

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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VMWARE, INC.,  
Petitioner,

v.

INTELLECTUAL VENTURES II LLC,  
Patent Owner.

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IPR2020-01383  
Patent 7,016,963 B1

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Before DAVID C. McKONE, JOHN A. HUDALLA, and  
STACY B. MARGOLIES, *Administrative Patent Judges*.

MARGOLIES, *Administrative Patent Judge*.

DECISION  
Settlement Prior to Institution of Trial  
*37 C.F.R. § 42.74*

## I. INTRODUCTION

With the Board’s authorization, Petitioner and Patent Owner (collectively “the Parties”) filed an amended<sup>1</sup> joint motion to withdraw the Petition. Paper 13 (“Joint Motion”). In support of the Joint Motion, the Parties filed a copy of a written confidential settlement agreement. Exs. 1013, 1014 (collectively, “Settlement Agreement”). The Parties also filed an amended joint request to treat the Settlement Agreement as business confidential information and to keep it separate from the files of the challenged patent. Paper 14 (“Joint Request”).

## II. DISCUSSION

In the Joint Motion, the Parties state that they have resolved their disputes regarding the challenged patent, which include this proceeding and the related district court litigation. Joint Motion 1. The Parties state that the Settlement Agreement is “a true copy of any agreement or understanding . . . between Petitioner and Patent Owner made in connection with, or in contemplation of, the requested withdrawal of the Petition.” *Id.* at 1–2.

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<sup>1</sup> The Parties originally filed a joint motion (Paper 11) to withdraw the Petition and a joint request (Paper 12) to treat the settlement agreement (Ex. 1013) as business confidential information and to keep it separate from the files of the challenged patent. Having reviewed the version of the settlement agreement filed with those papers, we determined that it references a “Schedule 1” and a “Schedule 2,” but it did not include those schedules. On January 25, 2021, Judges McKone, Hudalla, and Hamann held a teleconference with counsel for the parties in connection with IPR2020-01081 to discuss the missing schedules. The Parties subsequently filed the amended papers (Papers 13 and 14) and the missing schedules (Ex. 1014).

Accordingly, the Parties jointly request termination of this proceeding. *Id.* at 2.

There are strong public policy reasons to favor settlement between the parties to a proceeding. *Office Patent Trial Practice Guide*, 84 Fed. Reg. 64,280 (Nov. 21, 2019). The proceeding is in its preliminary phase, and we have not yet decided whether to institute a trial in the proceeding. In view of the early stage of the proceeding and the settlement between the Parties, we determine that it is appropriate to dismiss the petition and terminate the proceeding, without rendering a decision on institution or a final written decision.

In the Joint Request, the Parties jointly request to treat the Settlement Agreement as business confidential information and to have it be kept separate from the files of the challenged patent and associated proceeding. Joint Request 1.

After reviewing the Settlement Agreement between the Parties, we find that the Settlement Agreement contains confidential business information regarding the terms of settlement. We determine the Settlement Agreement (Exs. 1013, 1014) between the Parties shall be treated as business confidential information under 37 C.F.R. § 42.74(c) and shall be kept separate from the files of the challenged patent and associated proceeding.

This Order does not constitute a final written decision pursuant to 35 U.S.C. § 318(a).

### III. ORDER

Accordingly, it is

ORDERED that the amended joint motion to withdraw the Petition (Paper 13) is *granted*;

FURTHER ORDERED that the above-captioned proceeding is *terminated* and the petition is *dismissed*; and

FURTHER ORDERED that the amended joint request to treat the Settlement Agreement as business confidential information (Paper 14) is *granted*, and the Settlement Agreement (Exs. 1013, 1014) shall remain designated as “Parties and Board Only” in the Board’s filing system, shall be made available only to Federal Government agencies on written request, or to any person on a showing of good cause, and shall be kept separate from the files of the involved patent and associated proceeding, pursuant to 37 C.F.R. § 42.74(c).

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