UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

HILTON DOMESTIC OPERATING COMPANY, INC.,
Petitioner,

v.

R2 SOLUTIONS LLC,
Patent Owner.

Case IPR2023-00690

Patent 7,698,329

JOINT MOTION TO TERMINATE PROCEEDINGS
PURSUANT TO 35 U.S.C. § 317(a) AND 37 C.F.R. §§ 42.72, 42.74

STATEMENT OF REQUESTED RELIEF

Pursuant to 35 C.F.R. § 317 and 37 C.F.R. §§ 42.72 and 42.74, and the Board's authorization by email dated September 26, 2023, Petitioner Hilton Domestic Operating Company, Inc. ("Hilton") and Patent Owner R2 Solutions LLC ("R2") jointly move to terminate the present *inter partes* review proceeding in its entirety as a result of a Settlement and License Agreement ("the Hilton-R2 Settlement Agreement") between Hilton and R2. The Hilton-R2 Settlement Agreement completely resolves all pending controversies between Hilton and R2 concerning U.S. Patent 7,698,329 ("the '329 patent").

Hilton and R2 are concurrently filing a true copy of their written Settlement Agreement in connection with this matter as required by 37 C.F.R. § 42.74(b). Hilton and R2 further jointly certify that there are no other agreements, or understandings, oral or written, between them, including any collateral agreements, made in connection with, or in contemplation of, the termination of Hilton from this proceeding as set forth in 35 U.S.C. § 317(b).

Hilton and R2 request that the Hilton-R2 Settlement Agreement be treated as business confidential information and be kept separate from the file of the '329 patent. A joint request for such treatment pursuant to 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c) is being filed concurrently herewith.

STATEMENT OF FACTS

R2 asserted the ’329 patent against Hilton in the action entitled *R2 Solutions LLC v. Hilton Domestic Operating Company Inc.*, Case No. 3:22-cv-02761 (N.D. Tex.) (the “Hilton Litigation”)

On September 21, 2023, Hilton and R2 entered into a Settlement and License Agreement pursuant to which they agreed, among other things, to dismiss with prejudice any litigation relating to the ’329 patent and to seek termination of this IPR proceeding.

Petitioner filed the following petitions to institute *inter partes* proceedings concerning other patents owned by R2.

IPR	Patent	Date Filed
IPR2023-00666	U.S. Patent 8,341,157	March 6, 2023
IPR2023-00689	U.S. Patent 8,190,610	March 7, 2023
IPR2023-00887	U.S. Patent 8,209,317	April 27, 2023

ARGUMENT

35 U.S.C. § 317(a) provides that “[a]n *inter partes* review instituted under this chapter 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.” Similarly, 37 C.F.R. § 42.72 provides that “[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)." The Trial Practice Guide also observes that "[t]here are strong public policy reasons to favor settlement between the parties to a proceeding" and that 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 Trial and Appeal Board Consolidated Trial Practice Guide, § II.N, p. 86 (November 2019).

Termination of this IPR is appropriate because Hilton and R2 have settled their entire dispute concerning the '329 patent and the Board has not yet decided the merits of this proceeding. Thus, under 35 U.S.C. § 317(a), the Board should terminate this proceeding. "Generally, the Board expects that a proceeding will terminate after the filing of a settlement agreement." *DTN, LLC v. Farms Technology, LLC*, IPR2018-01412, Paper 21 (June 14, 2019) (precedential) (citing 35 U.S.C. § 317(a), 37 C.F.R. § 42.72, and the Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,768 (Aug. 14, 2012)).

Other factors weigh in favor of terminating this IPR proceeding. First, the above captioned petition is in its early stages, and the Board has not yet made a decision regarding institution of the petition, and no decisions on the merits of the proceeding have been made. Dismissal of the proceedings at this early stage promotes the congressional goal to establish a more efficient and streamlined patent system that limits unnecessary and counterproductive litigation costs. *See* 37 C.F.R.

§ 42.1(b). In similar circumstances involving IPRs at such an early juncture, the Board has previously granted motions to terminate using its authority under at least 37 C.F.R. §§ 42.5(a) and 42.71(a). *See, e.g. RPC Formatec GMBH v. Trudell Medical Int'l*, Case Nos. IPR2014-01040, IPR2014-01127, Paper 10 (PTAB, Oct. 24, 2014) (granting joint motion to terminate); *Samsung Electronics Co., Ltd. v. Telefonaktiebolaget LM Ericsson,* IPR2021-00446, Paper 7 (PTAB, Aug. 3, 2021) (same); *Huawei Technologies Co., Ltd. v. Verizon Patent and Licensing Inc.*, IPR2021-00616, -00617, Paper 9, (PTAB, Sept. 9, 2021) (same).

CONCLUSION

For at least these reasons, Hilton and R2 respectfully request that the Board grant this Joint Motion to Terminate the above-captioned IPR proceeding. Hilton and R2 also request that the Board grant their joint request to treat the Hilton-R2 Settlement Agreement as business confidential information and keep it separate from the file of the '329 patent.

Respectfully submitted,

Dated: October 3, 2023

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CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6, the undersigned certifies that on October 3, 2023, a true and correct copy of the foregoing was served electronically on the following counsel of record for Patent Owner:

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