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Paper 14
Date: April 5, 2024

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

LIGHTRICKS LTD.,
Petitioner,

v.

PLOTAGRAPH, INC. and SASCHA CONNELLY,
Patent Owner.

IPR2023-00153 (Patent 10,346,017 B2)
IPR2023-00154 (Patent 10,621,469 B2)
IPR2023-00568 (Patent 11,182,641 B2)[1]

Before PATRICK R. SCANLON, CHARLES J. BOUDREAU, and IFTIKHAR AHMED, *Administrative Patent Judges*.

AHMED, *Administrative Patent Judge*.

ORDER
Conduct of the Proceeding
37 C.F.R. § 42.5

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[1] This Order addresses issues that are the same in all three cases. We therefore exercise our discretion to issue one Order to be filed in each case. The parties may not use this style heading for any subsequent papers without authorization.

DISCUSSION

As part of their respective Mandatory Notices in the above-identified proceedings, Lightricks Ltd. ("Petitioner") and Plotagraph, Inc. and Sascha Connelly (collectively, "Patent Owner") have identified as a related proceeding *Plotagraph, Inc. v. Lightricks, Ltd.*, No. 23-1048 (Fed. Cir. 2022). *See, e.g.*, IPR2023-00153, Paper 1 at 1; Paper 5 at 2; *see also* IPR2023-00153, Paper 1 at 93 (stating that this appeal is from a district court decision finding the claims challenged in the proceeding before us to be invalid). On January 22, 2024, the U.S. Court of Appeals for the Federal Circuit entered a decision in this appeal affirming the determination by the U.S. District Court for the Southern District of Texas that claims in certain patents, including the claims of all three of the patents challenged in the instant proceedings, are directed to non-statutory subject matter under 35 U.S.C. § 101. *See Plotagraph, Inc. v. Lightricks, Ltd.*, No. 2023-1048, 2024 WL 223185 (Fed. Cir. Jan. 22, 2024). On March 29, 2024, we emailed the parties asking them to explain why they had failed to update us regarding the Federal Circuit's decision and also to provide us with their position(s) on how we should proceed in these proceedings in light of the Federal Circuit's decision. *See* Ex. 3001.

In a joint email, from the parties dated April 2, 2024, Petitioner informed us that "although the Federal Circuit indeed affirmed the district court's invalidity finding under 35 U.S.C. § 101 in January, Patent Owner filed a petition for en banc rehearing," which was denied recently, on March 26, 2024. *See* Ex. 3002 (Federal Circuit's denial of Patent Owner's request for en banc rehearing, attached to the email). Petitioner notes that

"Patent Owner currently has until June 24, 2024, to file a petition for writ of certiorari with the Supreme Court." *See* Ex. 3001. Petitioner states that should Patent Owner choose to file such a petition, the invalidation of all patents at issue will become final once the Court denies Patent Owner's petition, and that would "moot the current [*inter partes* review ("IPRs")] by invalidating all instituted claims." *Id.* Petitioner states that a decision from the Court could be expected around August 5, 2024. *Id.* (citing Reporter's Guide to Applications Pending Before the Supreme Court of the United States 15, *available at* https://www.supremecourt.gov/publicinfo/reportersguide.pdf). Petitioner states that "the Board and parties will know whether the IPRs may be terminated for mootness" at that time. *Id.*

According to Petitioner:

> [B]ecause of the possibility of mootness, which Petitioner believes is high, the IPRs should be stayed pending either (1) Patent Owner's decision to not file a certiorari petition by June 24, 2024, or otherwise (2) the Court's decision on such a petition. The stay need not extend beyond this period, however, because if certiorari is granted, such a case would involve only a § 101 issue, which does not directly affect any issues in the IPRs.

Id. Patent Owner states that it "would not oppose a stay." *Id.*

We determine that a stay of proceedings is not necessary at this time. Briefing as to Petitioner's asserted grounds has been completed in two of the three proceedings and all that remains as to the merits in IPR2023-00568 is Patent Owner's sur-reply. *See* IPR2023-00568, Paper 8 at 11. Oral arguments (if requested) in IPR2023-00153 and IPR2023-00154 are, however, currently scheduled for May 31, 2024. *See* IPR2023-00153, Paper 10 at 11. We believe that rescheduling those oral arguments until

after Patent Owner's deadline to file a petition for writ of certiorari would conserve Board and party resources. We therefore modify DUE DATE 4 and DUE DATE 8 in IPR2023-00153 and IPR2023-00154 as follows:

	Current Due Date	**New Due Date**
DUE DATE 4 (Request for oral argument)	April 19, 2024	May 21, 2024
DUE DATE 8 (Oral argument, if requested)	May 31, 2024	July 2, 2024

All other DUE DATES reflected in the Scheduling Order remain the same. *See* IPR2023-00153, Paper 10 at 11. And the trial schedule in IPR2023-00568 remains unchanged. *See* IPR2023-00568, Paper 8 at 11.

Further, we question whether the Board and the parties should continue to expend additional resources on these proceedings or whether the circumstances presented here warrant dismissing the petitions filed in each of the above identified proceeding. *See* 37 C.F.R. § 42.71(a) ("The Board may . . . dismiss any petition or motion, and may enter any appropriate order."); 37 C.F.R. § 42.72 ("The Board may terminate a trial without rendering a final written decision, where appropriate").

The Federal Circuit has held that an affirmance by that court "renders *final* a judgment on the invalidity of the [patent], and has an *immediate* issue-preclusive effect on any pending or co-pending actions involving the patent." *See XY, LLC v. Trans Ova Genetics*, 890 F.3d 1282, 1294 (Fed. Cir. 2018) ("[W]e find that an affirmance of an invalidity finding, whether from a district court or the Board, has a collateral estoppel effect on *all pending or*

co-pending actions.") (emphasis added); *see also Personal Audio, LLC v. CBS Corp.*, 946 F.3d 1348, 1354 (Fed. Cir. 2020), *cert. denied*, 141 S. Ct. 815 (2020); *Chrimar Sys., Inc. v. ALE USA Inc.*, 785 Fed. Appx. 854, 855–856 (Fed. Cir. 2019), *cert. denied*, 141 S. Ct. 160 (2020). In similar circumstances, i.e., where the court has affirmed an invalidity finding by a district court on the same patent, the Federal Circuit has vacated the Board's decisions and remanded to the Board with directions to dismiss the proceeding. For instance, in *Apple Inc. v. Voip-Pal.com, Inc.*, 976 F.3d 1316, 1320–21 (Fed. Cir. 2020), the Federal Circuit vacated the Board's final written decision and directed the Board to dismiss the petitions with regard to patent claims that the court had found to be patent ineligible in a parallel appeal. *Id.* The court held that its ineligibility decision rendered the appeal of the Board's final written decisions moot. *Id.*; *see also Apple Inc. v. Universal Secure Registry LLC,* 857 F. App'x 659 (Fed. Cir. 2021) (vacating the Board's final written decision in view of an affirmance, issued concomitantly, of a district court's judgment that the challenged claims were patent ineligible, and remanding to the Board to dismiss the petition); *Visa Inc. v. Universal Secure Registry, LLC*, 857 Fed. Appx. 1029 (Fed. Cir. 2021).

We therefore believe that we would benefit from additional briefing from the parties on this issue. In particular, briefing is warranted to determine, when, as here, the Federal Circuit has affirmed a judgment of invalidity with respect to all the claims at issue, (1) whether we possess the authority to maintain an *inter partes* review proceeding or whether we must dismiss the petition (under 37 C.F.R. § 42.71(a) or otherwise), thereby

terminating the trial without rendering any further decisions in accordance with 37 C.F.R. § 42.72; and (2) whether we are required to proceed to a final written decision absent a decision from the Supreme Court on a petition for writ of certiorari that Patent Owner may file from the Federal Circuit's decision in the parallel proceeding.

ORDER

Accordingly, it is:

ORDERED that DUE DATE 4 (Request for oral argument) in IPR2023-00153 and IPR2023-00154 is changed to May 21, 2024;

FURTHER ORDERED that DUE DATE 8 (Oral argument, if requested) in IPR2023-00153 and IPR2023-00154 is changed to July 2, 2024;

FURTHER ORDERED that, pursuant to 37 C.F.R. § 42.20(d), each party is invited to file a brief in each of the above-identified proceedings that is tailored narrowly to address the issues listed above; and

FURTHER ORDERED that each brief is limited to seven pages and is due no later than April 22, 2024.

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