

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

DELTA AIR LINES, INC., FRONTIER AIRLINES, INC.,
UNITED AIRLINES, INC., US AIRWAYS, INC.,
AND AMERICAN AIRLINES, INC.,

Petitioners

v.

LOYALTY CONVERSION SYSTEMS CORPORATION

Patent Owner

Case CBM2014-00095

Case CBM2014-00096

Patent 8,313,023

Patent 8,511,550

**PATENT OWNER'S AND PETITIONERS' JOINT MOTION TO
TERMINATE PROCEEDINGS PURSUANT TO 35 U.S.C. § 317¹**

¹Pursuant to the order, paper 26 in CBM2014-00095, and paper 22 in CBM2014-00096, authorizing a dual heading paper, "provided that such heading includes a footnote attesting that the papers filed in both cases are identical," parties attest that this same paper is being filed in both cases.

Before GRACE KARAFFA OBERMANN, JON B. TORNQUIST, and TINA E. HULSE, *Administrative Patent Judges*

Pursuant to 35 U.S.C. § 317(a), Petitioners: Delta Air Lines, Inc.; Frontier Airlines, Inc.; United Airlines, Inc.; US Airways, Inc.; and American Airlines, Inc. (collectively, “Petitioners”) and Patent Owner, Loyalty Conversion Systems Corporation (“Loyalty Conversion”) jointly request termination of the Covered Business Method Patent Reviews of both U.S. Patent No. 8,313,023, Case No. CBM2014-00095 and U.S. Patent No. 8,511,550, Case No. CBM2014-00096.

On 10-17-2014, the Parties held a conference call with the panel (APJs Obermann, Tornquist, and Hulse), explaining that the Parties have settled their dispute, and that the corresponding district court litigation has been dismissed, and the parties reached agreement to terminate these Covered Business Patent Reviews. APJ Tornquist verbally authorized the filing of a motion to dismiss. APJ Tornquist instructed that the motion to dismiss should list all co defendants and the status of the district court action, and to file any settlement agreement. APJ Tornquist also noted the provisions for requesting that the settlement agreement be kept business confidential, that a mechanism existed in PRPS for business confidential filings, and that guidance how to use that mechanism existed on the Board's website.

Pursuant to APJ Tornquist's verbal order to provide a list of all co-defendants and the status in the corresponding district court patent infringement litigations, please note the following.

In the United States District Court for the District of Texas, Case 2: 13-cv-00655-WCB(lead case) the co-defendants are:

(1) Petitioners: Delta Air Lines, Inc.; Frontier Airlines, Inc.; United Airlines, Inc.; US Airways, Inc.; and American Airlines, Inc. (collectively, "Petitioners")

(2) non petitioners: Southwest Airlines, Co.; Spirit Airlines, Inc.; Hawaiian Airlines, Inc.

The status of these cases against all co-defendants is: Dismissed as to all co-defendants, except for the case against Hawaiian Airlines, Inc., which Loyalty Conversion has settled and which will be dismissed the week of October 20, 2014.

Material Facts In Support of Grant of the Motion

On 9/3/2014, the United States District Court for the District of Texas issued an order holding the asserted claims in the corresponding district court action Case 2: 13-cv-00655-WCB invalid under 35 USC 101. A copy of that decision is **Ex2033** in CBM2014-00095; and **Ex 2040** in CBM2014-00096 .

Both Covered Business Method Patent Reviews were instituted 9/29/2014. There has been no activity in either CBM since institution. Accordingly, the proceedings are in their early stages.

The parties to the CBM proceedings have executed a written settlement agreement. A true and correct copy of the settlement agreement is being filed with the Office concurrently with the filing of this motion, and is being filed as business confidential information pursuant to 35 U.S.C. § 317(b) and 37 CFR 42.74(c).

Reasoning Why the Motion Should be Granted

Given that the parties to the CBMs have resolved their dispute and the corresponding district court patent infringement litigation is dismissed, there is no reason to continue these proceedings. Therefore, Petitioners and Loyalty Conversion respectfully request termination of CBM2014-00095 and CBM2014-00096.

Respectfully submitted,

Date: October 17, 2014

/Saqib J. Siddiqui/

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42.6(e) CERTIFICATE OF SERVICE

I certify that this document was served or simultaneously is being served on each opposing party with the filing of this document.

I certify that the following exhibits being filed along with this document, if any, have been or simultaneously are being served on each opposing party:

42.6(e)(4) (iii)(A) The date and manner of service:

Manner of service: Email to ssiddiqui@mayerbrown.com and sbaskin@mayerbrown.com.

Date of Service: 10/20/2014

42.6(e)(4)(iii)(B) The name and address of every person served are:

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