

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ZONAR SYSTEMS, INC.,
Petitioner,

v.

INNOVATIVE GLOBAL SYSTEMS, LLC,
Patent Owner.

Case IPR2020-00155 (Patent 7,102,494 B2)

Before JUSTIN T. ARBES, JOHN F. HORVATH, and
FREDERICK C. LANEY, *Administrative Patent Judges*.

LANEY, *Administrative Patent Judge*.

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

Petitioner Zonar Systems, Inc. and Patent Owner Innovative Global Systems, LLC have requested jointly that the above-identified *inter partes* review be terminated due to a settlement. With our authorization in this proceeding, the parties filed a “Joint Motion to Terminate Proceeding Under 35 U.S.C. § 317” (Paper 18 (“Joint Motion”)). Along with the Joint Motion, the parties filed a “License and Settlement Agreement” (Ex. 1022 (“Settlement Agreement”))¹, as well as a “Joint Motion to Keep Confidential and Separate Under 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c)” (Paper 19).

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.” The parties indicate that the submitted written confidential settlement agreement fully resolves the disputes between them regarding the challenged patent and that “[t]here are no other agreement, oral or written, between the parties made in connection with, or in contemplation of, the termination of the present proceeding.” Joint Motion 3. In addition, the parties indicate that, on July 30, 2020, the district court was notified of the settlement agreement, which also resolves the disputes regarding the challenged patent in Civil Action No. 0:18-cv-03083-JMC (D. S.C.) and that the parties filed jointly a stipulation to dismiss all claims pending in that case. *Id.* at 2.

¹ The Settlement Agreement refers to “2011 License Agreement” and “2014 Addendum,” which are both in the record of this proceeding as attachments to Exhibit 2003 (Exhibits D, E).

We instituted a trial in the above-identified proceeding on May 12, 2020. Paper 15. We have not yet decided the merits of the proceeding, and a final written decision has not been entered in the matter. Notwithstanding that this matter has moved beyond the preliminary stage, the parties have shown adequately that the termination of this *inter partes* review is appropriate. Under these circumstances, we determine that good cause exists to terminate the proceedings in this matter. In addition, after considering the Settlement Agreement, we also conclude that it is appropriate to treat the Settlement Agreement (Ex. 1022) as business confidential information to be kept separate from the patent file in this matter. *See* 37 C.F.R. § 42.74(c).

ORDER

Therefore, it is

ORDERED that the joint motions to terminate the *inter partes* review in IPR2020-00155 is *granted*; and

FURTHER ORDERED that the parties' joint request (Paper 19) to treat the parties' settlement agreement (Ex. 1022) as business confidential information is *granted*, and the settlement agreement shall be kept separate from the files of U.S. Patent Nos. 7,102,494 B2, and made available only to Federal Government agencies on written request, or to any person on a showing of good cause, pursuant to 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c).

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