

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: IPR2024-00257

U.S. Patent No. 11,548,722

**JOINT MOTION TO TERMINATE
INTER PARTES REVIEW OF U.S. PATENT NO. 11,548,722
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. 11,548,722 (the “’722 Patent”) in IPR2024-00257.

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 ’722 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 ’722 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 1076 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 1076 constitutes a binding agreement or understanding between the Parties made in connection with, or in contemplation of, the termination of this proceeding. Exhibit 1076 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.) And 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 IPR2024-00257 and three other related IPR proceedings (IPR2024-00254, IPR2024-0299, 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 '722 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 No. 11,548,722 with prejudice.

Case IPR2024-00257
Patent No. 11,548,722
Joint Motion to Terminate *Inter Partes* Review

Dated: May 28, 2025

Respectfully submitted,

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Case IPR2024-00257
Patent No. 11,548,722
Joint Motion to Terminate *Inter Partes* Review

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