

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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STARBUCKS CORPORATION; AMERICAN MULTI-CINEMA, INC.;  
AMC ENTERTAINMENT HOLDINGS, INC.; BOSTON MARKET  
CORPORATION; MOBO SYSTEMS, INC.; MCDONALD'S  
CORPORATION; MCDONALD'S USA; PANDA RESTAURANT  
GROUP, INC.; PANDA EXPRESS INC.; PAPA JOHN'S  
INTERNATIONAL, INC.; STAR PAPA LP; and  
PAPA JOHN'S USA, INC.

Petitioner,

v.

FALL LINE PATENTS, LLC,  
Patent Owner.

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Case IPR2019-00610  
Patent 9,454,748 B2

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Before MICHELLE N. WORMMEESTER, SHEILA F. McSHANE, and  
JOHN R. KENNY, *Administrative Patent Judges*.

KENNY, *Administrative Patent Judge*.

DECISION

Granting Joint Motion to Terminate with Respect to Starbucks and  
Joint Request to File Settlement Agreement  
as Business Confidential Information  
*37 C.F.R. §§ 42.71(a), 42.74*

On June 26, 2019, in response to a joint email request from Starbucks Corporation (“Starbucks”) and Patent Owner, we authorized Starbucks and Patent Owner to file a joint motion to terminate this proceeding with respect to Starbucks and a joint request to keep their settlement agreement as business confidential information. With that authorization, Starbucks and Patent Owner filed a Joint Motion to Terminate with Respect to Starbucks. Paper 11. Starbucks and Patent Owner also filed a settlement agreement (Ex. 2005) and a Joint Request to File Settlement Agreements as Business Confidential Information Under 35 U.S.C. § 317 and 37 C.F.R. § 42.74. Paper 12. For the reasons discussed below, Starbucks and Patent Owner’s Joint Motion to Terminate with Respect to Starbucks and Joint Request to File Settlement Agreements as Business Confidential Information are *granted*.<sup>1</sup>

Starbucks and Patent Owner indicate that termination of this proceeding is appropriate because they have settled their disputes involving U.S. Patent No. 9,454,748. Paper 11, 2. Further, Starbucks and Patent Owner represent that there are no other collateral agreements or understandings made that relate to the termination of this IPR. *Id.* at 2–3. In addition, as Starbucks and Patent Owner indicate, this proceeding is at an early stage, and trial has not been instituted. *Id.* at 2. Moreover, Starbucks and Patent Owner represent that the “remaining petitioners . . . consent to and do not oppose termination of Starbucks from this proceeding.” *Id.*

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<sup>1</sup> Starbucks and Patent Owner filed only one settlement agreement (Ex. 2005), so their joint request to file settlement agreements as business confidential information is granted only with respect to that filed agreement.

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Further, Starbucks and Patent Owner indicate that the related district court proceeding between them has been dismissed and that Starbucks has been terminated from the pending related lead district court case. *Id.* at 3.

Under 35 U.S.C. § 317(a), “[a]n *inter partes* review instituted under this chapter shall be terminated with respect to any petitioner upon the joint request of the petitioner and patent owner, unless the Office has decided the merits of the proceeding before the request for termination is filed.” Further, under 37 C.F.R. § 42.74(b), “[a]ny agreement or understanding between the parties made in connection with, or in contemplation of, the termination of a proceeding shall be in writing and a true copy shall be filed with the Board before termination of the trial.”

There are strong public policy reasons to favor settlement between the parties to a proceeding. Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,768 (Aug. 14, 2012). When, as here, the proceeding is still in its preliminary stages and we have not entered a decision on whether or not to institute an *inter partes* proceeding, we generally expect that the proceeding will terminate after the filing of a settlement agreement. *See id.* In view of the foregoing, we determine that it is appropriate to terminate this proceeding with respect to Starbucks. *See* 37 C.F.R. §§ 42.72, 42.74.

It is

ORDERED that the request by Starbucks and Patent Owner to treat the filed settlement agreement (Ex. 2005) as business confidential information under 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c) is GRANTED; and

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FURTHER ORDERED that the request by Starbucks and Patent Owner to terminate this proceeding with respect to Starbucks is GRANTED.

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