

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

DIALPAD, INC.,
Petitioner,

v.

FLYPSI, INC.,
Patent Owner.

IPR2022-01048 (Patent 10,334,094 B1)
IPR2022-01049 (Patent 10,051,105 B2)
IPR2022-01050 (Patent 11,012,554 B2)
IPR2022-01051 (Patent 9,667,770 B2)¹

Before KRISTEN L. DROESCH, MICHELLE N. WORMMEESTER, and
JON M. JURGOVAN, *Administrative Patent Judges*.

DROESCH, *Administrative Patent Judge*.

TERMINATION
Settlement Prior to Institution of Trial
35 U.S.C. § 317; 37 C.F.R. § 42.74

¹ This Order addresses issues that are the same in each of the above-captioned preliminary proceedings. We exercise our discretion to issue one order for all of the above-captioned preliminary proceedings. The parties are not authorized to use this caption format.

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I. INTRODUCTION

In each of the above-captioned preliminary proceedings, Petitioner Dialpad, Inc. (“Petitioner”) and Patent Owner Flypsi, Inc. (“Patent Owner”) (collectively “the parties”), with the Board’s prior authorization, filed a Joint Motion to Terminate (Paper 6, “Joint Motion”) and a Joint Request to Keep Separate (Paper 7, “Joint Request”).² In support of each Joint Motion, the parties filed a copy of a written “SETTLEMENT, RELEASE, AND LICENSE AGREEMENT.” IPR2022-01048, Ex. 1046; IPR2022-01049, Ex. 1045; IPR2022-01050, Ex. 1047; IPR2022-01051, Ex. 1044 (“Settlement Agreement”).

II. DISCUSSION

In each Joint Motion, the parties “jointly request termination of this inter partes review.” Joint Motion 2.³ The parties state that they “have settled with respect to the challenged patent and have reached agreement to terminate this IPR,” and that “the written agreement that contemplates the termination of this proceeding has been filed with this motion as Exhibit 1046, along with a separate request that the written agreement be kept separate as business confidential information.” *Id.* at 4. In addition,

² Unless otherwise noted, we cite to Papers and Exhibits filed in IPR2022-01048. Similar papers and exhibits were filed in IPR2022-01049, IPR2022-01050, and IPR2022-01051.

³ The parties “[a]lternatively . . . jointly request dismissal of this inter partes review pursuant to 37 C.F.R. § 42.71(a).” Joint Motion 4. It is unnecessary to address this additional request because the parties’ primary request provides a sufficient showing that good cause exists to terminate each preliminary proceeding and dismiss each petition.

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“[t]he parties certify that [] there are no collateral agreements or understandings made in connection with, or in contemplation of, the termination of the proceedings.” *Id.*

There are strong public policy reasons to favor settlement between the parties to a proceeding. Patent Trial and Appeal Board Consolidated Trial Practice Guide 86 (Nov. 2019)⁴. Here, in each Joint Motion, the parties state that “[t]ermination of this proceeding is proper for several reasons”:

- (1) “this a joint request by parties that have settled their dispute”;
- (2) “[b]oth Congress and the federal courts have expressed a strong interest in encouraging settlement in litigation”;
- (3) “no public interest or other factors weigh against termination of this proceeding”;
- (4) “the Board has not yet made a decision on institution of this inter partes review”;
- (5) “[n]o motions are outstanding in this proceeding”;
- (6) “[n]o other party’s rights will be prejudiced by the termination of this inter partes review”; and
- (7) “the parties have filed a stipulation dismissing each other’s claims and counterclaims relating to the challenged patent in the district court action.”

Joint Motion 2–4 (citations and internal quotations omitted).

For at least these reasons, we agree that good cause exists and that it is appropriate to dismiss the petition and terminate the preliminary proceeding as to the parties in each of the above-captioned matters, without rendering a decision on institution or a final written decision. *See* 37 C.F.R. § 42.74.

⁴ Available at <https://www.uspto.gov/TrialPracticeGuideConsolidated>.

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In each Joint Request, the parties “jointly request that [the Settlement Agreement], which is a true copy of the parties’ written agreement that contemplates the termination of this proceeding, be treated as business confidential information and be kept separate from the files of the patent at issue in this proceeding” because they “consider the settlement to contain highly sensitive business confidential information that would substantially harm their business interests if publicly disclosed.” Joint Request 2.

After reviewing the Settlement Agreement between the parties, we find that the Settlement Agreement contains business confidential information regarding the terms of settlement. Thus, we determine that good cause exists to treat the Settlement Agreement (IPR2022-01048, Ex. 1046; IPR2022-01049, Ex. 1045; IPR2022-01050, Ex. 1047; IPR2022-01051, Ex. 1044) between the parties as business confidential information under 37 C.F.R. § 42.74(c), to keep it separate from the files of the involved patents and associated preliminary proceedings, and to limit its availability pursuant to 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c).

The parties “further jointly request that the Board order that in the event a person or entity makes a written request, as stated in 37 C.F.R. § 42.74(c)(1)–(2), for access to the settlement agreement, that any such written request be served upon the parties on the day the written request is provided to the Board.” Joint Request 2. We are unable to accommodate the parties’ request to issue a prospective order on unknown third parties. Therefore, we decline to issue such an order regarding any requests for access to the Settlement Agreement by third parties.

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

III. ORDER

Accordingly, it is:

ORDERED that, in each of IPR2022-01048, IPR2022-01049, IPR2022-01050, and IPR2022-01051, the parties' Joint Motion to Terminate is *granted*;

FURTHER ORDERED that, in each of IPR2022-01048, IPR2022-01049, IPR2022-01050, and IPR2022-01051, the preliminary proceeding is *terminated* and the petition is *dismissed*; and

FURTHER ORDERED that, in each of IPR2022-01048, IPR2022-01049, IPR2022-01050, and IPR2022-01051, the parties' Joint Request to Keep Separate is *granted*, and the Settlement Agreement (IPR2022-01048, Ex. 1046; IPR2022-01049, Ex. 1045; IPR2022-01050, Ex. 1047; IPR2022-01051, Ex. 1044) shall remain designated as "Parties and Board Only" in the Board's filing system, shall be made available only to Federal Government agencies on written request, or to any person on a showing of good cause, and shall be kept separate from the files of the involved patents and associated preliminary proceedings, pursuant to 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c).

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