

## Precedential Opinion: Collateral agreements must be produced when requesting termination of IPR

SEPTEMBER 10, 2020

**DTN, LLC v. Farms Technology, LLC**, Case IPR2018-01412, Paper 21 (June 14, 2019) (designated precedential June 11, 2020); Before: Scott C. Weidenfeller, George R. Hoskins, and Frances L. Ippolito.

The parties sought termination of *inter partes* review proceedings and filed a copy of the settlement agreement pursuant to 35 U.S.C. § 317(b) which states:

“Any agreement or understanding between the patent owner and a petitioner, including any collateral agreements referred to in such agreement or understanding, made in connection with, or in contemplation of, the termination of an *inter partes* review under this section shall be in writing and a true copy of such agreement or understanding shall be filed in the Office before the termination of the *inter partes* review as between the parties.”

The parties maintained that two collateral agreements referenced in the settlement agreement were not subject to the filing requirements of § 317(b). The Board disagreed.

First, the Board rejected the argument that the collateral agreements were not subject to the filing requirements because they were not agreements made between the patent owner and the petitioner. Instead, § 317(b) requires filing of any agreements “between the patent owner and a petitioner” and “any collateral agreements referred to in such agreement.” The Board held that the “statutory language of § 317(b) does not limit the ‘collateral agreements’ to agreements that are between the patent owner and a petitioner.”

Next, the Board rejected the argument that the collateral agreements were not subject to the filing requirements “because they were not ‘made in connection with, or in contemplation of, the termination of’ the IPR proceedings.” The Board found, however, that § 317(b) “does not require the Collateral Agreements to have been ‘made in connection with, or in contemplation of, the termination’ of the IPR proceedings.” Collateral agreements only need to be “referred to” in the Settlement Agreement to qualify under § 317(b). Here, the settlement agreement’s “WHEREAS” clauses referred to the collateral agreements and the termination of the IPRs would “have no effect on the two Collateral Agreements.” These facts were sufficient to meet the requirements of § 317(b).

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