

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ARMASPEC, INC.,
Petitioner,

v.

J & K IP ASSETS, LLC,
Patent Owner.

Case IPR2019-00711
Patent 8,800,424 B2

Before JOSIAH C. COCKS, MICHAEL R. ZECHER, and
JOHN D. HAMANN, *Administrative Patent Judges*.

HAMANN, *Administrative Patent Judge*.

TERMINATION
Due to Settlement After Institution of Trial
35 U.S.C. § 317; 37 C.F.R. § 42.74

On December 3, 2019, Armaspec, Inc. (“Petitioner”) and J & K IP Assets, LLC (“Patent Owner”) (collectively, the “Parties”) filed a Joint Motion to Terminate Proceeding Pursuant to 35 U.S.C. § 317 and 37 C.F.R. § 42.74. Paper 10 (“Motion”). Accompanying the Motion, the Parties filed a Settlement Agreement (Exhibit 2006, filed confidentially), which they represent settles their dispute both as to this proceeding and the related district court case captioned as *J & K IP Assets, LLC v. Armaspec, Inc.*, Case No. 3:17-cv-07308-WHO (N.D. Cal.). Motion 1–2. The Parties also filed a Joint Request to File Settlement Agreement as Business Confidential Information Under 35 U.S.C. § 317 and 37 C.F.R. § 42.74. Paper 11 (“Request”).¹

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.” 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).

¹ The Parties failed to seek authorization to file either the Motion or the Request, as required by our rules. 37 C.F.R. § 42.20(b) (“A motion will not be entered without Board authorization.”). However, because termination of this proceeding based on settlement comports with our mandate to ensure “the just speedy, and inexpensive resolution of every proceeding,” 37 C.F.R. §42.1(b), we exercise our discretion under 37 C.F.R. 42.5(b) to waive the requirement under 37 C.F.R. §42.20(b) that the Parties seek Board authorization prior to filing the Motion and the Request.

As stated in the Motion, although we “issued an institution decision on August 20, 2019 (Paper 7), . . . the Parties have not completed their submissions of briefs or supporting evidence (for example, a Patent Owner’s Response has not yet been filed)[, and] Oral Argument is not scheduled to occur until May 27, 2020.” Motion 1. In other words, we have not yet decided the merits of the proceeding, and a final written decision has not been entered.

Furthermore, the Parties represent that they have “executed a binding, confidential Settlement Agreement effective [November] 16, 2019,” and that “[a] true and correct copy of the Settlement Agreement” was submitted with the Motion as Exhibit 2006. *Id.* at 1–2. The Parties represent that, “[a]s part of the Settlement Agreement, Petitioner and Patent Owner [have] agreed to terminate this proceeding,” and “have similarly agreed to dismiss” the related district court case. *Id.* at 2. The Parties further represent that “[t]here are no other pending lawsuits or proceedings between the Petitioner and Patent Owner relating to the ’424 patent.” *Id.*

Based on the facts of this proceeding, and in view of the representations in the Parties’ Motion to terminate, we are persuaded that it is appropriate to terminate the proceeding with respect to both Parties without rendering a final written decision. *See* 37 C.F.R. §§ 42.5(a), 42.72. Therefore, the Motion to terminate is *granted*.

Joint Request to Treat Settlement Agreement as Confidential

Under 35 U.S.C. § 317 and 37 C.F.R. § 42.74, the Parties request that the Settlement Agreement be treated “as business confidential information, which shall be kept separate from the file of this proceeding and the involved patent.” Request 1.

Section 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.

35 U.S.C. § 317(b); *see also* 37 C.F.R. § 42.74(c) (stating the same).

Here, the Request was timely filed (concurrently) with the Parties' Motion to terminate. 37 C.F.R. § 42.74(c). Based on the facts of this proceeding, and in view of the Parties' Request, we are persuaded that it is appropriate to treat the Settlement Agreement as business confidential information, and the Settlement Agreement shall be kept separate from the files of the '424 patent. Therefore, the Request is *granted*.

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

Accordingly, it is

ORDERED that the Parties' Motion to terminate the proceeding is *granted*;

FURTHER ORDERED that the Parties' Request to treat the Settlement Agreement as business confidential information is *granted*; and

FURTHER ORDERED that the proceeding is *terminated* with respect to both Petitioner and Patent Owner pursuant to 35 U.S.C. § 317(a) and 37 C.F.R. § 42.72.

IPR2019-00711
Patent 8,800,424 B2

PETITIONER:

John van Loben Sels
Steven Castaneda
Jennifer Shih
FISH IP LAW LLP
jvalobensels@fishiplaw.com
scastaneda@fishiplaw.com
jshih@fishiplaw.com

PATENT OWNER:

William Nash
Thomas King
Jason Whitney
HAYNES AND BOONE, LLP
bill.nash@haynesboone.com
thomas.king@haynesboone.com
jason.whitney@haynesboone.com