

1 Heinz Binder (SBN 87908)
2 Robert G. Harris (SBN 124678)
3 Wendy W. Smith (SBN 133887)
4 BINDER & MALTER, LLP
5 2775 Park Avenue
6 Santa Clara, CA 95050
7 Telephone: (408)295-1700
8 Facsimile: (408) 295-1531
9 Email: heinz@bindermalter.com
10 Email: rob@bindermalter.com
11 Email: wendy@bindermalter.com

12 Attorneys for Debtor and Debtor-In-
13 Possession Technology Properties Limited, LLC

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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

In re

TECHNOLOGY PROPERTIES LIMITED,
LLC,

Debtor.

Case No: 13-51589 SLJ

Chapter 11

Date: TBD

Time: TBD

Place: Courtroom 3099
280 South First Street
San Jose, California

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**MOTION TO AUTHORIZE COMPROMISE AND RETURN BY TPL OF '549
PATENT PORTFOLIO AND ASSIGNMENT TO PORTFOLIO OWNER (11 U.S.C.
§554(a); FRBP 9019)**

TO SECURED CLAIMANT CUPERTINO CITY CENTER BUILDINGS, A CALIFORNIA
LIMITED PARTNERSHIP; SECURED CLAIMANT SWAMY VENKIDU AS
SHAREHOLDER AGENT FOR A GROUP OF SHAREHOLDERS; AND SECURED
CLAIMANT DANIEL E. LECKRONE, THE OFFICIAL UNSECURED CREDITORS'
COMMITTEE, ALL PARTIES REQUESTING SPECIAL NOTICE, THE UNITED STATES
TRUSTEE, AND THEIR RESPECTIVE COUNSEL:

Debtor and debtor-in-possession Technology Properties Limited, LLC ("TPL") hereby
moves this Court for an order approving the reconveyance under Bankruptcy Code section 554
of the '549 patent. TPL respectfully represents as follows in support of this Motion:

- 1 1. MCM Portfolio LLC (“MCM”) is the owner of the CORE Flash Portfolio. TPL and
2 MCM are parties to a commercialization agreement whereunder TPL not only
3 commercializes and licenses CORE Flash patents but is required to protect their value
4 and prosecute the patents it is commercializing. Alliacense is TPL’s licensing agent
5 and has been providing said services since TPL entered into the commercialization
6 agreement with MCM in 2006.
- 7
8 2. On March 27, 2013, HP petitioned the United States Patent and Trademark Office
9 (“USPTO”) to institute a new form of post-grant review created by the 2011 America
10 Invents Act known as an “Inter Partes Review” (“IPR”) against CORE Flash patent
11 US 7,162,549 and assigned Case No. IPR2013-00217. The Petition was granted. A
12 Writ of Mandamus in the District Court challenging the USPTO’s legal basis for
13 granting HP’s petition was filed in defense of the patent.
- 14 3. The above-captioned Chapter11 bankruptcy case was filed on March 20, 2013.
- 15 4. Following a bench trial in the IPR proceeding on 6/4/14, the Patent and Trademark
16 Appeals Board (PTAB) issued its final decision (8/6/14) finding certain claims of
17 U.S. ‘549 invalid. MCM considers the finding reversible error for various reasons,
18 including: finding U.S. ‘549 invalid based on insufficient evidence to support the
19 verdict, and denying the argument that HP’s IPR was barred due to its filing more
20 than a year after Pandigital was sued for patent infringement when the statute is clear
21 on its face as to the year deadline.
- 22 5. MCM has demanded that TPL either proceed with the ‘549 appeal or reconvey to
23 MCM all rights to the ‘549 to MCM. MCM asserts that TPL is presently in default of
24 the commercialization agreement for failing to prosecute the ‘549 appeal.
- 25 6. TPL presented the Official Unsecured Creditors’ Committee (the “OCC”) with
26 information regarding the pros and cons of proceeding with the ‘549 appeal. The
27 Committee agreed to a schedule under which TPL would pay Alliacense \$50,000 for
28 work immediately required on the ‘549 appeal in exchange for a delay until

1 December 4, 2014, of the deadline for TPL to decide if it is going to proceed with the
2 appeal or reconvey all right, title and interest in and to the '549 patent to MCM.

3 7. On November 24, 2014, the OCC determined not to pursue the appeal of the '549 and
4 to reconvey all right, title and interest in and to the '549 patent to MCM.

5 8. Reconveyance of all right, title and interest in and to the '549 patent relieves TPL of
6 the administrative burden under its commercialization agreement with MCM to pay
7 the remaining cost of appeal of approximately over \$200,000. TPL will retain its
8 rights to license and commercialize the remainder of the patents in the CORE Flash
9 portfolio and will release it from its obligations under an agreement now in breach,
10 which could not otherwise be assumed or assigned under the law of the 9th Circuit in
11 any case in light of the current breach.

12 9. The reconveyance of the interest will not affect the security interest of the Secured
13 Creditors in the reconveyed assets.

14 WHEREFORE, TPL respectfully requests that this Court issue an order granting this
15 Motion and authorizing TPL to reconvey all right, title and interest in and to the '549 portfolio to
16 MCM in a form acceptable to MCM and affirming that such reconveyance is in compliance with
17 all applicable Bankruptcy Court rules and that TPL no longer has any right, title or interest in or
18 to U.S. Patent '549.

19 BINDER & MALTER, LLP

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21 By: _____
22 Robert G. Harris

23 Attorneys for Attorneys for Debtor and Debtor-in-
24 Possession TECHNOLOGY PROPERTIES
25 LIMITED LLC
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UNITED STATES BANKRUPTCY COURT
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**MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF
MOTION TO AUTHORIZE COMPROMISE AND RETURN BY TPL OF '549
PATENT PORTFOLIO AND ASSIGNMENT TO PORTFOLIO OWNER (11 U.S.C.
§554(a); FRBP 9019)**

I. Introduction

Debtor and debtor-in-possession Technology Properties Limited, LLC ("TPL") seeks an order approving the reconveyance under Bankruptcy Code section 554 of the '549 patent. It is essential to abandon and assign forthwith and preserve TPL's rights as to the balance of the CORE Flash Portfolio.

II. Statement of Facts

1. MCM Portfolio LLC ("MCM") is the owner of the CORE Flash Portfolio. TPL and MCM are parties to a commercialization agreement whereunder TPL not only

1 commercializes and licenses CORE Flash patents but is required to protect their value
2 and prosecute the patents it is commercializing. Alliacense is TPL's licensing agent
3 and has been providing said services since TPL entered into the commercialization
4 agreement with MCM in 2006.

- 5 2. On March 27, 2013, HP petitioned the United States Patent and Trademark Office
6 ("USPTO") to institute a new form of post-grant review created by the 2011 America
7 Invents Act known as an "Inter Partes Review" ("IPR") against CORE Flash patent
8 US 7,162,549 and assigned Case No. IPR2013-00217. The Petition was granted. A
9 Writ of Mandamus in the District Court challenging the USPTO's legal basis for
10 granting HP's petition was filed in defense of the patent.
- 11 3. The above-captioned Chapter 11 bankruptcy case was filed on March 20, 2013.
- 12 4. Following a bench trial in the IPR proceeding on 6/4/14, the Patent and Trademark
13 Appeals Board (PTAB) issued its final decision (8/6/14) finding certain claims of
14 U.S. '549 invalid. MCM considers the finding reversible error for various reasons,
15 including: finding U.S. '549 invalid based on insufficient evidence to support the
16 verdict, and denying the argument that HP's IPR was barred due to its filing more
17 than a year after Pandigital was sued for patent infringement when the statute is clear
18 on its face as to the year deadline.
- 19 5. MCM has demanded that TPL either proceed with the '549 appeal or reconvey to
20 MCM all rights to the '549 to MCM. MCM asserts that TPL is presently in default of
21 the commercialization agreement for failing to prosecute the '549 appeal.
- 22 6. TPL presented the Official Unsecured Creditors' Committee (the "OCC") with
23 information regarding the pros and cons of proceeding with the '549 appeal. The
24 Committee agreed to a schedule under which TPL would pay Alliacense \$50,000 for
25 work immediately required on the '549 appeal in exchange for a delay until
26 December 4, 2014, of the deadline for TPL to decide if it is going to proceed with the
27 appeal or reconvey all right, title and interest in and to the '549 patent to MCM.
28

1 For all the reasons set forth above, TPL submits that cause exists for this Court to grant
2 the Motion and issue an order granting this Motion and authorizing TPL to reconvey all right,
3 title and interest in and to the '549 portfolio to MCM in a form acceptable to MCM

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5 Dated: November 26, 2014

BINDER & MALTER, LLP

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8 By: _____

Robert G. Harris

9 Attorneys for Attorneys for Debtor and Debtor-in-
10 Possession TECHNOLOGY PROPERTIES
11 LIMITED LLC
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12 Attorneys for Debtor and Debtor-In-
13 Possession Technology Properties Limited, LLC

14 **UNITED STATES BANKRUPTCY COURT**
15 **NORTHERN DISTRICT OF CALIFORNIA**
16 **SAN JOSE DIVISION**

17 In re

18 TECHNOLOGY PROPERTIES LIMITED,
19 LLC,

20 Debtor.

21 Case No: 13-51589 SLJ

22 Chapter 11

23 Date: TBD

24 Time: TBD

25 Place: Courtroom 3099
26 280 South First Street
27 San Jose, California

28 **DECLARATION OF AROCKIYASWAMY VENKIDU IN SUPPORT OF
MOTION TO AUTHORIZE COMPROMISE AND RETURN BY TPL OF '549
PATENT PORTFOLIO AND ASSIGNMENT TO PORTFOLIO OWNER (11 U.S.C.
§554(a); FRBP 9019)**

I, Arockiyaswamy Venkidu, know the following matters to be true of my own, personal knowledge and, if called as a witness, could and would testify competently thereto:

1. I am a co-inventor of the CORE Flash patent portfolio. I am also the Chief Executive Officer of debtor and debtor in possession technology Properties Limited LLC ("TPL")
2. MCM Portfolio LLC ("MCM") is the owner of the CORE Flash Portfolio. TPL and MCM are parties to a commercialization agreement whereunder TPL not only

1 commercializes and licenses CORE Flash patents but is required to protect their value
2 and prosecute the patents it is commercializing. Alliacense is TPL's licensing agent
3 and has been providing said services since TPL entered into the commercialization
4 agreement with MCM in 2006.

- 5 3. On March 27, 2013, HP petitioned the United States Patent and Trademark Office
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7 Invents Act known as an "Inter Partes Review" ("IPR") against CORE Flash patent
8 US 7,162,549 and assigned Case No. IPR2013-00217. The Petition was granted. A
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10 granting HP's petition was filed in defense of the patent.
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25 work immediately required on the '549 appeal in exchange for a delay until
26 December 4, 2014, of the deadline for TPL to decide if it is going to proceed with the
27 appeal or reconvey all right, title and interest in and to the '549 patent to MCM.
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- 1 8. On November 24, 2014, the OCC determined not to pursue the appeal of the '549 and
2 to reconvey all right, title and interest in and to the '549 patent to MCM.
- 3 9. Reconveyance of all right, title and interest in and to the '549 patent relieves TPL of
4 the administrative burden under its commercialization agreement with MCM to pay
5 the remaining cost of appeal of approximately over \$200,000. TPL will retain its
6 rights to license and commercialize the remainder of the patents in the CORE Flash
7 portfolio and will release it from its obligations under an agreement now in breach,
8 which could not otherwise be assumed or assigned under the law of the 9th Circuit in
9 any case in light of the current breach.
- 10 10. The form of the assignment that MCM wishes TPL to execute is attached hereto as
11 Exhibit A.

12 I declare under penalty of perjury of the laws of the United States that the foregoing is
13 true and correct. Executed this 26^h day of November, 2014 at San Jose, California.

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15 /s/ Arockiyaswamy Venkidu
16 AROCKIYASWAMY VENKIDU
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EXHIBIT A

US '549 ASSIGNMENT

This instrument of assignment ("Assignment") is entered into by and between Technology Properties Limited LLC hereinafter sometimes "TPL" formerly known as Technology Properties Limited on the one hand, and MCM Portfolio LLC hereinafter sometimes "MPL" formerly known as FMM Portfolio LLC ("FPL") on the other hand.

WHEREAS, pursuant to the terms of that certain License Agreement entered into between MPL (f/k/a FPL) and TPL on 31 December 2006 (as of 12 April 2006) together with the First Addendum thereto dated 6 August 2008 made a part hereof as Attachment I (collectively the "MPL/TPL License"), MPL granted to TPL certain rights with respect to the management and commercialization of the patents and related materials described in the Schedule of CORE Flash Patents ("Schedule") attached to the MPL/TPL License, which said patents and materials together with other Applications assigned to MPL by TPL have become parts of what is known as the "CORE Flash Portfolio";

WHEREAS, the said CORE Flash Portfolio includes United States Patent 7,162,549 titled "Multimode Controller for Intelligent and "Dumb" Flash Cards," as well as materials related thereto, including all re-issue, re-exams, IPRs children, divisionals, continuations, continuations in part, and non-US counterparts of any of the foregoing, in the past, present or future, collectively "The '549 Patent"; and,

WHEREAS, as part of the Reorganization proceeding currently pending in the United States Bankruptcy Court, Northern District of California, San Jose Division as case number 13-51589-SLJ-11, TPL is authorized to divest itself of, transfer, and assign to MPL all rights with respect to The '549 Patent arising under the MPL/TPL License or otherwise.

NOW THEREFORE, for and in consideration of the mutual covenants herein contained as well as of other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, it is covenanted and agreed by and between the parties hereto that:

A. By these presents, TPL hereby grants, sets over, assigns, transfers, conveys, and acquits unto MPL all of TPL's

right, title, and interest of whatsoever kind or nature now or ever existing or hereafter arising in and/or with respect to:

1. The '549 Patent together with an interest in CORE Flash Portfolio materials related thereto; and,

2. All past, present, and future entitlements, claims, rights, and/or causes of action with respect to The '549 Patent, including specifically all damages and other remedies for past, present, and/or future infringement, misappropriation, and/or use thereof as well as the right to sue thereon in its own name and for its own use and benefit and to enjoin the use thereof.

B. This Assignment vests in MPL the exclusive, worldwide right: (i) to regulate and control by license, sublicense, affiliation, or other agreement the practice and/or use of The '549 Patent; (ii) to otherwise pursue the Commercialization thereof and the manufacture, sale, and use of products and/or services relying on The '549 Patent; (iii) to sue and collect for its own use and benefit all claims for damages by reason of past infringement or use of The '549 Patent; and, (iv) to pursue all remedies of whatsoever kind or nature for its own use and benefit relating to the past, present, or future use of The '549 Patent.

C. By these presents TPL appoints, authorizes, and directs MPL to act for and on behalf of TPL and in its place and stead with respect to all matters related to the management and/or commercialization of The '549 Patent, including transactions involving The '549 Patent entered into by TPL prior to this Assignment. Upon request TPL shall promptly execute and deliver all documents, instruments, and things related to the CORE Flash Portfolio which are necessary or useful in the conduct of MPL's activities with respect to The '549 Patent.

D. TPL shall have the continuing obligations to MPL hereunder to:

1. Refrain from activity of any kind or nature which may impede, impair, frustrate or otherwise interfere with The '549 Patent activities of MPL including, for example, any communication characterizing the nature of The '549 Patent, the licenses, or the litigation involving The '549 Patent; and,

2. Impose the covenants of this Assignment on its directors, officers, employees, consultants, attorneys, agents and other affiliates or representatives ("Affiliates") and remain responsible for any failure in the good and faithful performance of this Assignment by TPL and/or its Affiliates.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals this ___ day of ___, 2014.

TECHNOLOGY PROPERTIES LIMITED LLC

MCM PORTFOLIO LLC

by: _____
Arocklyaswamy Venkidu
Manager

by: _____
Susan L. Anhalt
Manager

by: _____
Daniel E. Leckrone
Sole Member

Attachments:

I. First Addendum dated 6 AUG 2008

US `549 Assignment 26NOV14-3