

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

NETNUT LTD.,
Petitioner,

v.

BRIGHT DATA LTD.,
Patent Owner.

IPR2021-01492
Patent 10,257,319 B2

Before THOMAS L. GIANNETTI, SHEILA F. McSHANE, and
RUSSELL E. CASS, *Administrative Patent Judges*.

GIANNETTI, *Administrative Patent Judge*.

ORDER
Dismissing Petitioner From the Proceeding
37 C.F.R. § 42.5

I. BACKGROUND

NetNut Ltd. (“Petitioner”) filed a Petition (Paper 2) requesting *inter partes* review of claims 1, 2, 12, 14, 15, 17–19, and 21–29 (the “challenged claims”) of U.S. Patent No. 10,257,319 B2 (Ex. 1001, “the ’319 patent”). Patent Owner, Bright Data Ltd., filed a Preliminary Response (Paper 9). The Board instituted *inter partes* review as to all challenged claims of the ’319 patent and all of the asserted grounds of unpatentability stated in the Petition. Paper 12.

After institution, with Board authorization, Petitioner and Patent Owner filed a “Joint Motion to Terminate as to Petitioner” (Paper 17, “Joint Motion”). The Joint Motion seeks termination of this proceeding and related proceeding IPR2021-01493 as to Petitioner NetNut Ltd. due to settlement. *Id.* at 1. The parties represent that “the Parties have settled their disputes,” and because “the Board has not made a decision on the merits,” the Board must terminate as to Petitioner. *Id.*

In a separate motion, the parties jointly request that the Settlement Agreement (Ex. 2019) be treated as confidential business information and kept separate from the ’319 patent files, pursuant to 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c). Paper 18, 2.

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.”

The parties certify that they have complied fully with 37 C.F.R. § 42.74(b) by filing the written Settlement Agreement, reflected in Exhibit 2019, with the Board, that the agreement reflects a final settlement and resolution of all disputes between the parties relating to the '319 patent, and that there are no other collateral agreements or understandings made in connection with, or in contemplation of, the termination sought. *Id.* at 2.

The parties have also filed a May 15, 2022, order of the district court in *Bright Data Ltd, v. NetNut Ltd.*, Case No. 2:21-cv-00225-JRG-RSP (E.D. Tex.), dismissing with prejudice all pending claims and causes of action in that case. Ex. 2018.

We find that for the reasons given by the parties, we grant the motion to terminate Petitioner NetNut Ltd. in this proceeding. “There are strong public policy reasons to favor settlement between the parties to a proceeding. . . . The Board expects that a proceeding will terminate after the filing of a settlement agreement, unless the Board has already decided the merits of the proceeding.” Consolidated Trial Practice Guide 86 (November 2019).¹

We also find that there is good cause for granting the joint request to file the Settlement Agreement as confidential. Paper 18. We find that the Settlement Agreement contains sensitive business confidential information that would substantially harm their business interests if publicly disclosed. *Id.* at 2.

III. ORDER

In consideration of the foregoing, it is hereby

¹ Available at <https://www.uspto.gov/TrialPracticeGuideConsolidated>).

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ORDERED that the parties' Joint Motion to Terminate as to Petitioner is *granted* and Petitioner NetNut Ltd. is dismissed as Petitioner; and

FURTHER ORDERED that the parties' Joint Request to File Settlement Agreement as Business Confidential Information (Paper 18) is *granted*, and Exhibit 2019 shall remain sealed and kept separate from the files of the '319 patent, consistent with 37 C.F.R. § 42.74(b).

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