

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

BOMBARDIER RECREATIONAL PRODUCTS, INC.,
Petitioner,

v.

MHL CUSTOM INC.,
Patent Owner.

U.S. Patent No. 9,586,659 B2
Case No. IPR2024-00085¹

**JOINT MOTION TO TERMINATE PROCEEDING PURSUANT TO
35 U.S.C. § 317(a) AND 37 C.F.R. §§ 42.72 AND 42.74**

¹ Bombardier Recreational Products Inc., who filed a petition in IPR2024-01107, is joined as petitioner (*see* Paper 29), and Foil Boarding Company, Inc. was terminated as petitioner (*see* Paper 32).

I. STATEMENT OF RELIEF REQUESTED

Pursuant to 35 U.S.C. § 317(a), 37 C.F.R. § 42.72, and 37 C.F.R. § 42.74, Petitioner Bombardier Recreational Products, Inc. (“BRP”) and Patent Owner MHL Custom, Inc. (“MHL”) jointly move the Board to terminate the above-captioned *inter partes* review, as a result of a confidential Agreement (“Agreement”) between BRP and MHL relating to this proceeding. The Board authorized the parties to file this joint motion in an e-mail to the parties dated April 30, 2025.²

The parties are filing concurrently herewith a request that the Agreement, submitted as Confidential Exhibit 1026, be treated as business confidential information and be kept separate from the file of the involved patent and this *inter partes* review proceeding, pursuant to 37 C.F.R. § 42.74(c). The parties represent that Confidential Exhibit 1026 is a true and correct copy of the Agreement.

II. STATEMENT OF FACTS

On October 26, 2023, Foil Boarding Company, Inc. (“Foil”) filed its petition for *inter partes* review of U.S. Patent No. 9,586,659 (“’659 patent”). The Board instituted *inter partes* review on May 28, 2024. On June 28, 2024 BRP filed its

² BRP and MHL have filed concurrent motions to IPR2024-01391 involving U.S. Patent No. 9,586,659 challenged in this IPR and in IPR2024-00086 involving a related patent.

Petition (Paper 3) for *inter partes* review and Motion for Joinder (Paper 4) to this proceeding in IPR2024-01107. On January 15, 2025 the Board instituted *inter partes* review in IPR2024-01107 and granted BRP's Motion for Joinder. On January 16, 2025, pursuant to authorization from the Board, Foil and MHL filed a joint Motion to Terminate the proceedings as to Foil only, which the Board granted on January 23, 2025.

On February 3, 2025 BRP and MHL jointly moved to modify the scheduling order and adjust the one-year pendency due to joinder, which was granted in part on February 10, 2025. Pursuant to the parties' most recent Joint Stipulation to Extend Due Dates (Paper 40), Petitioner's Reply to Patent Owner's Response is due on May 1, 2025.

On April 28, 2025 BRP and MHL signed the Agreement (Confidential Ex. 1026) that resolves their disputes. Pursuant to the terms of the Agreement, the parties agree, among other things, to dismiss this proceeding. The parties further represent that there are no other agreements, oral or written, between the parties made in connection with, or in contemplation of, the termination of this proceeding.

III. ARGUMENT

A. Legal Standard

35 U.S.C. § 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.” That Section also provides that “[i]f no petitioner remains in the inter partes review, the Office may terminate the review or proceed to a final written decision under section 318(a).” 37 C.F.R. § 42.72 similarly provides that “[t]he Board may terminate a trial without rendering a final written decision, where appropriate . . . pursuant to a joint request under 35 U.S.C. 317(a).” The Trial Practice Guide also observes that “[t]here are strong public policy reasons to favor settlement between the parties to a proceeding” and that 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 November 2019, 86.

B. The Board Should Terminate This IPR Proceeding

Although trial was instituted, the Board has not yet issued a Final Written Decision deciding the merits of this proceeding. Thus, under 35 U.S.C. § 317(a), the Board should terminate this proceeding. Because no petitioner remains after termination with respect to BRP, the Board should exercise its discretion and terminate this proceeding.

First, the Parties have met the statutory requirement that they file a “joint request” to terminate before the Office “has decided the merits of the proceeding.” 35 U.S.C. § 317(a). Under section 317(a) an *inter partes* review shall be terminated

upon such joint request “unless the Office has decided the merits of the proceeding before the request for termination is filed.” There are no other preconditions recited in 35 U.S.C. § 317(a).

Second, the Parties have reached a settlement as to all the disputes in this proceeding and as to the '659 patent. *See* Confidential Ex. 1026. 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.” Consolidated Trial Practice Guide November 2019, 86. The Parties do not see any facts or circumstances that justify the departure from this general rule. Indeed, there has been no decision by the Board on the merits and the Agreement specifically contemplates terminating this inter partes review proceeding. As observed by the Trial Practice Guide, public policy strongly favors such a settlement and consistent with such public policy and the Board’s general rule, the proceeding should be terminated.

Finally, termination would save further expenditure of resources by the Parties and the Board. Petitioner has not filed a Reply to the Patent Owner Response, the Oral Hearing has not yet occurred, and there has been no Final Written Decision in this *inter partes* review. Therefore, terminating the proceeding at this stage would

limit unnecessary and counterproductive litigation costs and would promote efficient usage of the Board's resources.

The Parties understand that if the Board dismisses the Petition and terminates the current proceeding, no estoppel under 35 U.S.C. § 315(e) or 37 C.F.R. § 42.73(d)(1) will attach to BRP. The Parties also understand that if the Board dismisses the Petition and terminates the current proceeding before a final written decision on patentability, no preclusion will attach to MHL under 37 C.F.R. § 42.73(d)(3).

Respectfully Submitted,

Dated: May 1, 2025

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Dated: May 1, 2025

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CERTIFICATE OF SERVICE

I hereby certify that on May 1, 2025, I caused a true and correct copy of the following:

- Joint Motion to Terminate Proceedings Pursuant to 35 U.S.C. § 317(a) AND
37 C.F.R. §§ 42.72 and 42.74

to be served on Patent Owner via electronic mail to:

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