

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

HULU, LLC and CAPITAL ONE, NATIONAL ASSOCIATION,
Petitioner,

v.

IMPLICIT, LLC,
Patent Owner.

IPR2024-00643
Patent 8,056,075 B2

Before DAVID C. MCKONE, JO-ANNE M. KOKOSKI, and
CHARLES J. BOUDREAU, *Administrative Patent Judges*.

BOUDREAU, *Administrative Patent Judge*.

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

I. INTRODUCTION

On March 15, 2024, Hulu, LLC (“Hulu”) and Capital One, National Association (“Capital One”) (collectively, “Petitioner”) filed a Petition requesting *inter partes* review of claims 1–13 of U.S. Patent No. 8,056,075 B2 (“the ’075 patent”). Paper 1. The Petition identified Implicit, LLC (“Implicit”) as Patent Owner and further identified *Implicit, LLC v. Capital One Financial Corp.*, No. 4:23-cv-00770-SDJ (E.D. Tex.) and *Implicit, LLC v. Hulu, LLC*, No. 6:23-cv-00513-ADA-DTG (W.D. Tex.) as related matters in which the ’075 patent was being asserted as of the Petition’s filing date. Pet. v. The Petition additionally included a Certification of Service Under 37 C.F.R. § 42.6(e)(4), certifying that a copy of the Petition was sent to the correspondence address of record for the ’075 patent via Federal Express Priority Overnight on the same day that the Petition was filed, with an electronic courtesy copy to Implicit’s litigation counsel. Pet. 80. Notwithstanding our rules requiring patent owners to file certain mandatory notices pursuant to 37 C.F.R. § 42.8(b) within 21 days of service of a petition (*see* 37 C.F.R. § 42.8(a)(2) (2024)), Patent Owner has not filed mandatory notices or otherwise appeared in this case.¹

On August 1, 2024, Petitioner notified the Board via email that Capital One and Hulu individually had entered into settlement agreements with Patent Owner, resolving their disputes, and requested the Board’s

¹ On June 26, 2024, the Board emailed counsel of record for the ’075 patent and Patent Owner’s litigation counsel, notifying them that mandatory notices and power of attorney for Patent Owner were past due and should be filed immediately. Ex. 3001. In response, Patent Owner’s litigation counsel replied the same day, stating that they do not have power of attorney with respect to this proceeding and would not be filing any mandatory notices or power of attorney. *Id.*

permission to file a motion to terminate this proceeding, along with motions to keep the respective settlement agreements confidential under 37 C.F.R. § 42.74(c). Ex. 3002. With our authorization, Petitioner filed an Unopposed Motion to Terminate Proceeding (Paper 8, “Motion to Terminate”), accompanied by copies of settlement agreements with respect to the disputes between Implicit and Capital One (Ex. 1024) and Hulu (Ex. 1025) and unopposed motions by Capital One and Hulu to treat the settlement agreements as confidential (Papers 9, 10, “Motions to Treat Agreements as Confidential”).

Petitioner’s Motion to Terminate and the Motions to Treat Agreements as Confidential are now before us.

II. DISCUSSION

In its Motion to Terminate, Petitioner asserts that “Petitioner and Patent Owner have settled their dispute regarding the ’075 patent, including this proceeding and Patent Owner’s assertion of the ’075 patent in the related district court litigation against Petitioner: *Implicit, LLC v. Capital One, National Association*, Case No. 4-23-cv-00770-SDJ (E.D. Tex.)”² and that “[t]he parties do not anticipate further litigation between them concerning the ’075 patent.” Paper 8, 1. Petitioner further contends “[g]ood cause exists to terminate this proceeding because the parties have settled their dispute regarding the ’075 patent and the proceeding is still ongoing with significant work still to be done,” and “[t]erminating the proceeding

² Although the Motion to Terminate does not expressly reference *Implicit, LLC v. Hulu, LLC*, No. 6:23-cv-00513-ADA-DTG (W.D. Tex.), the docket of that case reflects that it was dismissed on August 5, 2024, pursuant to a joint motion to dismiss filed on June 10, 2024 (*see* Ex. 3003, 7), consistent with the settlement agreement with respect to the dispute between Implicit and Hulu (Exhibit 1025).

now would thus serve the interests of judicial economy and the mutual interests of the parties.” *Id.* Petitioner represents that Exhibits 1024 and 1025 are “true and correct cop[ies] of the parties’ settlement agreements” and that, “[p]ursuant to 35 U.S.C. § 317(b), the parties hereby certify that there are no collateral agreements or understandings made in connection with, or in contemplation of, the termination of the proceedings beyond the settlement agreement in Exhibits 1024 and 1025.” *Id.* at 1–2.

Having considered Petitioner’s unopposed Motion to Terminate, we determine that it is appropriate to dismiss the Petition and terminate the proceeding as to both Petitioner and Patent Owner without rendering either a decision to institute or a final written decision. *See* 37 C.F.R. §§ 42.5(a), 42.71(a) (“The Board . . . may grant, deny, or dismiss any petition or motion.”). This case is in the preliminary proceeding stage. *See id.* § 42.2 (preliminary proceeding begins with the filing of a petition for instituting a trial and ends with a written decision as to whether trial will be instituted). No decision whether to institute a trial has been made. Under the circumstances, we agree that dismissal of the Petition and termination of the proceeding at this stage will promote efficiency and avoid incurring unnecessary costs. Accordingly, we grant Petitioner’s Motion to Terminate and dismiss all further proceedings in IPR2024-00643.

Further, after reviewing the parties’ settlement agreements, we find that they contain confidential business information regarding the terms of the settlements. We determine that good cause exists to treat the settlement agreements as business confidential information and to keep them separate from the file of the ’075 patent pursuant to 37 C.F.R. § 42.74(c). Accordingly, we additionally grant Capital One’s and Hulu’s respective Motions to Treat Agreements as Confidential.

III. ORDER

In consideration of the foregoing, it is

ORDERED that Petitioner's Unopposed Motion to Terminate Proceeding (Paper 8) is *granted*; the Petition (Paper 1) is *dismissed*; and this proceeding is terminated;

FURTHER ORDERED that Capital One's Unopposed Motion to Treat Settlement as Business Confidential Information (Paper 9) is granted; and the agreement settling the disputes between Implicit and Capital One (Ex. 1024) shall be maintained separate from the file of the '075 patent and made available only to Federal Government agencies on written request or to any other person on a showing of good cause, pursuant to 37 C.F.R. § 42.74(c); and

FURTHER ORDERED that Hulu's Unopposed Motion to Treat Settlement Agreement as Business Confidential Information (Paper 10) is granted; and the agreement settling the disputes between Implicit and Hulu (Ex. 1025) shall be maintained separate from the file of the '075 patent and made available only to Federal Government agencies on written request or to any other person on a showing of good cause, pursuant to 37 C.F.R. § 42.74(c).

IPR2024-00643
Patent 8,056,075 B2

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