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Paper 13
Date: November 29, 2019

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

KATHREIN USA, INC.,
Petitioner,

v.

FRACTUS S.A.,
Patent Owner.

Case IPR2019-00954
Patent 8,497,814 B2

Before JAMESON LEE, KARL D. EASTHOM, and JOHN R. KENNY, *Administrative Patent Judges.*

EASTHOM, *Administrative Patent Judge*.

DECISION
Settlement Prior to Institution of Trial and
Granting in Part Request to Keep Settlement Agreement Separate
37 C.F.R. §§ 42.71(a), 42.74(c)

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DISCUSSION

On October 19, 2019, with Board authorization, the parties filed a joint motion to terminate the proceeding (Paper 11, "Termination Motion"), and a settlement agreement (Ex. 2001, "Settlement Agreement"). The Termination Motion requests the Board to keep the Settlement Agreement separate from the file of this proceeding and the patent challenged in this *inter partes* review (Patent No. 8,497,814 B2, the "challenged patent"). Paper 11, 6.[1]

The parties represent that they have agreed to settle, that Exhibit 2001 represents their settlement agreement, and that "there are no collateral agreements or understandings made in connection with, or in contemplation of, the termination of the *inter partes* review." Paper 11, 4. Generally, the Board expects that a proceeding will terminate after the filing of a settlement agreement. *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."); 37 C.F.R. § 42.72 ("The Board may terminate a trial without rendering a final written decision, where appropriate, including . . . pursuant to a joint request under 35 U.S.C. 317(a) . . . ."); *see also* Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,768 (Aug. 14, 2012) ("The Board expects that a proceeding will

[1] In a separate paper, the parties also jointly request the Board to keep the Settlement Agreement separate —i.e., this latter request materially tracks the request in the Termination Motion. Paper 12.

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terminate after the filing of a settlement agreement, unless the Board has already decided the merits of the proceeding.").

This proceeding progressed only to an early stage. We have not issued a decision on whether to institute an *inter partes* review. Under these circumstances, we grant the Termination Motion.

We also grant the request to keep the Settlement Agreement separate from the challenged patent as business confidential information. *See* 35 U.S.C. § 317(b) ("At the request of a party to the proceeding, the agreement or understanding shall be treated as business confidential information, shall be kept separate from the file of the involved patents, and shall be made available only to Federal Government agencies on written request, or to any person on a showing of good cause."); *see also* 37 C.F.R. § 42.74(c).[2]

ORDER

It is

ORDERED that the Termination Motion (Paper 11), to the extent it requests termination of this proceeding, is *granted*;

FURTHER ORDERED that the Settlement Agreement (Ex. 2001) shall be treated as business confidential information, shall be kept separate from the file of the challenged patent, and shall be made available only in

[2] The parties request, but cite no basis, to "keep [the Settlement Agreement] separate from *the file of these proceedings*." Paper 11, 6 (emphasis added); *accord* Paper 12, 2 (similar request). As noted, the parties already filed the Settlement Agreement as Exhibit 2001 in this proceeding. Accordingly, we deny the request to keep the Settlement Agreement separate from the file of the instant proceeding.

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accordance with the provisions of 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c);

FURTHER ORDERED that the request to keep the Settlement Agreement separate from the file of this proceeding is *denied*; and

FURTHER ORDERED that this proceeding is *terminated*.

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