

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

COMMUNICATIONS TEST DESIGN, INC.,
Petitioner,

v.

CONTEC, LLC,
Patent Owner.

IPR2019-01669 (Patent 8,689,071 B2)
IPR2019-01670 (Patent 8,209,731 B2)¹

Before KEVIN F. TURNER, TREVOR M. JEFFERSON, and
JOHN P. PINKERTON, *Administrative Patent Judges*.

PINKERTON, *Administrative Patent Judge*.

TERMINATION
Due to Settlement After Institution of Trial
35 U.S.C. § 317; 37 C.F.R. § 42.74

¹ This Order is applicable to each of these proceedings and will be entered in each proceeding.

I. INTRODUCTION

On March 25, 2020, the Decision Granting Institution of *Inter Partes* Review was entered in IPR2019-01669, which involves claims 1–7 of U.S. Patent No. 8,689,071 B2 (“the ’071 patent”). Paper 9. On that same day, the Decision Granting Institution of *Inter Partes* Review was entered in IPR2019-01670, which involves claims 1–25 of U.S. Patent No. 8,209,732 B2 (“the ’732 patent”). Paper 9.

Petitioner and Patent Owner now jointly request that these *inter partes* review proceedings be terminated pursuant to a settlement. On May 7, 2020, the parties filed a Joint Motion to Terminate *Inter Partes* Review pursuant to 35 U.S.C. § 317 in both of these proceedings.² Paper 11 (“Joint Motion”). Concurrently, the parties also filed a Joint Request to File Confidential Settlement Agreement as Business Confidential Information (Paper 12, “Joint Request”) and their Confidential Settlement Agreement (Ex. 1022, “Settlement Agreement”). We authorized the filing of these papers in an email to counsel for the parties dated May 1, 2020.

II. DISCUSSION

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 the patent owner, unless the Office has decided the merits of the proceeding before the request for termination is filed.”

² The joint motion to terminate and other papers filed concurrently by the parties in both of these proceedings are substantially identical, except for the patent numbers and certain exhibit numbers. For ease of reference, we will refer to the papers filed in IPR2019-01669.

Section 317(b) requires that any agreement between the parties, including collateral agreements, made in connection with the termination of an *inter partes* review “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.”

In the Joint Motion, the parties state that they have “entered into a Confidential Settlement Agreement that resolves all underlying disputes” between them with respect to the ’732 and ’071 patents. Paper 11, 1. The parties also state that under the terms of their settlement agreement, they “agreed to jointly seek termination” of these proceedings. *Id.* The parties further state that the two district court actions involving the ’732 and ’071 patents have been dismissed with prejudice. *Id.* at 2. Moreover, the parties represent that there are “no agreements or understandings, oral or written, between the parties beyond those of Exhibit 1022 made in connection with, or in contemplation of, the termination of this *inter partes* review.” *Id.* at 5.

In the Joint Request, the parties state that they consider their confidential settlement agreement “to contain highly sensitive business confidential information that would substantially harm their business interests if publicly disclosed.” Paper 12, 1. Thus, the parties jointly request “that Exhibit 1022 be kept as a separate paper to be made available only under the provisions of 35 U.S.C § 317(b) and 37 C.F.R. § 42.74(c).” *Id.*

Although we instituted an *inter partes* review for each of these proceedings on March 25, 2020, neither proceeding has reached due date 1 of the scheduling order, as the parties state (Paper 12, 1 (citing Paper 10)), and we have not yet decided the merits of, or entered a final written decision

in, either of the proceedings. Given the early stage of these proceedings, the parties have shown adequately that termination is appropriate. Under these circumstances, we determine that good cause exists to terminate the proceedings. We further determine that the Settlement Agreement complies with the requirements for written agreements regarding termination set forth in 35 U.S.C. § 317(b).

With respect to the Joint Request, we have reviewed the Settlement Agreement and find that it contains confidential business information of the parties regarding the terms of settlement. We determine that good cause exists to treat the Settlement Agreement as business confidential information pursuant to 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c).

III. CONCLUSION

For the foregoing reasons, we grant the parties' Joint Motion and Joint Request in each of these proceedings. This determination does not constitute a final written decision pursuant to 35 U.S.C. § 318(a).

IV. ORDER

Accordingly, it is:

ORDERED that, for each proceeding, the Joint Motion to Terminate is granted, and IPR2019-01669 and IPR2019-01670 are terminated due to settlement after institution decision with respect to Petitioner and Patent Owner pursuant to 35 U.S.C. § 317(a) and 37 C.F.R. § 42.72; and,

FURTHER ORDERED that, for each proceeding, the Joint Request that the Settlement Agreement be treated as business confidential information is granted, and the Settlement Agreement shall be kept separate from the files of U.S. Patent Nos. 8,209,731 B2 and 8,689,071 B2, and made

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available only to Federal Government agencies on written request, or to any person on a showing of good cause, pursuant to 37 C.F.R. § 42.74(c).

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