

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Perplexity AI, Inc.

Petitioners

v.

Comet ML, Inc.

Patent Owner.

IPR2025-01063
U.S. PATENT NO. 11,650,968

**JOINT MOTION TO TERMINATE PROCEEDING AND TO TREAT
THE SETTLEMENT AGREEMENT AS BUSINESS CONFIDENTIAL**

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Patent Trial and Appeal Board
US Patent and Trademark Office
PO Box 1450
Alexandria, Virginia 22313-1450

LIST OF EXHIBITS

Exhibit	Short Name	Description
Ex. 1001	'968 Patent	U.S. Patent No. 11,650,968 (the "'968 Patent")
Ex. 1002	Prosecution History	Prosecution History for U.S. Patent No. 11,650,968
Ex. 1003	Denning Declaration	Declaration of Scott Denning
Ex. 1004	CV	<i>Curriculum Vitae</i> of Scott Denning
Ex. 1005	Baker	International Publication No. WO 2018/175098 ("Baker")
Ex. 1006	Shridhar	<i>A Comprehensive guide to Bayesian Convolutional Neural Network with Variational Inference</i> ("Shridhar")
Ex. 1007	Jenatton	<i>Bayesian Optimization with Tree-structured Dependencies</i> ("Jenatton")
Ex. 1008	Lorenz	<i>Stopping criteria for boosting automatic experimental design using real-time fMRI with Bayesian optimization</i> ("Lorenz")
Ex. 1009	Domhan	<i>Speeding up Automatic Hyperparameter Optimization of Deep Neural Networks by Extrapolation of Learning Curves</i> ("Domhan")
Ex. 1010	Baker '798 Pub.	U.S. Pub. No. 2019/0095798 ("Baker '798 Pub.")
Ex. 1011	Hall-Ellis Declaration	Declaration of Dr. Sylvia Hall-Ellis
Ex. 1012	Mikulka Declaration	Declaration of Yuri Mikulka
Ex. 1013	Settlement Agreement	Settlement Agreement - BUSINESS CONFIDENTIAL INFORMATION PROTECTED UNDER 35 U.S.C. §317(b)

Petitioner Perplexity AI, Inc. (“Petitioner” or “Perplexity”) and Patent Owner Comet ML, Inc. (“Patent Owner” or “CML”) have reached a settlement. Under 35 U.S.C. § 317(a) and 37 C.F.R. § 42.74, Perplexity and CML jointly move to terminate the present *inter partes* review proceeding and request that the Settlement Agreement be treated as business confidential information pursuant to 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c). The Board authorized the parties to file this Joint Motion on September 3, 2025 via email.

I. STATEMENT OF FACTS

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 (July 28, 2014).

There are no related litigation matters involving the patent at issue and there are no related proceedings currently before the Office.

Perplexity and CML (collectively, the “Parties”) reached an agreement on August 27, 2025 (the “Confidential Settlement Agreement”) to resolve several disputes, including the present *inter partes* review proceeding.

Under 37 C.F.R. § 42.74(b), the Confidential Settlement Agreement is in writing. A true and correct copy is being filed as Exhibit 1013, which is the only agreement made in connection with or in contemplation of the requested termination. There are no other collateral agreements in connection with the settlement. The Confidential Settlement Agreement is being filed electronically with access to “Board and Parties Only.”

Pursuant to the Board’s email dated September 3, 2025, as part of this Joint Motion the Parties separately request to treat the Confidential Settlement Agreement as business confidential information and keep it separate from the files of the involved patent under 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c). This agreement contains confidential commercial and financial information of the Parties.

II. RELIEF REQUESTED

The Parties request termination of this *inter partes* review and respectfully submit that such termination is justified. “There are strong public policy reasons to favor settlement between the parties to a proceeding.” Consolidated Trial Practice Guide 86 (Nov. 2019). “The Board expects that a proceeding will terminate after the filing of a settlement agreement, unless the Board has already decided the merits of the proceeding.” *Id.* (citing 35 U.S.C. §§ 317(a)).

The Board should terminate this proceeding, as the Parties jointly request, for the following reasons.

First, Perplexity and CML have met the statutory requirement that they file a “joint request” to terminate before the Office “has decided the merits of the proceeding.” 35 U.S.C. § 317(a). In fact, the Board has not yet issued a decision on institution, conducted an oral hearing, or otherwise resolved the merits of the Petition. Under section 317(a), an *inter partes* review shall be terminated upon such joint request “unless the Office has decided the merits of the proceeding before the request for termination is filed.” There are no other preconditions recited in 35 U.S.C. § 317(a).

Second, Perplexity and CML have reached a settlement as to all the disputes in this proceeding and as to the '968 patent. A true copy of the Confidential Settlement Agreement is being filed concurrently herewith. *See* Exhibit 1013. This agreement contains confidential commercial and financial information of the Parties. Perplexity and CML request that the Confidential Settlement Agreement be treated as business confidential information and be kept separate from the files of this proceeding in accordance with 37 C.F.R. § 42.74(c). The parties hereby represent that the documents filed as Exhibit 1013 represent all agreements made in connection with, or in contemplation of, the termination of this proceeding. There are no other collateral agreements in connection with the settlement. This agreement has been filed with the Board as required by 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(b).

Third, termination would save significant further expenditure of resources by the Parties. Termination upon settlement, as requested, would also further the purpose of *inter partes* review proceedings, which seeks to provide an efficient and less costly alternative forum for patent disputes. Further, maintaining the proceeding would discourage further settlements, as patent owners in similar situations would have a strong disincentive to settle if they perceived that an *inter partes* review would continue regardless of a settlement.

III. CONCLUSION

For the foregoing reasons, Perplexity and CML respectfully request termination of this *inter partes* review and that the Confidential Settlement Agreement be treated as business confidential information pursuant.

Dated: September 3, 2025

Respectfully submitted,

/Daniel J. O'Connor/

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CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. §42.6(e), the undersigned hereby certifies that true and correct copies of the above-captioned **JOINT MOTION TO TERMINATE PROCEEDING AND TO TREAT THE SETTLEMENT AGREEMENT AS BUSINESS CONFIDENTIAL and PERPLEXITY AI, INC. EXHIBIT 1013** were served in their entirety on September 3, 2025 via filing through the Patent Trial and Appeal Case Tracking System (P-TACTS) and electronic mail on the following counsel of record for Petitioner:

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Dated: September 3, 2025

Respectfully submitted,

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