

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

THE FEDERAL RESERVE BANKS
Petitioners

v.

LEON STAMBLER
Patent Owner

IPR Nos. IPR2013-00344

Patent No. 5,936,541

JOINT MOTION TO TERMINATE PROCEEDING UNDER 35 U.S.C. § 317

Pursuant to 35 U.S.C. § 317(a), and as authorized by the Board's December 4, 2013 Order, Petitioners (the Federal Reserve Banks¹) and Patent Owner (Leon Stambler) (Petitioners and Patent Owner, each individually a "Party" and collectively "Parties) jointly file this motion requesting termination of *inter partes* review (IPR) Nos. IPR2013-00341, IPR2013-00344, IPR2013-00406 and IPR2013-00409 (collectively, "the IPR Proceedings") in their entirety.

The IPR Proceedings relate to petitions for *inter partes* review filed June 11, 2013 (IPR2013-00341 and IPR2013-00344) and July 1, 2013 (IPR2013-00406 and IPR2013-00409), which were directed to Patent Nos. 5,793,302 and 5,936,541 (the "'302 and '541 Patents"), but which have not yet instituted.

The Parties have settled their dispute, and have reached agreement to terminate these IPR Proceedings. The Parties' Settlement Agreement has been made in writing, and a true copy of same is attached hereto as Exhibit 1017.² The Parties' settlement is contingent upon the IPR Proceedings being terminated in their entirety and prior to institution of any individual petition. As such, only a termination of the IPR Proceedings in their entirety, prior to

¹ Federal Reserve Bank of Atlanta, Federal Reserve Bank of Boston, Federal Reserve Bank of Chicago, Federal Reserve Bank of Cleveland, Federal Reserve Bank of Dallas, Federal Reserve Bank of Kansas City, Federal Reserve Bank of Minneapolis, Federal Reserve Bank of New York, Federal Reserve Bank of Philadelphia, Federal Reserve Bank of Richmond, Federal Reserve Bank of San Francisco, and Federal Reserve Bank of St. Louis.

² The Settlement Agreement is being filed electronically via the Patent Review Processing System (PRPS) as "Parties and Board Only."

institution of any petition, is being requested by this joint motion. Because institution of any petition in these IPR proceedings will render the underlying settlement between Petitioners and Patent Owner void *ab initio*, the Parties respectfully request that this motion be granted or denied in full as to all of the Petitioners and all of the pending petitions.

For avoidance of doubt, the termination requested by this joint motion is contingent on full termination of each and every one of these IPR Proceedings, not just with respect to Petitioners. That is, through this joint motion, Parties are not requesting termination as to Petitioners alone, nor are the Parties requesting termination of fewer than all of the IPR Proceedings; complete termination is instead sought for the entirety of each and every one of the IPR Proceedings.

In addition, the Parties desire that the Settlement Agreement be maintained as business confidential information under 37 C.F.R. §42.74(c) and a separate joint request to that effect is being filed concurrently herewith.

As stated in 35 U.S.C. § 317(a), because Petitioners and Patent Owner jointly request this termination, no estoppel under 35 U.S.C. 315(e) shall attach to Petitioners.

1. Reasons Why Termination is Appropriate.

Termination is proper under 35 U.S.C. § 317(a) because the Parties are

jointly requesting termination, and the Office has not yet “decided the merits of the proceeding before the request for termination is filed.” Indeed, in these IPR Proceedings, no decision on the merits has been made, and no decision instituting trial has been entered.

Moreover, as noted in the Patent Office Trial Practice Guidelines, “there are strong public policy reasons to favor settlement between the parties to a proceeding.... The Board expects that a proceeding will terminate after the filing of a settlement agreement, unless the Board has already decided the merits of the proceeding. 35 U.S.C. 317(a), as amended, and 35 U.S.C. 327.”³ On December 6th, the PTAB received an email from Mr. Edward J. Benz, counsel for Fifth Third Bank, seeking a conference call on a motion for joinder. Both parties acknowledge that the Panel relied upon CBM2013-00014 in denying Fifth Third an opportunity for a conference call.⁴ Furthermore, both parties oppose Fifth Third Bank’s belated attempt to intervene after failing to take action to participate in the IPR Proceedings earlier.

Although not an individually determinative factor, both parties note, for the record, that Fifth Third Bank allowed their one-year statutory window for filing IPR to pass. Additionally, joinder would be extremely prejudicial to the

³ See Federal Register Vol. 77, No. 157, p. 48768

⁴ See also IPR2013-00375 Paper 16 dated November 12, 2013 (noting that a proceeding may be terminated notwithstanding notice of a third party’s attempt to join).

Petitioners in terms of delay and cost, and would severely prejudice Petitioners by nullifying their settlement with Patent Owner. In addition, joinder will certainly delay resolution of the IPR, and joinder will not help to “secure the just, speedy, and inexpensive resolution” of the proceedings.

2. Identification of Codefendants and Status of Each Related

District Court Litigation.

The '302 and/or '541 Patent are the subject of the following pending litigations:

Case Name	Docket No.	Court	Defendants	Status
Stambler v. Ally Financial Inc., et al.	2:12-cv-608	E.D. Tex.	Federal Reserve Bank of Atlanta, Federal Reserve Bank of Boston, Federal Reserve Bank of Chicago, Federal Reserve Bank of Cleveland, Federal Reserve Bank of Dallas, Federal Reserve Bank of Kansas City, Federal Reserve Bank of Minneapolis, Federal Reserve Bank of New York, Federal Reserve Bank of Philadelphia, Federal Reserve Bank of Richmond, Federal Reserve Bank of San Francisco, Federal Reserve Bank of St. Louis, Fifth Third Bancorp, Fifth Third Bank, The Northern Trust Company	Consolidated Lead Case; Claim Construction Hearing scheduled for January 14, 2014
Stambler v. Federal Reserve Bank of Atlanta, et	2:12-cv-611	E.D. Tex.	Federal Reserve Bank of Atlanta, Federal Reserve Bank of Boston, Federal Reserve Bank of Chicago, Federal	Consolidated with Stambler v. Ally

al.			Reserve Bank of Cleveland, Federal Reserve Bank of Dallas, Federal Reserve Bank of Kansas City, Federal Reserve Bank of Minneapolis, Federal Reserve Bank of New York, Federal Reserve Bank of Philadelphia, Federal Reserve Bank of Richmond, Federal Reserve Bank of San Francisco, Federal Reserve Bank of St. Louis	Financial Inc., et al., No. 2:12-cv-608 (E.D. Tex.); Claim Construction Hearing in consolidated case scheduled for January 30, 2014
Stambler v. Fifth Third Bancorp, et al.	2:12-cv-675	E.D. Tex.	Fifth Third Bancorp, Fifth Third Bank	Consolidated with Stambler v. Ally Financial Inc., et al., No. 2:12-cv-608 (E.D. Tex.); Claim Construction Hearing in consolidated case scheduled for January 30, 2014
Stambler v. Northern Trust Corporation, et al.	2:12-cv-679	E.D. Tex.	The Northern Trust Company	Consolidated with Stambler v. Ally Financial Inc., et al., No. 2:12-cv-608 (E.D. Tex.); Claim Construction Hearing in consolidated

				case scheduled for January 30, 2014; current motion to stay pending based on impending settlement
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As depicted in the above chart, a consolidated district court action concerning the patents involved in these IPR Proceedings is pending in the Eastern District of Texas (*Stambler v. Ally Financial Inc., et al.*, No. 2:12-cv-608). The *Ally Financial* action merged, for pretrial issues, three separately-filed actions against Petitioners, Northern Trust Corporation, and Fifth Third Bancorp. These actions have all been pending for more than one year. On December 6th, 2013, Patent Owner and Northern Trust Corporation jointly moved for a 30-day stay because they have “reached an agreement in principle that would resolve all claims” and “expect to file a stipulation of dismissal . . . in the next 30 days.” Counsel for Petitioners does not separately represent Northern Trust Corporation or Fifth Third Bancorp. Also, only the ’302 patent at issue in this proceeding is asserted against Northern Trust Corporation and Fifth Third Bancorp.

For the foregoing reasons, the Parties jointly request termination of each and all of IPR Nos. IPR2013-00341, IPR2013-00344, IPR2013-00406 and IPR2013-00409.

Dated: December 6, 2013

Respectfully submitted,

/ Robert P. Greenspoon /

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**JOINT REQUEST TO FILE SETTLEMENT AGREEMENT AS
BUSINESS CONFIDENTIAL INFORMATION
PURSUANT TO 35 U.S.C. § 317**

Pursuant to 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c), Petitioners (the Federal Reserve Banks⁵) and Patent Owner (Leon Stambler) jointly request to file the Settlement Agreement, including the entirety of Exhibit 1017 to the Joint Motion to Terminate Proceeding, as business confidential information, which shall be kept separate from the file of the involved patents.

Dated: December 6, 2013

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⁵ Federal Reserve Bank of Atlanta, Federal Reserve Bank of Boston, Federal Reserve Bank of Chicago, Federal Reserve Bank of Cleveland, Federal Reserve Bank of Dallas, Federal Reserve Bank of Kansas City, Federal Reserve Bank of Minneapolis, Federal Reserve Bank of New York, Federal Reserve Bank of Philadelphia, Federal Reserve Bank of Richmond, Federal Reserve Bank of San Francisco, and Federal Reserve Bank of St. Louis.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the following:

**JOINT REQUEST TO FILE SETTLEMENT AGREEMENT AS
BUSINESS CONFIDENTIAL INFORMATION
PURSUANT TO 35 U.S.C. § 317**

**JOINT MOTION TO TERMINATE PROCEEDING
UNDER 35 U.S.C. § 317**

were each served on December 6, 2013, by filing this document though the Patent Review Processing System as well as delivering a copy via electronic mail directed to the attorneys of record for the Patent Owner at the following address:
The parties have agreed to electronic service in this matter.

Dated: December 6, 2013

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