

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

COMMUNICATIONS TEST DESIGN, INC.,
Petitioner,

v.

CONTEC, LLC,
Patent Owner.

Inter Partes Review No.: IPR2019-01670

U.S. Patent No. 8,209,732

JOINT MOTION TO TERMINATE *INTER PARTES* REVIEW

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TABLE OF CONTENTS

I. STATEMENT OF RELIEF REQUESTED1

II. STATEMENT OF FACTS.....1

III. ARGUMENT.....2

 A. The Board Should Terminate This *Inter Partes* Review In Its
 Entirety3

 B. Written Settlement Agreement.....5

IV. CONCLUSION.....6

I. STATEMENT OF RELIEF REQUESTED

Petitioner Communications Test Design, Inc. (“CTDI”) and Patent Owner Contec, LLC (“Contec”) have entered into a Confidential Settlement Agreement that resolves all underlying disputes between CTDI and Contec with respect to U.S. Patent No. 8,209,732 (“the ’732 patent”). The parties are concurrently filing a separate request that the Confidential Settlement Agreement (Ex. 1011) being filed herewith be treated as business confidential information and be kept separate from the files of the involved patent, pursuant to 37 C.F.R. § 42.74(c).

Accordingly, pursuant to 35 U.S.C. § 317, the parties jointly move the Board to terminate this *inter partes* review proceeding in its entirety. The Board authorized the parties to file this joint Motion to terminate in an email on May 1, 2020.

II. STATEMENT OF FACTS

On April 7, 2020, CTDI and Contec entered into a Confidential Settlement Agreement. *See* Ex. 1011 (Confidential). Under the terms of the Confidential Settlement Agreement, CTDI and Contec agreed to jointly seek termination of the two pending PTAB proceedings where CTDI and Contec are the adverse parties, IPR2019-01669 and IPR2019-01670. Both of these *inter partes* review proceedings were instituted on March 26, 2020, but neither has reached Due Date 1. *See* IPR2019-01669, Paper 10; IPR2019-01670, Paper 10.

The '732 patent is one of two patents being asserted by Contec in *Contec, LLC v. Communications Test Design, Inc.*, No. 1:18-cv-01172-LEK-DJS (N.D.N.Y.) (“NDNY Action”). By stipulation of the parties pursuant to terms of the Confidential Settlement Agreement, the court dismissed the NDNY Action with prejudice on April 30, 2020. The '732 patent is also one of two patents that were the subject of a declaratory judgment action, *Communications Test Design, Inc. v. Contec, LLC*, No. 2:18-cv-4077 (E.D. Pa.) (“DJ Action”), which was dismissed on February 15, 2019. On March 13, 2020, in Appeal No. 19-1672-GJP, the U.S. Court of Appeals for the Federal Circuit affirmed the dismissal order in the DJ Action, where a motion for sanctions filed by Contec remained pending. By stipulation of the parties pursuant to terms of the Confidential Settlement Agreement, the court dismissed the DJ Action in its entirety with prejudice on May 1, 2020. No other litigation or proceeding between the parties involving the '732 patent is contemplated.

III. ARGUMENT

Section 317(a) provides: “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.” 35 U.S.C. § 317(a). It further provides: “If no petitioner remains in the *inter partes* review, the Office may terminate the review or proceed to a final written decision under section 318(a).” *Id.*

Similarly, 37 C.F.R. § 42.72 provides that “[t]he Board may terminate a trial without rendering a final written decision, where appropriate, including where the trial is consolidated with another proceeding or pursuant to a joint request under 35 U.S.C. 317(a).” Termination of the present *inter partes* review proceeding in its entirety is in the interest of justice.

A. The Board Should Terminate This *Inter Partes* Review In Its Entirety

Public policy favors terminating the present *inter partes* review proceeding. The federal courts have expressed a strong interest in encouraging settlement in litigation. *See, e.g., Bergh v. Dept. of Trans.*, 794 F.2d 1575, 1577 (Fed. Cir. 1986) (“The law favors settlement of cases.”), *cert. denied*, 479 U.S. 950 (1986). The Board’s Trial Practice Guide stresses that “[t]here are strong public policy reasons to favor settlement between the parties to a proceeding.” Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 46,768 (Aug. 14, 2012).

Additionally, termination of the proceeding at this stage, in view of the Confidential Settlement Agreement, is appropriate. The USPTO can conserve significant administrative and judicial resources by terminating the proceeding now, removing the need for the Board to review additional briefing by the parties, hold oral argument, and render a final written decision. The Board has terminated entire *inter partes* review proceedings based on joint motions to terminate, even after the

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