

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

NESPRESSO USA, INC.,
Petitioner,

v.

K-FEE SYSTEM GMBH,
Patent Owner

Case: IPR2024-00254

U.S. Patent No. 11,465,829

**JOINT MOTION TO TERMINATE
INTER PARTES REVIEW OF U.S. PATENT NO. 11,465,829
UNDER 37 C.F.R. § 42.72**

Mail Stop **Patent Board**
Patent Trial and Appeal Board
U.S. Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450

I. INTRODUCTION

Pursuant to 37 C.F.R. § 42.72, Nespresso USA, Inc. (“Petitioner”) and K-fee System GmbH (“Patent Owner”) (collectively, the “Parties”), by and through their respective counsel of record, jointly request dismissal and termination with prejudice of the petition for *inter partes* review (“IPR”) of U.S. Patent No. 11,465,829 (the “’829 Patent”) in IPR2024-00254.

On May 19, 2025, the Parties informed the Board via email of case resolution and requested authorization to file a joint motion to terminate the IPR of the ’829 Patent under 37 C.F.R. § 42.72 (“Joint Motion to Terminate”), as well as a joint motion to file a written, confidential, and binding settlement term sheet entered into by the Parties as business confidential information, and to have it kept separate from the file of the ’829 Patent under 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c) (“Joint Motion to Keep Confidential and Separate”). By email dated May 20, 2025, the Board authorized the filing of both requested motions. Accordingly, the Parties jointly request termination of the present proceeding.

II. ARGUMENT

A joint motion to terminate generally must “(1) include a brief explanation as to why termination is appropriate; (2) identify all parties in any related litigation involving the patents at issue; (3) identify any related proceedings currently before

the Office; and (4) discuss specifically the current status of each such related litigation or proceeding with respect to each party to the litigation or proceeding.” *Heartland Tanning, Inc. v. Sunless, Inc.*, IPR2014-00018, Paper 26 at 2 (PTAB Jul. 28, 2014).

A. Brief Explanation as to Why Termination is Appropriate

The Parties have entered into a written, confidential, and binding settlement term sheet (“Settlement Term Sheet”) that fully resolves this IPR proceeding. The Parties are concurrently filing a copy of the Settlement Term Sheet as Exhibit 1084 to the Joint Motion to Keep Confidential and Separate, pursuant to 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74.

Pursuant to 37 C.F.R. § 42.74(b), the Parties acknowledge that, as of the filing of this Joint Motion to Terminate and the concurrent Joint Motion to Keep Confidential and Separate, Exhibit 1084 constitutes a binding agreement or understanding between the Parties made in connection with, or in contemplation of, the termination of this proceeding. Exhibit 1084 is a true and accurate copy of the Settlement Term Sheet entered into by the Parties to resolve the present proceeding. The Parties are in the process of preparing a written, confidential final settlement agreement that will effectuate the binding agreement reached in the Settlement Term Sheet. The Settlement Term Sheet fully resolves this matter and no other agreement currently exists between or among the Parties relating to this proceeding.

Accordingly, the Settlement Term Sheet satisfies the requirements of 35 U.S.C. § 317(b).

The parties “may terminate the proceeding . . . unless the Board has already decided the merits of the proceeding.” Consolidated Office Patent Trial Practice Guide, 4 (Nov. 2019). The Parties have now settled their dispute and have agreed to terminate the proceeding. The Parties also agree that neither Petitioner nor Patent Owner will be prejudiced by termination of this proceeding. Termination at this stage will conserve USPTO resources by obviating the need for the Board to further consider the Parties’ arguments or issue a Final Written Decision.

Public policy favors terminating the present petition for IPR. Congress and 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.”), *cert. denied*, 479 U.S. 950 (1986). The Federal Circuit places particular emphasis on settlement. *See Sanofi-Aventis v. Apotex Inc.*, 659 F.3d 1171, 1180 (Fed. Cir. 2011) (noting that the law strongly favors settlement of all litigation, including patent disputes.) The Board’s Trial Practice Guide also stresses that “[t]here are strong public policy reasons to favor settlement between the parties to a proceeding.” Office Patent Trial and Appeal Board Consolidated Trial Practice

Guide, at 86 (Nov. 2019).

B. Identification of Parties and Status of Litigation

This IPR is related to *K-fee System GmbH v. Nespresso USA, Inc., et al.*, No. 2:22-cv-09295-GW (AGRx) (C.D. Cal.).

C. Identification and Status of Related Proceedings Before the USPTO

A consolidated oral argument was held before the Board in connection with IPR2024-00254 and three other related IPR proceedings (IPR2024-00257, IPR2024-00299, and IPR2024-00304) on March 20, 2025. The Board has not yet issued final written decisions for any of these IPR proceedings. The Parties have now resolved their dispute and reached agreement to terminate this proceeding with prejudice. There are no other pending USPTO proceedings regarding the '829 Patent.

III. CONCLUSION

The USPTO can conserve its resources by terminating now, removing the need for the Board to further consider the arguments and to render a Final Written Decision. Therefore, the Parties respectfully request termination of this *inter partes* review of U.S. Patent 11,465,829 with prejudice.

Dated: May 28, 2025

By:/B. Clayton McCraw/

B. Clayton McCraw

Respectfully submitted,

By:/Douglas Carsten/

Douglas Carsten (Reg. No. 43,534)
MCDERMOTT WILL & EMERY LLP
18565 Jamboree Road
Suite 250

Registration No. 68,258
MAYER BROWN LLP
1221 Avenue of the Americas
New York, NY 10020-1001
Telephone: (212) 506-2649
CMcCraw@mayerbrown.com

Amanda Streff Bonner
Registration No. 65,224
Erick Palmer
Registration No. 64,456
MAYER BROWN LLP
71 S. Wacker Drive
Chicago, IL 60606
Telephone: 312-701-8645
Facsimile: 312-701-7711
ASBonner@mayerbrown.com
EJPalmer@mayerbrown.com

Counsel for Petitioner

Irvine, CA 92612-2565
Phone: (949) 620-6111
Fax: (949) 666-9834
dcarsten@mwe.com

Michael P. Chu (Reg. No. 37,112)
MCDERMOTT WILL & EMERY LLP
444 West Lake Street
Suite 4000
Chicago, IL 60606-0029
Phone: (312) 984-5485
Fax: (312) 277-2848
mchu@mwe.com

Ian B. Brooks (Reg. No. 66,709)
MCDERMOTT WILL & EMERY LLP
The McDermott Building
500 North Capitol Street NW
Washington, DC 20001
Phone: (202) 756-8075
Fax: (202) 591-2827
ibrooks@mwe.com

S. Benjamin Pleune (Reg. No. 52,421)
ALSTON & BIRD LLP
101 South Tryon Street
Suite 4000
Charlotte, NC 28280-4000
Phone: (704) 444-1098
Fax: (704) 444-1698
ben.pleune@alston.com

Eric M. Dobrusin (Reg. No. 33,867)
Paul J. Palinski (Reg. No. 71,080)
THE DOBRUSIN LAW FIRM P.C.
29 W. Lawrence St., Suite 210
Pontiac, MI 48342
Telephone: (248) 292-2920
Facsimile: (248) 292-2910
EDobrusin@PatentCo.com
PPalinski@PatentCo.com
EPatmail@PatentCo.com

Counsel for Patent Owner