

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

PALO ALTO NETWORKS, INC. and
FORTINET, INC.,
Petitioner,

v.

LIONRA TECHNOLOGIES LTD.,
Patent Owner.

IPR2023-00673 (Patent 7,685,436 B2)
IPR2023-00703 (Patent 8,566,612 B2)
IPR2024-00099 (Patent 7,685,436 B2)
IPR2024-00158 (Patent 8,566,612 B2)

Before WILLIAM V. SAINDON, PATRICK R. SCANLON, and
STEVEN M. AMUNDSON, *Administrative Patent Judges*.

SAINDON, *Administrative Patent Judge*.

ORDER

Termination After Institution as to Palo Alto Networks, Inc. Due to
Settlement

35 U.S.C. § 317; 37 C.F.R. § 42.74

Granting-In-Part and Denying-In-Part Joint Request to Treat Settlement
Agreement as Business Confidential information

37 C.F.R. § 42.74

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Petitioner Palo Alto Networks, Inc. (“PAN”) and Patent Owner (Lionra Technologies Ltd.) have indicated that they have reached an agreement to settle each of the above-identified *inter partes* review proceedings.¹ The Board authorized PAN and Patent Owner to file joint motions to terminate PAN from the proceedings on July 22, 2024.

On September 20, 2024, pursuant to 37 C.F.R. § 42.74 and 35 U.S.C. § 317(a), PAN and Patent Owner filed joint motions to terminate PAN from each of the above-identified proceedings (collectively “Joint Motions”) (Paper 31²) and joint requests (collectively “Joint Requests”) (Paper 32³) to treat a confidential Settlement Agreement (“Agreement”) as business confidential information and to keep the Agreement separate from the files of the involved patents, along with copies of the confidential Agreement (Ex. 1020⁴) as accessible to the Board only. PAN and Patent Owner describe the filed copies of the confidential Agreement as comprising “a true

¹ The Board joined Palo Alto Networks, Inc. and Fortinet, Inc. as parties (Petitioner) to IPR2023-00673 and IPR2023-00703 via Motions for Joinder in IPR2024-00099 and IPR2024-00158, respectively. Cisco Systems, Inc., an original Petitioner to IPR2023-00673 and IPR2023-00703, was terminated from those proceedings due to settlement on July 8, 2024. *See* IPR2023-00673, Paper 29; IPR2024-00703, Paper 28.

² For purposes of expediency, we cite to Papers filed in IPR2023-00673. PAN and Patent Owner submitted similar Joint Motions in IPR2023-00703 (Paper 30), IPR2024-00099 (Paper 12), and IPR2024-00158 (Paper 12).

³ PAN and Patent Owner submitted similar Joint Requests regarding the Agreement in IPR2023-00703 (Paper 31), IPR2024-00099 (Paper 13), and IPR2024-00158 (Paper 13).

⁴ PAN and Patent Owner also submitted copies of the confidential Agreement in IPR2023-00703 (Ex. 1020), IPR2024-00099 (Ex. 1020), and IPR2024-00158 (Ex. 1020).

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copy of the [PAN's and Patent Owner's] settlement agreement.” Joint Motions at 1. PAN and Patent Owner represent that the Agreement “completely resolves all pending controversies between [PAN] and [Patent Owner] concerning U.S. Patent No. 7,685,436 (‘the ’436 patent’)” and U.S. Patent No. 8,566,612 (‘the ’612 patent”). *Id.* PAN and Patent Owner further “jointly certify that there are no other agreements or understandings, oral or written, between them, including any collateral agreements, made in connection with, or in contemplation of, the termination of this proceeding as set forth in 35 U.S.C. § 317(b).” *Id.*

Under 35 U.S.C. § 317(a), “[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.” The above-identified proceedings are at an intermediate stage. We have not yet decided the merits of these proceedings, and final written decisions have not been entered in these proceedings. Furthermore, there are strong public policy reasons to favor settlement between the parties to a proceeding. *Patent Trial and Appeal Board Consolidated Trial Practice Guide*, 84 Fed. Reg. 64,280 (Nov. 21, 2019). Under these circumstances, and in view of PAN's and Patent Owner's settlement and representations, we determine that good cause exists to terminate Petitioner Palo Alto Networks, Inc. from these proceedings. Accordingly, we *grant* the Joint Motions. Fortinet, Inc. will remain as Petitioner in these proceedings.

PAN and Patent Owner also request that the Agreement “be treated as business confidential information and be kept separate from the file of the

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’436 patent” and the ’612 patent. Joint Requests at 1. After reviewing the Agreement between Patent Owner and Palo Alto Networks, Inc., we find that the Agreement contains confidential business information regarding the terms of settlement. We determine that it is appropriate to treat the Agreement as business confidential information and keep it separate from the files of U.S. Patent Nos. 7,685,436 and 8,566,612. *See* 37 C.F.R. § 42.74(c).

In the Joint Requests, the parties further 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 agreement, that any such written request be served upon the parties on the day the written request is provided to the Board.” Joint Requests at 1. The parties also request that “the Board inform them if anyone seeks production of [the Agreement] and afford the parties an opportunity to address whether such request is supported by good cause.” *Id.* at 1–2.

The panel declines to prescribe actions to be taken by the Office post-termination absent specific statutory and/or regulatory authority to take such action. Here, the statute and the regulations do not provide for any such service of the written request upon the parties, or any such notification and opportunity to respond. *See* 35 U.S.C. § 317(b); 37 C.F.R. § 42.74(c). Nor do the parties direct our attention to any legal authority for us, at this time, to bind the USPTO or other parts of the federal government to any such procedures at a future time when this case has been terminated. *See generally* Joint Requests. Accordingly, we deny this part of the parties’ Joint Requests.

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

ORDER

In consideration of the foregoing, it is hereby:

ORDERED that the Joint Motions (IPR2023-00673, Paper 31; IPR2023-00703, Paper 30; IPR2024-00099, Paper 12; IPR2024-00158, Paper 12) to terminate Petitioner Palo Alto Networks, Inc. from the above-identified proceedings are *granted*;

FURTHER ORDERED that Fortinet, Inc. will remain as Petitioner in these proceedings, and the cases will continue to proceed;

FURTHER ORDERED that the Joint Requests (IPR2023-00673, Paper 32; IPR2023-00703, Paper 31; IPR2024-00099, Paper 13; IPR2024-00158, Paper 13) are:

granted to the extent that the Agreements (IPR2023-00673, Ex. 1020; IPR2023-00703, Ex. 1020; IPR2024-00099, Ex. 1020; IPR2024-00158, Ex. 1020) shall be treated as business confidential information, shall be kept separate from the files of the involved patents (U.S. Patent No. 7,685,436 and U.S. Patent No. 8,566,612), and shall be made available only to Federal Government agencies on written request, or to any person on a showing of good cause on written request, pursuant to 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c); and

denied to the extent that we do not order any particular procedure for accessing the Agreements beyond those provided in 35 U.S.C.

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§ 317(b), 37 C.F.R. § 42.74(c), or any applicable authority at the time a request for access is made; and

FURTHER ORDERED that the case caption in IPR2023-00673, IPR2023-00703, IPR2024-00099, and IPR2024-00158 shall be changed to reflect the termination of Palo Alto Networks, Inc. as a petitioner in accordance with the attached examples.

FOR PETITIONER:

FOR PATENT OWNER:

Example Case Caption for Proceeding

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

FORTINET, INC.,⁵
Petitioner,

v.

LIONRA TECHNOLOGIES LTD.,
Patent Owner.

IPR2023-00673
Patent 7,685,436 B2

⁵ The Board joined Fortinet, Inc. as a party (Petitioner) to this proceeding via a Motion for Joinder in IPR2024-00099.

Example Case Caption for Proceeding

UNITED STATES PATENT AND TRADEMARK OFFICE

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FORTINET, INC.,⁶
Petitioner,

v.

LIONRA TECHNOLOGIES LTD.,
Patent Owner.

IPR2023-00703
Patent 8,566,612 B2

⁶ The Board joined Fortinet, Inc. as a party (Petitioner) to this proceeding via a Motion for Joinder in IPR2024-00158.

Example Case Caption for Proceeding

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