

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

BAUSCH HEALTH COMPANIES INC. AND
BAUSCH HEALTH US LLC
Petitioners

v.

FLOW PHARMA INC.,
Patent Owner.

Case No. IPR2020-00165
Patent 8,138,157

**JOINT MOTION TO TERMINATE PROCEEDING PURSUANT TO 35
U.S.C. 317(a) AND 37 C.F.R. §§ 42.72 AND 42.74**

Pursuant to 35 U.S.C. § 317(a), 37 C.F.R. §§ 42.72 and 42.74, and the Board’s authorization on September 1, 2020, Patent Owner Flow Pharma Inc. and Petitioners Bausch Health Companies Inc. and Bausch Health U.S., LLC (collectively, “the Parties”) jointly request termination of IPR2020-00165 regarding U.S. Patent No. 8,138,157 (“the ’157 patent”).

The Parties have settled their disputes involving the ’157 patent. They have agreed to settle the claims related to the ’157 patent in the related district court litigation (*Flow Pharma, Inc. v. Bausch Health Companies Inc. et al.*, Case No. 4:18-cv-05769-JST (N.D.Cal.)). The Parties have filed a stipulation to dismiss the district court litigation with prejudice. The Parties are not aware of additional proceedings regarding the ’157 patent.

The Parties are concurrently filing a true and correct copy of their written Settlement Agreement in connection with this matter, as required by statute, as Confidential Exhibit 1042. The Parties jointly certify that, aside from the Settlement Agreement, there are no other agreements or understandings, oral or written, between the Parties, including any collateral agreements or understandings, made in connection with, or in contemplation of, the termination of the present proceeding. A joint request to treat the Settlement Agreement as business

confidential information kept separate from the file of the involved patent pursuant to 35 U.S.C. § 317(b) and 37 C.F.R. §42.74(c) is being filed concurrently.

I. Legal Standard

An AIA trial proceeding “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); § 327(a). A joint motion to terminate generally “must (1) include a brief explanation as to why termination is appropriate; (2) identify all parties in any related litigation involving the patents at issue; (3) identify any related proceedings currently before the Office, and (4) discuss specifically the current status of each such related litigation or proceeding with respect to each party to the litigation or proceeding.” *Heartland Tanning, Inc. v. Sunless, Inc.*, IPR2014-00018, Paper No. 26, at *2 (P.T.A.B. July 28, 2014).

II. Dismissal of District Court Matter and Issuance of Settlement Agreement Warrants Termination

Termination of this IPR is appropriate as the Board has not yet decided the merits of the proceeding, the related litigation between the Parties has been dismissed with prejudice, and the Parties have agreed that it is appropriate to terminate this proceeding. “Generally, the Board expects that a proceeding will terminate after the filing of a settlement agreement.” *DTN LLC v. Farms*

Technology, LLC, IPR2018-01412, Paper No. 21 (June 14, 2019) (precedential). Terminating this proceeding promotes the Congressional goal of establishing a more efficient and streamlined patent system that, *inter alia*, limits unnecessary and counterproductive litigation costs. See Patent Office Trial Practice Guide, 77 Fed. Reg. 48756, 48768 (Aug. 14, 2012). Given the dismissal with prejudice of the subject patent from the litigation between the Parties, the absence of any other pending litigation involving this patent, or any public interest or other factors militating against termination, termination of this proceeding is justified.

III. Related Proceedings

As stated above, the related district court action between Patent Owner and Petitioners has been settled.

IV. Conclusion

For the foregoing reasons, Patent Owner and Petitioners jointly request that the Board terminate IPR2020-00165.

Dated: September 1, 2020

Respectfully submitted,

/s/ Scott K. Reed

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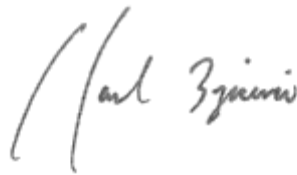
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