

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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CISCO SYSTEMS, INC.,  
Petitioner,

v.

CAPELLA PHOTONICS, INC.,  
Patent Owner.

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IPR2021-00290  
Patent RE47,905 E

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Before JOSIAH C. COCKS, JAMES A. TARTAL, and  
STEVEN M. AMUNDSON, *Administrative Patent Judges*.

AMUNDSON, *Administrative Patent Judge*.

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

After receiving authorization from the Board, Cisco Systems, Inc. (“Petitioner”) and Capella Photonics, Inc. (“Patent Owner”) filed a joint motion to withdraw the Petition and terminate this proceeding under 35 U.S.C. § 317 and 37 C.F.R. § 42.74. Paper 11. The parties also filed a copy of a settlement agreement titled “Agreement and Covenant Not to Sue.” Ex. 2008. In addition, the parties filed a joint request that the settlement agreement be treated as business confidential information and be kept separate under 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c). Paper 10.

The parties represent that they have entered into a settlement agreement and have resolved their dispute “both in this proceeding and in the related district court litigation.” Paper 11, 1–2. The parties also represent that Exhibit 2008 is “a true copy of any agreement or understanding” between the parties “made in connection with, or in contemplation of, the withdrawal of the Petition” and that “[t]here are no collateral agreements or understandings made in connection with, or in contemplation of, the termination of this proceeding.” *Id.* at 1. In addition, the parties represent that “terminating the proceeding now would thus serve the interests of judicial economy as well as the mutual interest of the parties.” *Id.* at 2.

This proceeding has not progressed very far. Petitioner filed the Petition on December 14, 2020. Patent Owner filed a Preliminary Response on March 22, 2021. The Board has not yet decided whether to institute an *inter partes* review. Terminating this proceeding will save the Board administrative and judicial resources, e.g., in conducting an oral argument and issuing a final written decision to decide the patentability issues raised in the Petition. Further, “[t]here are strong public policy reasons to favor

settlement between the parties to a proceeding.” *Office Patent Trial Practice Guide*, 77 Fed. Reg. 48,756, 48,768 (Aug. 14, 2012).

Under these circumstances, we determine that it is appropriate to terminate this proceeding. Further, after reviewing the parties’ settlement agreement (Exhibit 2008), we find that it contains confidential business information regarding the terms of settlement. We determine that it is appropriate to treat the parties’ settlement agreement (Exhibit 2008) as business confidential information under 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c).

#### ORDER

Accordingly, it is

ORDERED that the parties’ joint motion to withdraw the Petition and terminate this proceeding is granted;

FURTHER ORDERED that this proceeding is terminated as to all parties; and

FURTHER ORDERED that, as was requested timely by the parties (Paper 10), the settlement agreement (Exhibit 2008) be treated as business confidential information and be kept separate from the file of U.S. Patent No. RE47,905 E and made available only under the provisions of 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c).

IPR2021-00290  
Patent RE47,905 E

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