Trials@uspto.gov
571-272-7822

Paper 14
Entered: October 7, 2013

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

HARLAND CLARKE CORP.
Petitioner,

v.

EZSHIELD, INC.
Patent Owner.

Case CBM2013-00016
Patent 8,346,637

Before JAMESON LEE, JONI Y. CHANG, and MICHAEL R. ZECHER, *Administrative Patent Judges.*

CHANG, *Administrative Patent Judge.*

JUDGMENT
Termination of Proceeding
37 C.F.R. § 42.73

The parties filed a joint motion to terminate the instant proceeding. Paper 13. The parties also filed a true copy of their written settlement agreement, made in connection with the termination of the instant proceeding, in accordance with 35 U.S.C. § 327(b) and 37 C.F.R. § 42.74(b). Ex. 2016. For the reasons set forth below, the motion is *granted*.

The parties urge the Board to terminate this instant proceeding, because concluding the proceeding before a trial is instituted would promote efficiency and reduce cost. Paper 13 at 4. In the joint motion, the parties represent that they entered into a settlement agreement (Ex. 2016) to terminate the instant proceeding, in connection with their negotiation of a definitive resolution of all disputes between the parties and a definitive agreement for a renewed business relationship. Paper 13 at 3.

As to other district court litigations involving the subject patent, the parties entered into a "standstill" agreement setting certain key terms of a renewed business relationship and a "standstill" period during which the parties are to negotiate in good faith to enter into a contract incorporating the key terms. Paper 13 at 2. The parties also indicate that, pursuant to the "standstill" agreement, the parties have sought to delay the trial of the State Court action, and they intend to file a joint motion seeking a temporary stay of the Federal Court action. Paper 13 at 3.

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). Harland's petition (Paper 3) was filed on April 23, 2013, and EZShield filed its patent owner

preliminary response (Paper 11) on July 30, 2013. The Board has not issued yet a decision to institute a covered business method patent review.

Even if the Board institutes a covered business method patent review and commences a trial, Harland will no longer participate. That means even if a review is instituted, Harland will not file a reply to any patent owner response or an opposition to any motion to amend claims. Harland also will not be conducting any cross-examination of EZShield's witnesses. In addition, because of non-participation of Harland, EZShield may not have an opportunity to cross-examine Harland's witness, whose testimony is relied upon by Harland in the petition.

As no trial has been instituted based on Harland's petition, the instant proceeding is in the preliminary proceeding stage.[1] Based on the facts of this case, it is appropriate to enter judgment.[2]

Accordingly, it is:

ORDERED that the joint motion to terminate CBM2103-00016 is *granted*, and this proceeding hereby is terminated as to all parties including Harland and EZShield.

[1] A preliminary proceeding begins with the filing of a petition for instituting a trial and ends with a written decision as to whether a trial will be instituted. 37 C.F.R. § 42.2.

[2] A *judgment* means a final written decision by the Board, or a *termination of a proceeding*. 37 C.F.R. § 42.2.

PETITIONER:

John C. Phillips
W. Karl Renner
Phillips@fr.com
axf@fr.com

PATENT OWNER:

Christopher C. Campbell
C. Scott Talbot
ccampbell@cooley.com
stalbot@cooley.com