

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

DTN, LLC.
Petitioner,

v.

FARMS TECHNOLOGY LLC
Patent Owner

Case IPR2018-01412
Patent No. 7,991,685

Case IPR2018-01525
Patent No. 7,742,979

**PETITIONER AND PATENT OWNER'S JOINT MOTION
TO EXPUNGE COLLATERAL AGREEMENTS**

Pursuant to 37 C.F.R. § 42.56 and the Board’s authorization granted during the conference call conducted May 15, 2019, Petitioner DTN, LLC (“Petitioner”) and Patent Owner Farms Technology LLC (“Patent Owner”) (collectively, the “Parties”) hereby move the Patent Trial and Appeal Board to expunge Exhibits 2008 and 2009 from the records of the United States Patent & Trademark Office.

After reviewing the Parties’ Settlement Agreement (Ex. 1012) filed in support of the Joint Motions to Terminate IPR2018-01412 and IPR2018-01525, the Board requested that the Parties submit copies of two collateral agreements referenced therein. While the Parties respectfully submit that these two collateral agreements do not fall within the scope of 35 U.S.C. § 317 and 37 C.F.R. § 42.74 for the reasons discussed below, the Parties agreed to file confidential copies of the First Collateral Agreement (Ex. 2008) and the Second Collateral Agreement (Ex. 2009) that are referenced in the Parties’ Settlement Agreement (Ex. 1012) so that the Board could review these documents, and the Parties have now done so.

The First and Second Collateral Agreements (Exs. 2008, 2009) are not the type of agreements that are required to be “filed in the Office before the termination of the inter partes review,” 35 U.S.C. § 317(b), or to be “filed with the Board before the termination of the trial,” 37 C.F.R. § 42.74(b). As an initial matter, these two collateral agreements are not agreements “between the patent owner and a petitioner” or “between the parties,” which places them outside the scope of 35

U.S.C. § 317 and 37 C.F.R. § 42.74. Moreover, neither of the collateral agreements was “made in connection with, or in contemplation of, the termination” of the IPR proceedings, as recited in the applicable statutory and regulatory provisions. Rather, these collateral agreements are directed to settlement of matters unrelated to the Patent Owner or the pending IPR proceedings. Since the Office is not required to maintain copies of these collateral agreements under 35 U.S.C. § 317 and 37 C.F.R. § 42.74, the Parties move the Board to expunge the First and Second Collateral Agreements (Exs. 2008, 2009) from the records pursuant to 37 C.F.R. § 42.56.

A. Section 317 Does Not Apply Because the Collateral Agreements Are Not “Between the Patent Owner and a Petitioner”

As an initial matter, Section 317 applies only to agreements and understandings “between the patent owner and a petitioner.” 35 U.S.C. § 317(b).

The relevant portion of the statute reads:

Any 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). With regard to the phrase “any collateral agreements referred to in such agreement or understanding,” Congress’ use of the word “*including*” preceding that phrase makes clear that the statute is referring to collateral agreements

“between the patent owner and a petitioner.” The word “*including*” signifies that the phrase “any collateral agreements referred to in such agreement or understanding” is a *subcategory* of the preceding phrase “[a]ny agreement or understanding between the patent owner and a petitioner.” If Congress had intended a broader scope for § 317 (i.e., encompassing collateral agreements beyond those “between the patent owner and a petitioner”), it could have simply used the word “and” rather than the word “including.” But Congress did not do so, limiting § 317 to agreements and understandings “between the patent owner and a petitioner.”

Furthermore, under common principles of statutory construction, the general term “any collateral agreements” should not be read to broaden the more specific term “agreement or understanding between the patent owner and a petitioner” that immediately precedes it. In similar situations, the Supreme Court has applied the principle of *ejusdem generis* – that “a general statutory term should be understood in light of the specific terms that surround it” – to adopt the narrower meaning of a seemingly broad “catchall phrase.” *See, e.g., Hughey v. U.S.*, 495 U.S. 411, 418-19 (1990).

The Office’s own regulations have interpreted § 317 as being limited to agreements and understandings between the patent owner and the IPR petitioner. In particular, the applicable rule states: “Any agreement or understanding *between the parties* made in connection with, or in contemplation of, the termination of a

proceeding shall be in writing and a true copy shall be filed with the Board before the termination of the trial.” 37 C.F.R. § 42.74(b) (emphasis added). On its face, this rule is limited to agreements/understandings “between the parties” and, thus, places no requirements on agreements involving third parties to the IPR (e.g., an agreement between an IPR petitioner and a third party not involved in the IPR).

Neither the First Collateral Agreement (Ex. 2008) nor the Second Collateral Agreement (Ex. 2009) is “between the patent owner and a petitioner.” The First Collateral Agreement (Ex. 2008) is between Petitioner and a third party individual (who is not the patent owner). The Second Collateral Agreement (Ex. 2009) is between Petitioner, a third party entity (who is not the patent owner), and a third party individual (who is also not the patent owner). As these agreements are not “between the patent owner and a petitioner,” 35 U.S.C. § 317(b), or “between the parties” to the IPR, 37 C.F.R. § 42.74(b), the filing of the First and Second Collateral Agreements (Exs. 2008, 2009) is not a prerequisite to the termination of IPR2018-01412 and IPR2018-01525. Nor is the Office required to keep copies of the First and Second Collateral Agreements (Exs. 2008, 2009).

B. Section 317 Does Not Apply Because the Collateral Agreements Were Not “Made in Connection with, or in Contemplation of, the Termination of an Inter Partes Review”

Additionally, Section 317 applies only to agreements and understandings “made in connection with, or in contemplation of, the termination of an inter partes

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