

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLIED CONCEPTS INC.,
Petitioner,

v.

KUSTOM SIGNALS INC.,
Patent Owner.

IPR2024-00829
Patent 11,194,039 B2

IPR2024-00884
Patent 11,703,602 B2¹

Before CARL M. DEFranco, RICHARD H. MARSCHALL, and
BACH V. HOANG, *Administrative Patent Judges*.

MARSCHALL, *Administrative Patent Judge*.

TERMINATION
Due to Settlement After Institution of Trial
35 U.S.C. § 317; 37 C.F.R. § 42.74

¹ For convenience, the Board addresses the termination of both proceedings in a single order. The parties may not use such a heading without prior approval from the Board.

I. INTRODUCTION

With the Board's authorization, Petitioner and Patent Owner (collectively referred to as "the parties") filed Joint Motions to Terminate the above-identified proceedings due to settlement. Paper 19 ("Joint Motion").² In support of the Joint Motions, the parties filed a Settlement Agreement (Ex. 1014 ("Settlement Agreement")), as well as Joint Requests to File Settlement Agreement as Business Confidential Information (Paper 20 ("Joint Request")) pursuant to 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74.

II. DISCUSSION

In the Joint Motions, the parties represent that they have reached an agreement to jointly seek termination of the above-identified *inter partes* review proceedings, and that the filed copy of the Settlement Agreement is a true copy. Joint Motion 2, 3. The parties further represent that their settlement agreement resolves all currently pending proceedings between the parties involving U.S. Patent No. 11,194,039 and U.S. Patent No. 11,703,602. *Id.* at 2.

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." Section 35 U.S.C. § 317(a) also provides that if no petitioner remains in the *inter partes* review, the Office may terminate the review.

We instituted trials on the above-identified proceedings on

² For purposes of expediency, we cite to papers and exhibit filed in IPR2024-00829. The parties submitted similar papers and exhibit in IPR2024-00884 (Papers 20, 21, Ex. 1017).

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November 7, 2024. IPR2024-00829, Paper 10; IPR2024-00884, Paper 11. We have not yet decided the merits of the proceedings, and final written decisions have not been entered in these proceedings. Notwithstanding that the proceedings have moved beyond the preliminary stage, the parties have shown adequately that the termination of the proceedings is appropriate. 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, we determine that good cause exists to terminate the proceedings.

We also determine that the Settlement Agreement contains confidential business information regarding the terms of settlement, and therefore determine that good cause exists to treat the Settlement Agreement between Petitioner and Patent Owner as business confidential information pursuant to 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c).

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

III. ORDER

Accordingly, for the reasons discussed above, it is:

ORDERED that the Joint Motions to Terminate (IPR2024-00829, Paper 19; IPR2024-00884, Paper 20) are *granted*, and IPR2024-00829 and IPR2024-00884 are *terminated* pursuant to 35 U.S.C. § 317(a) and 37 C.F.R. § 42.72; and

FURTHER ORDERED that the Joint Requests (IPR2024-00829, Paper 20; IPR2024-00884, Paper 21) to File Settlement Agreement (IPR2024-00829, Ex. 1014; IPR2024-00884, Ex. 1017) as Business

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Confidential Information are *granted*, and the Settlement Agreement shall be kept separate from the files of the involved patents, and made available only to Federal Government agencies on written request, or to any person on a showing of good cause, pursuant to 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c).

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