

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

AMAZON.COM, INC,
Petitioner,

v.

LEXOS MEDIA IP, LLC,
Patent Owner.

Case IPR2023-01001
U.S. Patent No. 6,118,449

**JOINT MOTION TO TERMINATE
PURSUANT TO 35 U.S.C. § 317 AND 37 C.F.R. §§ 42.72, 42.74**

EXHIBIT LIST

Exhibit	Reference
EX1001	U.S. Patent No. 5,995,102 entitled <i>Server System and Method for Modifying a Cursor Image</i> to James Samuel Rosen et al. (“the ’102 Patent”).
EX1002	U.S. Patent No. 6,118,449 entitled <i>Server System and Method for Modifying a Cursor Image</i> to James Samuel Rosen et al. (“the ’449 Patent”).
EX1003	Declaration of Dr. Craig Rosenberg.
EX1004	U.S. Patent No. 6,437,800 to Mark A. Malamud (“Malamud”).
EX1005	U.S. Patent No. 5,835,911 to Toru Nakagawa, et al. (“Nakagawa”).
EX1006	U.S. Patent No. 5,937,417 to Jakob Nielsen (“Nielsen”).
EX1007	<i>Lexos Media IP, LLC v. APMEX, Inc.</i> , No. 2:16-cv-00747-JRG-RSP (“ <i>APMEX</i> ”), Early Claim Construction Opinion and Order, Dkt. 86 (E.D. Tex., Mar. 16, 2017).
EX1008	<i>Lexos Media IP, LLC v. Amazon.com, Inc.</i> , No. 2:22-cv-00169-JRG, Parties’ Joint Claim Construction and Prehearing Statement, Dkt. 89 (E.D. Tex., May 16, 2023) (including the exhibits attached thereto).
EX1009	U.S. Patent No. 5,754,176 to Chris Crawford (“Crawford”).
EX1010	File History of the ’102 Patent.
EX1011	File History of the ’449 Patent.
EX1012	Curriculum Vitae of Dr. Craig Rosenberg.
EX1013	Appendices to the Declaration of Dr. Craig Rosenberg.
EX1014	Binding Term Sheet
EX1015	Settlement Agreement

I. INTRODUCTION

Pursuant to 35 U.S.C. § 317 and 37 C.F.R. §§ 42.72, 42.74, Petitioner Amazon.com, Inc. (“Amazon”) and Patent Owner Lexos Media IP, LLC (“Patent Owner”) jointly move the Patent Trial and Appeal Board (“Board”) to terminate the IPR2023-01001 proceedings pursuant to an agreement reached between Amazon and Patent Owner (the “Agreement”) settling the underlying patent litigation involving the ’449 patent that is the subject of this review.

Pursuant to 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(b), Amazon and Patent Owner submit herewith copies of the confidential term sheet (EX1014) and settlement agreement (EX1015) entered between them. There are no other agreements, oral or written, between Patent Owner and Amazon made in connection with, or in contemplation of, the termination of the IPR Proceedings. Because the term sheet and settlement agreement are confidential, Patent Owner and Amazon respectfully request that the Board treat these documents as business confidential information and that they be kept separate from the underlying patent file, as provided under 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c). Keeping the agreements confidential helps serve the purpose of encouraging parties to settle disputes while preserving the confidentiality of such agreements.

On December 24, 2023, Amazon notified the Board that Amazon and Patent Owner desired to file a joint motion to terminate this IPR, and Amazon requested a

conference call with the Board to discuss that request and receive guidance on the motion to terminate the IPR proceedings. That call with the Board was held on January 11, 2024. During that January 11 call, the Board authorized Patent Owner and Amazon to file a joint motion to terminate and a joint request to treat the settlement agreements as business confidential. The Board authorized the parties that they may include this request to treat the agreements as business confidential in the same motion as the motion to terminate.

As stated in 35 U.S.C. § 317(a), because Amazon and Patent Owner are jointly requesting termination of the IPR Proceedings, no estoppel under 35 U.S.C. § 315(e) shall attach to Amazon.

II. STATEMENT OF FACTS

Patent Owner asserted the '449 patent against Amazon in a district court lawsuit captioned *Lexos Media IP, LLC v. Amazon.com Inc.*, No. 2:22-cv-00169-JRG (E.D. Tex.) (the “Lexos Litigation”). On June 5, 2023, Amazon filed a petition for *inter partes* review against the '449 patent. The Board issued a decision granting the petition and instituting review on December 12, 2023.

On December 22, 2023, Amazon and Patent Owner entered into the Agreement pursuant to which they agreed, among other things, to dismiss with prejudice the Lexos Litigation, including the allegations regarding the '449 patent, and to seek termination of this IPR proceeding.

III. LEGAL STANDARD

An *inter partes* review “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). “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, “[t]he Board may terminate a trial without rendering a final written decision, where appropriate . . . pursuant to a joint request under 35 U.S.C. 317(a).” 37 C.F.R. § 42.72.

IV. GOOD CAUSE EXISTS TO TERMINATE THIS PROCEEDING

Termination of the instant IPR is appropriate because the parties have resolved all disputes concerning the ’449 patent. Thus, under 35 U.S.C. § 317(a), the Board should terminate this proceeding.

Here, the IPR2023-01001 proceeding should be terminated because of the strong public policy and expectation that IPRs will terminate upon settlement prior to a decision on the merits. The IPR2023-01001 proceeding is still in its early stages as the Board only recently granted the petition and instituted review. There has been no final decision on the merits and institution has only been recently granted. As such, termination would save significant further expenditures of resources by the Board.

The IPR2023-01001 proceeding should also be terminated because the parties jointly requested termination. Amazon and Patent Owner have resolved the IPR2023-01001 proceeding and related litigation through settlement.

For at least those reasons discussed above, Amazon and Patent Owner respectfully request that the Board terminate the IPR2023-01001 proceeding.

V. MATTERS RELATED TO THE *INTER PARTES* REVIEW PROCEEDING

The patent-at-issue in IPR2023-01001 is the subject of the following pending federal district court litigations:

Lexos Media IP, LLC v. Walmart Inc., No. 2-22-cv-00316 (E.D. Tex.);

Lexos Media IP, LLC v. Overstock.com, Inc., No. 2-22-cv-02324 (D. Kan.);

Lexos Media IP, LLC v. Nike, Inc., No. 2-22-cv-00311 (E.D. Tex.);

Lexos Media IP, LLC v. MSC Industrial Direct Co., No. 3-22-cv-01736 (N.D. Tex.);

Lexos Media IP, LLC v. Gap Inc., No. 2-22-cv-00299 (E.D. Tex.);

Lexos Media IP, LLC v. Ulta Beauty, Inc., 2-22-cv-00292 (E.D. Tex.);
and

Lexos Media IP, LLC v. eBay Inc., No. 3-23-cv-06314 (N.D. Cal.).

There is also another pending IPR petition regarding the '449 patent and a motion for joinder that was filed by eBay, Inc. (*See* IPR2024-00337.) The parties jointly oppose eBay's petition for joinder because Amazon and Patent Owner have

resolved the IPR2023-01001 proceeding and do not desire it to continue, and joinder would allow eBay to continue the IPR contrary to the intent of the settlement that requires the parties “to undertake all necessary protocols to effectuate the prompt termination of the pending IPRs.” (*See* section 9.14.) Additionally, joinder would allow eBay to avoid the statutory bar and no exceptional circumstances exists to warrant joinder.

There is another IPR proceeding between Amazon and Patent Owner (*see* IPR2023-01000 against U.S. Patent No. 5,995,102), and Amazon and Patent Owner are also jointly moving for termination of that IPR for the same reason set forth herein.

VI. CONCLUSION

Amazon and Patent Owner respectfully request that the Board grant the parties’ joint motion to terminate the IPR2023-01001 proceeding, and the related IPR2023-01000 proceeding, in their entirety and grant the accompanying request to treat the term sheet and settlement agreement between Amazon and Patent Owner as business confidential information.

Respectfully submitted,

January 12, 2024

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true copy of the foregoing document has been served in its entirety by filing the **JOINT MOTION TO TERMINATE PURSUANT TO 35 U.S.C. § 317 AND 37 C.F.R. §§ 42.72, 42.74 and EXHIBITS 1014-1015** has been served on the following counsel of record for Patent

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