

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TOYOTA MOTOR CORPORATION,
Petitioner,

v.

CELLPORT SYSTEMS, INC.,
Patent Owner.

Case IPR2015-00633
Patent 5,732,074

Before JAMESON LEE, JAMES B. ARPIN, and SCOTT C. MOORE,
Administrative Patent Judges.

MOORE, *Administrative Patent Judge.*

DECISION

Joint Motion to Terminate Proceeding
35 U.S.C. § 317 and 37 C.F.R. § 42.72

I. Introduction

On April 11, 2016, the parties informed the Board by e-mail that they had reached a settlement, and requested permission to file a joint motion to terminate the proceedings and a joint motion to keep the settlement agreement confidential. Later that same day, we granted the parties leave to file a joint motion to terminate and a joint motion to keep the settlement agreement confidential, and cancelled the oral hearing that was scheduled for April 14, 2016. Paper 44. We also advised the parties that because all authorized papers had already been filed in this proceeding, the Board might decide to proceed to issuance of a final written decision notwithstanding the parties' settlement. *Id.* at 2, 4.

On April 12, 2016, the parties filed their Joint Motion to Terminate Proceeding (Paper 45). Along with the Joint Motion to Terminate, the parties filed a true copy of their written settlement agreement (Ex. 1045), and Joint Request that Settlement Agreement be Treated as Business Confidential Information and Kept Separate under 37 C.F.R. § 42.74(c) (Paper 46).

In their Joint Motion to Terminate, the parties represent that there are no other pending administrative proceedings involving the challenged patent (U.S. Patent No. 5,732,074), and that they also have stipulated to the dismissal of the district court litigation between them involving the challenged patent. Paper 45, 1–2. It appears, however, that a separate lawsuit involving the challenged patent brought by Patent Owner against BMW of North America, *et al.* (“BMW”), will continue notwithstanding the parties' settlement agreement. *See id.* at 2. Patent Owner represents that it is not presently contemplating any additional litigation involving the

challenged patent, but also reserves its right to initiate litigation involving the challenged patent in the future. *Id.* We also note that the challenged patent has now expired. *See* Paper 10.

II. Discussion

The parties are reminded that the Board is not a party to the settlement, and may identify independently any question of patentability. 37 C.F.R. § 42.74(a). Generally, however, the Board expects that a proceeding will terminate after the filing of a settlement agreement. *See, e.g., Office Patent Trial Practice Guide*, 77 Fed. Reg. 48,756, 48,768 (Aug. 14, 2012).

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 patent owner, unless the Office has decided the merits of the proceeding before the request for termination is filed.” The parties filed their Joint Motion to Terminate before we decided the merits of this proceeding. Thus, termination of this review with respect to Petitioner is appropriate.

Furthermore, under 35 U.S.C. § 317(a), “[i]f no petitioner remains in the *inter partes* review, the Office may terminate the review or proceed to a final written decision under section 318(a).” Thus, we have discretion to terminate this review with respect to Patent Owner.

Several considerations weigh against termination as to Patent Owner. In particular, the fact that the parties did not file their Joint Motion to Terminate until the issues were fully briefed (and only two days before the scheduled date of the oral hearing), and the fact that the settlement does not resolve all district court litigation involving the challenged patent, both

weigh against termination. Several other considerations, however, weigh in favor of termination. For example, this proceeding only involves a subset of the claims in one of the two patents that Patent Owner is asserting in the district court action against BMW. See Paper 45, 2. Thus, this is not a situation in which proceeding to a final written decision is likely to resolve most or all of the issues in a related district court litigation. Moreover, future litigation involving the challenged patent is relatively unlikely here because the challenged patent has expired, and Patent Owner has represented that it does not contemplate any such future litigation. The parties also argue that proceeding to a final written decision would contravene the public policy in favor of encouraging settlements. Paper 45, 3–4. The parties’ public policy argument, however, is offset by other considerations because public policy also favors conservation of the Board’s resources, and the parties did not seek termination until after the Board had already expended resources reviewing the briefing and preparing for the oral hearing.

This is a close case. But on balance, the circumstances favor termination of this proceeding as to Patent Owner, as well. Accordingly, the panel has determined to terminate this *inter partes* review as to both Petitioner and Patent Owner without rendering a final written decision.

III. Order

It is

ORDERED that the Joint Motion to Terminate Proceeding (Paper 45) is *granted*, and this proceeding is hereby *terminated* as to both Petitioner and Patent Owner; and

FURTHER ORDERED that, as was requested timely by the parties (Paper 46), the settlement agreement and license agreement (Exhibit 1045)

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will be treated as business confidential information under 35 U.S.C. § 317(b)
and 37 C.F.R. § 42.74(c).

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