

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

VIZIO, INC.,
Petitioner,

v.

NICHIA CORP.,
Patent Owner.

IPR2018-00386 (Patent 9,490,411 B2)
IPR2018-00437 (Patent 9,537,071 B2)¹

Before SALLY C. MEDLEY, WILLIAM V. SAINDON, and
NATHAN A. ENGELS, *Administrative Patent Judges*.

ENGELS, *Administrative Patent Judge*.

DECISION

Granting Renewed Joint Motion to Terminate the Proceeding Due to
Settlement after Institution Decision and
Granting Joint Request to File Termination Agreement as
Business Confidential Information
35 U.S.C. § 317; 37 C.F.R. §§ 42.72, 42.74

¹ Because this Decision addresses issues common to both of the above-captioned proceedings, we issue one Decision to be entered in each proceeding. The parties are not authorized to use this style of caption.

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I. INTRODUCTION

Oral arguments in these proceedings took place on March 5, 2019, and the statutory deadlines for final written decisions are June 26, 2019 for IPR2018-00386 and July 16, 2019 for IPR2018-00437. With an e-mail dated March 29, 2019, the parties notified the Board that the parties “have entered into a Binding Term Sheet . . . and are preparing the final settlement agreement,” and the parties jointly requested authorization to file a motion to terminate the proceedings.

On April 1, 2019, the Board authorized the parties to file a joint motion to terminate and instructed the parties to file a copy of the settlement agreement as an exhibit to the joint motion. On April 12, 2019, the parties filed a Joint Motion to Terminate the Proceeding Pursuant to 35 U.S.C. § 317 (Paper 39²) and included a copy of the parties’ Binding Term Sheet (Exhibit 2029). Among other things, the Binding Term Sheet provides that the parties were working in good faith to prepare a “final agreement.” Ex. 2029, 1–2.

At the request of the Board, a telephone conference was held on May 6, 2019 to discuss the status of the “final agreement” referenced in the Binding Term Sheet. During the telephone conference, the parties indicated that the parties’ district-court litigation has been dismissed with prejudice pursuant to the parties’ settlement, but the parties also indicated that the parties are in on-going negotiations for a final settlement agreement.

On May 15, 2019, the Board issued an Order dismissing without prejudice the parties’ Joint Motion to Terminate. Paper 42. The Order

² Paper numbers and exhibit numbers in this Order refer to those filed in IPR2018-00386.

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explains that, because the parties were in on-going negotiations regarding a final settlement agreement, the Joint Motion to Terminate and Binding Term Sheet did not satisfy the requirements of 35 U.S.C. § 317(b). Paper 42, 2–3. The Order authorized the parties to renew their joint motion at such time that the parties could certify the requirements of § 317(b) had been satisfied.

On May 29, 2019, the parties filed a Renewed Joint Motion to Terminate the Proceeding. Paper 45. For the reasons explained below, we GRANT the parties’ Renewed Joint Motion to Terminate the Proceeding and the parties’ Joint Request to File Termination Agreement as Business Confidential Information (Paper 40 (“Joint Request”)).

II. ANALYSIS

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.” Under § 317(b),

[a]ny agreement or understanding between the patent owner and a petitioner, including any collateral agreements referred to in such agreement or understanding, made in connection with, or in contemplation of, the termination of an inter partes review under this section shall be in writing and a true copy of such agreement or understanding shall be filed in the Office before the termination of the inter partes review as between the parties.

35 U.S.C. § 317(b).

Although Decisions to Institute were entered in each of the above-captioned proceedings (Paper 15), we have not entered Final Written Decisions on the merits. The parties’ Renewed Joint Motion to Terminate

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identifies the parties' Binding Term Sheet as the only agreement between the parties made in connection with or in contemplation of the termination of these proceedings.

Unlike the circumstances of the parties' original Joint Motion to Terminate, the parties filed the Renewed Joint Motion to Terminate after expiration of the Binding Term Sheet's time period for on-going negotiations toward a final settlement agreement. Exhibit 2029, 2. In addition, the Renewed Joint Motion to Terminate includes the parties' certification that filing the Binding Term Sheet satisfies the requirements of § 317(b), including the requirement for filing all agreements and understandings made in connection with termination of these proceedings.

Id.

Under these circumstances, we determine that good cause exists to terminate the proceedings with respect to the parties. Indeed, 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 entered Final Written Decisions on the merits, we generally expect that trials will terminate after the filing of settlement agreements. *See id.* Accordingly, we determine that it is appropriate to terminate the above-captioned proceedings without entering final written decisions. *See* 37 C.F.R. § 42.72.

The parties also filed a Joint Request to File Termination Agreement as Business Confidential Information in each of the above-captioned proceedings. Joint Request. The parties request that the Agreements be treated as business confidential information and that the Agreements be kept separate from the file of the patents involved in the above-captioned

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proceedings and not be made available to any third party, except as provided for in 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c). *Id.* at 2.

A party to a settlement may request that the settlement be treated as business confidential information and be kept separate from the files of an involved patent or application. The request must be filed with the settlement. If a timely request is filed, the settlement shall only be available: (1) To a Government agency on written request to the Board; or (2) To any other person upon written request to the Board to make the settlement agreement available, along with the fee specified in § 42.15(d) and on a showing of good cause.

37 C.F.R. § 42.74(c).

After reviewing the Agreements between the parties, we find that the Agreements contain confidential business information regarding the terms of settlement. We determine that it is appropriate to treat the Agreements as business confidential information pursuant to 37 C.F.R. § 42.74(c).

III. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that the Renewed Joint Motion to Terminate in each of the above-captioned proceedings is *granted*, and IPR2018-00386 and IPR2018-00437 are *terminated*; and

FURTHER ORDERED that the Joint Request to treat the Agreement in each of the above-captioned proceedings as business confidential information under 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c) is *granted*.

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