

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

HYDRITE CHEMICAL CO.
Petitioner,

v.

SOLENIS TECHNOLOGIES, L.P.,
Patent Owner.

IPR2015-01592
Patent 8,962,059

**JOINT MOTION TO TERMINATE PROCEEDING
PURSUANT TO 35 U.S.C. § 317**

Pursuant to 35 U.S.C. § 317(a), Patent Owner, Solenis Technologies, L.P. (“Solenis”), and Petitioner, Hydrite Chemical Co. (“Hydrite”), jointly request termination of the *Inter Partes* Review of U.S. Patent No. 8,962,059 (“the 059 Patent”), Case No. IPR2015-01592.

The Parties have reached a settlement agreement regarding their disputes relating to the 059 Patent. This settlement addresses both this IPR and related, copending litigation, *i.e.*, *Hydrite Chemical Co. v. Solenis Technologies, L.P. et al.*, 2-15-cv-00856, Eastern District of Wisconsin. The settlement agreement has been made in writing, and a true and correct copy of it is being filed concurrently with a joint 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 059 Patent was the subject of litigation in the Western District of Tennessee: *Buckman Laboratories, Inc. v. Solenis, LLC et al.*, 2-15-cv-02063, filed January 13, 2015. Buckman Laboratories, Inc. was the declaratory judgment plaintiff. A judgment dismissing this litigation was entered on May 31, 2016. No other litigations or proceedings are pending which involve the 059 Patent.

Because there is no longer a controversy between the Parties (or any other party) involving the 059 Patent and because the Board has not yet decided this IPR on its merits, termination of these proceedings without rendering a final written decision is appropriate.

Not terminating this proceeding would discourage settlement of concurrent district court and Patent Office proceedings, waste judicial resources and be contrary to federal judicial preference for settlement. Both Congress and the Federal Courts have expressed a strong interest in encouraging settlement in litigation. *Flex-Foot, Inc. v. CRP, Inc.*, 238 F.3d 1362, 1369 (Fed. Cir. 2001) (“[T]here is a strong public interest in settlement of patent litigation”); *Bergh v. Dep’t. of Transp.*, 794 F.2d 1575, 1577 (Fed. Cir. 1986) (“The law favors settlement of cases.”), *cert denied*, 479 U.S. 950 (1986). Maintaining this IPR after the parties’ settlement would discourage future settlement by removing a primary motivation for settlement: eliminating litigation risk by resolving the parties’ dispute and ending pending proceedings between them. For example, if a patent owner knows that an IPR is likely to continue regardless of settlement, the patent owner has a strong disincentive to settle. Moreover, in the event the Board finds certain challenged claims unpatentable, an appeal would take up valuable judicial and/or administrative resources. This is particularly true given that, without Hydrite as a party, the Office would need to intervene in the appeal to present any defense of the Board’s decision.

Accordingly, the Office Patent Trial Practice Guide not only notes that “[t]here are strong public policy reasons to favor settlement between the parties to a proceeding” but also states that it is the expectation of the Board “that a

proceeding will terminate after the filing of a settlement agreement, unless the Board has already decided the merits of the proceeding.” Office Patent Trial Practice Guide, 77 Fed. Reg. 48756, 48768 (Aug. 14, 2012). See also, *Clio USA Inc. v. The Procter & Gamble Co.*, IPR2013-00438, Paper 57 (Oct. 31, 2014) (terminating proceedings in view of settlement after oral argument); *Volusion Inc. v. Versata Software Inc.*, CBM2013-00018, Paper 52 (June 17, 2014) (terminating proceedings in view of settlement after oral argument even though there was a pending district court case between the patent owner and a third party regarding the challenged patent).

Therefore, Solenis and Hydrite respectfully request termination of the *Inter Partes* Review of the 059 Patent, Case No. IPR2015-01592.

Respectfully submitted,

Dated: November 21, 2016

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CERTIFICATE OF SERVICE

I, David N. Farsiou, hereby certify that on this 21st day of November, the foregoing JOINT MOTION TO TERMINATE PROCEEDING PURSUANT TO 35 U.S.C. § 317 was served electronically via e-mail on the following:

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