

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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SMITH & NEPHEW, INC.,  
Petitioner,

v.

CONFORMIS, INC.,  
Patent Owner.

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Case IPR2017-00544 (Patent 7,534,263 B2)  
Case IPR2017-00778 (Patent 8,062,302 B2)  
Case IPR2017-00779 (Patent 8,062,302 B2)  
Case IPR2017-00780 (Patent 8,062,302 B2)<sup>1</sup>

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Before PATRICK R. SCANLON, JAMES A. WORTH, and  
AMANDA F. WIEKER, *Administrative Patent Judges*.

SCANLON, *Administrative Patent Judge*.

JUDGMENT  
Termination of Trial  
*37 C.F.R. §§ 42.72 and 42.73*

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<sup>1</sup> We exercise our discretion to issue a common paper in each proceeding with a joint caption. The parties are not authorized to do the same.

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On September 20, 2018, pursuant to our authorization, Petitioner, Smith & Nephew, Inc. (“Smith & Nephew”), and Patent Owner, Conformis, Inc. (“Conformis”), filed a Joint Motion to Terminate in each of these proceedings. IPR2017-00544, Paper 51; IPR2017-00778, Paper 52; IPR2017-00779, Paper 51; and IPR2017-00780, Paper 51. With each Joint Motion, the parties filed a copy of their written settlement agreement covering various matters, including those involving the patents at issue in these proceedings. Ex. 2037.<sup>2</sup> The parties concurrently filed a Joint Request to have the settlement agreement treated as confidential business information under 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c). IPR2017-00544, Paper 52; IPR2017-00778, Paper 53; IPR2017-00779, Paper 52; and IPR2017-00780, Paper 52.

Under 35 U.S.C. § 317(a), “[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 patent owner, unless the Office has decided the merits of the proceeding before the request for termination is filed.” In this proceeding, we have not yet reached a decision on the merits with respect to the patentability of any involved claim. Accordingly, we must terminate the reviews with respect to Smith & Nephew, as Petitioner.

Furthermore, “[i]f no petitioner remains in the inter partes review, the Office may terminate the review or proceed to a final written decision under

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<sup>2</sup> The written settlement agreement is Exhibit 2037 in each of these proceedings.

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section 318(a).” 35 U.S.C. § 317(a). We, therefore, have discretion to terminate these reviews with respect to Conformis.

In their Joint Motions, the parties assert they have settled their disputes involving U.S. Patent 7,534,263 B2 (at issue in IPR2017-00544) and U.S. Patent 8,062,302 B2 (at issue in IPR2017-00778, IPR2017-00779, and IPR2017-00780), and have agreed to request termination of these *inter partes* review proceedings. IPR2017-00544, Paper 51, 1; IPR2017-00778, Paper 52, 1; IPR2017-00779, Paper 51, 1; and IPR2017-00780, Paper 51, 1. The parties represent that Exhibit 2037, filed in each proceeding, is a true and correct copy of their written settlement agreement and there are no collateral agreements made in connection with, or in contemplation of, the termination of these proceedings. *Id.* The parties contend that termination of these proceedings is appropriate because the Board has not yet decided the merits and the Joint Motions were filed “well in advance” of the extended deadlines<sup>3</sup> for issuing Final Written Decisions. IPR2017-00544, Paper 51, 4; IPR2017-00778, Paper 52, 4; IPR2017-00779, Paper 51, 4; and IPR2017-00780, Paper 51, 4.

There are strong public policy reasons to favor settlement between the parties to a proceeding. *Office Patent Trial Practice Guide*, 77 Fed. Reg. 48,756, 48,768 (Aug. 14, 2012). When, as here, we have not rendered a Final Written Decision on the merits, we generally expect that the proceeding will terminate after the filing of a settlement agreement. *See id.*

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<sup>3</sup> *See* IPR2017-00544, Paper 43, Paper 44; IPR2017-00778, Paper 44, Paper 45; IPR2017-00779, Paper 43, Paper 44; and IPR2017-00780, Paper 43, Paper 44.

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Furthermore, although each of these proceeding is at an advanced stage, we note that, as the parties assert, the Joint Motions were filed several months prior to the extended statutory deadlines for rendering Final Written Decisions.

Based on the preceding, we determine that it is appropriate to terminate each of these *inter partes* reviews as to both Smith & Nephew and Conformis without rendering a Final Written Decision. *See* 35 U.S.C. § 317(a); 37 C.F.R. § 42.72.

Accordingly, it is

ORDERED that, in each of these proceedings, the parties' Joint Request to have the settlement agreement (Ex. 2037) treated as confidential business information, kept separate from the file of the involved patents, and made available only to Federal Government agencies on written request, or to any person on a showing of good cause, under the provisions of 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c) is *granted*;

FURTHER ORDERED that, in each of these proceedings, the Joint Motion to Terminate the proceeding is *granted*; and

FURTHER ORDERED that each of these *inter partes* reviews is hereby *terminated*.

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