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Paper No. 41
Date Entered: December 7, 2015

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CB DISTRIBUTORS, INC. and DR DISTRIBUTORS, LLC,
Petitioner,

v.

FONTEM HOLDINGS 1 B.V.,
Patent Owner.

Cases IPR2014-01529[1]
Patent 8,689,805 B2

Before JOSIAH C. COCKS, RAMA G. ELLURU, and
JO-ANNE M. KOKOSKI, *Administrative Patent Judges.*

COCKS, *Administrative Patent Judge.*

DECISION
Joint Motion to Terminate the *Inter Partes* Review
35 U.S.C. § 317 and 37 C.F.R. § 42.72

[1] Case IPR2015-01027 has been joined with this proceeding.

I. Introduction

On November 18, 2015, Petitioner entities CB Distributors, Inc. and DR Distributors, LLC ("CB/DR"), and Patent Owner Fontem Holdings 1 B.V. ("Fontem") (collectively referred to as "the parties"), filed a Joint Motion to Terminate this *inter partes* review proceeding. Paper 37 ("Joint Motion to Terminate").[2] Along with the Joint Motion to Terminate, the parties filed a true copy of their written settlement agreement and license agreement (Ex. 2017), as well as a joint request to have their settlement agreement treated as business confidential information under 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c) (Paper 38). The parties contend that "[t]he settlement agreement and license agreement have resolved all disputes involving the patent-at-issue between the Patent Owner and Petitioner CB/DR." Joint Motion to Terminate 4.

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

[2] Filing of the Joint Motion to Terminate was authorized in e-mail correspondence from Board personnel on November 30, 2015.

requirement for terminating review with respect to CB/DR is met.

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)." CB/DR is the sole petitioner remaining in this review. The Board has discretion to terminate this review with respect to Fontem. The panel entered a Decision to institute trial on March 12, 2015 (Paper 6). Fontem filed a Patent Owner Response on July 13, 2015 (Paper 22). In the Joint Motion to Terminate, the parties represent the following:

> Here, IPR2014-01529 should be terminated with respect to Petitioner CB/DR because the Board has not decided the merits of IPR2014-01529 and Patent Owner and Petitioner CB/DR jointly request termination.
>
> IPR2014-01529 should also be terminated in its entirety because of the strong public policy and expectation that IPRs will terminate upon settlement prior to a decision on the merits. Specifically, no petitioner will remain in IPR2014-01529 upon Petitioner CB/DR's termination . . . Patent Owner and Petitioner CB/DR have resolved IPR2014-01529 and related litigation through settlement. Petitioner CB/DR has not yet filed a reply, and the Board has not heard oral argument or issued a decision. As such, termination would save significant further expenditures of resources by the Board and Patent Owner and Petitioner CB/DR.

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Upon consideration of the circumstances of this case, the panel has determined to terminate this *inter partes* review as to both CB/DR and Fontem without rendering a final written decision.

III. Order

It is

ORDERED that the Joint Motion to Terminate this proceeding in IPR2014-01529 (Paper 37) is *granted*, and this proceeding is hereby *terminated*; and

FURTHER ORDERED that, as was requested timely by the parties (Paper 38), the settlement agreement and license agreement (Exhibit 2017) 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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