Trials@uspto.gov
571-272-7822

Paper 19
Date: May 14, 2021

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MARXENT LABS, LLC, LA-Z-BOY INCORPORATED, and
ASHLEY FURNITURE INDUSTRIES, INC.,
Petitioner,

v.

AR DESIGN INOVATIONS LLC,
Patent Owner.

IPR2021-00085
IPR2021-00271
Patent 7,277,572 B2[1]

Before CHARLES J. BOUDREAU, KARA L. SZPONDOWSKI, and SHARON FENICK, *Administrative Patent Judges*.

SZPONDOWSKI, *Administrative Patent Judge*.

DECISION
Settlement Prior to Institution of Trial
37 C.F.R. § 42.74

---

[1] This Order applies to each of the listed proceedings. The parties are not authorized to use this caption format.

I. INTRODUCTION

With the Board's authorization, Petitioner Marxent Labs, LLC, La-Z-Boy Inc., and Ashley Furniture Industries, Inc. and Patent Owner AR Design Innovations LLC (collectively, "the Parties") filed a Joint Motion to Terminate each of the above-identified proceedings pursuant to 35 U.S.C. § 317(a) and 37 C.F.R. §§ 42.72 and 42.74. Paper 17[2] ("Joint Motion"). In support of the Joint Motion, the Parties filed in each proceeding a corresponding Confidential Settlement and Patent License Agreement, Ex. 2015 ("Settlement Agreement"), as well as a corresponding Joint Motion to File Settlement Agreement as Business Confidential Information pursuant to 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c), Paper 18 ("Joint Request").

II. DISCUSSION

In each Joint Motion, the Parties represent that they "have settled with respect to the challenged '572 parent and have reached agreement to terminate this *inter partes* review." Joint Motion 1. The Parties represent that the Settlement Agreement is "a true and correct copy" of the settlement agreement made between the parties, "and also resolves the parallel district court litigations on the '572 patent." *Id.* The Parties further represent that there is "no other pending proceeding involving the '572 patent . . . and there are no collateral agreements." *Id.* at 1–2. The Parties argue that termination is proper because (1) the Parties have settled their dispute and this is a joint request to terminate; and (2) the Board has not yet made a decision on

[2] For purposes of expediency, we cite to Papers and Exhibits filed in IPR2021-00085. Corresponding Papers and Exhibits were filed in IPR2021-00271 (Papers 13 and 14 and Exhibit 2022).

institution in either proceeding. *Id.* at 2–3. Alternatively, the Parties jointly request dismissal pursuant to 37 C.F.R. § 42.71(a) because the Board has not yet made a decision on institution in either proceeding. *Id.* at 3–4.

This proceeding is still in its preliminary stages. We have not entered a decision on whether to institute *inter partes* review in these proceedings. In view of the early stages of these proceedings and the settlement between the Parties, we determine that good cause exists to terminate these proceedings as to the Parties.

In each Joint Request, the Parties request that the Settlement Agreement be treated as business confidential information and be kept separate from the files of the patent involved in these *inter partes* proceedings. Joint Request 1. After reviewing the Settlement Agreement, we find that the Settlement Agreement contains confidential business information regarding the terms of settlement. We determine that good cause exists to treat the Settlement Agreement as business confidential information pursuant to 37 C.F.R. § 42.74(c).

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

III. ORDER

In consideration of the foregoing, it is hereby

ORDERED that the Joint Motion to Terminate each proceeding is *granted*, and the above-identified proceedings are *terminated*; and

FURTHER ORDERED that the Joint Motion to File Settlement Agreement as Business Confidential Information in each proceeding is *granted*, and the Settlement Agreement shall be kept separate from the file of Patent 7,277,572 B2 and made available only to Federal Government agencies on written request, or to any person on a showing of good cause, pursuant to 37 C.F.R. § 42.74(c).

FOR PETITIONER:

Harper Batts
Chris Ponder
SHEPPARD, MULLIN, RICHTER & HAMPTONLLP.
hbatts@sheppardmullin.com
cponder@sheppardmullin.com

FOR PATENT OWNER:

Paul Richter
Timothy Devlin
DEVLIN LAW FIRM LLC
prichter@devlinlawfirm.com
td-ptab@devlinlawfirm.com]