

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CALA HEALTH, INC.,
Petitioner,

v.

EMKINETICS INC.,
Patent Owner.

IPR2024-00732, Patent 10,786,669 B2
IPR2024-00743, Patent 11,628,300 B2¹

Before ERICA A. FRANKLIN, JOHN G. NEW, and JASON W. MELVIN,
Administrative Patent Judges.

Opinion for the Board filed by NEW, *Administrative Patent Judge.*

Opinion dissenting filed by MELVIN, *Administrative Patent Judge.*

Conduct of the Proceeding
Requiring the Parties to Submit a True Copy of the Settlement Agreement
37 C.F.R. § 42.74(b)

¹ The combined caption is for administrative convenience only and does not indicate that IPR2024-00732 and IPR2024-00743 are joined. The parties are not authorized to use this caption without express prior permission of the Board.

On July 12, 2024 Petitioner Cala Health, Inc. and Patent Owner EMKinetics Inc. (jointly, the “parties”) submitted, with our authorization, a Joint Motion to Dismiss the Petition (the “Motions”) in each of IPR2024-00732 (Paper 6) and IPR2024-00743 (Paper 6), respectively. The parties, however, did not follow our earlier instruction to file a copy of their Settlement Agreement along with the Motions.

In their Motions, the parties jointly request, *inter alia*, that the Board grant the motions without requiring submission of the parties’ Settlement Agreement. Motions, 1². According to the parties, because no trial has been instituted in either of the *inter partes* reviews and the submission of the parties’ Settlement Agreement is therefore not required. *Id.* at 1–2 (citing *Samsung Elecs. Co. v. Telefonaktiebolaget LM Ericsson*, IPR2021-00446, Paper 7 (PTAB Aug. 3, 2021); also citing Patent Trial and Appeal Board Rules of Practice for Briefing Discretionary Denial Issues, and Rules for 325(d) Considerations, Instituting Parallel and Serial Petitions, and Termination Due to Settlement Agreement, 81 Fed. Reg. 28693 (proposed April 19, 2024)).

We acknowledge that both our Rules of Practice³ and the Board’s Advance Notice Of Proposed Rulemaking⁴ recognize that 35 U.S.C.

² For the purpose of this Order, citations to the Motions are to the parties’ Motion submitted in IPR2024-00732. The arguments in IPR2024-00743 are identical.

³ Rules of Practice for Trials Before the Patent Trial and Appeal Board and Judicial Review of Patent Trial and Appeal Board Decisions, 77 Fed. Reg. 48612 (Aug. 14, 2012) (final rule) (“Rules of Practice”).

⁴ Changes Under Consideration to Discretionary Institution Practices, Petition Word-Count Limits, and Settlement Practices for America Invents

§ 317(b) does not expressly govern pre-institution settlements. *See, e.g.*, ANPRM, 24517 (“Although 35 U.S.C. [§§] 135(e), 317(b), and 327(b) require filing of settlement agreements made in connection with, or in contemplation of, the termination of a proceeding that has been instituted, these statutory provisions do not expressly govern AIA pre-institution settlement”).

However, and as related in the NPRM notes, since the inception of AIA proceedings, the Board has been generally uniform in requiring the filing of a settlement agreement prior to terminating an AIA proceeding based on a joint motion by the parties, both pre- and post-institution, pursuant to 37 C.F.R. § 42.74(b). NPRM, 24517. And implementing this uniform practice as a formal requirement is self-evidently the intent of the Board’s proposed rule change. As stated in the NPRM:

Under the considered changes, notwithstanding that an AIA proceeding is in a preliminary stage before institution, any agreement or understanding between the patent owner and a petitioner, including any collateral agreements referred to in such agreement or understanding, made in connection with, or in contemplation of, the termination of an AIA proceeding, would be required to be in writing, and a true copy of such agreement or understanding would be required to be filed in the Office.

NPRM, 24518.

Consequently, in view of our Rules of Practice, the NPRM, and consistent with the uniform practice of the Board in all AIA proceedings, we require the parties to file a true copy of the Settlement Agreement with the Board in each case prior to termination of each proceeding. As earlier

Act Trial Proceedings Before the Patent Trial and Appeal Board, 88 Fed. Reg. 24503 (April 21, 2023) (“ANPRM”).

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authorized, the parties may file a joint request to treat the settlement agreement as business confidential, pursuant to 37 C.F.R. § 42.74 (c).

IT IS SO ORDERED

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MELVIN, *Administrative Patent Judge*, dissenting.

The plain language of 37 C.F.R. § 42.74(b) does not require filing preinstitution settlement agreements when no trial exists. Although the rule requires that “[a]ny agreement or understanding between the parties made in connection with, or in contemplation of, the termination of a proceeding shall be in writing,” that does not mandate filing such agreements. Instead, the rule requires only that “a true copy shall be filed with the Board before the termination of the trial.” Here, there is no trial.

The majority does not explain its interpretation of § 42.74(b). Instead, it relies on “the intent of the Board’s proposed rule change.” Neither the proposed rule nor its intent supports adopting the majority’s approach. Rather, the proposed rule suggests that our current rule does not require what

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the majority says it does. Using a “generally uniform” practice to impose a requirement, before the Office adopts a rule requiring the practice, is improper. I respectfully dissent.

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