes would waste, rather than conserve, judicial resources. For example, in the event the Board finds some of the subject claims unpatentable, Patent Owner would be entitled to an appeal to the Federal Circuit. As the only party remaining in the case, the Office would have to defend the Board's decision, which would further waste valuable judicial and administrative resources.

The parties further request, pursuant to 37 C.F.R. § 42.74(c), that the agreement (Ex. 1015) be treated as confidential business information and kept separate from the files of the involved patent. The parties are filing, concurrently herewith, a Joint Request to File Settlement Agreement as Business Confidential Information pursuant to 35 U.S.C. § 317 and 37 C.F.R. § 42.74(c). For the foregoing reasons, the parties jointly and respectfully request that the instant proceeding be terminated.

Date: April 9, 2018

Respectfully submitted,

/ Erika H. Arner /
Erika H. Arner, Lead Counsel
Reg. No. 57,540
Lead Counsel for Petitioner

Date: April 9, 2018

Respectfully submitted,

/ John M. Caracappa /
John M. Caracappa, Lead Counsel
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Lead Counsel for Patent Owner

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