

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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APPLE INC.  
Petitioner

v.

VALENCELL, INC.  
Patent Owner

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Case IPR2017-01702  
U.S. Patent No. 8,652,040

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**JOINT MOTION TO TERMINATE *INTER PARTES* REVIEW**

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Patent Trial and Appeal Board  
United States Patent and Trademark Office  
P.O. Box 1450  
Alexandria, VA 22313-1450

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**Other Authorities**

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**PETITIONER'S UPDATED EXHIBIT LIST**

| <b>Exhibit No.</b> | <b>Description</b>  |
|--------------------|---|
| <b>1001</b>        | U.S. Patent No. 8,652,040 to LeBoeuf <i>et al.</i> , issued February 18, 2014   |
| <b>1002</b>        | U.S. Patent No. 8,652,040 File History  |
| <b>1003</b>        | Declaration of Dr. Majid Sarrafzadeh  |
| <b>1004</b>        | <i>Curriculum Vitae</i> of Dr. Majid Sarrafzadeh  |
| <b>1005-1011</b>   | INTENTIONALLY LEFT BLANK  |
| <b>1012</b>        | John Allen, <i>Photoplethysmography and its application in clinical physiological measurement</i> , Physiological Measurement 28 (2007) |
| <b>1013-1016</b>   | INTENTIONALLY LEFT BLANK  |
| <b>1017</b>        | J. G. Webster, ed., <i>Design of Pulse Oximeters</i> , IOP Publishing Ltd., 1997  |
| <b>1018</b>        | International Patent Application Publication No. WO 2007/013054 to Schwartz, published February 1, 2007                                 |
| <b>1019</b>        | INTENTIONALLY LEFT BLANK  |
| <b>1020</b>        | U.S. Patent No. 5,297,548 to Pologe, issued March 29, 1994  |
| <b>1021-1023</b>   | INTENTIONALLY LEFT BLANK  |
| <b>1024</b>        | U.S. Patent Application Publication No. 2008/0132798 to Hong <i>et al.</i> , published June 5, 2008                                     |
| <b>1025</b>        | INTENTIONALLY LEFT BLANK  |
| <b>1026</b>        | U.S. Patent No. 5,807,267 to Bryars <i>et al.</i> , issued September 15, 1998   |
| <b>1027-1044</b>   | INTENTIONALLY LEFT BLANK  |
| <b>1045</b>        | U.S. Patent No. 4,672,976 to Kroll, issued June 16, 1987  |
| <b>1046</b>        | U.S. Patent No. 7,539,533 to Tran, issued May 26, 2009  |
| <b>1047</b>        | U.S. Patent Application Publication No. 2005/0059870 to Aceti, published March 17, 2005   |
| <b>1048</b>        | U.S. Patent No. 5,954,644 to Dettling <i>et al.</i> , issued September 21, 1999   |
| <b>1049</b>        | U.S. Patent Application Publication No. 2004/0039254 to Stivoric <i>et al.</i> , published February 26, 2004                            |
| <b>1050</b>        | U.S. Patent Application Publication No. 2008/0076972 to Dorogusker <i>et al.</i> , published March 27, 2008                             |
| <b>1051</b>        | U.S. Patent Application Publication No. 2004/0004547 to Appelt <i>et al.</i> , published January 8, 2004                                |
| <b>1052</b>        | U.S. Patent Application Publication No. 2007/0116314 to Grilliot <i>et al.</i> , published May 24, 2007                                 |

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|------------------|---|
| <b>1053</b>      | U.S. Patent Application Publication No. 2004/0242976 to Abreu, published December 2, 2004   |
| <b>1054</b>      | U.S. Patent No. 5,853,005 to Scanlon, issued December 29, 1998  |
| <b>1055</b>      | U.S. Patent Application Publication No. 2009/0131761 to Moroney III <i>et al.</i> , published May 21, 2009  |
| <b>1056</b>      | U.S. Patent Application Publication No. 2006/0064037 to Shalon <i>et al.</i> , published March 23, 2006   |
| <b>1057-1065</b> | INTENTIONALLY LEFT BLANK  |
| <b>1066</b>      | U.S. Patent No. 8,923,941 to LeBoeuf <i>et al.</i> , issued December 30, 2014   |
| <b>1067</b>      | H. Harry Asada <i>et al.</i> , “Mobile Monitoring with Wearable Photoplethysmographic Biosensors,” IEEE Engineering in Medicine and Biology Magazine, May/June 2003, pp. 28-40  |
| <b>1068</b>      | Yuri Shevchenko <i>et al.</i> , “90 <sup>th</sup> Anniversary of the Development by Nikolai S. Korotkoff of the Auscultatory Method of Measuring Blood Pressure,” <i>Circulation</i> , Vol. 94, No. 2, July 15, 1996; pp. 116-118 |
| <b>1069-1211</b> | INTENTIONALLY LEFT BLANK  |
| <b>1212</b>      | Settlement Agreement (CONFIDENTIAL)   |
| <b>1213</b>      | List of <i>Inter Partes</i> Review Proceedings  |

## **I. STATEMENT OF RELIEF REQUESTED**

Petitioner Apple Inc. (“Apple” or “Petitioner”) and Patent Owner Valencell, Inc. (“Valencell” or “Patent Owner”) have entered into a confidential Settlement Agreement that resolves all underlying disputes between Apple and Valencell with respect to U.S. Patent No. 8,652,040 (“the ’040 patent”). The parties are concurrently filing a separate request that the Settlement Agreement (Ex. 1212) being filed herewith be treated as business confidential information and be kept separate from the files of the involved patent, pursuant to 37 C.F.R. § 42.74(c).

Accordingly, pursuant to 35 U.S.C. § 317, the parties jointly move the Board to terminate this *inter partes* review (IPR) proceeding in its entirety, without rendering a final written decision. The Board authorized the parties to file this joint motion to terminate in an email of September 10, 2018.

## **II. STATEMENT OF FACTS**

On August 31, 2018, Apple and Valencell entered into a confidential Settlement Agreement. *See* Ex. 1212 (Confidential). Under the terms of the Settlement Agreement, Apple and Valencell agreed to jointly seek termination of all pending IPRs concerning Valencell’s patents. A complete listing of all IPRs for which Apple and Valencell are seeking termination, along with the status of each IPR as of the date of this motion, is provided as Ex. 1213.

As requested in Board's authorization email of Sept. 10, 2018, the parties represent that in addition to this *inter partes* review proceeding, a separate petition for *inter partes* review of the '040 patent, case no. IPR2017-01703, was filed by Petitioner on June 30, 2017. The Board instituted trial in that proceeding on January 24, 2018, and oral argument is currently scheduled for October 1, 2018. The parties are also filing a joint motion to terminate IPR2017-01703. The parties represent that no other litigation or proceedings between the parties involve the '040 patent and no further litigation or proceeding between the parties involving the '040 patent is contemplated in the foreseeable future.

### **III. ARGUMENT**

Section 317(a) provides: "An *inter partes* review instituted under this chapter shall be terminated with respect to any petitioner upon the joint request of the petitioner and the patent owner, unless the Office has decided the merits of the proceeding before the request for termination is filed." 35 U.S.C. § 317(a). It further provides: "If no petitioner remains in the *inter partes* review, the Office may terminate the review or proceed to a final written decision under section 318(a)." *Id.* Similarly, 37 C.F.R. § 42.72 provides that "[t]he Board may terminate a trial without rendering a final written decision, where appropriate, including where the trial is consolidated with another proceeding or pursuant to a joint

request under 35 U.S.C. 317(a).” Termination of the present *inter partes* review proceeding in its entirety is in the interest of justice.

**A. The Board Should Terminate this IPR in its Entirety**

Public Policy favors terminating the present *inter partes* review proceeding. The federal courts have expressed a strong interest in encouraging settlement in litigation. *See, e.g., Bergh v. Dept. of Trans.*, 794 F.2d 1575, 1577 (Fed. Cir. 1986) (“The law favors settlement of cases.”), *cert. denied*, 479 U.S. 950 (1986). The Board’s Trial Practice Guide stresses that “[t]here are strong public policy reasons to favor settlement between the parties to a proceeding.” Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 46,768 (Aug. 14, 2012).

Additionally, termination of the proceeding at this stage, in view of the Settlement Agreement, is appropriate. The USPTO can conserve significant administrative and judicial resources by terminating the proceeding now, removing the need for the Board to review additional briefing by the parties, hold oral argument, and render a final written decision. The Board has terminated entire IPR proceedings based on joint motions to terminate, even after the merits had been fully briefed and the matter was ready for oral argument. *See Toyota Motor Corp. v. Blitzsafe Tex. LLC*, IPR2016-00421, Paper 28, at 2-3 (P.T.A.B. Feb. 21, 2017) (granting motion to terminate even after all substantive papers were filed, “particularly in light of the fact that a final written decision is not due until more



than four months from now”); *Plaid Techs., Inc. v. Yodlee, Inc.*, IPR2016-00273, Paper 29, at 2 (P.T.A.B. Feb. 8, 2017) (granting motion to terminate because “[t]he parties’ joint motions to terminate were filed prior to the oral hearings in these cases”); *Apex Med. Corp. v. Resmed Ltd.*, IPR2013-00512, Paper 39, at 2-3 (P.T.A.B. Sept. 12, 2014) (granting joint motion to terminate after the parties had fully briefed the matter because the Board “has not yet decided the merits of this proceeding, and the record is not yet closed.”); *Lam Research Corp. v. Flamm*, IPR2015-01764, Paper 27, at 5 (P.T.A.B. Dec. 15, 2016) (granting motion to terminate after all briefing and oral argument when statutory deadline for rendering final written decision is within two months of motion).

Finally, because the Board has not decided the merits of the proceeding, the expected normal course is to terminate the proceeding upon settlement. Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,768 (Aug. 14, 2012) (“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.”).

#### **B. Written Settlement Agreement**

The parties represent that their entire agreement in connection with the termination of this proceeding is embodied in the Settlement Agreement, which has been made in writing. There are no collateral agreements or understandings made in connection with, or in contemplation of, the termination of this *inter*

*partes* review. Pursuant to 37 C.F.R. § 42.74(c), the parties are filing herewith as Exhibit 1212 a true copy of the complete Settlement Agreement. The Settlement Agreement has been filed for access by the “Parties and Board Only” due to the highly sensitive business confidential information they contain. The parties desire that the Settlement Agreement be maintained as business confidential information under 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c), and a separate joint request for such is being filed concurrently.

#### IV. CONCLUSION

Apple and Valencell respectfully request that the Board grant the parties’ Joint Motion to Terminate this proceeding in its entirety.

Date: September 11, 2018

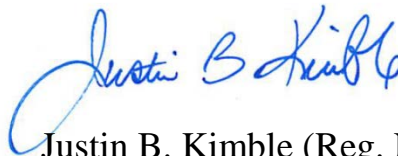
Respectfully submitted,



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**CERTIFICATE OF SERVICE**

Pursuant to 37 C.F.R. § 42.6 (e), the undersigned hereby certifies that on September 11, 2018, true and correct copies of the foregoing **JOINT MOTION TO TERMINATE *INTER PARTES* REVIEW**, and Exhibits 1212-1213 were served electronically via e-mail on the following parties:

|  |  |
|--|--|
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