

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

NETNUT LTD.,
Petitioner,

v.

BRIGHT DATA LTD.,
Patent Owner.

IPR2021-00465
Patent 9,742,866 B2

Before THOMAS L. GIANNETTI, SHEILA F. McSHANE, and
RUSSELL E. CASS, *Administrative Patent Judges*.

McSHANE, *Administrative Patent Judge*.

TERMINATION
Settlement After Institution of Trial
37 C.F.R. § 42.74

I. BACKGROUND

NetNut Ltd. (“Petitioner”) filed a Petition (Paper 2) requesting *inter partes* review of claims 15–20, 23, 24, 27, and 28 (the “challenged claims”) of U.S. Patent No. 9,742,866 B2 (Ex. 1001, “the ’866 patent”), Patent Owner, Bright Data, Inc. (formerly known as Luminati Networks Ltd.), filed a Preliminary Response (Paper 8). The Board instituted *inter partes* review as to all challenged claims of the ’866 patent and all of the asserted grounds of unpatentability stated in the Petition. Paper 11.

After institution, with Board authorization, Petitioner and Patent Owner filed a “Joint Motion to Terminate Due to Settlement” (Paper 33, “Joint Motion”). The Joint Motion seeks termination of this proceeding and related proceeding IPR2021-00458. *Id.* at 1. The parties represent that “the Parties have settled their disputes and no other petitioner remains.” *Id.* The parties maintain that there is good cause for granting the Joint Motion. *Id.* at 3–7.

The Joint Motion urges us to terminate this proceeding without deciding the pending, non-contingent Revised Motion to Amend (Paper 20), and that we “withdraw” Petitioner’s opposition to that motion (Paper 22). Joint Motion, 8.

Finally, in a separate motion, the parties jointly request that the Settlement Agreement (Ex. 2031) be treated as confidential business information and kept separate from the ’866 patent files, pursuant to 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c). Paper 34, 2.

II. DISCUSSION

Under 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).

The parties certify that they have complied fully with 37 C.F.R. § 42.74(b) by filing the written Settlement Agreement, reflected in Exhibit 2031, with the Board, that the agreement reflects a final settlement and resolution of all disputes relating to the '866 patent between the parties, and that there are no other collateral agreements or understandings made in connection with, or in contemplation of, the termination sought. Joint Motion, 2.

The parties have also filed a May 17, 2022, order of the district court in *Bright Data Ltd, v. NetNut Ltd.*, Case No. 2:21-cv-00225-JRG-RSP (E.D. Tex.), dismissing with prejudice all pending claims and causes of action in that case. Ex. 2030.

We find that for the reasons given by the parties, there is good cause to grant the motion to terminate this proceeding. The Board has not held a hearing or determined the merits of this proceeding or the merits of the pending motion to amend. *See Kokusai Elect. Corp. v. ASM IP Holding B.V.*, Case IPR2018-01151, Paper 38 (PTAB Aug. 20, 2019) (informative) (motion to terminate granted without reaching decision on motion to amend). “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.” Consolidated Trial Practice Guide 86 (November 2019).¹

We also find that there is good cause for granting the joint request to

¹ Available at <https://www.uspto.gov/TrialPracticeGuideConsolidated>).

file the Settlement Agreement as confidential. Paper 34. We find that the Settlement Agreement contains sensitive business confidential information that would substantially harm their business interests if publicly disclosed. *Id.* at 2.

We deny the request to withdraw Petitioner's opposition to the revised motion to amend (Paper 22). We find that the interest of the public in having access to a complete record in this case outweighs any interest Petitioner might have in having this document expunged.

III. ORDER

In consideration of the foregoing, it is hereby

ORDERED that the parties' Joint Motion to Terminate is *granted* and this case is *terminated*;

FURTHER ORDERED that the parties' Joint Request to File Settlement Agreement as Business Confidential Information (Paper 34) is *granted*, and Exhibit 2031 shall remain sealed and kept separate from the files of the '866 patent, consistent with 37 C.F.R. § 42.74(b); and

FURTHER ORDERED that Petitioner's request to withdraw Paper 22 is *denied*.

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