UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

THE SHERWIN-WILLIAMS COMPANY,
Petitioner,

v.

ARCH CHEMICALS, INC.,
Patent Owner

Case: IPR2019-01497, IPR2019-01498
U.S. Patent No. 9,723,842

Case: IPR2019-01499
U.S. Patent No: 9,717,250

AUTHORIZED JOINT MOTION TO TERMINATE AND REQUEST TO KEEP SETTLEMENT AGREEMENT SEPARATE

I. INTRODUCTION

Pursuant to the Board's authorization provided during a teleconference on February 10, 2020, and as authorized by the Boards' Decision of February 14, 2020 denying the Joint Motion to Terminate of February 11, 2020 (the "Decision"), Petitioner The Sherwin-Williams Company ("Sherwin-Williams") and Patent Owner Arch Chemicals, Inc. ("Arch"), jointly file this Motion to Terminate proceedings IPR2019-01497, IPR2019-01498, and IPR2019-01499 (the "subject proceedings").

In its Decision, the Board denied the Parties' Joint Motion to Terminate because the "parties have not certified that, besides the *Covenant Not to Sue*, there are no collateral agreements or understandings made in connection with, or in contemplation of, the termination of the *inter partes* review." (Decision at 1.) The Board further denied the Parties' Request to Keep the Covenant Not to Sue Separate ("Request to Keep Separate") and invited the Parties to provide an additional explanation as to why it should be designated "business confidential information."

The Board granted the Parties leave to refile the Joint Motion with the required certification. (*Id.* at 1-2) The Parties make the required certification in this Motion. Additionally, Arch provides a further explanation supporting its Request to Keep Separate and in particular that the Covenant Not to Sue should be designated "business confidential information." Sherwin-Williams does not oppose Arch's

Request.

The parties have resolved the underlying claims of infringement that were pending in the United States District Court for the District of Delaware, in *Arch Chemicals, Inc. v. The Sherwin-Williams Company and The Valspar Corporation*, Case No. 1:18-cv-2037-LPS.

The subject proceedings are also at an early stage: Patent Owner Arch did not file a Preliminary Response in any of the subject proceedings, and the Board has not issued any decisions on institution. To preserve the Board's resources and to achieve a just, speedy, and inexpensive resolution of this dispute, Patent Owner and Petitioner jointly request that the Board terminate proceedings IPR2019-01497, IPR2019-01498, and IPR2019-01499.

II. BACKGROUND AND PROCEDURAL HISTORY

Petitioner filed three Petitions for *inter partes* review, each accorded a filing date of August 15, 2019. IPR2019-01497 and IPR2019-01498 sought *inter partes* review of U.S. Patent 9,723,842 (the "'842 Patent"). IPR2019-01499 sought *inter partes* review of a divisional of the '842 Patent, U.S. Patent 9,717,250 (the "'250 Patent"). Patent Owner did not file a Preliminary Response in any of the subject proceedings. The Board has not yet issued a decision whether to institute any of the proceedings.

The subject proceedings stemmed from Patent Owner's allegations that

Petitioner infringed the '842 and '250 Patents, in cases titled *Arch Chemicals, Inc. v. The Sherwin-Williams Company*, no. 1:18-cv-00986 (D. Del.) and *Arch Chemicals, Inc. v. The Sherwin-Williams Company and The Valspar Corporation*, no. 1:18-cv-02037-LPS (D. Del.). On February 4, 2020, Patent Owner granted Petitioner an irrevocable Covenant Not to Sue on, *inter alia*, the '842 and '250 Patents and thereby resolved their infringement dispute.

III. ARGUMENT

A. The Board Should Terminate the Subject Proceedings

The Board "may terminate a trial without rendering a final written decision, where appropriate." 37 C.F.R. § 42.72. Further, the rules governing IPR proceedings "shall be construed to secure the just, speedy, and inexpensive resolution of every proceeding." *Id.* § 42.1(b).

Good cause is present to grant this Joint Motion and terminate IPR2019-01497, IPR2019-01498, and IPR2019-01499. Termination would preserve the Board's resources and would expeditiously resolve the subject proceedings. 37 C.F.R. § 42.1(b). The subject proceedings are in their preliminary stages, as the Board has not yet issued any institution decisions. There would be no prejudice to either Petitioner or Patent Owner, as thisis a joint request. Termination is just, as Petitioner and Patent Owner have resolved the infringement allegations that gave rise to the subject proceedings.

In accordance with 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(b), Petitioner and Patent Owner provided a copy of the agreement between them resolving Patent Owner's infringement allegations against Petitioner, which is filed as IPR2019-01497, Paper 12; IPR2019-01498, Paper 12; and IPR2019-01499, Paper 8.

Both Parties certify that there are no collateral agreements or understandings made in connection with, or in contemplation of, the termination of these inter partes review proceedings.

B. The Board Should Keep the Covenant Not to Sue Separate and Confidential

Petitioner and Patent Owner respectfully request pursuant to 37 C.F.R. § 42.74(c) that the Covenant Not to Sue ("the Agreement") be "treated as business confidential information," be "kept separate from the file of the involved patent[s]," and "be made available only to a Government agency on written request to the Board," and only be made available to "any other person upon written request to the Board to make the settlement agreement available, along with the fee specified in § 42.15(d) and on a showing of good cause." 37 C.F.R. § 42.74(c).

Good cause is present to keep the Agreement as business confidential information. Initially, the Parties note that the agreement contains a confidentiality clause that restricts disclosure to particular identified parties, unless required by law.

Arch provides the following additional explanation for why the Agreement

should be treated as "business confidential information." Arch considers the agreement to contain highly sensitive business information that would substantially harm its business interests if publicly disclosed. There are no collateral agreements. The agreement submitted herewith is the sum total of the terms of settlement between the parties. If these terms were to become public it could hamper the ability of Arch to negotiate terms with future parties. *See also*, Arch's Unopposed Request to Keep Subject Matter in February 14, 2020 Decision Confidential, filed concurrently herewith. Sherwin-Williams does not join, but does not oppose, Arch's further explanation.

In accordance with 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74, the Agreement should be kept as business confidential information and restricted as provided in 37 C.F.R. § 42.74(c). Petitioner Sherwin-Williams has indicated it does not oppose this request to treat the Agreement as business confidential information and to be kept separate from the file.

IV. CONCLUSION

For all the reasons stated above, Petitioner and Patent Owner respectfully and jointly request that the Board terminate IPR2019-01497, IPR2019-01498, and IPR2019-01499.

Petitioner and Patent Owner further respectfully and jointly request that pursuant to 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c), the agreement filed as

IPR2019-01497, Paper 12; IPR2019-01498, Paper 12; and IPR2019-01499, Paper 8, be:

(1) treated as business confidential information,

(2) kept separate from the file of the involved patents,

(3) made available only to a Federal Government agency only upon written request; and

(4) made available to any other person only upon written request to the Board to make the settlement agreement available, along with the fee specified in § 42.15(d) and on a showing of good cause.

Dated: February 18, 2020

Respectfully submitted,

/Ari B. Lukoff/

Christopher K. Larus (*pro hac vice*)
Ryan M. Schultz
Registration No. 65,134
Ari B. Lukoff
Registration No. 71,508
ROBINS KAPLAN LLP
800 LaSalle Avenue,
2800 LaSalle Plaza
Minneapolis, MN 55402–2015

Attorneys for Petitioner

/Deborah Yellin/
Deborah H. Yellin
Registration No. 45,904
Michael H. Jacobs
Registration No. 41,870
CROWELL & MORING LLP
1001 Pennsylvania Avenue, N.W.
Washington, DC 20004-2595

Attorneys for Patent Owner

CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6(e)(4), the undersigned certifies that on February 18, 2020, a copy of AUTHORIZED JOINT MOTION TO TERMINATE AND REQUEST TO KEEP SETTLEMENT AGREEMENT SEPARATE was served in its entirety by electronic mail on Petitioner:

Ryan Schultz (Reg. No. 65,134)
rshultz@robinskaplan.com

Ari B. Lukoff (Reg. No. 71,508)
alukoff@robinskaplan.com

Christopher K. Larus
clarus@robinskaplan.com

Robins Kaplan LLP
2800 LaSalle Plaza
800 LaSalle Avenue
Minneapolis, MN 55402

Dated: February 18, 2020

/April Marconi/
Case Manager