

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

NETFLIX INC. and HULU, LLC,
Petitioner,

v.

DIVX, LLC,
Patent Owner.

IPR2020-00558
Patent 10,225,588 B2

Before KEVIN F. TURNER, BART A. GERSTENBLITH, and
IFTIKHAR AHMED, *Administrative Patent Judges*.

TURNER, *Administrative Patent Judge*.

ORDER
Settlement as to Hulu, LLC
35 U.S.C. § 317; 37 C.F.R. § 42.74

I. DISCUSSION

With the Board’s authorization, Petitioner Hulu, LLC (“Hulu”) and Patent Owner DivX, LLC (“DivX”) filed (1) a Joint Motion to Terminate Pursuant to 35 U.S.C. § 317 and 37 C.F.R. § 42.74 (Paper 60 (“Mot.”)) based on a settlement agreement between those entities, (2) a true copy of their written settlement agreement (Ex. 2030), and (3) a Joint Request to Keep Separate Pursuant to 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74 (Paper 59).

Hulu and DivX indicate that they have settled all the disputes in this proceeding and jointly move to terminate the proceeding as to Hulu. Mot. 2. The parties filed what they represent is a true and correct copy of their written settlement agreement and indicate that it contemplates the termination of this proceeding as to Hulu. *Id.* at 4. The parties represent that Hulu has agreed to refrain from participating in challenges against the patent at issue in this proceeding. *Id.* at 2. The parties further indicate that the related district court proceeding involving the challenged patent has been dismissed. *Id.* at 3–4. The parties state that termination is appropriate because the Board has not issued a final written decision following remand. *Id.* at 3.

Generally, the Board expects that a proceeding will terminate with respect to a petitioner after the filing of a settlement agreement. *See* 35 U.S.C. § 317(a) (2018) (“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 (2019) (“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* Patent Trial and Appeal Board Consolidated Trial Practice Guide 86 (Nov. 2019)¹ (“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.” (citing 35 U.S.C. §§ 317(a), 327)). Here, although the Board has already issued a final written decision, that decision was vacated and remanded by the Federal Circuit. The Board has not issued a decision on remand and, thus, has not decided the merits of the issues that were remanded to the Board. Accordingly, we are persuaded that, under these circumstances, termination of this proceeding only as to Hulu is appropriate. *See, e.g., Cantfield Scientific, Inc. v. Melanoscan LLC*, IPR2017-02125, Paper 70 at 3 (PTAB Jan. 24, 2022) (granting a motion to terminate where the Board had not yet issued a final written decision on remand).

Additionally, we grant the Joint Request to Keep Separate. *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) (same).

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

¹ Available at <https://www.uspto.gov/TrialPracticeGuideConsolidated>.

II. ORDER

Accordingly, it is

ORDERED that the Joint Motion to Terminate Hulu, LLC as Petitioner (Paper 60) is *granted*;

FURTHER ORDERED that the Joint Request to Treat Exhibit 2030 as Business Confidential Information and Keep Separate (Paper 59) is *granted*;

FURTHER ORDERED that the settlement agreement (Ex. 2030) be treated as business confidential information, kept separate from the file of the challenged patent, 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);

FURTHER ORDERED that this proceeding is terminated only as to Petitioner Hulu, LLC;

FURTHER ORDERED that Petitioner Netflix, Inc. remains a party in this proceeding; and

FURTHER ORDERED that the case caption shall be changed to reflect termination of Petitioner Hulu, LLC in accordance with the attached example.

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[Example Case Caption for Future Filings]

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² The caption is updated to remove Petitioner Hulu, LLC (“Hulu”) because Hulu is no longer a party to this proceeding. *See* Paper 63 (ORDER Settlement as to Hulu, LLC). The parties shall use this caption (without this footnote) going forward.