

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

NETNUT LTD.,

Petitioner

v.

BRIGHT DATA LTD.,

Patent Owner

Case IPR2021-00465

Patent No. 9,742,866

**JOINT MOTION TO TERMINATE DUE TO SETTLEMENT
UNDER 35 U.S.C. § 317 AND 37 C.F.R. § 42.74¹**

Mail Stop PATENT BOARD
Patent Trial and Appeal Board
United States Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450

¹ This Joint Motion was authorized by the Board in an e-mail dated May 24, 2022.

TABLE OF CONTENTS

I. INTRODUCTION	1
II. CERTIFICATION	2
III. BACKGROUND	2
IV. GOOD CAUSE EXISTS TO TERMINATE THIS IPR	3
A. The Parties have settled their disputes.	4
B. The Board has not yet held an oral hearing or made a decision on the merits.	5
C. Granting termination as to Petitioner is mandatory.	5
D. Granting termination in its entirety serves the public interest by encouraging settlement and saving judicial resources.....	5
E. Denying termination causes prejudice to Patent Owner.	6
V. PETITIONER’S REQUEST TO WITHDRAW PAPERS.....	7
VI. CONCLUSION	8

I. INTRODUCTION

Pursuant to 35 U.S.C. § 317(a) and 37 C.F.R. § 42.74, Petitioner NetNut Ltd. and Patent Owner Bright Data Ltd. (together, the “Parties”) jointly move to terminate IPR2021-00458 (related proceeding) and IPR2021-00465 (this proceeding) due to settlement. As discussed below, good cause exists for termination of this proceeding for at least five reasons:

1. the Parties have settled their disputes and no other petitioner remains;
2. the Board has not yet held an oral hearing or made a decision on the merits;
3. granting termination as to Petitioner is mandatory;
4. granting termination in its entirety serves the public interest by encouraging settlement and saving judicial resources; and
5. denying termination in its entirety causes prejudice to Patent Owner.

Pursuant to 37 C.F.R. §§ 42.5 and 42.72, the 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) or 327(a). “There are strong public policy reasons to favor settlement between the parties to a proceeding. . . . The Board expects that a proceeding will terminate after the filing of a settlement agreement, unless the Board has already decided the merits of the proceeding.” PTAB Consolidated Trial Practice Guide at 86 (November 2019).

II. CERTIFICATION

In compliance with 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(b), the Parties have filed Exhibit 2031, a true copy of the written settlement agreement between the Parties, and the Parties have concurrently filed a Joint Request to File Settlement Agreement as Business Confidential Information and Be Kept Separate from the Patent Files. Exhibit 2031 has been filed for access by the “Parties and Board Only.” The Parties jointly certify that Exhibit 2031 reflects final settlement and resolution of all disputes between the Parties, including those relating to Patent No. 9,742,866 (the “’866 Patent”), and there are no other collateral agreements or understandings made in connection with, or in contemplation of, the termination sought.

III. BACKGROUND

Trial was instituted on August 12, 2021. Paper 11. Patent Owner submitted an original, Non-contingent Motion to Amend (Paper 17, “Original MTA”) which requested preliminary guidance from the Board. Petitioner submitted an Opposition to the Original MTA. Paper 18. The Board issued preliminary guidance on the proposed, substitute claims. *See* Paper 19. Patent Owner submitted a Revised, Non-contingent Motion to Amend (Paper 20, “Revised MTA”) with revised, proposed, substitute claims. The Board issued a Revised Scheduling Order. Paper 21. Petitioner submitted an Opposition to the Revised MTA. Paper 22. Petitioner’s expert was deposed on May 11, 2022.

Both parties requested oral argument (*see* Papers 24 and 27) and the Board issued an Order granting the requests for oral argument (Paper 29). Oral argument is currently scheduled for June 10, 2022. Paper 29 at 1.

On May 13, 2022, the Parties sent a joint email to inform the Board that they had reached settlement in principle and to request a conference call to discuss authorization to file papers related to termination.

On May 18, 2022, Patent Owner filed a Notice of Settlement and Related Court Order. Paper 31.

On May 20, 2022, the Parties held a conference call with the Board to discuss authorization to file papers related to termination.

On May 24, 2022, the Board authorized the filing of papers related to termination. Pursuant to the Revised Scheduling Order and joint stipulations, the remaining due dates are DUE DATE RMTA2: May 26, 2022; DUE DATE 5: May 27, 2022; DUE DATE 6: May 31, 2022; DUE DATE 7: June 2, 2022; DUE DATE 8: June 10, 2022. *See* Papers 21, 30, and 32.

IV. GOOD CAUSE EXISTS TO TERMINATE THIS IPR

As discussed in detail below, good cause exists to terminate this IPR for at least five reasons.

A. The Parties have settled their disputes.

As discussed on the May 20 conference call, the Parties jointly move to terminate this proceeding in its entirety due to settlement. The Parties have resolved all disputes between them and with regard to the '866 Patent. No other petitioner remains in the proceeding.

Based on the facts discussed in *Kokusai Electric Corporation v. ASM IP Holding B.V.*, Case IPR2018-01151, Paper 38 (Aug. 20, 2019)(informative) [granting joint motion to terminate, not deciding motion to amend], the Parties additionally confirm that (a) this Joint Motion to Terminate is not contingent on the Revised MTA being decided and (b) the settlement agreement is not contingent on the Revised MTA being decided. *See id.* at 3.

As discussed on the May 20 conference call, and similar to the outcome in *Kokusai*, the Parties respectfully request the Board terminate this proceeding **without rendering a final written decision**. *See id.* at 6. As discussed below, the Parties respectfully submit that the interest of judicial economy is best served by granting the requested termination, which will reduce the Parties' expenses and conserve the Board's resources.

B. The Board has not yet held an oral hearing or made a decision on the merits.

As discussed herein, the Parties have not fully briefed their arguments regarding the Revised MTA. *See* Papers 21 and 31. There has been no prehearing conference and the oral argument (currently scheduled for June 10, 2022) has not yet occurred. No final written decision has been issued in this proceeding.

C. Granting termination as to Petitioner is mandatory.

Termination as to Petitioner NetNut Ltd. is mandatory because, as discussed, the Board has not decided the merits of the proceeding. 35 U.S.C. § 317(a).

D. Granting termination in its entirety serves the public interest by encouraging settlement and saving judicial resources.

As discussed on the May 20 conference call, the Parties jointly request termination of this proceeding in its entirety. In general, granting termination would encourage settlement of concurrent administrative and district court proceedings. Both Congress and the Federal Courts have expressed a strong interest in encouraging settlement in litigation. *See, e.g., Delta Air Lines, Inc. v. August*, 450 U.S. 346, 352 (1981)(“The purpose of [Fed. R. Civ. P.] 68 is to encourage the settlement of litigation.”); *Bergh v. Dept. of Transp.*, 794 F.2d 1575, 1577 (Fed. Cir. 1986)(“The law favors settlement of cases.”), *cert. denied*, 479 U.S. 950 (1986). The Federal Circuit places a particularly strong emphasis on settlement. *See Cheyenne*

River Sioux Tribe v. U.S., 806 F.2d 1046, 1050 (Fed. Cir. 1986)(noting that the law favors settlement to reduce antagonism and hostility between parties). Granting termination would save costs borne by the Parties and by the Board.

The costs associated with continuing this IPR far outweigh the benefits. The ‘866 Patent is not involved in any other active matters. There are no other IPRs involving the ‘866 Patent and there are no pending *ex parte* reexaminations of the ‘866 Patent. There is no pending district court litigation involving the ‘866 Patent. The Parties contemplate no new administrative or district court proceeding involving the ‘866 Patent in the foreseeable future.

The Parties respectfully submit that analyzing the patentability of the revised, proposed, substitute claims would not be an efficient use of the Board’s resources. *See Kokusai* at 5. It would be a significant burden for the Board to conduct an oral hearing and analyze the patentability of 10 claims based on the 17 references at issue in this proceeding.

Additionally, if the Board were to find any claim unpatentable, Patent Owner would be entitled to an appeal to the Federal Circuit and the USPTO would have to expend even more resources to defend the Board’s findings.

E. Denying termination causes prejudice to Patent Owner.

As discussed on the May 20 conference call, the Parties respectfully request termination of this IPR without rendering a decision on the Revised MTA. Denying

termination would increase costs borne by Patent Owner in having to continue to defend the patentability of the revised, proposed, substitute claims.

Patent Owner has not filed any substantive paper on the merits thus far in this proceeding.² Given the non-contingent nature of Patent Owner's motions to amend, Patent Owner did not file a Patent Owner Response. *See, e.g.*, Paper 20 at 1 ("Patent Owner is mindful of the finite resources of the Board and wishes to efficiently reach conclusion of this trial."). The prejudice to Patent Owner outweighs the probative value of IPR, particularly given that there are no active matters involving the '866 Patent.

In general, denying termination would discourage patent owners from entering settlement, if the proceeding is to continue regardless.

V. PETITIONER'S REQUEST TO WITHDRAW OPPOSITION

As noted in the Parties' joint email on May 13, as part of termination, Petitioner requests withdrawal of its Opposition (Paper 22) to the Revised MTA.

² The Board noted that Patent Owner has not had the opportunity to address Petitioner's arguments in its preliminary guidance. Paper 19 at 10.

VI. CONCLUSION

Based on the foregoing, the Parties respectfully request that the Board grant termination of this proceeding in its entirety. Petitioner additionally requests that the Board withdraw Paper 22 from the IPR2021-00465 docket.

Respectfully submitted on May 24, 2022,

By: /s/ Thomas M. Dunham
Thomas M. Dunham
Reg. No. 39,965

RuyakCherian LLP
1901 L Street NW, Suite 700
Washington, D.C. 20036
(202) 838-1567

ATTORNEY FOR PATENT OWNER,
BRIGHT DATA LTD.

By: /s/ Ronald Abramson (with
permission)
Ronald Abramson
Reg. No. 34,762

Liston Abramson LLP
405 Lexington Avenue, 46 FL
New York, N.Y. 10174
(212) 822-0163

ATTORNEY FOR PETITIONER,
NETNUT LTD.

CERTIFICATE OF COMPLIANCE

The undersigned hereby certifies that this Paper is within the 15 page-limit,
in compliance with 37 C.F.R. § 42.24(a)(1)(v).

Respectfully submitted,

Date: May 24, 2022

By: /s/ Thomas M. Dunham

Thomas M. Dunham

Reg. No. 39,965

RuyakCherian LLP

1901 L Street NW, Suite 700

Washington, D.C. 20036

(202) 838-1567

ATTORNEY FOR PATENT OWNER,
BRIGHT DATA LTD.

CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6(e), the undersigned hereby certifies JOINT MOTION TO TERMINATE DUE TO SETTLEMENT UNDER 35 U.S.C. § 317 AND 37 C.F.R. § 42.74 was served on the undersigned date via email, as authorized by Petitioner, at the following email addresses:

ron.abramson@listonabramson.com

ari.jaffess@listonabramson.com

michael.lewis@listonabramson.com

Respectfully submitted,

Date: May 24, 2022

By: /s/ Thomas M. Dunham

Thomas M. Dunham

Reg. No. 39,965

RuyakCherian LLP

1901 L Street NW, Suite 700

Washington, D.C. 20036

(202) 838-1567

ATTORNEY FOR PATENT OWNER,
BRIGHT DATA LTD.