

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ASETEK DANMARK A/S,
Petitioner,

v.

COOLIT SYSTEMS, INC.,
Patent Owner.

IPR2020-00747
Patent 9,057,567 B2

Before FRANCES L. IPPOLITO, SCOTT C. MOORE, and
BRENT M. DOUGAL, *Administrative Patent Judges*.

MOORE, *Administrative Patent Judge*.

JUDGMENT
Granting Adverse Judgment on Remand
37 C.F.R. § 42.73(b)

This case is before us on remand from the Court of Appeals for the Federal Circuit. *See CoolIT Sys., Inc. v. Vidal*, No. 2022-1221, 2024 WL 981364 (Fed. Cir. Mar. 7, 2024). In our initial Final Written Decision, we found that all claims challenged by Asetek Danmark A/S (“Petitioner”) in U.S. Patent 9,057,567 B2 (the “’567 patent”) had been shown to be unpatentable. Paper 42. CoolIT Systems, Inc. (“Patent Owner”) appealed, and the Federal Circuit vacated our judgment and remanded the case to us for reconsideration under a revised construction of the claim term “matingly engaged.” *CoolIT*, 2024 WL 981364, at *6. Prior to the Federal Circuit’s decision, however, Petitioner “moved to voluntarily dismiss [its] cross-appeal and withdraw from the case upon privately settling its dispute” with Patent Owner. *Id.* at *3.

On May 9, 2024, the Board received an email from Patent Owner’s counsel indicating Patent Owner’s understanding that Petitioner “will no longer participate in this IPR pursuant to a confidential settlement agreement between the parties,” and requesting “that the Board issue a final written decision confirming patentability of all challenged claims in the ’567 patent.” *See* Ex. 3001.

The Board contacted the parties on May 15, 2024, requesting “confirmation on the record from Petitioner that Petitioner does not intend to participate further in this proceeding,” and making clear that Petitioner’s refusal to participate in this proceeding might be treated as a request for adverse judgment under 37 C.F.R. § 42.73(b). *See* Ex. 3002.

On June 4, 2024, not having received a response, the Board emailed the parties again, ordering them to either file a notice or stipulation, or meet and confer and inform the Board of their respective positions, not later than June 10, 2024. *See* Ex. 3003.

On June 11, 2024, Patent Owner emailed the Board and stated its belief that Petitioner's refusal to participate in this proceeding should be treated as a request for adverse judgment under 37 C.F.R. § 42.73(b). *See* Ex. 3004. Patent Owner also requested that the Board grant permission to submit a copy of the settlement agreement under seal and enter a final written decision confirming patentability of the challenged claims. *See id.*

Petitioner emailed the Board on June 10, 2024, confirming that Petitioner "may not and will not participate in this IPR," but asserting that Petitioner "does not agree to abandoning the IPR or to adverse judgment with respect to this IPR." *See* Ex. 3005. Petitioner failed to provide any explanation of why its decision to refrain from participating in this proceeding would not rise to the level of an abandonment of the contest under 37 C.F.R. § 42.73(b). *See id.* Petitioner also did not cite any legal authority that would allow it to refuse to participate in this proceeding, while at the same time resisting a determination that it had abandoned the contest, an action that is construed under 37 C.F.R. § 42.73(b) as a request for adverse judgment. *See id.*

On July 30, 2024, after considering the parties' positions, we issued an Order to Show Cause directing Petitioner to file a paper showing cause why the Board should not enter adverse judgment against Petitioner for abandonment of the contest under § 42.73(b). Paper 46, 3–4. Our Order explicitly provided "if Petitioner does not file such a paper by August 5, 2024, Petitioner shall be deemed to have abandoned the contest under 37 C.F.R. § 42.73(b), and to thereby have requested adverse judgment against itself." *Id.* at 4.

Petitioner did not file any response. Thus, pursuant to 37 C.F.R. § 42.73(b) and the explicit terms of our July 30, 2024, Order, Petitioner is

hereby deemed to have abandoned the contest and requested adverse judgment against itself. The Board, accordingly, enters adverse judgement against Petitioner as to all challenged claims.

Our July 30, 2024, Order further directed Patent Owner to file a copy of the parties' settlement agreement by August 4, 2024, and indicated that the Board would maintain this document as business confidential information to be kept separate from the files of the involved patent. Paper 46, 4. On August 5, 2024, Patent Owner complied with this Order by filing a copy of the parties' settlement agreement. Ex. 2043.¹ The Board, having reviewed the settlement agreement, is persuaded that it constitutes business confidential information that should be maintained under seal and kept separate from the files of the involved patent. 37 C.F.R. §§ 42.5, 42.74.

¹ Patent Owner represents that the settlement agreement was designated "HIGHLY CONFIDENTIAL – ATTORNEYS' EYES ONLY" under a District Court protective order (Ex. 2044), and that Patent Owner's counsel is barred from accessing the original, unredacted settlement agreement. Paper 48, 1. Patent Owner thus submitted a redacted version of the settlement agreement. *Id.* The redactions relate primarily to the contents of a technical expert report that was attached to the settlement agreement. *Id.* at n.1. We accept Patent Owner's explanation and deem the filing of Exhibit 2043 adequate to comply with our July 30, 2024, Order.

For the foregoing reasons, it is hereby:

ORDERED that pursuant to 37 C.F.R. § 42.73(b), adverse judgment is entered against Petitioner as to claims 1, 2, 3, 5, 7, and 25 of U.S. Patent No. 9,057,567 B2;

FURTHER ORDERED that Exhibit 2043 shall be treated as business confidential information and kept separate from the files of the involved patent; and

FURTHER ORDERED that Exhibit 2043 shall remain sealed in the Board's electronic filing system with the designation "Board and parties only."

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