

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

WATSON LABORATORIES, INC.

Petitioner

v.

UNITED THERAPEUTICS CORP.

Patent Owner

Patent No. 9,358,240

Issue Date: June 7, 2016

Patent No. 9,339,507

Issue Date: May 17, 2016

Title: TREPROSTINIL ADMINISTRATION BY INHALATION

Inter Partes Review No. 2017-01621

Inter Partes Review No. 2017-01622

**JOINT MOTION TO TERMINATE PROCEEDINGS
PURSUANT TO 35 U.S.C. § 317¹**

¹ A word-for-word identical document is being filed in IPR2017-01621 and IPR2017-1622.

As authorized in the Patent Trial and Appeal Board's email dated August 14, 2018 and pursuant to 35 U.S.C. § 317(a) and 37 C.F.R. §§ 42.72 and 42.74, Patent Owner and Petitioner jointly and respectfully request that the *inter partes* reviews (IPR2017-01621 & IPR2017-01622) of U.S. Patent No. 9,358,240 ("the '240 patent") and U.S. Patent No. 9,339,507 ("the '507 patent") be terminated.

I. Statement of Relief Requested

Pursuant to 35 U.S.C. § 317, 37 C.F.R. § 42.72, and 37 C.F.R. § 42.74, and pursuant to the authorization to file this motion provided by the Board's email to the parties on August 14, 2018, Petitioner Watson Laboratories, Inc. and Patent Owner United Therapeutics Corp. (collectively, the "Parties") jointly request the termination of the *inter partes* reviews of the '240 patent and the '507 patent in their entirety as a result of settlement between the Parties.

The Parties have settled their dispute and executed a settlement agreement to terminate these *inter partes* reviews. The Parties' settlement agreement has been made in writing, and a true and correct copy is being filed concurrently herewith as Exhibit 2212 ("Settlement Agreement"). The Parties are also filing concurrently herewith a joint request to treat the settlement agreement as business confidential information and keep it separate from the files of the *inter partes* reviews and the involved patents pursuant to 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(b) and (c).

II. Statement of Facts

Petitioner filed petitions requesting *inter partes* reviews of the '240 patent and the '507 patent on June 21, 2017. On January 11, 2018, the Board instituted review on claims 1-9 of the '240 and claims 1-9 of the '507 patent – in each case, on a single ground. Patent Owner submitted its responses based on these institution decisions on April 27, 2018. On April 30, 2018, the Board instituted review on the remaining grounds in both proceedings. Patent Owner submitted supplementary responses in both proceedings on July 11, 2018. On August 8, 2018, the Parties entered into a settlement agreement in which they agreed to terminate these *inter partes* reviews. *See Ex. 2212*. Petitioner has not replied to Patent Owner's Responses, nor has Petitioner deposed Patent Owner's Declarants. The Board has not yet decided the merits of these pending proceedings.

III. Argument

35 U.S.C. § 317(a) provides: "An *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." 35 U.S.C. § 317(a).

Similarly, 37 C.F.R. § 42.72 provides that "[t]he Board may terminate a trial without rendering a final written decision, where appropriate, including where the

trial is consolidated with another proceeding or pursuant to a joint request under 35 U.S.C. 317(a).”

The Trial Practice Guide additionally counsels that “[t]here are strong public policy reasons to favor settlement between the parties to proceeding” and that 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. 35 U.S.C. 317(a), as amended, and 35 U.S.C. 327.” Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,768 (Aug. 14, 2012).

As noted in the Statement of Facts, oral argument has not yet occurred, nor has Petitioner replied to the Patent Owner’s Responses or deposed Patent Owner’s Declarants. Thus, the Board has not yet “decided the merits of the proceeding before the request for termination is filed.” 35 U.S.C. § 317(a); 77 Fed. Reg. at 48,768 (“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.”). Furthermore, Petitioner will not participate in further proceedings should the *inter partes* reviews not be terminated. The Parties are unaware of any other matter before the Board that would be affected by the outcome of this proceeding.

As required by the Settlement Agreement, the Parties are dismissing all other proceedings related to the challenged patents, *i.e.* *United Therapeutics Corp.*

v. Watson Laboratories, Inc., Civil Action No. 3:15cv-05723-PGS-LHG. Thus, no dispute remains between the Parties involving the '240 patent and the '507 patent.

Further, because the Board has yet to conduct an oral hearing and issue a decision on the merits, termination of the entire proceeding would save the Board significant administrative resources and limit unnecessary and counterproductive litigation costs. Termination would also further AIA's purpose of providing an efficient and less costly alternative forum for patent disputes and its encouragement for settlement.

Accordingly, the Parties respectfully request that the Board terminate the *inter partes* reviews of the '240 patent and the '507 patent.

Dated: August 21, 2018

Respectfully submitted,

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