

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAMSUNG ELECTRONICS AMERICA, INC.,
Petitioner,

v.

PROXENSE, LLC,
Patent Owner.

IPR2021-01438 (Patent 9,049,188 B1)
IPR2021-01439 (Patent 9,235,700 B1)¹

Before THU A. DANG, KEVIN F. TURNER, and DAVID C. McKONE,
Administrative Patent Judges.

DANG, *Administrative Patent Judge.*

TERMINATION

Due to Settlement After Institution of Trial
35 U.S.C. § 317; 37 C.F.R. § 42.71, 42.74

¹ This Order addresses issues that are the same in each of the above-captioned proceedings. We exercise our discretion to issue one order for all of these proceedings. The proceedings have not been consolidated, and the Parties are not authorized to use this caption format.

I. INTRODUCTION

On January 23, 2023, with authorization of the Board, Samsung Electronics America, Inc. (“Petitioner”) and Proxense, LLC (“Patent Owner”) (“the Parties”) filed a Joint Motion to Terminate each of the above-captioned *inter partes* reviews pursuant to 35 U.S.C. § 317 and 37 C.F.R. §§ 42.72 and 42.74. Paper 29 (“Joint Motion”).² Along with the Joint Motion, the Parties filed a copy of a written, confidential “Binding Term Sheet for Settlement and Patent License between Samsung and Proxense” (“Term Sheet”). Ex. 2013. The Parties also requested that the Term Sheet be treated as business confidential information and be kept separate pursuant to 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c). Paper 30 (“First Joint Request”).

Under 35 U.S.C. § 317(b), “[a]ny agreement or understanding between the patent owner and a petitioner, including any collateral agreements referred to in such agreement or understanding, made in connection with, or in contemplation of, the termination of an *inter partes* review under this section shall be in writing, and a true copy of such agreement or understanding shall be filed in the Office before the termination of the *inter partes* review as between the parties.”

Similarly, 37 C.F.R. § 42.74(b) requires that “[a]ny agreement or understanding between the parties made in connection with, or in contemplation of, the termination of a proceeding shall be in writing and a true copy shall be filed with the Board before the termination of the trial.”

As applied here, the Parties represented that the Term Sheet “fully”

² We cite to Papers 29–32 and Exhibits 2013–2014 in IPR2021-01438. Similar items were filed in IPR2021-01439.

resolved the matter, and that there were “no other agreements, oral or written, between the parties made in connection with, or in contemplation of, the termination of the present Proceeding.” Joint Motion 1. The Term Sheet, however, stated that the Parties “will enter into Definitive Agreements within twenty (20) days of the signing date of this Term Sheet.” Term Sheet 1.

Accordingly, we contacted the Parties on February 22, 2023 and requested further clarification on this issue, as follows:

The parties are requested to confirm that the Binding Term Sheet as filed “fully” resolves the matter, and that there are no other agreements between the parties made in connection with the termination of the present Proceeding pursuant to 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(b). If the parties have entered into a definitive agreement, the parties are requested to submit that agreement consistent with Section 317(b).

See Ex. 3004.

In response to our request, on February 23, 2023, the Parties filed A Joint Notice of Submission of Agreement In Support of Joint Motion to Terminate *Inter Partes* Review in each of the above-captioned proceedings. Paper 31 (“Joint Notice”). Along with the Joint Notice, the Parties filed a copy of a written, confidential “Settlement and License Agreement” (“Settlement Agreement”) governing their settlement. Ex. 2014. The Parties also requested that the Settlement Agreement be treated as business confidential information and be kept separate pursuant to 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c). Paper 32 (“Second Joint Request”).

II. DISCUSSION

In the Joint Motion, the Parties represent that they have reached an agreement to jointly seek termination of the associated *inter partes* review

proceeding. Joint Motion 1. In the Joint Notice, the Parties state that “Ex. 2014 is a true and accurate copy of the Settlement and Licensing Agreement and its exhibits between the parties resolving the present proceeding.” Joint Notice 2. The Parties further represent that the Settlement Agreement is the “‘definitive agreement[.]’ as defined by the confidential binding term sheet,” “resolving the present proceeding,” and “that there are no other agreements, oral or written, between the parties made in connection with, or in contemplation of, the termination of the present proceeding.” *Id.*

In the First Joint Request, the Parties “jointly request to file Ex. 2013, the confidential binding terms sheet between the parties, as referenced in the Joint Motion to Terminate the *Inter Partes* Review of [the involved patent], as business confidential information, and to have it be kept separate from the files of the aforementioned patent.” First Joint Request 1. In the Second Joint Request, the Parties “jointly request to file Ex. [2014], the Settlement and Licensing Agreement and its exhibits between the parties, as referenced in the Notice of Submission In Support of Joint Motion to Terminate the *Inter Partes* Review of [the involved patent], as business confidential information, and to have it be kept separate from the files of the aforementioned patent.” Second Joint Request 1.

III. ANALYSIS

We instituted a trial in each the above-captioned proceedings on February 28, 2022. Paper 14.

Generally, 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. PTAB Consolidated Trial Practice Guide, 86

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(November 2019).³ Here, although the Board has instituted *inter partes* review of the challenged patent in each of these proceedings, the Board has not decided the merits of either proceeding. Under these circumstances, we determine that it is appropriate to terminate these proceedings as to the Parties.

Furthermore, after reviewing the Settlement Agreement and Term Sheet between the Parties, we find that the Settlement Agreement and Term Sheet each contain confidential business information regarding the terms of settlement. Thus, we determine that good cause exists to treat the Settlement Agreement (Ex. 2014) and Term Sheet (Ex. 2013) between the Parties as business confidential information under 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c), to keep them separate from the files of the involved patents and associated proceeding, and to limit their availability as requested by the Parties. *See* U.S.C. § 317(b); 37 C.F.R. § 42.74(c).

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

IV. ORDER

Accordingly, it is:

ORDERED that, in IPR2021-01438 and in IPR2021-01439, the Joint Motion to terminate the above-identified proceeding is *granted*, and this proceeding is terminated;

FURTHER ORDERED that, in IPR2021-01438 and in IPR2021-01439, the Joint Requests to treat the Term Sheet and Settlement Agreement as business confidential information and be kept separate from

³ Available at <https://www.uspto.gov/TrialPracticeGuideConsolidated>.

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the patent file are *granted*, and the Settlement Agreement and Term Sheet are to be treated as business confidential information and kept separate from the patent file.

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