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Paper 11
Entered: April 1, 2021

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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SHENZHEN SHUFANG INNOVATION TECHNOLOGY CO., LTD.; NENZ ELECTRIC TECHNOLOGY (DONGGUAN) CO., LTD.; SHENZHEN XINDE TECHNOLOGY CO., LTD.; PERFORMANCE HEALTH SYSTEMS, LLC; and YONGKANG AIJIU INDUSTRIAL & TRADE CO., LTD.,
Petitioner,

v.

HYPER ICE, INC.
Patent Owner.

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Case PGR2020-00089
Patent 10,561,574 B1

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Before LINDA E. HORNER, KALYAN K. DESHPANDE, and JAMES A. WORTH, *Administrative Patent Judges*.

WORTH, *Administrative Patent Judge*.

TERMINATION
Due to Settlement Before Institution of Trial
Granting Joint Motion to Treat Settlement Agreement
Documents as Confidential Information
*35 U.S.C. § 327(a); 37 C.F.R. § 42.72; 37 C.F.R. § 42.74(c)*

On September 30, 2020, Shenzhen Shufang Innovation Technology Co., Ltd., Nenz Electric Technology (Dongguan) Co., Ltd., Shenzhen Xinde Technology Co., Ltd., Performance Health Systems, LLC, and Yongkang Aijiu Industrial & Trade Co., Ltd. (collectively, "Petitioner") filed a petition for post-grant review of U.S. Patent 10,561,574 B1 ("the '574 patent," Ex. 1001). Paper 2. On January 19, 2021, Hyper Ice, Inc. ("Patent Owner") filed a preliminary response. Paper 6. The Board has not instituted trial in this proceeding, and no final decision has been rendered by the Board in this proceeding.

The parties have now filed a "Joint Motion to Terminate Post-Grant Review of U.S. Patent No. 10,561,574 Under 37 C.F.R. § 42.72" (Paper 8, "Joint Motion to Terminate") and a Joint Motion to Keep Confidential and Separate Under 35 U.S.C. § 327(b) and 37 C.F.R. § 42.74(c) (Paper 9, "Joint Motion to Keep Separate").

Section 327(b) of Title 35 U.S.C. provides:

> 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 a post-grant review under this section shall be in writing, and a true copy of such agreement or understanding shall be filed in the Office before the termination of the post-grant review as between the parties.

*Id.*

The Joint Motion to Terminate represents as follows:

> Petitioner, Shenzhen, *et al.*, and Patent Owner Hyper Ice, Inc., jointly request dismissal and termination for Post-Grant Review ("PGR") of U.S. Patent No. 10,561,574 ("the '574 patent") in PGR2020-00089. Petitioner and Patent Owner have entered into a written confidential agreement that fully resolves

> this matter. The Parties are concurrently filing a copy of the agreement as Exhibit 1028 along with a request to treat it as confidential business information pursuant to 35 U.S.C. § 327(b) and 37 C.F.R. § 42.74. The undersigned represents that there are no other agreements, oral or written, between the Parties made in connection with, or in contemplation of, the termination of the present proceeding and that Exhibit 1028 represents a true and accurate copy of the confidential agreement between the Parties that resolves the present proceeding.

Joint Motion to Terminate, 1. We understand "Shenzhen, et al." to refer to all of the Petitioner entities listed in the caption.[1]

Exhibit 1028 appears to include Settlement Agreements by the parties to a parallel ITC proceeding,[2] including Shenzhen Shufang E-Commerce Co., Ltd. (Exhibit B), Performance Health Systems, LLC (Exhibit C), and Yongkang Aijiu Industrial & Trade Co., Ltd. (Exhibit A); and Shenzhen Xinde Technology Co., Ltd. (Exhibit E).

Although Shenzhen Shufang Innovation Tech. Co., Ltd. and Nenz Electric Tech. (Dongguan) Co., Ltd. are not signatories to any of the exhibits to Ex. 1028, Patent Owner has confirmed by email (*see* Ex. 3001), in

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[1] The Joint Motion to Terminate lists Zhejiang Red & Black Technology Co., Ltd. as one of the Petitioner entities and indicates that it has settled its dispute (*see id.*), although Zhejiang Red & Black Technology Co., Ltd. is not listed as one of the Petitioner entities on the Petition. *Compare* Paper 8, *with* Paper 2. We do not find this disparity a bar to resolution of this proceeding by settlement because the caption for the Joint Motion to Terminate includes all of the Petitioner entities on the Petition.

[2] The Settlement Agreements state: "The Parties agree that this Agreement is intended to be a full and final compromise, release, and settlement of any and all disputes of any existing claims against one another related to the ITC Investigation and the Accused Products." Ex. 1028, Ex. A ¶ 6; Ex. B ¶ 8; Ex. C ¶ 5; Ex. D ¶ 8; Ex. E ¶ 7.

response to an email inquiry from the Board, that Patent Owner does not oppose withdrawal of the Petition for post-grant review by these Petitioner entities. *See Oxford Nanopore Techs., Inc. v. Pacific Biosciences of Calif., Inc.*, IPR2018-01795, Paper 8 at 3 (PTAB Mar. 26, 2019) ("Based on e-mails to the Board seeking authorization to file this motion, we understand that the sole agreement among the parties is that Patent Owner does not oppose Petitioner's request to withdraw its Petition.")

Based on the representation of the parties in the Joint Motion to Terminate, there are no other agreements between the parties, the parties understand Exhibit 1028 to have resolved their dispute, and the parties are seeking termination of the instant proceeding. Joint Motion to Terminate, 1.

We determine that the Joint Motion to Terminate and Exhibit 1028, along with the email representation of Patent Owner, satisfy the requirements of 35 U.S.C. § 327(b). We determine that termination of the proceeding, as requested by the parties, is in the interest of the efficient administration of justice.

Generally, 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. *See* 35 U.S.C. § 327(a) ("A post-grant 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."); 37 C.F.R. § 42.72 ("The Board may terminate a trial without rendering a final written decision, where appropriate, including . . . pursuant to a joint request under 35 U.S.C. 327(a)"). As noted above,

the Board has not yet rendered a final decision here. Thus, we *grant* the Joint Motion to Terminate the proceedings.

This Decision does not constitute a final written decision pursuant to 35 U.S.C. § 328(a).

The parties also move that the Settlement Agreements be treated as confidential information. Joint Motion to Keep Separate, 1. Based on our examination of Exhibit 1028, we determine that the Settlement Agreements contain confidential business information. The request to keep the agreements separate is *granted*.

Accordingly, it is:

ORDERED that the Joint Motion to Treat the Settlement Agreements (Ex. 1028) as confidential information is *granted*, and this agreement shall be kept separate from the public files of the '574 patent, and made available only to Federal Government agencies on written request, or to any person on a showing of good cause, under 35 U.S.C. § 327(b) and 37 C.F.R. § 42.74(c); and

FURTHER ORDERED that the Joint Motion to Terminate this proceeding is *granted*, and this proceeding is hereby *terminated* under 35 U.S.C. § 327(a) and 37 C.F.R. § 42.72.

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