

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Case IPR2014-00066

Patent 6,928,442

Title: ENFORCEMENT AND POLICING OF LICENSED CONTENT USING
CONTENT-BASED IDENTIFIERS

JOINT MOTION TO TERMINATE PROCEEDING

Petitioners Rackspace US, Inc. and Rackspace Hosting, Inc. (“Petitioner”) and Patent Owner PersonalWeb Technologies, LLC and Level 3 Communications have reached a settlement and, pursuant to 37 C.F.R. §§ 42.72 and 42.74, and the Board’s authorizing order dated October 6, 2014, jointly request termination of this *inter partes* review of U.S. Patent No. 6,928,442 under 35 U.S.C. § 317(a).

The parties have settled their disputes and have executed a settlement agreement to terminate this proceeding, as well as four other IPRs involving the same parties and the related district court litigation styled *PersonalWeb Tech. LLC et al v. Rackspace US, Inc. et al.*, No. 6-12-cv-00659 (E.D. Tex.). The parties’ Stipulation of Dismissal, concurrently-filed in the district court litigation is included herewith as Exhibit 2023. Pursuant to 37 C.F.R. § 42.74(b), the parties’ settlement agreement is in writing, and a true and correct copy is being filed as Exhibit 1017.¹ The parties are also filing a joint request to treat the settlement agreement as business confidential information and to keep it separate from the files and the involved patent under 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c).

¹ The settlement agreement is being filed electronically with access to the “Parties and Board Only.”

Statement of Precise Relief Requested

The Parties jointly request that the Board terminate this IPR *as to both parties*, without rendering a final written decision.

Statement of Reasons for the Relief Requested

Termination of this proceeding entirely as to all parties is proper for numerous reasons, including the following.

Incomplete Record. The record in this proceeding is incomplete, and the Board has not yet decided the merits of this proceeding. For example, Petitioner has not filed a reply brief or reply declarations, Petitioner has not addressed the arguments and evidence from the Patent Owner's Response, Patent Owner has not yet deposed any reply witnesses and has not yet filed observations on cross-examination, neither party has filed (or responded to) a motion to exclude, and no oral hearing has yet been requested or held.

The Board has terminated, without final written decision, other *inter partes* review proceedings having very similar postures. For example, in *Sealed Air Corporation v. Pregis Innovative Packaging, Inc.*, the Board terminated five related IPRs without reaching final written decision. In those proceedings, the petitioner had not yet filed its replies to the patent owner's responses, and no motions were outstanding at the time of termination. IPR2013-00554, Paper 47, p. 2 (September 12, 2014). The instant IPR is in the same procedural posture:

Petitioner has not yet filed its Reply, and there are no outstanding motions before the Board.

Similarly, in *Xerox Corp. v. RR Donnelley & Sons Co.*, the Board terminated two related IPRs without reaching final written decision. Again, the petitioner had not yet filed its replies to the patent owner's responses. The Board therefore found that "the record lacks full briefing...and accordingly lacks 'streamlin[ed,] and converg[ed]' issues, as necessary to render a decision in a 'timely, fair, and efficient manner.'" *Xerox Corp. v. RR Donnelley & Sons Co.*, IPR2013-00529, Paper 21, p. 3 (August 29, 2014). Here also, the record lacks full briefing, and numerous issues have not been streamlined. Accordingly a final written decision is not appropriate.

Finally, in *Apex Medical Corp. v. ResMed Limited*, the Board terminated an IPR without reaching final written decision, even where the petitioner had filed its reply. IPR2013-00512, Paper 39 (September 12, 2014), pp. 2-3. The Board entered judgment by terminating the proceeding with respect to both parties, specifically noting that "the record is not yet closed." *Id.* at p. 3. As in *Apex Medical Corp.*, the record in this proceeding is not yet closed, and termination as to all parties is appropriate.

Under these circumstances, there is every reason to honor the Parties' wishes to terminate *as to both parties* without final written decision.

No Further Participation by Petitioner. Petitioner hereby informs the Board that Petitioner will not be filing any reply papers in this proceeding, will not be attending any oral hearing in this proceeding, will not oppose any motions to exclude in this proceeding, and will not be participating further in this proceeding in any respect before the Board.

Thus, because the record will not be developed and is currently incomplete, termination as to all parties is favored.

Global Settlement Between the Parties. The settlement is a global settlement between Petitioner and Patent Owners (PersonalWeb and Level 3—who both represent that they practice the patent at issue in their respective businesses). After the requested termination of this proceeding and the four other IPRs involving the same parties, and given the Stipulation of Dismissal concurrently filed with the district court, no other disputes between the parties remain. There is no other litigation or dispute in any court or forum involving Patent Owner and Petitioner.

Maintaining this *Inter Parties* Review Would Discourage Settlements of Concurrent Proceedings and Waste Judicial Resources. Congress and federal courts have expressed a strong interest in encouraging settlement of disputes. *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); and 35 U.S.C. § 317(a). Public policy strongly favors allowing parties to settle in all respects. Indeed, the USPTO’s Office Patent Trial Practice Guide expressly states:

“N. Settlement. *There are strong public policy reasons to favor settlement between the parties to a proceeding.* The Board will be available to facilitate settlement discussions, and where appropriate, may require a settlement discussion as part of the 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.*”

The Office Patent Trial Practice Guide, 77 Fed. Reg. 48756, 48768 (Aug. 14, 2012) (emphasis added).

Thus, maintaining this review in any respect after the parties’ settlement would be contrary to public policy and would discourage future settlements by removing a significant motivation for settlement; eliminating litigation risk by resolving the parties’ disputes and ending the pending proceedings between them.

Moreover, a reason courts endorse settlement is preservation of judicial resources. Maintaining this review in any respect after the parties have settled their disputes would waste, rather than conserve, judicial resources of both the USPTO and the Federal Circuit. Accordingly, in addition to the issues discussed above, Patent owner will be prejudiced if this proceeding is not terminated as

requested, with respect to additional attorneys' fees and costs that would need to be incurred in connection with the proceedings.

Status of Litigations and Proceedings

As instructed by the Board in the conference authorizing this joint motion, Patent Owner lists the following additional active litigation proceedings involving the patent, or patents within the same family, and their status:²

Litigation	Court	Status
<i>PersonalWeb Techs. LLC et al v. EMC Corp.</i> <i>et al.</i> , No. 5-13-cv-01358	N.D. Ca	Pending (Stayed)
<i>PersonalWeb Techs. LLC et al v. Facebook Inc.</i> , No. 5-13-cv-01356	N.D. Ca	Pending (Stayed)
<i>PersonalWeb Techs. LLC et al v. NetApp, Inc.</i> , No. 5-13-cv-01359	N.D. Ca	Pending (Stayed)
<i>PersonalWeb Techs. LLC v. Google, Inc. et al</i> , No. 5-13-cv-01317	N.D. Ca	Pending (Stayed)

² Patent Owner notes that Apple, Inc. filed a petition for IPR regarding U.S. Patent No. 7,802,310 (IPR2013-00596), and that Google, Inc. and Youtube, LLC filed petitions for IPR regarding U.S. Patent Nos. 6,415,280 (IPR2014-00977), 7,802,310 (IPR2014-00978), 6,928,442 (IPR2014-00979), and 5,978,791 (IPR2014-00980).

<i>PersonalWeb Techs. LLC et al v. Int'l Bus. Mach. Corp.</i> , No. 6-12-cv-00661	E.D. Tex.	Pending (Stayed)
<i>PersonalWeb Techs. LLC et al v. Apple Inc.</i> , No. 6-12-cv-00660	N.D. Ca.	Pending (Stayed)
<i>PersonalWeb Techs. LLC et al v. Yahoo! Inc.</i> , No. 6-12-cv-00658	E.D. Tex.	Pending

Patent Owner represents that no other litigations or proceedings are pending which involve the patent.

The fact that these other litigations are currently pending between the Patent Owner and third parties does not outweigh the reasons favoring termination, including the public policy strongly favoring the requested termination, conservation of judicial resources strongly favoring the requested termination, the incomplete record strongly favoring the requested termination, and prejudice to the parties strongly favoring the requested termination. Further, Patent Owner notes that (with the exception of EMC and Apple), none of the third parties listed above elected to file IPR petitions within the one (1) year statutory period and chose not to file motions for joinder with this proceeding (or the other instituted IPRs) within the required one month period following the institution decision. 35 U.S.C. § 315(b); and 37 C.F.R. § 42.122(b).

Conclusion

Accordingly, the parties respectfully request termination of this proceeding in its entirety as to all parties. Any reasonable weighing of the issues/factors discussed herein heavily favors termination of the entire proceeding as to all parties.

Jointly submitted,

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October 16, 2014

PATENT OWNER'S EXHIBIT LIST

Exhibit No.	Brief Description
2001	Claim construction Order by the U.S. District Court for the District of Massachusetts.
2002	Claim Construction Order in Related Litigations (Aug. 5, 2013)
2003	Altnet's Opening Claim Construction Brief, in case styled <i>Altnet Inc. v. Streamcast Networks, Inc.</i> , CV-06-5086, dated March 29, 2007.
2004	CWIS' Opening Markman Brief, CV-02-11430, dated July 25, 2003.
2005	Patent Owner's Opening Claim Construction Brief in litigation, dated June 5, 2013.
2006	Patent Owner's Reply Claim Construction Brief in litigation, dated July 8, 2013.
2007	Excerpts from file history of U.S. 5,649,196 to Woodhill.
2008	Langer document submitted by EMC (Reddy Dep. Ex. 1).
2009	Decision regarding institution in IPR 2013-00082, dated May 17, 2013
2010	U.S. Patent No. 5,978,791 to Farber et al.
2011	Microsoft Press Computer Dictionary, Second Edition (1994)
2012	Declaration of Robert Dewar
2013	Declaration of Kevin Bermeister
2014	Claim Construction Order in related litigations (March 21, 2014)
2015	Deposition Transcript of Melvin R. Mercer
2016	Skype License Agreement

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2017	Brilliant Digital/Altnet License Agreement
2018	Sharman License Agreement
2019	Deposition Transcript of Narashimha Reddy
2020	The American Heritage Dictionary of the English Language (1975).
2021	Updated Declaration of Robert Dewar
2022	Updated Declaration of Kevin Bermeister
2023	Joint Stipulation of Dismissal with Prejudice in Related Litigation (Oct. 16, 2014)

UNITED STATES PATENT AND TRADEMARK OFFICE

CERTIFICATE OF SERVICE

The undersigned certifies, in accordance with 37 C.F.R. § 42.105, that service was made on the Petitioner as detailed below.

Date of service October 16, 2014

Manner of service By email upon counsel of record listed below (per agreement)

Docs. served Joint Motion to Terminate and exhibit filed therewith

Persons served David O'Brien

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