

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SCHUL INTERNATIONAL COMPANY, LLC,
Petitioner,

v.

EMSEAL JOINT SYSTEMS, LTD.,
Patent Owner.

Case PGR2017-00053
Patent 9,528,262 B2

Before GEORGE R. HOSKINS, JAMES A. WORTH, and
SCOTT C. MOORE, *Administrative Patent Judges*.

HOSKINS, *Administrative Patent Judge*.

ORDER
Conduct of the Proceeding
37 C.F.R. § 42.5

On December 11, 2018, the parties filed a Joint Motion to Terminate this proceeding (Paper 26), on the basis that the parties have agreed to a confidential settlement agreement, which has been filed in the proceeding as confidential (“Parties and Board Only”) Exhibit 2048. *See* Papers 26 & 27.

On December 13, 2018, via an e-mail communication, the parties jointly requested a telephone conference with the Board to discuss re-scheduling of oral arguments in this proceeding, currently scheduled for January 10, 2019. The e-mail indicated the confidential settlement agreement (Ex. 2048, Section 2.4) contemplates that the parties may enter an Ancillary Agreement, which at the present time remains under negotiation.

The Board accordingly held a telephone conference on December 18, 2018. Mr. David Connaughton spoke on behalf of Petitioner. Mr. Michael Kinney spoke on behalf of Patent Owner, and Ms. Christine Beninati also participated on behalf of Patent Owner. Based on counsels’ representations during the telephone conference, we conclude that it is very unlikely for the Ancillary Agreement to be executed before January 10, 2019. However, we also conclude that there remains the very real prospect of the Ancillary Agreement being executed in or before early February 2019.

Based on that foregoing information, as the record currently stands, we would have to deny the Joint Motion to Terminate, because the Ancillary Agreement has not yet been executed and placed in the record. “Any agreement or understanding between the patent owner and a petitioner, including any collateral agreements referred to in such agreement or understanding, made in connection with, or in contemplation of, the termination of a post-grant review under this section shall be in writing, and a true copy of such agreement or understanding shall be filed in the Office

before the termination of the post-grant review as between the parties.”
35 U.S.C. § 327(b); 37 C.F.R. § 42.74(b).

Nonetheless, it appears that holding oral arguments on January 10, 2019, would be an inefficient use of the Board’s and the parties’ resources. Therefore, we have decided to grant the parties’ joint request to cancel the oral arguments currently scheduled for January 10, 2019, and to re-schedule oral arguments for a later date. Counsel for both parties indicated they are available on the afternoon of February 13, 2019. Accordingly, in a separate order entered contemporaneously with this order, we have scheduled oral arguments to occur then.

However, that date begins to impinge upon the Board’s ability to render a Final Written Decision on or before the statutory due date (April 9, 2019), in the event a settlement is not consummated by execution of the Ancillary Agreement. *See* 35 U.S.C. § 326(a)(11); 37 C.F.R. § 42.200(c). We therefore informed counsel during the telephone conference that oral arguments will not be reset to a date later than February 13, 2019.

We also informed counsel that, if a settlement is not consummated before the hearing is held, there is a very real possibility that the Joint Motion to Terminate will be denied. *See* 35 U.S.C. § 327(a) (“A post-grant 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,*” and even “[i]f no petitioner remains in the post-grant review, the Office may terminate the post-grant review *or proceed to a final written decision under section 328(a)*”) (emphases added); 37 C.F.R. § 42.74(a).

PGR2017-00053
Patent 9,528,262 B2

In consideration of the foregoing, we informed counsel that the Ancillary Agreement must be executed and placed in the record of the present proceeding on or before February 6, 2019, in order to assure that the Joint Motion to Terminate will be granted, and the oral arguments will be avoided. The parties may upload any relevant papers as Board and Parties only pending decision on whether to keep the papers separate. We also scheduled a telephonic status conference for January 29, 2019.

It is, therefore, ORDERED that a telephonic status conference for this proceeding will be held at 3:00 p.m. Eastern Time on January 29, 2019 (Telephone Number (877) 972-8080, Passcode 7614880).

For PETITIONER:

Gary Lambert
David Connaughton
LAMBERT & ASSOCIATES
info@lambertpatentlaw.com
lawclerk@lambertpatentlaw.com

James Hudson III
CRAIN, CATON & JAMES
jHUDSON@craincaton.com

For PATENT OWNER:

Michael Kinney
MKG, LLC
kinney@mkgip.com