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Paper No. 26
Entered: March 14, 2018

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FLUIDMASTER, INC.,
Petitioner,

v.

DANCO, INC.,
Patent Owner.

IPR2017-00770 (Patent 8,943,620 B2)
IPR2017-00915 (Patent 9,181,687 B2)

Before JOSIAH C. COCKS, BARRY L. GROSSMAN, and JAMES J. MAYBERRY, *Administrative Patent Judges*.

MAYBERRY, *Administrative Patent Judge*.

DECISION[1]
Granting Joint Motion to Terminate
35 U.S.C. § 317(a); 37 C.F.R. § 42.72
Granting Motion to File Settlement Agreement
as Confidential Business Information and Keep Separate
35 U.S.C. § 317(b); 37 C.F.R. § 42.74(c)

[1] This Order addresses the same issue in the proceedings listed above. Therefore, we issue one Order to be filed in each proceeding. The parties, however, are not authorized to use this style of filing.

Pursuant to our authorization, on March 9, 2018, the parties filed a Joint Motion to Terminate *Inter Partes* Review (Paper 25,[2] "Joint Motion to Terminate") and a Motion to File Settlement Agreement as Confidential Business Information and Keep Separate (Paper 26), seeking to terminate IPR2017-00770 and IPR2017-00915. These proceedings involve U.S. Patent Nos. 8,943,620 B2 (the "'620 patent") and 9,181,687 B2 (the "'687 patent"). Pursuant to 37 C.F.R. § 42.74(b), the parties also filed a true copy of their written settlement agreement (Ex. 2009) in each of the proceedings. *See* Paper 25, 2 ("[T]he parties are filing herewith a true copy of the parties' confidential written agreement.").

In the Joint Motion to Terminate, "[t]he parties represent that there are no other agreements between the parties made in connection with, or in contemplation of," terminating IPR2017-00770 and IPR2017-00915. Paper 25, 2. The parties indicate that related district court litigation was dismissed on March 5, 2018. *Id.* at 1–2. The parties also indicate that there are "no pending district court litigations in which the subject patent has been asserted" and the "Patent Owner further represents that there are no other litigations involving the subject patent contemplated in the foreseeable future." *Id.* at 2.

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] We cite to the record in IPR2017-00770. Similar documents were filed in each of the proceedings to which this Order applies.

parties indicate that terminating these proceedings "is appropriate because [the parties] have entered into a confidential written agreement to terminate th[ese] proceeding[s] as part of a settlement of the underlying district court litigation involving the subject patent" and "because no final written decision on the merits has been entered [in either proceeding]." Paper 25, 1.

In view of the circumstances presented in this case, we agree that terminating these proceedings is proper at this time. Indeed, there are strong public policy reasons to favor settlement between the parties to a proceeding. *Office Patent Trial Practice Guide*, 77 Fed. Reg. 48,756, 48,768 (Aug. 14, 2012); *see also* Paper 25, 1 (quoting the *Trial Practice Guide*). 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 these proceedings without rendering a Final Written Decision as to the patentability of the challenged claims of the '620 and '687 patents.

Accordingly, it is:

ORDERED that, as was timely requested by the parties, the settlement agreements (IPR2017-00770, Ex. 2009; IPR2017-00915, Ex. 2010) shall be treated as business confidential information and kept separate from the files of U.S. Patent Nos. 8,943,620 B2 and 9,181,687 B2, under the provisions of 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c); and

FURTHER ORDERED that the Joint Motions to Terminate these proceedings are *granted*, and these proceeding are hereby terminated.

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