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Paper 18
Date: November 7, 2019

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

KATHREIN USA, INC.,
T-MOBILE US, INC,
Petitioner,

v.

FRACTUS S.A.,
Patent Owner.

Case IPR2019-00949
Patent 7,557,768 B2

Before JAMESON LEE, KARL D. EASTHOM, and
JOHN R. KENNY, *Administrative Patent Judges.*

EASTHOM, *Administrative Patent Judge*.

DECISION
Settlement Prior to Institution of Trial and
Granting in Part Request to Keep Settlement Agreement Separate
37 C.F.R. §§ 42.71(a), 42.74(c)

DISCUSSION

On October 2, 1019, with Board authorization, the parties filed a joint motion to terminate the proceeding (Paper 16, "Termination Motion"), a settlement agreement between Kathrein USA, Inc. ("Kathrein") and Patent Owner (Ex. 2025, "Kathrein Agreement"), a settlement agreement between T-Mobile US, Inc. ("T-Mobile") and Patent Owner (Ex. 2026, "T-Mobile Agreement"), and a request to keep the Kathrein Agreement separate from the file of the patent challenged in this *inter partes* review (Patent No. 7,557,768 B2, "challenged patent") (Paper 17, "Request to Keep the Kathrein Agreement Separate").

Kathrein and Patent Owner represent that they have agreed to settle, that Exhibit 2025 is their settlement agreement, and that "there are no collateral agreements or understandings made in connection with, or in contemplation of, the termination of the *inter partes* review." Paper 16, 5. Further, Kathrein and Patent Owner request that the Kathrein Agreement be treated as business confidential information and be kept separate from the file of the challenged patent pursuant to 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c), and separate from the file of this proceeding. Paper 17, 1.

The T-Mobile Agreement (Ex. 2026) constitutes two documents: a litigation stipulation amongst, *inter alia*, Patent Owner and T-Mobile, dated September 24, 2019, and a Covenant Not to Sue, dated September 23, 2019. Paper 16, 4. T-Mobile and Patent Owner represent that they have agreed to settle, that Exhibit 2026 constitutes their agreement, and that "there are no additional collateral agreements or understandings made in connection with, or in contemplation of, the termination of the *inter partes* review." Paper 16, 4. T-Mobile and Patent Owner do not request that the T-Mobile

Agreement be treated as business confidential information or be kept separate from the file of the challenged patent pursuant to 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c). *Id.* at 1.

Generally, the Board expects that a proceeding will terminate after the filing of a settlement agreement. *See* 35 U.S.C. § 317(a) ("An 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."); 37 C.F.R. § 42.72 ("The Board may terminate a trial without rendering a final written decision, where appropriate, including . . . pursuant to a joint request under 35 U.S.C. 317(a) . . . ."); *see also* Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,768 (Aug. 14, 2012) ("The Board expects that a proceeding will terminate after the filing of a settlement agreement, unless the Board has already decided the merits of the proceeding.").

This proceeding is at an early stage. We have not issued a decision on whether to institute an *inter partes* review. Under these circumstances, we grant the Termination Motion.

We also grant the Request to Keep the Kathrein Agreement Separate, but only in part. *See* 35 U.S.C. § 317(b) ("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 C.F.R. § 42.74(c). The parties request, but cite no basis, to have the Kathrein Agreement "kept separate from the file of the present proceeding."

Paper 17, 2. Indeed, the parties have filed the Kathrein Agreement as Exhibit 2025 in this proceeding, and Exhibit 2025 is of record in this proceeding. Accordingly, that portion of the request directed to keeping the Kathrein Agreement apart from this file of this proceeding is denied.

ORDER

It is

ORDERED that the Termination Motion (Paper 16) is *granted*;

FURTHER ORDERED that the Request to Keep the Kathrein Agreement Separate (Paper 17) is *granted in part*, and *denied in part*;

FURTHER ORDERED that the Kathrein Agreement (Ex. 2025) shall be treated as business confidential information, shall be kept separate from the file of Patent No. 7,557,768 B2, and shall be made available only in accordance with the provisions of 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c);

FURTHER ORDERED that the part of the Request to Keep the Kathrein Agreement Separate seeking to keep the Kathrein Agreement separate from the file of Patent No. 7,557,768 B2 is *granted*, and the part of the Request to Keep the Kathrein Agreement Separate seeking to keep the Kathrein Agreement separate from the file of this proceeding is *denied*; and

FURTHER ORDERED that this proceeding is *terminated* both as to Petitioner and Patent Owner.

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