

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ADATA TECHNOLOGY (U.S.A.) CO., LTD., and
ADATA TECHNOLOGY CO., LTD.,
Petitioner,

v.

SI-FLASH DRIVES, LLC,
Patent Owner.

Cases

IPR2018-00193 (Patent 7,855,916 B2)
IPR2018-00194 (Patent 8,194,452 B2)¹

Before MICHAEL R. ZECHER, MATTHEW R. CLEMENTS, and
MONICA S. ULLAGADDI, *Administrative Patent Judges*.

ULLAGADDI, *Administrative Patent Judge*.

DECISION

Granting Parties' Joint Motions to Terminate Proceeding
35 U.S.C. § 317 and 37 C.F.R. § 42.72

¹ This Decision addresses issues that are identical in both cases. We, therefore, exercise our discretion to issue one Decision to be filed in each case. The parties, however, are not authorized to use this style heading in any subsequent papers.

IPR2018-00193 (Patent 7,855,916 B2)

IPR2018-00194 (Patent 8,194,452 B2)

I. BACKGROUND

On March 29, 2018, we instituted an *inter partes* review as to claim 1 of U.S. Patent No. 7,855,916 B2 (“the ’916 patent”). Case IPR2018-00193, Paper 12. On April 18, 2018, we instituted an *inter partes* review as to claims 1–10 of U.S. Patent No. 8,194,452 B2 (“the ’452 patent”), which is a continuation of the ’916 patent. Case IPR2018-00194, Paper 12.

On December 6, 2018, Petitioner, ADATA Technology (U.S.A.) Co., Ltd. and ADATA Technology Co., Ltd. (collectively, “ADATA”) and Patent Owner, Si-Flash Drives, LLC (“Si-Flash”) 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 December 13, 2018.

By December 14, 2018, the parties filed their Joint Motions to Terminate (Case IPR2018-00193, Paper 22; Case IPR2018-00194, Paper 21) and Joint Requests to Keep Confidential Separate under 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c) (Case IPR2018-00193, Paper 21; Case IPR2018-00194, Paper 22). Along with the Joint Motions, the parties filed true copies of their written settlement agreement. Case IPR2018-00193, Ex. 2999; Case IPR2018-00194, Ex. 2999.

In the Joint Motions, the parties represent that they agree to terminate the administrative proceedings involving the challenged patents (U.S. Patent Nos. 7,855,916 and 8,194,452), and that they agree to the dismissal of the district court litigation between them involving the challenged patents.

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.

Although public policy 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, the parties’ representation that they also agreed to dismiss the district court litigation involving the challenged patents weighs strongly in favor of termination. Moreover, future litigation involving the challenged patents is relatively unlikely here as the confidential settlement agreement fully resolves the dispute between the parties.

On balance, the circumstances favor termination of these proceedings as to Patent Owner, as well. Accordingly, under these particular circumstances, it is

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appropriate to terminate these *inter partes* reviews 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 (Case IPR2018-00193, Paper 22; Case IPR2018-00194, Paper 21) is granted, and these proceedings are hereby terminated as to both Petitioner and Patent Owner; and

FURTHER ORDERED that, as requested timely by the parties, the settlement agreement and license agreement (Case IPR2018-00193, Ex. 2999; Case IPR2018-00194, Ex. 2999) 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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