

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

NETFLIX, INC. AND HULU, LLC,

Petitioners,

v.

DIVX, LLC,

Patent Owner.

Case No. IPR2020-00558

U.S. Patent No. 10,225,588

**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(a) and 37 C.F.R. § 42.74, Petitioner Hulu, LLC and Patent Owner DivX, LLC jointly request termination of this inter partes review with respect to Hulu, LLC. Hulu and DivX further request that the Board change the caption of this case to remove Hulu. In accordance with 37 C.F.R. § 42.20(b), the parties received authorization from the Board to file this motion on May 5, 2023.

Hulu and DivX have settled with respect to the challenged patent and Hulu has agreed to refrain from participating in challenges against the patent. Termination of this proceeding is proper for several reasons.

First, this is a joint request by parties that have settled their dispute. 77 Fed. Reg. 48756, 48768 (Aug. 14, 2012) (“There are strong public policy reasons to favor settlement between the parties to a proceeding.”). 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.”). The Federal Circuit 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). Here, no public interest or other factors weigh against termination of this proceeding with respect to Hulu.

Second, the Board has not yet “decided the merits of the proceeding before the request for termination is filed” since it has not issued a final written decision following remand. 35 U.S.C. § 317(a); 77 Fed. Reg. 48768 (“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.”). Indeed, the Board has terminated IPR proceedings after remand based on joint motions to terminate. *See, e.g., Ascend Performance Materials Operations LLC v. Samsung SDI Co., Ltd.*, IPR2020-00349, Paper No. 64, *4 (finding “termination of the *inter partes* review is warranted,” reasoning that “while the panel has made progress toward issuing a new Final Written Decision on remand, we have not ‘decided on the merits of the proceeding.’”); *Cantfield Scientific, Inc. v. Melanoscan LLC*, IPR2017-02125, Paper No. 70, *3 (Jan. 24, 2022) (granting motion to terminate because “[t]he Board has not issued a decision on remand and, thus, has not decided the merits of the issues that were remanded to the Board.”).

Third, before remanding this case to the Board, the Federal Circuit has granted the motion to withdraw Hulu from the appeal. *Netflix, Inc. v. DivX, LLC*, Case No. 2022-1083 (Fed. Cir.), Dkt. 23 (Aug. 4, 2022). The court in the related district court action also has dismissed the claim for infringement of the challenged

patent at the request of the Hulu and DivX. *DivX, LLC v. Hulu, LLC*, Case No. 2:19-cv-01606 (C.D. Cal.), Dkt. 157 (Aug. 25, 2022).

As required by 35 U.S.C. § 317 and 37 C.F.R. § 42.74, the written agreement that contemplates the termination of this proceeding has been filed with this motion as Exhibit 2030, along with a separate request that the written agreement be kept separate as business confidential information.

Date: May 11, 2023

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on May 11, 2023, a complete copy of the foregoing JOINT MOTION TO TERMINATE PURSUANT TO 35 U.S.C. § 317 AND 37 C.F.R. § 42.74 was served via email to the attorneys of record for the Patent Owner as follows:

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