

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

LITE-ON TECHNOLOGY CORPORATION,

Petitioner,

v.

SENSOR ELECTRONIC TECHNOLOGY, INC.,

Patent Owner.

Case IPR2022-00780
U.S. Patent No. 9,923,117

**JOINT MOTION TO TERMINATE
PURSUANT TO 35 U.S.C. § 317 AND 37 C.F.R. § 42.74**

Pursuant to 35 U.S.C. § 317, 37 C.F.R. §§ 42.72 and 42.74, and the Board's authorization of July 10, 2023, Lite-On Technology Corporation ("Petitioner") and Sensor Electronic Technology, Inc. ("Patent Owner") jointly move to terminate the present *inter partes* review proceeding with respect to Petitioner in light of Patent Owner's and Petitioner's settlement of their dispute regarding U.S. Patent No. 9,923,117 (the '117 Patent").

Petitioner and Patent Owner are concurrently filing a true copy of their written Settlement Agreement (Confidential Exhibit 1025) in connection with this matter as required by the statute. Petitioner and Patent Owner certify that there are no other agreements or understandings, oral or written, between the parties, including any collateral agreements, made in connection with, or in contemplation of, the termination of the present proceeding with respect to Petitioner. A joint request to treat the Settlement Agreement as business confidential information kept separate from the file of the involved patent pursuant to 35 U.S.C. § 317(b) is being filed concurrently.

LEGAL STANDARD

An *inter partes* review proceeding "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). A joint motion to terminate generally “must (1) include a brief explanation as to why termination is appropriate; (2) identify all parties in any related litigation involving the patents at issue; (3) identify any related proceedings currently before the Office, and (4) discuss specifically the current status of each such related litigation or proceeding with respect to each party to the litigation or proceeding.” *Heartland Tanning, Inc. v. Sunless, Inc.*, IPR2014-00018, Paper No. 26, at *2 (P.T.A.B. July 28, 2014).

The Board has consistently granted a request to terminate a proceeding for both the petitioner and patent owner when the request is filed before briefing has completed, which is the case here, as the Institution Decision was just issued on October 28, 2022 (Paper 11). *See, e.g., Itron, Inc. v. Certified Measurement*, IPR 2015-00570, Paper 28, at 2-3 (P.T.A.B. February 16, 2016) (terminating the proceedings for both Patent Owner and Petitioner while noting that since “Petitioner has not yet filed a Reply in any of the cases, ... if we do not terminate these proceedings with respect to Patent Owner, ... [the Board] will be required to determine patentability on less than a full record”); *CB Distributors, Inc. and DR Distributors, LLC v. Fontem Holdings I B.V.*, IPR2014-01529, Paper 41, at 2 (P.T.A.B. December 7, 2015) (terminating the proceedings for both Patent Owner and Petitioner where a reply to the Patent Owner Response had yet to be filed).

ARGUMENT

Termination of the present *inter partes* review proceeding is appropriate because (1) Petitioner and Patent Owner have resolved their dispute regarding the '117 Patent and have agreed to terminate this proceeding, (2) the Office has not yet decided the merits of the proceeding, and (3) public policy favors the termination.

Although the Board has instituted trial (Paper 11), the Office has not decided the merits of the proceeding. Moreover, the current record is incomplete because briefing is still open. This strongly favors termination. *See, e.g., Itron, Inc.*, IPR 2015-00570, Paper 28, at 2-3; *CB Distributors, Inc.*, IPR2014-01529, Paper 41, at 2.

Public policy also favors the termination. As recognized by the rules of practice before the Board:

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.

Patent Office Trial Practice Guide, Fed. Register, Vol. 77, No. 157 at 48768 (Aug. 14, 2012). Moreover, no public interest or other factors militate against termination of this proceeding.

As to the remaining *Heartland Tanning* requirements regarding the identification and status of related proceedings, Petitioner and Patent Owner represent that there are not any other proceedings before the Board on the '117 Patent. There is one related district court litigation, in which Petitioner and Patent Owner are both parties, *Sensor Electronic Technology, Inc. v. Lite-On Technology Corporation, et al.*, Case No. 21-cv-00322-ADA (W.D. Tex.). The parties to this related litigation will file a motion to dismiss the action in its entirety, including all claims regarding the '117 Patent. As such, there are no parties that would obtain any benefit by the continuance of this proceeding.

CONCLUSION

For the foregoing reasons, Petitioner and Patent Owner jointly and respectfully request that the instant proceeding be terminated.

Dated: July 11, 2023

For Petitioner:
Lite-On Technology Corporation

/ Patrick A. Doody /

Patrick A. Doody (Reg. No. 35,022)
**PILLSBURY WINTHROP SHAW
PITTMAN LLP**
1650 Tysons Boulevard, 14th Floor
McLean, VA 22102
Telephone: (703) 770-7900
Facsimile: (703) 770-7901
patrick.doody@pillsburylaw.com

Jack Ko, Ph.D. (Reg. No. 54,227)
**PILLSBURY WINTHROP SHAW
PITTMAN LLP**
11682 El Camino Real, Suite 200
San Diego, CA 92130
Telephone: (858) 509-4000
jack.ko@pillsburylaw.com

Christopher Kao (*pro hac vice*)
Brock S. Weber (*pro hac vice*)
**PILLSBURY WINTHROP SHAW
PITTMAN LLP**
Four Embarcadero Center, 22nd Floor
San Francisco, CA 94111
Telephone: (415) 983-1000
christopher.kao@pillsburylaw.com
brock.weber@pillsburylaw.com

Respectfully submitted,

For Patent Owner:
Sensor Electronic Technology, Inc.

/ Jonathan Auerbach / *

David C. Radulescu, Ph.D.
(Reg. No. 36,250)
Etai Lahav (*pro hac vice*)
Jonathan Auerbach (Reg No. 59,193)
Bryon Wasserman (Reg No. 48,404)
RADULESCU LLP
5 Penn Plaza, 19th Floor
New York, NY 10001
Tel: (646) 502-5950
Fax: (646) 502-5959
david@radip.com
etai@radip.com
jonathan@radip.com
bryon@radip.com

Kevin S. Kudlac (Reg. No. 36,852)
RADULESCU LLP
501 Congress Avenue, Suite 150
Austin, TX 78701
Tel: (512) 656-5743
kevin@radip.com

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CERTIFICATE OF SERVICE

I hereby certify that on July 11, 2023, a copy of the foregoing **JOINT MOTION TO TERMINATE PURSUANT TO 35 U.S.C. § 317 AND 37 C.F.R. § 42.74** was served by electronic mail upon the following:

David C. Radulescu, Ph.D. (*david@radip.com*)
Etai Lahav (*etai@radip.com*)
Bryon Wasserman (*bryon@radip.com*)
Jonathan Auerbach (*jonathan@radip.com*)
RADULESCU LLP
5 Penn Plaza, 19th Floor
New York, NY 10001

Kevin S. Kudlac (*kevin@radip.com*)
RADULESCU LLP
501 Congress Avenue, Suite 150
Austin, TX 78701

Date: July 11, 2023

/ Patrick A. Doody /
Patrick A. Doody