

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

PFIZER, INC.,
Petitioner,

v.

GENENTECH, INC.,
Patent Owner.

Case IPR2017-01923
Patent 7,976,838 B2

Before ERICA A. FRANKLIN, SHERIDAN K. SNEDDEN, and
JACQUELINE T. HARLOW, *Administrative Patent Judges*.

SNEDDEN, *Administrative Patent Judge*.

ORDER

Termination of the Proceeding Due to Settlement after Institution
With Respect to Petitioner Only
35 U.S.C. § 317 and 37 C.F.R. §§ 42.72, 42.74

With our authorization, the parties filed a Joint Motion to Terminate (Paper 106) this proceeding pursuant to 35 U.S.C. § 317(a). In the Joint Motion to Terminate, the parties state that they have settled their disputes and have reached a written agreement that resolves the disputes in this proceeding, as well as the disputes in all other matters between the parties relating to U.S. Patent No. 7,976,838 (“the ’838 patent”). Paper 106, 2–3; *see* 35 U.S.C. § 317(b) (requiring that “[a]ny agreement or understanding between the patent owner and a petitioner . . . made in connection with, or in contemplation of, the termination of an inter partes review. . . shall be in writing”).

Along with the Joint Motion to Terminate, the parties filed a copy of a document they describe as the Settlement Agreement (Ex. 1075), as well as a separate Joint Request to Treat the Settlement Agreement as Business Confidential Information (Paper 107) under the provisions of 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c). The parties certify that there are no other written or oral agreements, including any collateral agreements, between the parties, that are made in connection with, or in contemplation of, the termination of the proceedings. Paper 106, 2–3.

Under 35 U.S.C. § 317(a), “[a]n *inter partes* review instituted under this chapter shall be terminated with respect to any petitioner upon the joint request of the petitioner and patent owner, unless the Office has decided the merits of the proceeding before the request for termination is filed.” Under 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).” Generally, the Board expects that a proceeding will terminate after the filing of a settlement agreement. *See*,

e.g., Office Patent Trial Practice Guide, 77 Fed. Reg. 48756, 48768 (Aug. 14, 2012).

In view of the parties' settlement agreement, we determine that it is appropriate to terminate the involvement of Petitioner. The Board, however, is not a party to the settlement and may independently determine any question of patentability should such a determination be in the public interest. 37 C.F.R. § 42.74(a). The stage of the proceedings is a factor to be weighed in determining whether termination favors the public interest. The Board encourages parties to discuss settlement early, and not wait until the parties and Board have invested substantial resources in resolving the dispute. *See e.g. Lam Research Corp. v. Flamm*, IPR2015-01764, Paper 27, 4–6 (Dec. 15, 2016). In this case, the panel instituted trial on April 4, 2018, (Paper 14), the parties completed all briefing, oral argument was held on January 17, 2019, the panel has decided the merits of the proceeding, and the statutory deadline for rendering final written decisions is within two weeks, on April 4, 2019. While termination of the proceeding at this stage may conserve some judicial resources, we cannot ignore the fact that substantial resources—both on the part of the Board, as well as the parties—have been invested in this matter. Rather than waste these expended resources, it would be reasonable at this point to proceed to final written decision, thereby providing interested parties and the public with certainty on the grounds of unpatentability pending in this trials. Additionally, proceeding to final written decision is reasonable given the substantial interest in the '838 patent, which to date has been challenged in numerous petitions sent before the Board. *See e.g.* IPR2015-00417, IPR2015-01733, IPR2016-01667, IPR2017-02036, and IPR2017-02042. In view of the aforementioned

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reasons, rather than terminate this proceeding, we will proceed to a final written decision. 35 U.S.C. §§ 317(a) and 318(a).

Accordingly, it is

ORDERED that the Joint Motion to Terminate (Paper 106) is *granted-in-part* as to Petitioner Pfizer, Inc.; and

FURTHER ORDERED that the Joint Motion to File Settlement Agreement as Business Confidential Information (Paper 107) is *granted*, and the settlement agreement (Ex. 1075) will be kept separate from the pertinent file consistent with 37 C.F.R. § 42.74(c).

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