

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

DealerSocket, Inc.,
Petitioner,

v.

AutoAlert, LLC,
Patent Owner.

Case CBM2014-00139
Patent 8,396,791 B2

Before JAMESON LEE, JONI Y. CHANG, and
MICHAEL R. ZECHER, *Administrative Patent Judges*

**PETITIONER'S AND PATENT OWNER'S *CORRECTED* JOINT MOTION
TO TERMINATE PROCEEDING UNDER 35 U.S.C. § 327(a)**

I. STATEMENT OF RELIEF REQUESTED

Pursuant to 35 U.S.C. § 327(a), 37 C.F.R. § 42.72, and the above-entitled Board's authorization of this motion pursuant to Orders dated May 13, 2015 (Paper 32) and May 18, 2015 (Paper 34), petitioner DealerSocket, Inc. ("Petitioner") and patent owner AutoAlert, LLC ("Patent Owner") [hereinafter, Petitioner and Patent Owner are sometimes referred to collectively as the "Parties"] hereby jointly request termination of Covered Business Method

CBM2014-00139
Patent 8,396,791
DealerSocket v. AutoAlert

(“CBM”) Review CBM2014-00139 (the “Proceeding”) concerning U.S. Patent No. 8,396,791 B2 (“the ’791 Patent”) in light of a recent final settlement entered into between the Parties, which settlement anticipates this joint motion to terminate the Proceeding relating to the ’791 Patent.

II. STATEMENT OF FACTS

At Petitioner’s request, the Board instituted this proceeding on October 23, 2014, but the Proceeding has not yet proceeded to a final decision.

The Parties’ respective counsel informed the Board during a conference call on May 11, 2015, that the Parties had reached an agreement to resolve their dispute and requested authorization to file a joint motion to terminate this Proceeding. The requested authorization was granted by an Order issued by the Board dated May 13, 2015.

The Parties have executed a Confidential Settlement Agreement (“Settlement Agreement”) to definitively, fully, and finally resolve all disputes between them related to the ’791 Patent. Under the Settlement Agreement, the Parties have caused the related patent litigation entitled *AutoAlert, LLC v. DealerSocket, Inc.*, Civil Action No. SACV13-00657, pending in the United States District Court for the Central District of California (the “Patent Litigation”), to be dismissed in its entirety with prejudice. Petitioner is the only defendant in the Patent Litigation.

The '791 Patent is not involved in any other currently pending litigation or other proceeding. Patent Owner represents that no litigation or any other proceeding involving the '791 Patent is contemplated in the foreseeable future.

III. PATENT OWNER'S STATEMENT OF EXPLANATION FOR THE RELIEF REQUESTED

The Board should terminate the Proceeding without rendering a final written decision for the following reasons:

First, the statutory condition for termination under 35 U.S.C. § 327(a) is satisfied—this joint motion for termination is being filed before the Board has decided the merits of the Proceeding. Under section 327(a), a post-grant review shall be terminated at the parties' request, "unless the Office has decided the merits of the proceeding before the request for termination is filed." There are no other preconditions of 35 U.S.C. § 327(a).

Second, no motions or other matters are outstanding, and concluding review at this juncture promotes efficient use of the resources of the Board and saves expense for the Parties.

Third, the Parties have agreed to terminate this Proceeding and the related Patent Litigation under the Settlement Agreement, providing a definitive resolution of all disputes between the Parties related to the '791 Patent. Thus, there is no longer a case-in-controversy between the Parties involving the '791 Patent.

Fourth, there is no other pending request by any other person or entity for covered business method review or *inter partes* review with respect to the '791 patent. No other party is asking the Board to review the validity of the '791 patent. Further, the Patent Owner represents that no litigation or any other proceeding involving the '791 Patent is contemplated in the foreseeable future.

Fifth, if the Board declines to terminate this Proceeding, it would unnecessarily discourage settlement in other cases. In this case, the filing of a joint motion to terminate this Proceeding (as well as the District Court Patent Litigation) was an express condition of the Parties' settlement.

These considerations have prompted the Board to terminate *inter partes* and covered business method review proceedings under similar circumstances. For example, in *Clio USA, Inc. v. the Procter and Gamble Company*, oral argument took place before the Board on July 28, 2014, a joint motion to terminate was filed on October 30, 2014, and the Board terminated the IPR on October 31, 2014. *Clio USA, Inc. v. the Procter and Gamble Company*, IPR2013-00438, Paper 57, October 31, 2014. In *Volusion, Inc. v. Versata Software, Inc. and Versata Development Group, Inc.*, the Board terminated two CBM proceedings following oral hearings after the parties had resolved both the CBM and related litigation proceedings. *Volusion, Inc. v. Versata Software, Inc. and Versata Development Group, Inc.*, CBM2013-00017, Paper 53, June 17, 2014 and CBM2013-00018, Paper 52, June 17, 2014. In *Sony Corp. v. Tessera Inc.*, the

Board terminated an IPR at an advanced stage of the proceedings because the parties had resolved both the IPR and related district court litigation through a “global settlement.” *Sony Corp. v. Tessera Inc.* (IPR2012-00033), Paper 46, p. 2 (Dec 20, 2013).

Thus, under these circumstances, there is every reason to honor the Parties’ agreement as expressed in their Settlement Agreement. Although the Board has discretion to continue a CBM proceeding after settlement, there is no public policy justification for doing so here because all disputes before the Patent Office regarding the ’791 Patent are resolved and no litigation or any other proceeding involving the ’791 Patent is contemplated in the foreseeable future.

As required under 35 U.S.C. § 327(b) and 37 C.F.R. § 42.74(b), a true and correct copy of the Settlement Agreement¹ (by which the Parties agreed to terminate the Patent Litigation and this Proceeding) has separately been submitted (*see* Exhibit 3001), along with a Joint Request to File Settlement Agreement As Business Confidential filed on May 19, 2015, requesting that the Settlement Agreement (including the License Agreement) be treated as business confidential information and be kept separate from the file of the involved patent, pursuant to 35 U.S.C. § 327(b) and 37 C.F.R. § 42.74(c).

¹ The Parties have also entered into a Confidential Non-Exclusive License Agreement (“License Agreement”) pertaining to, among others, the ’791 Patent. A true and correct copy of the License Agreement is included as Exhibit “B” to the Settlement Agreement.

IV. CONCLUSION

For the foregoing reasons, Petitioner and Patent Owner respectfully request termination of this Proceeding involving the '791 Patent.

Respectfully submitted,

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Dated: May 22, 2015

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Dated: May 22, 2015

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of **PETITIONER'S AND
PATENT OWNER'S *CORRECTED* JOINT MOTION TO TERMINATE
PROCEEDING UNDER 35 U.S.C. § 327(a)** is being served on May 22, 2015, via
email pursuant to 37 C.F.R. § 42.6(e) per agreement of the parties, to counsel for
DealerSocket, Inc., at the addresses below:

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