

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

POWER INTEGRATIONS, INC.,
Petitioner,

v.

SEMICONDUCTOR COMPONENTS INDUSTRIES, LLC,
Patent Owner.

IPR2018-01539
Patent 7,944,272 B2

Before CHARLES J. BOUDREAU, JESSICA C. KAISER, and
PAUL J. KORNICZKY, *Administrative Patent Judges*.

KORNICZKY, *Administrative Patent Judge*.

DECISION and ORDER
Granting Joint Motion to Terminate Proceeding
35 U.S.C. § 317; 37 C.F.R. §§ 42.72, 42.74

On November 5, 2019, Petitioner (Power Integrations, Inc.) and Patent Owner (Semiconductor Components Industries, LLC) (collectively, the “Parties”) filed a Joint Motion to Terminate this proceeding (Paper 23), along with a copy of their written settlement agreement (Ex. 1017). Petitioner also filed a Motion requesting that the settlement agreement be treated as business confidential information, which Patent Owner opposes. Paper 24. The Board authorized the filing of the Motions on October 29, 2019, via email.

Motion to Terminate

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 the patent owner, unless the Office has decided the merits of the proceeding before the request for termination is filed.” 35 U.S.C. § 317(a) states that if no petitioner remains in the *inter partes* review, the Office may terminate the review. Additionally, 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).

After we instituted trial, Patent Owner filed its Response on May 28, 2019 (Paper 18), Petitioner filed its Reply on August 26, 2019 (Paper 20), and Patent Owner filed its Sur-Reply on September 25, 2019 (Paper 21). We have not yet decided the merits of the proceeding, and a final written decision has not been entered in the proceeding. Notwithstanding that this proceeding has moved beyond the preliminary stage, the Parties have shown adequately that the termination of the proceeding is appropriate. Under

these circumstances, we determine that good cause exists to terminate the proceeding with respect to the Parties.

The Parties must also comply with 37 C.F.R. § 42.74(b), which requires that “[a]ny agreement or understanding between the parties made in connection with, or in contemplation of, the termination of a proceeding shall be in writing and a true copy shall be filed with the Board before the termination of the trial.” The Parties represent that they “are concurrently filing a true and complete copy of their written Definitive Agreement (Confidential Exhibit 1017) (‘Settlement Agreement’) in connection with this matter pursuant to 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(b)–(c).” Paper 23, 2. The Parties also represent that “there are no other agreements or understandings, oral or written, between the Parties, including any collateral agreements, made in connection with, or in contemplation of, the termination of the present proceeding.” *Id.*

The Parties further represent that (1) “[t]hrough the Settlement Agreement, the Parties have agreed to end all outstanding legal and administrative disputes between them” (*id.*), (2) the “Settlement Agreement settles all of the above-captioned *inter partes* review proceedings, the . . . district court litigations [between the Parties], and all of the various additional legal and administrative disputes between the Parties” (*id.* at 3), and (3) the “concurrent district court litigations involving the[] patents [in the Parties’ *inter partes* review proceedings] has been dismissed” (*id.* at 5).

Based on the facts of this proceeding, and in view of the Parties’ Joint Motion to Terminate, we are persuaded that it is appropriate to terminate this proceeding with respect to both Parties without rendering a final written

decision. *See* 37 C.F.R. §§ 42.5(a), 42.72. Therefore, the Joint Motion to Terminate is *granted*.

Petitioner's Motion to Treat Settlement Agreement as Confidential

Under 35 U.S.C. § 317 and 37 C.F.R. § 42.74, Petitioner requests that the settlement agreement be treated as business confidential information, and be filed separately from the file of the involved patent. Paper 24. Patent Owner opposes the motion because “the Settlement Agreement specifies that the Settlement Agreement is not confidential,” and “ON will file a complete copy of the Settlement Agreement as an attachment to its next 10-K filed with the Securities and Exchange Commission.” Paper 23, 2 n.1.

35 U.S.C. § 317(b) provides that:

At the request of a party to the proceeding, the agreement or understanding shall be treated as business confidential information, shall be kept separate from the file of the involved patents, and shall be made available only to Federal Government agencies on written request, or to any person on a showing of good cause.

See also 37 CFR § 42.74.

Here, Petitioner's motion was timely filed with the Parties' Joint Motion to Terminate. Patent Owner opposes the Motion for two reasons. First, Patent Owner argues that “the Settlement Agreement specifies that the Settlement Agreement is not confidential.” Paper 23, 2 n.1. Patent Owner, however, does not identify support for its argument in the settlement agreement. The Parties' settlement agreement does not prohibit Petitioner from requesting that the settlement agreement be treated as business confidential information. Second, Patent Owner asserts that it “will file a complete copy of the Settlement Agreement as an attachment to its next 10-

K filed with the Securities and Exchange Commission.” *Id.* From this assertion, we understand that Patent Owner may, at some time in the future, publicly disseminate the settlement agreement but has not yet done so. Because the settlement agreement has not yet been publicly disseminated, we grant Petitioner’s motion. If the settlement agreement is publicly disseminated, the Parties are authorized to file a motion to declassify the settlement agreement.

This Order does not constitute a final written decision pursuant to 35 U.S.C. § 318(a).

Accordingly, it is

ORDERED that Petitioner’s Motion to treat the settlement agreement as business confidential information is *granted*; and

FURTHER ORDERED that the Parties’ Joint Motion to Terminate this proceeding is *granted*.

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