

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

VIZIO, INC.,
Petitioner,

v.

NICHIA CORP.,
Patent Owner.

Case IPR2018-00386
Patent No. 9,490,411 B2

Case IPR2018-00437
Patent No. 9,537,071 B2

Before SALLY C. MEDLEY, WILLIAM V. SAINDON, and
NATHAN A. ENGELS, *Administrative Patent Judges*.

ENGELS, *Administrative Patent Judge*.

ORDER
Conduct of the Proceeding
Dismissing Joint Motion to Terminate Without Prejudice
37 C.F.R. § 42.5

IPR2018-00386 (Patent No. 9,490,411 B2)

IPR2018-00437 (Patent No. 9,537,071 B2)

Oral arguments in these proceedings took place on March 5, 2019, and the statutory deadlines for final written decisions are June 26, 2019 for IPR2018-00386 and July 16, 2019 for IPR2018-00437. With an e-mail dated March 29, 2019, the parties notified the Board that the parties “have entered into a Binding Term Sheet . . . and are preparing the final settlement agreement,” and the parties jointly requested authorization to file a motion to terminate the proceedings.

On April 1, 2019, the Board authorized the parties to file a joint motion to terminate and instructed the parties to file a copy of the settlement agreement as an exhibit to the joint motion. On April 12, 2019, the parties filed a Joint Motion to Terminate the Proceeding Pursuant to 35 U.S.C. § 317 (Paper 39¹) and included a copy of the parties’ Binding Term Sheet (Exhibit 2029).

The Joint Motion to Terminate provides that the parties “have entered into a Binding Term Sheet in which the parties have agreed to cooperate to seek dismissal of this proceeding.” Paper 39, 2. Among other things, the Binding Term Sheet provides that the parties desire to settle their disputes and avoid continued litigation. Ex. 2029, 1. The Binding Term Sheet also states that the parties will work in good faith to prepare a “final agreement” and that “[u]nless and until such a final agreement is executed, this Binding Term Sheet shall control.” Ex. 2029, 1–2.

At the request of the Board, a telephone conference was held on May 6, 2019 to discuss the status of the “final agreement” referenced in the

¹ Paper numbers and exhibit numbers in this Order refer to those filed in IPR2018-00386.

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Binding Term Sheet. During the telephone conference, the parties indicated that the parties' district-court litigation has been dismissed with prejudice pursuant to the parties' settlement, but the parties also indicated that the parties are in on-going negotiations for a final settlement agreement.

In relevant part, 35 U.S.C. § 317(b) requires that “[a]ny *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 an inter partes 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 inter partes review* as between the parties.” 35 U.S.C. § 317(b) (emphasis added). As noted above, the Binding Term Sheet expressly reflects the parties' intention to negotiate and execute a “final agreement” in connection with termination of these proceedings. As § 317(b) requires that the parties file any agreement or understanding, including any collateral agreements, *before* termination of the inter partes review, we determine it is premature to terminate these proceedings while the parties continue to negotiate a final agreement. In other words, under the current circumstances, the requirements of § 317(b) are not satisfied, notwithstanding the possibility the Binding Term Sheet may ultimately be the only agreement or understanding made in connection with termination of these proceedings (e.g., if the parties are unable to execute a “final agreement”).

Accordingly, we dismiss the parties' Joint Motion to Terminate without prejudice, with leave to file another joint motion to terminate. Any such motion to terminate shall explain why termination is appropriate and

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how the motion is in compliance with § 317(b). 37 C.F.R. § 42.20(c). We remind the parties that 37 CFR § 42.8 requires the parties to file updated mandatory notices within 21 days of a change of information listed in the parties' mandatory notices (e.g., related matters).

ORDER

In view of the foregoing, it is hereby:

ORDERED that the parties' Joint Motion to Terminate is dismissed without prejudice, with leave to refile;

ORDERED that, if the parties file a joint motion to terminate, the parties shall certify (i) that all agreements or understandings, including any collateral agreements, including but not limited to licenses, covenants not to sue, confidentiality agreements, payment arrangements, or other agreements of any kind, between the parties that are made in connection with termination of this proceeding have been filed and (ii) that no other written or oral agreements or understandings, including any collateral agreements, are made in connection with, or in contemplation of, the termination of these proceedings;

ORDERED that, if the parties do not file a joint motion to terminate before June 3, 2019, the parties must arrange a conference call with the Board to discuss the status of this proceeding; and

FURTHER ORDERED that the parties shall (either individually or jointly) file updated mandatory notices under 37 CFR §42.8 within five days of the date of this Order.

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