

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
MARSHALL DIVISION**

NETSOCKET, INC.,

*Plaintiff,*

v.

CISCO SYSTEMS, INC.,

*Defendant.*

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CIVIL ACTION NO. 2:22-CV-00172-JRG

**ORDER**

Before the Court is the Joint Motion Regarding Stipulation of Dismissal of U.S. Patent No. 7,616,601 (the “Motion”) filed by Plaintiff NetSocket, Inc. (“NetSocket”) and Defendant Cisco Systems, Inc. (“Cisco”). (Dkt. No. 121.) In the Motion, the parties agree to the dismissal of NetSocket’s claims for infringement of U.S. Patent No. 7,616,601. (*Id.*) The parties file the following stipulations with their Motion:

1. Count 1 of the Second Amended Complaint alleging infringement of the ’601 Patent against Cisco is dismissed with prejudice;
2. The First Counterclaim of Cisco’s Counterclaims alleging noninfringement is dismissed with prejudice, solely with respect to Cisco’s allegations of non-infringement pertaining to the ’601 Patent;
3. The Second Counterclaim of Cisco’s Counterclaims alleging invalidity is dismissed with prejudice, solely with respect to Cisco’s allegations of invalidity pertaining to the ’601 Patent;
4. The Third Counterclaim of Cisco’s Counterclaims alleging Breach of Contract is dismissed with prejudice, solely with respect to Cisco’s allegations of Breach of Contract pertaining to the ’601 Patent;
5. The Fourth Counterclaim of Cisco’s Counterclaims alleging patent exhaustion is dismissed with prejudice, solely with respect to Cisco’s allegations of patent exhaustion pertaining to the ’601 Patent;

6. The Fifth<sup>1</sup> Counterclaim of Cisco's Counterclaims alleging patent exhaustion is dismissed with prejudice, solely with respect to Cisco's allegations of breach of contract relating to FRAND Commitments pertaining to the '601 Patent;
7. NetSocket, for and on behalf of itself, as well as any of its predecessors, successors, assigns, directors, officers, employees, and agents, hereby releases and unconditionally and irrevocably covenants to refrain from making any claim(s) or demand(s) (or cooperate with, instruct, encourage, aid, or consent to a third party making any claim or demand), directly or indirectly, against Cisco or any of its parents, subsidiaries, divisions, and affiliates, as well as any of their predecessors, successors, assigns, directors, officers, employees, agents, and distributors in their capacity as distributors for Cisco (collectively, "the Cisco Covenanted Parties") based on any possible cause of action arising under the patent laws of the United States, relating to any claim of the '601 Patent with respect to any Cisco product made, used, sold, offered for sale, or imported by the Cisco Covenanted Parties, regardless of whether the products are made, used, sold, offered for sale, or imported before, on, or after the date of this covenant. The releases and covenants provided in this Section 8 shall also extend to customers of Cisco with respect to Cisco products made, used, sold, offered for sale, or imported by the Cisco Covenanted Parties, but only to the extent that the accused products form a material part of the infringement allegations relating to any claim of the '601 Patent. The covenant for the '601 Patent extends through the life of the '601 Patent plus the resulting 6-year statutory damages period set forth in 35 U.S.C. § 286. For avoidance of doubt, this covenant does not apply to the U.S. Patent No. 7,190,698 (the "'698 Patent"), U.S. Patent No. 7,734,796 (the "'796 Patent"), and U.S. Patent No. 7,720,966 (the "'966 Patent").
8. Cisco and NetSocket will jointly request that the PTAB terminate IPR2023- 00606, challenging claims 1-9 of the '601 Patent;
9. Within 1 day of the Court's entry of this Stipulation, Cisco will notify the Patent Trial and Appeal Board requesting permission to file a joint motion to terminate IPR2023-00606;
10. Within 1 day of receiving permission from the Patent Trial and Appeal Board, the parties shall execute and file a joint motion to terminate IPR2023-00606;
11. This Stipulation only dismisses those claims and counterclaims relating to the '601 Patent and does not dismiss any other claims or counterclaims based on the '698 Patent, the '796 Patent, and the '966 Patent, nor any other pending IPRs relating to those patents;

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<sup>1</sup> Due to a typographical error the Fifth Counterclaim, pertaining to an alleged "Breach of Contract – FRAND Commitment" was inadvertently identified as the "Third Counterclaim" in the First Amended Answer and Counterclaims. (Dkt. No. 114).

12. This Stipulation is the sole and entire agreement between the Cisco and NetSocket made in connection with, or in contemplation of, the termination of IPR2023- 00606.

Having considered the Motion, and noting its joint nature, the Court finds that the same should be and hereby is **GRANTED**. The Court **ACCEPTS AND ACKNOWLEDGES** the parties' stipulations. Accordingly, it is **ORDERED** that NetSocket's claims for infringement of the '601 Patent are **DISMISSED WITH PREJUDICE**. It is further **ORDERED** that Cisco's First, Second, Third, Fourth, and Fifth Counterclaims pertaining to the '601 Patent are **DISMISSED WITH PREJUDICE**.

The Clerk of the Court is directed to **MAINTAIN AS OPEN** the above-captioned case as other claims remain.

**So ORDERED and SIGNED this 15th day of March, 2024.**

  
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RODNEY GILSTRAP  
UNITED STATES DISTRICT JUDGE