UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAMSUNG ELECTRONICS CO., LTD.,

Petitioner,

v.

CARDWARE INC.,

Patent Owner.

IPR2023-00314
U.S. Patent No. 10,628,820

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

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Pursuant to 35 U.S.C. § 317 and 37 C.F.R. § 42.72, and the Board's authorization via email on October 24, 2023, Patent Owner CardWare Inc. and Petitioner Samsung Electronics Co., Ltd. (collectively, "the Parties") jointly request termination of *Inter Partes* Review No. IPR2023-00314 with prejudice to preserve the Board's and parties' resources and to achieve a just, speedy, and inexpensive resolution to this dispute.

An agreement has been reached to settle and dismiss the related district court litigation styled *Cardware Inc. v. Samsung Electronics Co., Ltd. and Samsung Electronics America, Inc.*, Case No. 2:22-cv-00141-JRG-RSP (E.D. Tex.), where U.S. Patent No. 10,628,820 ("the '820 patent") was previously asserted by Patent Owner.

The Parties are concurrently filing a copy of the confidential Agreement as Ex. 2004 along with a request to treat it as confidential business information pursuant to 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c). The Agreement is being filed as "Board and Parties Only."

Pursuant to 37 C.F.R. § 42.74(b), there are no other collateral agreements or understandings, oral or written, between the parties made in connection with, or in contemplation of, the termination of the present proceeding, and Ex. 2004 represents a true and accurate copy of the agreement between the Parties that

resolves the present proceeding.

I. Background

On December 23, 2022, Petitioner Samsung Electronics Co., Ltd. filed a request for *Inter Partes* Review of the '820 patent. *See* IPR2023-00314, Paper 2. On April 20, 2023, Patent Owner filed a preliminary response. *See* IPR2023-00314, Paper 6. On May 19, 2023, Petitioner filed its reply. *See* IPR2023-00314, Paper 9. On May 25, 2023, Patent Owner filed its sur-reply. *See* IPR2023-00314, Paper 10. On July 18, 2023, the Board instituted *Inter Partes* Review in IPR2023-00314 on claims 1 through 20. *See* IPR2023-00314, Paper 11. The Board issued a scheduling order, *see* IPR2023-00314, Paper 12, which the parties have since stipulated to modify certain dates, and Patent Owner has not yet filed its Patent Owner Response. The Board has not issued a final decision.

On September 14, 2023, an agreement in principle was reached to resolve all matters in controversy between the Parties related to the '820 patent, including the district court litigation styled *Cardware Inc. v. Samsung Electronics Co., Ltd. And Samsung Electronics America, Inc.*, Case No. 2:22-cv-00141-JRG-RSP (E.D. Tex.), where the '820 patent was asserted, as well as IPR2023-00314. On September 18, 2023, the Parties finalized and submitted appropriate papers to stay the related district court litigation. Once the stay papers were finalized and submitted in the related district court litigation, the Parties worked together and

stipulated to modify upcoming Due Dates 1-3. *See* IPR2023-00314, Papers 14-15.

II. Termination of IPR2023-00314 is Appropriate

The Board "may terminate a trial without rendering a final written decision, where appropriate." 37 C.F.R. § 42.72. Further, the rules governing IPR proceedings "shall be construed to secure the just, speedy, and inexpensive resolution of every proceeding." *Id.* § 42.1(b).

Termination of this IPR is appropriate as the Board has not yet "decided the merits of the proceeding" on the record noted above. *See, e.g.*, Office Patent Trial Practice Guide, 77 Fed. Reg. 48756, 48768 (Aug. 14, 2012). No dispute remains between Patent Owner and Petitioner involving the '820 patent as an agreement has been reached to settle and dismiss the related district court litigation, and to jointly seek termination of IPR2023-00314. As such, the dispute at the center of the IPR no longer remains between the parties, and the Board's decision on the IPR is no longer necessary.

Termination also further promotes the Congressional goal of establishing a more efficient patent system by limiting unnecessary and counterproductive costs. *See* Changes to Implement Inter Partes Review Proceedings, Post-Grant Review Proceedings, and Transitional Program for Covered Business Method Patents, 77 Fed. Reg. 48,680 (Aug. 14, 2012). Permitting termination as to all parties

provides certainty and fosters an environment that promotes settlements, creating a timely, cost-effective alternative to litigation.

Moreover, the ’820 patent is not being litigated in any other action or tribunal that would warrant the Board’s continued expenditure of its valuable resources on IPR2023-00314, and would expeditiously resolve the dispute, furthering the purpose of IPR challenges.

Additionally, the Parties respectfully submit that the concurrent request to treat the Parties’ Agreement as confidential business information pursuant to 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c) should be granted.

III. Conclusion

For all the reasons stated above, Patent Owner and Petitioner respectfully requests that the Board dismiss the underlying Petition and Terminate IPR2023-00314 with prejudice.

Dated: October 26, 2023

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that the foregoing **JOINT MOTION TO TERMINATE PROCEEDING** was served on October 26, 2023, via electronic mail upon counsel of record for Petitioner at the following email addresses:

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