UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAMSUNG ELECTRONICS CO., LTD.,

Petitioner,

v.

CARDWARE INC.,

Patent Owner.

PGR2023-00012
U.S. Patent No. 11,328,286

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 Post Grant Review No. PGR2023-00012 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. 11,328,286 ("the '286 patent") was previously asserted by Patent Owner.

The Parties are concurrently filing a copy of the confidential Agreement as Ex. 2038 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. 2038 represents a true and accurate copy of the agreement between the Parties that

resolves the present proceeding.

I. Background

On January 20, 2023, Petitioner Samsung Electronics Co., Ltd. filed a petition for post grant review of the '286 patent. *See* PGR2023-00012, Paper 3. On May 15, 2023, Patent Owner filed a preliminary response. *See* PGR2023-00012, Paper 9. On June 9, 2023, Petitioner filed its reply. *See* PGR2023-00012, Paper 10. On June 16, 2023, Patent Owner filed its sur-reply. *See* PGR2023-00012, Paper 11. On June 22, 2023, Petitioner filed its corrected reply. *See* PGR2023-00012, Paper 12. On June 23, 2023, Patent Owner filed its sur-reply to Petitioner's corrected reply. *See* PGR2023-00012, Paper 13. On August 11, the Board instituted Post-Grant Review in PGR2023-00012 on claims 1 through 27. *See* PGR2023-00012, Paper 14. The Board issued a scheduling order, *see* PGR2023-00012, Paper 15., 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 '286 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 '286 patent was asserted, as well as PGR2023-00012. 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* Paper 16.

II. Termination of PGR2023-00012 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 PGR proceedings "shall be construed to secure the just, speedy, and inexpensive resolution of every proceeding." *Id.* § 42.1(b).

Termination of this PGR 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 '286 patent as an agreement has been reached to settle and dismiss the related district court litigation, and to jointly seek termination of PGR2023-00012. As such, the dispute at the center of the PGR no longer remains between the parties, and the Board's decision on the PGR 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 ’286 patent is not being litigated in any other action or tribunal that would warrant the Board’s continued expenditure of its valuable resources on PGR2023-00012, and would expeditiously resolve the dispute, furthering the purpose of PGR 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 PGR2023-00012 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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