

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SMART SOLUTIONS TECHNOLOGIES, S.L.

Petitioner

v.

KONINKLIJKE PHILIPS ELECTRONICS N.V.

Patent Owner

Case IPR 2016-00416

U.S. Patent No. 7,522,951

JOINT STIPULATION TO TERMINATE THE
PROCEEDING PURSUANT TO 37 C.F.R. §§ 42.5(a),
42.71(a) AND 42.74(b)

Pursuant to 37 C.F.R. §§ 42.5(a), 42.71(a), and 42.74(b), Patent Owner Koninklijke Philips Electronics N.V., Inc. (“Philips”) and Petitioner Smart Solutions Technologies, S.L. (“Smart Solutions”) jointly request termination of IPR2016-00416 directed to U.S. Patent No. 7,522,951. The parties have entered into a “Patent License Agreement” that resolves the underlying IPR2016-00416 proceeding currently before the Board (“Settlement Agreement”). The Board authorized the parties to file this Joint Stipulation to Terminate by e-mail of June 3, 2016.

The Settlement Agreement between Smart Solutions and Patent Owner Philips has been made in writing, and a true copy of the same is attached as Exhibit 1016. The parties desire that the Settlement Agreement be maintained as business confidential information under 37 C.F.R. § 42.74(c) and file a separate joint request regarding such maintenance herewith. The Board authorized the parties to file the joint request to treat the Settlement Agreement as business confidential information pursuant to 37 C.F.R. § 42.74(c) in the same e-mail of June 3, 2016.

Because Patent Owner Philips and Smart Solutions jointly request this termination as to Smart Solutions’ involvement in this Inter Partes Review, no estoppel under 35 U.S.C. § 315(e) shall attach to Smart Solutions.

In light of the foregoing, termination of this proceeding is appropriate at this stage. The Board has not decided the merits of the issues and the Settlement Agreement resolved the underlying IPR2016-00416 proceeding currently before the Board. Both Congress and the 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 U.S. Court of Appeals for the Federal Circuit also places a particularly strong emphasis on settlement. *See 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). Moreover, the Board generally expects that a proceeding will terminate after the filing of a settlement. *See, e.g., Office Patent Trial Practice Guide*, 77 Fed. Reg. 48,756, 46,768 (Aug. 14, 2012). Terminating this proceeding now promotes the Congressional goal of the AIA to establish a more efficient patent system by avoiding unnecessary costs and use of resources. *See* 77 Fed. Reg. 48,680 (Aug. 14, 2012).

Future Participation by the Parties

Smart Solutions will not further participate in these proceedings, and the

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parties jointly request that this proceeding be terminated in its entirety, including as to Patent Owner.

Dated: June 6, 2016

Respectfully submitted,

/s/ Peter D. Weinstein
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing JOINT STIPULATION TO
TERMINATE THE PROCEEDING was served electronically via email on June 6,
2016, in its entirety on the following:

Erika H Arner at **erika.arner@finnegan.com**
Sherry Austin at **sherry.austin@philips.com**
Laurie G Kowalsky at **laurie.gathman@philips.com**

Dated: June 6, 2016

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