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Paper 29
Entered: September 10, 2016

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

OPENTV, INC.,
Patent Owner.

Case IPR2015-00969 (Patent 5,884,033)
Case IPR2015-00980 (Patent 5,566,287)
Case IPR2015-01031 (Patent 7,900,229 B2)[1]

Before JAMES B. ARPIN, DAVID C. MCKONE, and SCOTT C. MOORE, *Administrative Patent Judges*.

ARPIN, *Administrative Patent Judge*.

DECISION
Denying Joint Motions to Terminate
35 U.S.C. §§ 317 and 318 and 37 C.F.R. §§ 42.20 and 42.72

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[1] This Decision applies to each of the listed cases. We exercise our discretion to issue one Decision to be docketed in each case. The parties, however, are not authorized to use this caption for any subsequent papers.

BACKGROUND

Apple Inc. ("Petitioner") and OpenTV, Inc. ("Patent Owner") move jointly to terminate each of the above-captioned proceedings.[2] On August 4, 2016, the parties filed a Joint Motion to Terminate Proceeding ("Joint Motion") in each proceeding (IPR2015-00969, Paper 22; IPR2015-00980, Paper 21; IPR2015-01031, Paper 22), accompanied by five separate agreements purportedly documenting the terms of the settlement (IPR2015-00969, Exs. 1013, 2008–2011; IPR2015-00980, Exs. 1015, 2008–2011; IPR2015-01031, Exs. 1021, 2003–2006). Because Petitioner is not permitted to see the contents of Exhibit 2004 in IPR2015-01031 and Exhibit 2009 in IPR2015-00969 and IPR2015-00980, and Patent Owner is not permitted to see the contents of Exhibit 1021 in IPR2015-01031, Exhibit 1013 in IPR2015-00969, and Exhibit 1015 in IPR2015-00980; those exhibits were filed in each proceeding for "Board Only." The remaining exhibits supporting the Joint Motions were filed for "Board and Parties Only." In addition, on August 4, 2016, the parties filed a Joint Request to File Settlement Agreement as Business Confidential (IPR2015-00969, Paper 23; IPR2015-00980, Paper 22; IPR2015-01031, Paper 23 ("First Joint Request")) in each proceeding, requesting that the supporting exhibits are treated as business confidential information and kept separate from the files

[2] Although the parties have filed similar requests to terminate in related proceedings, the parties advised the Board that their requests are not contingent on the termination of all of those proceedings. IPR2016-00992, Paper 11, 3. Further, we acknowledge that a different panel terminated IPR2015-00971 (Paper 30), involving different parties, after the oral hearing; however, the facts and circumstances of these proceedings differ.

of the respective patents at issue in each proceeding.

Because Exhibits 2003 and 2004 in IPR2015-01031 and Exhibits 2008 and 2009 in IPR2015-00969 and IPR2015-00980 were incomplete (*see, e.g.*, IPR2016-00992, Paper 11, 2–3 (referring to corresponding Exhibits 2001 and 2002)), the parties refiled these exhibits in each proceeding on August 22, 2016; and we expunged the previously-filed versions of these exhibits. On August 30, 2016, the parties also filed new Exhibit 2007 in IPR2015-01031 and new Exhibit 2012 in IPR2015-00969 and IPR2015-00980 and a second, Joint Request to File Settlement Agreement as Business Confidential (IPR2015-00969, Paper 27; IPR2015-00980, Paper 26; IPR2015-01031, Paper 27 ("Second Joint Request")); and Patent Owner filed Updated Mandatory Notices, naming Nagra USA, Inc. and Kudelski S.A. as real parties-in-interest (IPR2015-00969, Paper 26; IPR2015-00980, Paper 25; IPR2015-01031, Paper 28). Exhibit 2007 in IPR2015-01031 and Exhibit 2012 in IPR2015-00969 and IPR2015-00980 were filed for "Board and Parties Only."

ANALYSIS

Pursuant to 35 U.S.C. § 317(a),

> 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. . . . If no petitioner remains in the inter partes review, the Office may terminate the review or proceed to a final written decision under section 318(a). (Emphasis added.)

Further, pursuant to 37 C.F.R. § 42.72, "[t]he Board may terminate a trial without rendering a final written decision, where appropriate, including . . .

pursuant to *a joint request* under 35 U.S.C. 317(a)" (emphasis added). Thus, in order for us to terminate these proceedings, the parties must persuade us that they are entitled to the relief requested. *See* 37 C.F.R. §§ 42.20(a), 42.20(c).

Initially, we note that the parties' requests to terminate are filed at an extremely late date in each proceeding. All briefing in each of the above-captioned proceedings is complete, and oral hearings were held in each proceeding on June 21, 2016. Thus, the public's interest in the status of the challenged claims of each patent is at its peak. *See Apple, Inc. v. Smartflash LLC*, Case CBM2015-00015, slip op. at 6 (PTAB Nov. 4, 2015) (Paper 49) ("There is a public interest in resolving the issues raised by these challenges because the record is fully developed."). Although the panel has not yet issued a Final Written Decision in any of these proceedings, the panel deliberated and decided the merits of each proceeding before the requests were filed on August 4, 2016.[3] Further, although the parties have filed six separate agreements purportedly documenting their settlement, only one of these documents mentions Patent Owner, and the agreements involve signatories that have not been identified as real parties-in-interest.

In addition, each of the parties acknowledges that it individually is not aware of the contents of some of the agreements. Here, according to their Joint Requests to File Settlement Agreement as Business Confidential,

> Both parties have access to the Patent License Agreement between Apple and Kudelski; the Letter Agreement between

[3] The Joint Motions were not complete in each proceeding at least until the parties filed their final exhibits, Exhibit 2007 in IPR2015-01031 and Exhibit 2012 in IPR2015-00969 and IPR2015-00980, on August 30, 2016.

> Kudelski, RPX, and Apple; and the Letter Agreement No. 2 between Kudelski and Apple, but each of the other agreements preclude one of the parties from disclosing it to the other of the parties. *Specifically, the Patent License Agreement between Kudelski and RPX cannot be shared with Petitioner. Also, the Agreement between Apple and RPX cannot be shared with Patent Owner*. The parties have thus agreed to file those two agreements as "available only to Board," and to waive service of the agreements on each other.

E.g., IPR2015-01031, Paper 23, 1–2 (emphasis added).

The Board is not a party to the settlement (37 C.F.R. 42.74(a)), and the burden rests on the joint requestors to persuade us that the agreements include the necessary signatories and actually settle the parties' disputes. Because *the parties* are not able to consider the contents of all of the agreements purporting to settle their disputes, they cannot know whether, and we cannot rely on their assurances that, these agreements in fact settle their disputes. *See* 37 C.F.R. § 42.74.

In sum, (1) because we already have decided the merits of the proceedings; (2) because, due to the unorthodox nature of the settlement agreements, we are unpersuaded whether these agreements settle *the parties'* disputes completely; and (3) because of the increased public interest at this late stage in these proceedings, we decline to terminate these proceedings, and we *deny* the parties' Joint Motions.

ORDER

In consideration of the foregoing, it is hereby:

ORDERED that the Joint Motion in each proceeding is *denied*;

FURTHER ORDERED that the parties must file any request for rehearing of this Decision within five (5) business days of the entry of this Decision; and

FURTHER ORDERED that the parties are authorized to file a joint motion within ten (10) business days of the entry of this Decision in each proceeding, requesting that the exhibits supporting the Joint Motions be expunged, and that the supporting exhibits shall remain in "Board Only" or "Board and Parties Only" status pending our decision on any request for rehearing or any request to expunge.

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