Paper No.
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MYLAN PHARMACEUTICALS INC.
Petitioner,

v.

SENJU PHARMACEUTICAL CO., LTD.
Patent Owner.

Case IPR2016-00626
Patent No. 8,784,789

JOINT MOTION TO TERMINATE PROCEEDING

INTRODUCTION

Petitioner Mylan Pharmaceuticals Inc. ("Mylan") and Patent Owner Senju Pharmaceutical Co., Ltd. ("Senju") have entered into a settlement agreement that resolves all underlying disputes between the parties, including the *inter partes* review proceeding IPR2016-00626, against U.S. Patent No. 8,784,789, currently before the Board.

The Board authorized the parties to file a joint motion to terminate this proceeding in an email sent to the parties on August 4, 2016. Accordingly, the parties jointly move to terminate this proceeding pursuant to 35 U.S.C. § 317 and 37 C.F.R. § 42.74.

The Board requested submission of a true copy of the parties' agreement. The Parties consider the agreement Highly Confidential Business Information. In the August 4, 2016 e-mail, the Board also authorized filing of a motion to hold the agreement confidential pursuant to 37 C.F.R. § 42.74(c).

THE SETTLEMENT AGREEMENT

The parties have entered into a Confidential Settlement and License Agreement (the "Agreement") settling their dispute involving three U.S. Patents, including U.S. Patent No. 8,784,789. The parties are filing a copy of the Agreement with this Joint Motion to Terminate Proceeding in IPR2016-00626, as

Exhibit 1035. In addition, the parties have filed a request to treat the Agreement as Confidential Business Information under 37 C.F.R. § 42.74(c). As part of the Agreement, a Stipulated Dismissal has been entered in the related district court litigation. (Exhibit 1036). There are no collateral agreements or understandings made in connection with, or in contemplation of, the termination of the *inter partes* review.

WHY TERMINATION IS APPROPRIATE

Termination of this proceeding is appropriate at this stage in the proceeding in view of the Agreement. The Agreement ends all patent disputes between the parties, including this proceeding. Moreover, as shown above, the Agreement resulted in the dismissal of the underlying civil action.

Both Congress and the federal courts have expressed a strong interest in encouraging settlement in litigation. *See, e.g., Delta Air Lines, Inc. v. August*, 450 U.S. 346, 352 (1981) ("The purpose of [Fed. R. Civ. P.] 68 is to encourage the settlement of litigation."); *Bergh v. Dept. of Transp*., 794 F.2d 1575, 1577 (Fed. Cir. 1986) ("The law favors settlement of cases."), *cert. denied*, 479 U.S. 950 (1986). The U.S. Court of Appeals for the Federal Circuit also places a particularly strong emphasis on settlement. *See Cheyenne River Sioux Tribe v. U.S*., 806 F.2d 1046, 1050 (Fed. Cir. 1986) (noting that the law favors settlement to reduce antagonism and hostility between parties). Moreover, the Board generally expects that a

proceeding will terminate after the filing of a settlement. *See, e.g.,* Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 46,768 (Aug. 14, 2012).

Maintaining this proceeding after Petitioner Mylan's settlement with Patent Owner Senju would discourage future settlements by removing a primary motivation for settlement: eliminating litigation risk by resolving the parties' disputes and ending the pending proceedings between them. For patent owners, litigation risks include the potential for an invalidity ruling against their patents. If a patent owner knows that an *inter partes* review will likely continue regardless of settlement, it creates a strong disincentive for the patent owner to settle.

CONCLUSION

For the foregoing reasons, the Petitioner Mylan and Patent Owner Senju jointly and respectfully request that the Board terminate this proceeding in its entirety.

RESPECTFULLY SUBMITTED,

Date: August 9, 2016

/Jitendra Malik/

Jitendra Malik
Reg. No. 55823
Alston & Bird LLP
4721 Emperor Boulevard, Suite 400
Durham, North Carolina 27703

Lance Soderstrom
Reg. No. 65405

Alston & Bird LLP
90 Park Avenue, 15th Floor
New York, New York 10016-1387

H. James Abe
Reg. No. 61182
Alston & Bird LLP
333 South Hope Street, 16th Floor
Los Angeles, CA 90071

Joseph M. Janusz
Reg. No. 70396
Alston & Bird LLP
101 S. Tryon Street, Suite 4000
Charlotte, NC 28205

Attorneys for Petitioner
Mylan Pharmaceuticals Inc.

Date: August 9, 2016

/Bryan Diner/

Bryan C. Diner, Lead Counsel
Reg. No. 32,409
Justin J. Hasford, Back-up Counsel
Reg. No. 62,180
Joshua L. Goldberg, Back-up Counsel
Reg. No. 59,369
Finnegan, Henderson, Farabow,
Garrett & Dunner, L.L.P.
901 New York Ave. NW
Washington, DC

Attorneys for Patent Owner
Senju Pharmaceutical Co., Ltd.

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