

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ARETECH, LLC,
Petitioner,

v.

BIONESS INC.,
Patent Owner.

Case No. IPR2023-00428

U.S. Patent 10,668,316

**JOINT MOTION TO TERMINATE PURSUANT
TO 35 U.S.C. § 317 AND 37 C.F.R. § 42.74**

**JOINT MOTION TO DISMISS PURSUANT
TO 37 C.F.R. § 42.71(a)**

Pursuant to 35 U.S.C. § 317(a) and 37 C.F.R. § 42.74, Petitioner Aretech, LLC and Patent Owner Bioness Inc. (collectively, “the Parties”) jointly request termination of the following *inter partes* reviews:

1. Case No. IPR2023-00428 challenging U.S. Patent No. 10,668,316 (“the ’316 patent”);
2. Case No. IPR2023-00492 challenging U.S. Patent No. 9,682,000 (“the ’000 patent”)

These proceedings are at an early stage, and the deadline for Patent Owner’s Preliminary Response has not yet passed. In accordance with 37 C.F.R. § 42.20(b), the parties received authorization from the Board to file this motion on March 28, 2023. Because the IPRs have not been joined, this motion has been filed under separate caption in each proceeding.

The Parties have executed a settlement agreement (the “Settlement Agreement”) and have reached agreement to terminate these IPRs. Termination of these proceedings is proper for several reasons.

First, this is a joint request by parties that have settled their dispute. 77 Fed. Reg. 48756, 48768 (Aug. 14, 2012) (“There are strong public policy reasons to favor settlement between the parties to a proceeding.”). Both Congress and the federal courts have expressed a strong interest in encouraging settlement in litigation. *See, e.g., Delta Air Lines, Inc. v. August*, 450 U.S. 346, 352 (1981)

(“The purpose of [Fed. R. Civ. P.] 68 is to encourage the settlement of litigation.”); *Bergh v. Dept. of Transp.*, 794 F.2d 1575, 1577 (Fed. Cir. 1986) (“The law favors settlement of cases.”). The Federal Circuit places a particularly strong emphasis on settlement. *See Cheyenne River Sioux Tribe v. U.S.*, 806 F.2d 1046, 1050 (Fed. Cir. 1986) (noting that the law favors settlement to reduce antagonism and hostility between parties). Here, no public interest or other factors weigh against termination of these proceedings.

Second, the Board has not yet “decided the merits of the proceeding before the request for termination is filed.” 35 U.S.C. § 317(a); 77 Fed. Reg. 48768 (“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.”) Indeed, the Board has not yet made a decision on institution of these *inter partes* reviews. Petitioner filed its petition for *inter partes* concerning the ‘316 patent on January 10, 2023 and concerning the ‘000 patent on February 13, 2023. No motions are outstanding in these proceedings. No other party’s rights will be prejudiced by the termination of this *inter partes* review. This supports the propriety of terminating these proceedings even though the settlement and termination provisions of 35 U.S.C. § 317, on their face, apply only to “instituted” proceedings. 77 Fed. Reg. 48680, 48686 (Aug. 14, 2012) (§ 317(a) provides that “[a]n *inter partes* review instituted under this chapter shall be terminated with

respect to any petitioner upon the joint request of the petitioner and the patent owner, unless the Office has decided the merits of the proceeding before the request for termination is filed.”). Indeed, the Board has terminated entire IPR proceedings based on joint motions to terminate before institution. *See Samsonite, LLC v. Otter Prods., LLC*, IPR2015-00507, Paper 13, at 2 (P.T.A.B. July 31, 2015) (granting motion to terminate pre-institution).

Third, on March 27, 2023, the court granted the parties’ joint motion to dismiss the corresponding district court action. *Bioness Inc. v. Aretech, LLC*, Case No. 1:22-cv-00679 (E.D. Va.) (Mar. 27, 2023) (ECF No. 81). The parties are unaware of any other IPR that is challenging the ’316 or ’000 patents.

As required by 35 U.S.C. § 317 and 37 C.F.R. § 42.74, the written agreement that contemplates the termination of these proceedings between the parties (i.e., the Settlement Agreement) has been filed with this motion as Exhibit 1039, along with a separate request that the written agreement be kept separate as business confidential information. The parties certify that that there are no collateral agreements or understandings made between the parties in connection with, or in contemplation of, the termination of the proceedings.

Alternatively, the Parties jointly request dismissal of these *inter partes* reviews pursuant to 37 C.F.R. § 42.71(a). *See Ecobee, Inc. v. Lime Green Lighting, LLC*, IPR2019-00315, Paper 9 at 2-3 (P.T.A.B. March 19, 2019) (treating

joint motion under 35 U.S.C. § 317(a) and 37 C.F.R. § 42.74 as a motion to dismiss under 37 C.F.R. § 42.71(a) and granting motion to dismiss pre-institution). Dismissal under 37 C.F.R. § 42.71(a) is appropriate because the Board has not yet issued a decision whether to institute an inter partes review. These proceedings are still in a preliminary stage, Patent Owner has not filed a preliminary response, the Board has not considered the merits of the Petition, and the parties are jointly requesting dismissal. Dismissal is warranted under these circumstances. *See* 37 C.F.R. § 42.71(a) (authorizing the Board to dismiss a petition), *Sony Corp. v. Avago Tech's Gen. IP (Singapore) Pte. Ltd.*, IPR2017-00520, Paper 10 at 2-3 (P.T.A.B. June 22, 2017) (granting joint motion to dismiss pre-institution).

Date: March 28, 2023

Respectfully submitted,

/Robert M. Masters/

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on March 28, 2023, a complete copy of the foregoing Joint Motion to Terminate was served via email to the attorneys of record for the Patent Owner as follows:

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Date: March 28, 2023

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