

Filed Jointly

Paper No.: 45
Filed: July 21, 2021

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FREDMAN BROS. FURNITURE COMPANY, INC.,
Petitioner

v.

BEDGEAR, LLC
Patent Owner

Case IPR2017-00350
U.S. Patent No. 8,887,332

**JOINT MOTION TO TERMINATE
PURSUANT TO 35 U.S.C. § 317 and 37 C.F.R. § 42.74**

Petitioner Fredman Bros. Furniture Company, Inc. and Patent Owner Bedgear, LLC have made and signed an agreement that resolves all underlying disputes between the parties, including this proceeding. Pursuant to 35 U.S.C. § 317, 37 C.F.R. §§ 42.72 and 42.74, and the Board's authorization via e-mail on July 9, 2021, the parties jointly move to terminate the present proceeding in light of the parties' settlement of their disputes regarding U.S. Patent Nos. 8,646,134; 8,887,332; 9,015,883; and 9,155,408.

The parties are concurrently filing a true and complete copy of the written Settlement Agreement (Confidential Exhibit 2022) in connection with this matter as required by statute. The parties jointly certify that, aside from the Settlement Agreement, there are no other agreements or understandings, oral or written, between the parties, including any collateral agreements or understandings, made in connection with, or in contemplation of, the termination of the present proceeding. A joint request to treat the Settlement Agreement as business confidential information kept separate from the file of the involved patent pursuant to 35 U.S.C. § 317(b) is also being filed concurrently herewith.

This motion complies with the Board's authorization of July 9, 2021 and the requirements of 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(b).

LEGAL STANDARD

A proceeding “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.” 35 U.S.C. § 317(a). A joint motion to terminate generally “must (1) include a brief explanation as to why termination is appropriate; (2) identify all parties in any related litigation involving the patents at issue; (3) identify any related proceedings currently before the Office, and (4) discuss specifically the current status of each such related litigation or proceeding with respect to each party to the litigation or proceeding.” *Heartland Tanning, Inc. v. Sunless, Inc.*, IPR2014-00018, Paper No. 26, at *2 (P.T.A.B. July 28, 2014).

ARGUMENT

Termination of the present proceeding is appropriate because (1) the parties have settled all disputes related to the subject patent between the parties; (2) the Office’s Final Written Decision involving the subject patent, Paper No. 41, was vacated and remanded by the Federal Circuit and a merits determination on remand has not been issued; (3) the parties have agreed to terminate all of the proceedings currently before the Office; and (4) public policy favors the termination.

First, the parties have settled and resolved all of the patent disputes (as well as all other disputes) between them and agreed to dismiss all of Patent Owner's pending claims against Petitioner in the co-pending district court litigation *Bedgear, LLC v. Fredman Bros. Furniture Company, Inc.*, Case No. 2:15-cv-06759-KAM-AKT (E.D.N.Y.). In particular, the parties entered into a Binding Memorandum of Understanding on May 26, 2021, settling all of their disputes in the pending litigation and these related IPR proceedings. *See* Ex. 2022 at 2. The parties further memorialized the terms and conditions of the Binding MOU and entered into the Settlement Agreement (Ex. 2022) on June 17, 2021. *See* Ex. 2022 at 1-2. Pursuant to the Settlement Agreement, the parties: (i) filed a stipulation to dismiss all claim with prejudice in the pending litigation on June 18, 2021; (ii) filed a joint stipulation with the Supreme Court on June 21, 2021, dismissing Petitioner's petition for certiorari of the Federal Circuit decisions; and (iii) sent a joint e-mail to the Board on June 21, 2021, requesting permission to file the instant motion to terminate this proceeding.

Second, the Board's Final Written Decision, Paper 42, was vacated and remanded by the Federal Circuit in view of *Arthrex, Inc. v. Smith & Nephew, Inc.*, 941 F.3d 1320 (Fed. Cir. 2019). *See Bedgear, LLC v. Fredman Bros. Furniture Company, Inc.*, No. 18-2082, D.I. 69 & 80 (Fed. Cir. June 19, 2020). Thereafter, this proceeding was held in administrative abeyance by the Board "until the

Supreme Court acts on a petition for certiorari in such cases or the time for filing such petitions expires.” *See* General Order In Cases Remanded Under *Arthrex, Inc. v. Smith & Nephew, Inc.*, 941 F.3d 1320 (Fed. Cir. 2019). As noted above, the parties dismissed Petitioner’s certiorari petition on June 21, 2021. As a result, the Supreme Court’s decision in *U.S. v. Arthrex, Inc.*, Case No. 19-1434, 594 U.S. ____ (2021), which issued on June 21, 2021, does not apply to the instant proceeding.¹ To the parties’ knowledge, a new panel has not yet been assigned to this proceeding pursuant to the Federal Circuit’s mandates, and a new final written decision has therefore not been issued in this proceeding. Similarly, to the parties’ knowledge, no review by the Acting Director has occurred either. As the Board recently explained, when there is settlement and a joint motion, termination of a

¹ The Supreme Court agreed with the Federal Circuit that APJs of the PTAB were principal officers and thus, improperly appointed under the Appointments Clause. However, the Supreme Court disagreed with the remedy set forth by the Federal Circuit and, instead, held that the proper remedy “is a remand to the Acting Director for him to decide whether to rehear the petition”. *U.S. v. Arthrex, Inc.*, 594 U.S. ___, slip op. at 4 (2021). Accordingly, even if the Supreme Court’s *Arthrex* decision did apply here, the merits of this proceeding would still not have been fully decided before this request for termination is filed. 35 U.S.C. § 317(a).

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