

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

KOKUSAI ELECTRIC CORPORATION,
Petitioner,

v.

ASM IP HOLDING B. V.,
Patent Owner.

Case IPR2018-01151
Patent 7,537,662 B2

Before MICHAEL P. TIERNEY, *Vice Chief Administrative Patent Judge*,
DONNA M. PRAISS and CHRISTOPHER L. CRUMBLY, *Administrative
Patent Judges*.

PRAISS, *Administrative Patent Judge*.

ORDER
Termination of the Proceedings
35 U.S.C. § 317(a)

On July 12, 2019, the parties filed a Joint Motion to Terminate pursuant to 35 U.S.C. § 317 and 37 C.F.R. § 42.74. Paper 37. With the motion to terminate, the parties filed a copy of a written settlement agreement (Ex. 2012) along with a Joint Request to File Settlement Agreement as Business Confidential Information and to Keep it Separate from the Patent Files pursuant to 35 U.S.C. § 317 and 37 C.F.R. § 42.74 (Paper 36). We authorized the filing of these papers in an e-mail dated July 10, 2019.

The parties' Joint Motion to Terminate this proceeding additionally requests that the Board "grant-in-part the pending unopposed Motion to Amend (Paper 17)." Paper 37, 1. The Joint Motion to Terminate clarifies that Petitioner filed an Opposition to the Motion to Amend (Paper 26), but agreed to withdraw its opposition to the Motion to Amend as part of the terms of the Settlement Agreement (Ex. 2012, Section 3.1 (c)). Paper 37, 3. With that explanation, the parties characterize the pending Motion to Amend as "now unopposed" and request the Board to grant-in-part the Motion to Amend by granting the portion of the Motion to Amend that requests replacement of canceled claims 1, 3, 4, 9, 11, 12, 18, 20, 24–27 with proposed substitute claims 44, 47, 49–50, 53, 55–56, and 58–62. *Id.*; Paper 17, 1.

The panel held a conference with the parties' counsel on July 29, 2019, to discuss the basis for and implications of the parties' request that we "grant-in-part the Motion to Amend." During the conference, counsel asserted that the Board has authority to decide a motion to amend before terminating a proceeding pursuant to 37 C.F.R. §§ 42.71(a) and 42.72 and 35 U.S.C. § 317(a). Counsel also asserted that Title 35 envisions that the

Board may permit, and then decide, an additional motion to amend to “materially advance the settlement of a proceeding” pursuant to 35 U.S.C. § 316(d)(2). During the conference, counsel confirmed that (1) the parties’ Settlement Agreement is not contingent on the Motion to Amend being decided, (2) the parties’ joint request to terminate the proceeding is not contingent on the Motion to Amend being decided, and (3) termination of the proceeding without a final written decision is sought by the parties. The only reason identified by the parties for seeking a partial decision on the pending Motion to Amend to add the proposed substitute claims to Patent No. 7,537,662 B2, rather than pursuing those claims in a reissue application or request for reexamination, was efficiency in terms of the proposed claims having been presented in the Motion to Amend filed in this proceeding.

Generally, the Board expects that a proceeding will terminate after the filing of a settlement agreement. *See, e.g.*, Office Patent Trial Practice Guide, 77 Fed. Reg. 48756, 48768 (Aug. 14, 2012). We instituted trial in this proceeding on December 3, 2018. Paper 9. Although briefing by the parties has been completed, the scheduled oral hearing is not until August 27, 2019 (Paper 10, 7) and a decision on the merits has not been reached. The parties represent that Exhibit 2012 is a “true copy” of their settlement agreement and that the agreement resolves the dispute in this and all other *inter partes* reviews between Petitioner and Patent Owner, as well as the related district court litigations between Petitioner and Patent Owner. Paper 37, 1. They also represent that “[t]here are no other agreements, oral or written, between the parties made in connection with, or in contemplation of, the termination of this proceeding.” *Id.* at 1–2.

Given the parties' joint request, we must terminate the proceeding with respect to Petitioner unless we have decided the merits of the proceeding. *See* 35 U.S.C. § 317(a) (“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.”). In addition, “[i]f no petitioner remains in the inter partes review, the Office may terminate the review or proceed to a final written decision.” *Id.* Based on the facts of this case, we determine that it is appropriate to terminate this proceeding without rendering a final written decision or a decision on the Motion to Amend. Our reasoning is set forth below.

Although the Motion to Amend has been fully briefed (Papers 17, 26, 32), the parties contend that we may simply enter the amended claims because Petitioner has withdrawn its opposition (Paper 37, 3). A decision on Patent Owner's Motion to Amend, however, requires a determination as to the patentability of the substitute claims. 35 U.S.C. § 318(a) (“If an inter partes review is instituted and not dismissed under this chapter, the Patent Trial and Appeal Board shall issue a final written decision with respect to the patentability of any patent claim challenged by the petitioner *and any new claim added under section 316(d)*”); 37 C.F.R. § 42.121 (“A motion to amend may be denied where: (i) The amendment does not respond to a ground of unpatentability involved in the trial”).

Therefore, the fact that Petitioner has withdrawn its opposition as a consequence of the settlement of this proceeding does not remove the issue of patentability of the “non-contingent” substitute claims in deciding Patent Owner's Motion to Amend. In addition, the parties confirmed during the

conference call with the Board that they do not seek a decision on the Motion to Amend if the proposed substitute claims are determined to be unpatentable. Proceeding with an analysis of the patentability of the proposed substitute claims in this situation would not be an efficient use of resources.

Additionally, the Director is to issue a certificate where the Board issues a final written decision and the time for appeal has expired or terminated. 35 U.S.C. § 318(b). During the conference call, the parties did not identify an explicit statutory basis for issuing a certificate absent a final written decision. In response to questions from the Board, the parties requested that the Board not issue a final written decision. Specifically, the parties stated that they would rather the Board terminate the proceeding than decide the motion to amend as part of a final written decision.

This uncertainty regarding the Office's ability to issue amended claims in the absence of a final written decision and trial certificate under 35 U.S.C. § 318 contrasts with the Office's clear authority to do so through reexamination or reissue proceedings. In this regard, we direct Patent Owner's attention to the April 2019 Notice Regarding Options for Amendments by Patent Owner Through Reissue or Reexamination During a Pending AIA Trial Proceeding. 77 Fed. Reg. 16655 (Apr. 22, 2019) ("The Office will consider a reissue application or a request for reexamination any time before, but not after, either: (1) The Office issues a certificate that cancels all claims of a patent, e.g., a trial certificate in an AIA trial proceeding, or (2) the U.S. Court of Appeals for the Federal Circuit ("Federal Circuit") issues a mandate in relation to a decision that finds all claims of a patent are invalid or unpatentable.").

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