

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CONTROLS SOUTHEAST, INC.,
Petitioner,

v.

QMAX INDUSTRIES, LLC,
Patent Owner.

Case IPR2017-00977
Patent 8,662,156 B2

Before PATRICK R. SCANLON and JAMES A. WORTH,
Administrative Patent Judges.

SCANLON, *Administrative Patent Judge.*

JUDGMENT
Termination of Trial
37 C.F.R. §§ 42.72 and 42.73

On August 28, 2018, via an email to the Board (on which Patent Owner, QMax Industries, LLC, was included), Petitioner, Controls Southeast, Inc., indicated that the parties had settled the underlying litigation relating to this proceeding, Petitioner had acquired all rights to the challenged claim in this proceeding, and Petitioner wished to terminate this proceeding. In response, the Board authorized the parties to file a Joint Motion to Terminate.

On September 4, 2018, the parties filed a Joint Submission of Confidential Settlement Agreement. Paper 24. With this paper, the parties filed a copy of their written settlement agreement covering various matters, including those involving this proceeding and the patent at issue in this proceeding. Ex. 1018. The parties also attempted to file a Joint Motion to Terminate; the Joint Motion to Terminate was filed successfully on September 5, 2018. Paper 25.

In their Motion, the parties assert they “have settled their dispute and, as part of that settlement, have agreed to request termination of this *inter partes* review proceeding” and Patent Owner “has assigned all rights in the patent at issue to the Petitioner.” *Id.* at 1. In addition, the parties assert that no litigation or Office proceeding involving the patent at issue is contemplated in the foreseeable future. *Id.* at 2. The parties represent that Exhibit 1018 is a true and correct copy of their written settlement agreement. *Id.*

In their Joint Submission, the parties jointly request, pursuant to 35 U.S.C. § 317(b), that the confidential settlement agreement be treated as business confidential information, be kept separate from the file of the involved patents, and be made available only to Federal Government

agencies on written request, or to any person on a showing of good cause.
Paper 24, 1.

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.” Furthermore, “[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).” 35 U.S.C. § 317(a).

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). 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.* On the other hand, we note the advanced nature of this *inter partes* review proceeding. The parties have completed all briefing, the Board has held an oral hearing, and the statutory deadline for rendering a Final Written Decision is approximately two weeks away. Nonetheless, under the particular circumstance of this case, we determine that it is appropriate to terminate this *inter partes* review without rendering a Final Written Decision. *See* 35 U.S.C. § 317(a); 37 C.F.R. § 42.72.

Accordingly, it is

ORDERED that the parties’ request that the settlement agreement (Ex. 1018) be treated as business confidential information, be kept separate from the file of the involved patents, and be made available only to Federal

Government agencies on written request, or to any person on a showing of good cause, under the provisions of 35 U.S.C. § 317(b), is *granted*; and

FURTHER ORDERED that the Joint Motion to Terminate this proceeding is *granted*; and

FURTHER ORDERED that this *inter partes* review is hereby *terminated*.

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