

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SHENZHEN CHINA STAR OPTOELECTRONICS
TECHNOLOGY CO., LTD.,
Petitioner,

v.

AU OPTRONICS CORPORATION,
Patent Owner.

Case IPR2016-00548 (Patent 6,689,629 C1)
Case IPR2016-00550 (Patent 7,652,285 B2)¹

Before GRACE KARAFFA OBERMANN, BRIAN P. MURPHY, and
ELIZABETH M. ROESEL, *Administrative Patent Judges*.

ROESEL, *Administrative Patent Judge*.

DECISION
Dismissing Petitions
37 C.F.R. §§ 42.5(a), 42.71(a)

¹ This decision addresses what the parties represent is the same motion filed in IPR2016-00548 and IPR2016-00550; therefore, we issue a single decision to be entered in both cases.

IPR2016-00548 (Patent 6,689,629 C1)
IPR2016-00550 (Patent 7,652,285 B2)

BACKGROUND

On April 21, 2016, with the Board's prior authorization, the parties filed a "Joint Motion To Terminate *Inter Partes* Reviews" requesting termination of the proceedings pursuant to 35 U.S.C. § 317(a). Paper 6.² The motion explains that Patent Owner, AU Optronics Corporation, and Petitioner, Shenzhen China Star Optoelectronics Technology Co., Ltd. ("China Star") are parties to an arbitration proceeding filed September 22, 2015 in Hong Kong. *Id.* at 2. The motion further explains that, on March 30, 2016, the arbitration tribunal issued a decision ("Partial Final Award") regarding the scope of the parties' arbitration agreement stating that the parties' have agreed to resolve any dispute concerning validity and patentability of U.S. Patent Nos. 6,689,629 and 7,652,285 solely by means of arbitration. *Id.* The arbitration tribunal further ordered China Star to withdraw the petitions for *inter partes* reviews. *Id.*

Concurrent with their motion, the parties filed a copy of the arbitration tribunal's Partial Final Award, along with a "Joint Request To Keep Paper Separate As Confidential Business Information." Papers 7, 8. The parties represent that the arbitration tribunal's Partial Final Award contains confidential and business sensitive information and request that it be kept as a separate paper and only be made available under the provisions of 35 U.S.C. § 317(b) and 37 CFR § 42.74(c). Paper 7.

² The papers referenced in this decision have the same paper numbers in IPR2016-00548 and IPR2016-00550.

IPR2016-00548 (Patent 6,689,629 C1)

IPR2016-00550 (Patent 7,652,285 B2)

ANALYSIS

The parties request termination pursuant to 35 U.S.C. § 317(a), which provides in pertinent part:

An 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.

Although the heading of Section 317(a) is “Settlement,” the text of the statute is not so limited. In this case, the parties have entered into a settlement agreement containing an arbitration clause, the parties are engaged in an arbitration proceeding pursuant to that agreement, and the arbitration tribunal has determined that the disputes raised by the petitions for *inter partes* review are subject to the parties’ agreement to arbitrate. The parties request termination of the *inter partes* reviews in order to comply with the arbitration tribunal’s determination. Paper 6, 3. In effect, the parties have agreed to have their patentability dispute decided by the arbitration tribunal, rather than the Board.

Importantly, these proceedings are at a very early stage. Patent Owner has not yet filed preliminary responses to the Petitions, and we have not considered the merits of the Petitions. Furthermore, dismissal of the petitions is consistent with the PTO’s general policy of encouraging participants in post-examination proceedings to use Alternative Dispute Resolution (ADR) procedures such as mediation and arbitration. Under these circumstances, we determine that it is appropriate to dismiss the Petitions. *See* 37 C.F.R. §§ 42.5(a), 42.71(a).

We now turn to the parties’ request to keep the arbitration tribunal’s Partial Final Award confidential and separate from the patent files.

IPR2016-00548 (Patent 6,689,629 C1)

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Although the provisions of 35 U.S.C. § 317(b) and 37 CFR § 42.74(c), expressly pertain to settlement agreements only, we determine that, under the present circumstances, these provisions are applicable to the arbitration tribunal's Partial Final Award, which incorporates significant portions of the parties' settlement agreement. Therefore, based upon the parties' representation that the arbitration tribunal's Partial Final Award contains confidential and business sensitive information, we grant the parties' request.

This paper does not constitute a final written decision pursuant to 35 U.S.C. § 318(a).

ORDER

Accordingly, it is:

ORDERED that the Petition in each of these proceedings is dismissed;
and

FURTHER ORDERED that the arbitration tribunal's Partial Final Award (Paper 8 in each of IPR2016-00548 and IPR2016-00550) shall be treated as business confidential information and shall be kept separate from the files of U.S. Patent Nos. 6,689,629 and 7,652,285.

IPR2016-00548 (Patent 6,689,629 C1)

IPR2016-00550 (Patent 7,652,285 B2)

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