

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CIZION, LLC,
d/b/a VULCAN INDUSTRIAL MANUFACTURING,
Petitioner,

v.

KERR MACHINE CO.,
Patent Owner.

PGR2020-00065
Patent 10,591,070 B2

Before HYUN J. JUNG, JAMES J. MAYBERRY, and RYAN H. FLAX,
Administrative Patent Judges.

MAYBERRY, *Administrative Patent Judge.*

TERMINATION
Due to Settlement After Institution of Trial
35 U.S.C. § 327; 37 C.F.R. § 42.74

Pursuant to our authorization, the parties filed a Joint Motion to Terminate Proceeding (Paper 15) and a Joint Request to Keep Settlement Agreement Confidential and Separate Under 37 C.F.R. § 42.74(c) (Paper 16), seeking to terminate PGR2020-00065. Pursuant to 37 C.F.R. § 42.74(b), the parties also filed a true copy of their written agreement (Ex. 1075) in the proceeding. Ex. 1075 is entitled “Confidential Settlement Communication” and contemplates the parties executing “a more detailed settlement agreement.” Ex. 1075, 2. PGR2020-00065 concerns U.S. Patent No. 10,591,070 B2 (the “’070 patent”). Ex. 1001.

In response to further instructions from the Board, the parties filed an Amended Joint Motion to Terminate Proceeding (Paper 17) and an Amended Joint Request to Keep Settlement Agreement Confidential and Separate Under 37 C.F.R. § 42.74(c) (Paper 18). With that filing, the parties filed a confidential, finalized Settlement Agreement (Ex. 1076).

In the Amended Joint Motion to Terminate Proceeding, the parties indicate that they have reached a confidential settlement of their dispute with respect to the ’070 patent. Paper 17, 2. The parties further indicate this settlement includes the present proceeding and the underlying district court litigation. *Id.*

Under 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 patent owner, unless the Office has decided the merits of the proceeding before the request for termination is filed.” The parties indicate that the Board has not already decided the merits in the present proceeding, making termination appropriate under 37 C.F.R. § 42.72. Paper 17, 3. The parties also indicate that the underlying district court litigation involving the ’070 patent has already been dismissed. *Id.*

(citing *Kerr Machine Co. v. Vulcan Industrial Holdings, LLC*, C.A. No. 6-20-cv-00200, Dkt. 80 (W.D. Tex. May 10, 2021)).

In view of the circumstances presented in this case, we agree that terminating this proceeding is proper at this time. Indeed, there are strong public policy reasons to favor settlement between the parties to a proceeding. *See* Consolidated Trial Practice Guide (“Consolidated Practice Guide”)¹ at 86; *see also* 84 Fed. Reg. 64,280 (Nov. 21, 2019). When, as here, we have not rendered a Final Written Decision on the merits, we generally expect that the proceeding will terminate after the filing of a settlement agreement. *See id.*

Based on the preceding, we determine that it is appropriate to terminate this proceeding without rendering a Final Written Decision as to the patentability of the challenged claims of the ’070 patent.

The parties also “jointly request that the Board treat the [p]arties’ confidential Settlement Agreements [Exhibits 1075 and 1076] as business confidential information, and keep that Agreements separate from the files of the involved patent (No. 10,591,070) and this [post-grant review] proceeding.” Paper 18, 2. The parties state that Exhibits 1075 and 1076 represent “[a] true and correct copy of the Settlement Agreements between the [p]arties.” *Id.*

Accordingly, it is:

ORDERED that the parties’ request that the settlement agreements (Ex. 1075 and Ex. 1076) be treated as business confidential information and

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

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kept separate from the file of U.S. Patent No. 10,591,070 B2, under the provisions of 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c), is *granted*;

FURTHER ORDERED that previously filed motion and request regarding Exhibit 1075 alone are moot and expunged (Papers 15, 16); and

FURTHER ORDERED that the Amended Joint Motion to Terminate Proceeding is *granted*, and this proceeding is hereby terminated.

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