

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY, LTD.,
Petitioner,

v.

DAEDALUS PRIME LLC,
Patent Owner.

IPR2023-01120 (Patent 10,700,178)
IPR2023-01121 (Patent 11,251,281)

Before JAMES P. CALVE, THOMAS L. GIANNETTI, and
NEIL T. POWELL, *Administrative Patent Judges*.

GIANNETTI, *Administrative Patent Judge*.

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

I. BACKGROUND

Taiwan Semiconductor Manufacturing Company Ltd. (“Petitioner”) filed a Petition in IPR2023-01120 (Paper 2) requesting *inter partes* review of claims 1–20 of U.S. Patent No. 10,700,178 (Ex. 1001, “the ’178 patent”). With Board authorization, Petitioner and Patent Owner filed a “Joint Motion to Terminate Proceeding” (Paper 7, “Joint Motion”). The Joint Motion seeks termination of that proceeding due to settlement.

Petitioner filed a similar petition and motion in related proceeding IPR2023-01121, involving the same parties and U.S. Patent No. 11,251,281. IPR2023-01121, Papers 2, 7.¹

In each proceeding, the parties represent that they “have made an agreement that resolves all underlying disputes between the parties, including this proceeding.” Joint Motion 1. They certify that they have submitted copies of the settlement agreement with the motions and that “aside from the settlement agreement, there are no collateral agreements or understandings in connection with or in contemplation of terminating this proceeding.” *Id.* They represent that this “agreement ends all patent disputes between the parties, including this proceeding.” *Id.* at 2. The parties request that the Board grant the Joint Motion and terminate the proceedings. *Id.* at 2–3.

Finally, in separate motions, the parties jointly request that the Settlement Agreement be treated as confidential business information and kept separate from the subject patent files, pursuant to 35 U.S.C. § 317(b)

¹ For simplicity, unless otherwise specified, we provide citations to the record in IPR2023-00120. The papers filed in IPR2023-00121 are substantively identical.

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and 37 C.F.R. § 42.74(c). Paper 8.

II. DISCUSSION

Under 37 C.F.R § 42,74(a), the parties may agree to settle any issue in a proceeding. The parties certify that they have complied fully with 37 C.F.R. § 42.74(b) by filing the written Settlement Agreement with the Board, that the agreement reflects a final settlement and resolution of all disputes relating to the patents between the parties, and that there are no other collateral agreements or understandings made in connection with, or in contemplation of, the termination sought. Joint Motion 1.

The parties have also filed motions dismissing with prejudice all pending claims and causes of action involving the subject patents. *Id.* at 2.

We find that for the reasons given by the parties, there is good cause to grant the motions. The Board has not entered an institution decision in either case. “There are strong public policy reasons to favor settlement between the parties to a proceeding. . . . 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.” Consolidated Trial Practice Guide 86 (November 2019).²

We also find that there is good cause for granting the joint request in each case to file the Settlement Agreement as confidential. Paper 8. We find that the Settlement Agreement contains sensitive business confidential information that would substantially harm their business interests if publicly disclosed. *Id.* at 1–2.

² Available at <https://www.uspto.gov/TrialPracticeGuideConsolidated>.

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III. ORDER

In consideration of the foregoing, it is hereby

ORDERED that the parties' Joint Motion to Terminate in each case is *granted* and each case is *terminated*;

FURTHER ORDERED that the parties' Joint Motion to File Settlement Agreement as Business Confidential Information in each case is *granted*, and the settlement agreement (Ex. 1064)³ shall remain sealed and kept separate from the files of the subject patent in each case, consistent with 37 C.F.R. § 42.74(b).

³ The corresponding exhibit number for the settlement agreement in IPR2023-01121 is Exhibit 1063.

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