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Paper 18
Date: May 17, 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

In their respective Mandatory Notices in the above-captioned proceedings, Lightricks Ltd. ("Petitioner") and Plotagraph, Inc. and Sascha Connelly (collectively, "Patent Owner") identified *Plotagraph, Inc. v. Lightricks, Ltd.*, No. 23-1048 (Fed. Cir. 2022) as a related matter. *See, e.g.*, IPR2023-00153, Paper 5 at 2; Paper 15 at 1; *see also* IPR2023-00153, Paper 1 at 93 (citing Ex. 1021, 17–35) (identifying the related matter as an appeal from a district court decision finding the claims challenged in the proceedings before us to be invalid).[2] On January 22, 2024, the U.S. Court of Appeals for the Federal Circuit entered a decision in the identified appeal, affirming the determination by the U.S. District Court for the Southern District of Texas that claims in certain patents, including the challenged claims in each of the present 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). Patent Owner filed a Petition for *en banc* rehearing, which was denied on March 26, 2024. IPR2023-00153, Ex. 3002.

After soliciting the parties' position on how we should proceed in these proceedings, given that the Federal Circuit had already affirmed the invalidation of all of the claims challenged before us, we issued an order rescheduling oral arguments until after Patent Owner's deadline to file a petition for writ of certiorari with the Supreme Court from the Federal Circuit's decision. *See* IPR2023-00153, Paper 14.

[2] Although we cite to the papers and exhibits in IPR2023-00153, similar papers and exhibits are filed in the other two cases as well.

We also invited the parties to brief (1) whether we possess the authority to dismiss a petition (under 37 C.F.R. § 42.71(a) or otherwise), thereby permitting termination of a 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 a parallel proceeding. *Id.* at 4–6. Both parties have filed briefs in response to our order. *See, e.g.*, IPR2023-00153, Paper 16 ("Pet. Br."); IPR2023-00153, Paper 17 ("PO Br.").

Patent Owner asks that we dismiss the Petition in each proceeding under 37 C.F.R. §42.71(a). PO Br. 1. Petitioner, on the other hand, does not agree to early termination of these proceedings due to its concern that the Supreme Court may grant Patent Owner's petition for certiorari. Pet. Br. 1. Petitioner contends that we have authority to reach a final written decision on the challenged claims even if the Federal Circuit's decision mooted the case or controversy between the parties because the requirements of Article III justiciability do not apply to the Board. *Id.* at 2. Specifically, Petitioner points out the Federal Circuit regularly vacates appeals from Board proceedings while affirming invalidity decisions from parallel district court proceedings because mootness of the Board decisions defeats Article III justiciability. *Id.* at 3 (citing *Apple Inc. v. Voip-Pal.com, Inc.*, 976 F.3d 1316, 1320–21 (Fed. Cir. 2020)). According to Petitioner, "even if a patent is elsewhere finally invalidated, the Board has authority to resolve issues before it in an [*inter partes* review] of that patent—i.e., termination is

not mandated." *Id.* at 3–4 (citing *Tile, Inc. v. Linquet Techs., Inc.*, IPR2021-00927, Paper 52 at 4–5 (PTAB Nov. 16, 2022)).

We agree with Petitioner that we continue to have the authority to reach a final written decision in these proceedings. "The Board may take up petitions or motions for decisions in any order, *may* grant, deny, or dismiss any petition or motion, and may enter any appropriate order," 37 C.F.R. § 42.71 (emphasis added), and "*may* terminate a trial without rendering a final written decision, where appropriate," 37 C.F.R. § 42.72 (emphasis added). As Petitioner points out, the Board's jurisdiction is not limited by Article III justiciability requirements, and a party to an IPR need not have a concrete stake in the outcome. *See Cuozzo Speed Techs., LLC v. Lee*, 579 U.S. 261, 279 (2016) ("Parties that initiate the proceeding . . . may lack constitutional standing."). And Petitioner is correct to note that the Federal Circuit's affirmance of the district court's decision invaliding the challenged patents remains reviewable at least until the deadline to file a certiorari petition has passed.

Turning now to whether we should in fact proceed to a final written decision, Petitioner contends that if we terminate these proceedings and the challenged patents are later revived through Patent Owner's efforts, Petitioner and the public would be prejudiced. Pet. Br. 6. Specifically, Petitioner contends that it would be prejudiced because, even though the record is fully developed in these proceedings, Petitioner would be precluded from seeking Board review due to the one-year bar under 35 U.S.C. § 315(b). *Id.* Petitioner points us to other Board decisions that have terminated proceedings based on parallel findings of invalidity, but

have done so only after ensuring that there was no potential for further appeals of those invalidity findings, including to the Supreme Court. *Id.* at 7 (citing *Stripe, Inc. et al. v. Boom! Payments, Inc.*, CBM2020-00002, Paper 49 at 5–6 (PTAB Mar. 4, 2021); *Facebook, Inc. v. EveryMD.com LLC*, IPR2017-02027, Paper 24 at 3–4 (PTAB Oct. 9, 2018); *Mylan Pharms. Inc. v. Saint Regis Mohawk Tribe*, IPR2016-01127, Paper 159 at 2–4 (PTAB Sept. 27, 2019)).

We agree that there is a possibility of prejudice to Petitioner from a termination of these proceedings. Patent Owner has already indicated that it intends to file a petition for certiorari. *Id.* at 6. Although the Supreme Court grants very few certiorari petitions, there is a possibility that the Federal Circuit's decision affirming the invalidity of the challenged patents may be reviewed. Moreover, Patent Owner takes the position that "the Federal Circuit decision dealt only with whether the claims encompassed an abstract idea under 35 U.S.C. §101 and not at all with anticipation/obviousness under 35 U.S.C. §§102/103." *See, e.g.*, IPR2023-00153, Ex. 3001, 2. If these proceedings were terminated, Petitioner would be barred under 35 U.S.C. § 315(b) from filing another *inter partes* review petition and raising its §§ 102/103 grounds as to the challenged patents. *See, e.g.*, IPR2023-00153, Paper 9 at 12 (determining that Petitioner was "served with a complaint alleging infringement of the patent" for purposes of 35 U.S.C. § 315(b) by

January 21, 2022). We therefore deny Patent Owner's request to dismiss the Petitions in these proceedings under 37 C.F.R. §42.71(a).[3] PO Br. 1.

Lastly, Petitioner contends that "there is good cause for the Board to extend the final written decision . . . deadline by up to six months, . . . i.e., to March 5, 2025, and further adjust the schedule." Pet. Br. 2 (citing 35 U.S.C. 316(a)(11)). That extension, however, can only be granted "for good cause by the Chief Administrative Patent Judge." *See* 37 C.F.R. § 42.100(c); *see, e.g.*, *Minerva Surgical, Inc. v. Hologic, Inc.*, IPR2016-00868, Paper 56 (PTAB Oct. 5, 2017) (granting a good cause extension). Given that Patent Owner has yet to file a petition for writ of certiorari with the Supreme Court from the Federal Circuit's decision, we determine that we do not need to decide on Petitioner's request for an extension at this time.

ORDER

Accordingly, it is:

ORDERED that Patent Owner's request to dismiss the Petition in these proceedings is *denied*; and

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[3] Petitioner also contends that a final written decision based on collateral estoppel is more appropriate than terminating these proceedings. Pet. Br. 5–6. Petitioner contends that should collateral estoppel apply here, the impact would be that the judgement of invalidity affirmed in the Federal Circuit's decision renders the same challenged claims invalid in these proceedings. *Id.* (citing *MaxLinear, Inc. v. CF CRESPE LLC*, 880 F.3d 1373 at 1375–78 (Fed. Cir. 2018)). Petitioner, however, has not shown that the requirements for applying collateral estoppel have been met here. *See Google LLC v. Hammond Dev. Int'l, Inc.*, 54 F.4th 1377, 1381 (Fed. Cir. 2022).

FURTHER ORDERED that DUE DATE 8 (Oral argument, if requested) in these proceedings remains July 2, 2024.

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