

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CADENCE DESIGN SYSTEMS, INC.,

Petitioner,

v.

SEMICONDUCTOR DESIGN TECHNOLOGIES, LLC,

Patent Owner.

IPR2024-00024

U.S. Patent No. 7,971,167

**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 Cadence Design Systems, Inc. and Patent Owner Semiconductor Design Technologies, LLC jointly request termination of this *inter partes* review proceeding in its entirety. This proceeding is at an early stage, with a Patent Owner Response not yet having been filed. In accordance with 37 C.F.R. § 42.20(b), the parties received authorization from the Board to file this motion on July 23, 2024.

The parties have entered into a confidential settlement agreement that resolves all underlying disputes between Petitioner and Patent Owner with respect to the challenged patent, including agreement to terminate this IPR. Termination of this proceeding is proper for several reasons.

First, this is a joint request by parties that have settled their dispute. PTAB November 2019 Consolidated Trial Practice Guide (“Nov. 2019 TPG”) at 86 (“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.

Second, the Board has not yet “decided the merits of the proceeding before the request for termination is filed.” 35 U.S.C. § 317(a); Nov. 2019 TPG at 86 (“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 not yet made a decision after instituting this *inter partes* review on April 25, 2024. No motions are outstanding in this proceeding. Nor will other parties’ rights be prejudiced by the termination of this *inter partes* review. 77 Fed. Reg. 48680, 48686 (Aug. 14, 2012) (§ 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.”).

Third, the parallel district court case (*Semiconductor Design Techs. LLC v. Cadence Design Sys., Inc.*, Case No. 3:23-cv-01001-RFL (NDCA)) has now concluded because the Patent Owner has dismissed its appeal to the Federal Circuit of the order dismissing the parallel district court case with prejudice. *Semiconductor Design Techs. LLC v. Cadence Design Sys., Inc.*, Case No. 2024-

2026 (Fed. Cir.) (July 18, 2024) (ECF No. 10). The parties are unaware of any other IPR that is challenging the '167 patent.

As required by 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(b), a true and correct copy of the written agreement that contemplates the termination of this proceeding has been filed with this motion as Exhibit 1029. The parties are concurrently filing a separate request that the written agreement be treated as business confidential information and be kept separate from the files of the involved patent, pursuant to 37 C.F.R. § 42.74(c). The parties certify that there are no other agreements, oral or written, between the parties made in connection with, or in contemplation of, the termination of the proceeding.

Date: July 23, 2024

Respectfully submitted,

/Harper Batts/

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on July 23, 2024, a complete copy of the foregoing Joint Motion to Terminate was served via email to the attorneys of record for the Patent Owner as follows:

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