UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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LIGHTRICKS LTD.,

Petitioner,

v.

PLOTAGRAPH, INC. and SASCHA CONNELLY,

Patent Owner.

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Case IPR2023-00568
Patent 11,182,641 B2

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**PETITIONER'S BRIEF REGARDING THE IMPACT OF THE FEDERAL CIRCUIT'S PARALLEL AFFIRMANCE OF INVALIDITY**

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## I. Introduction

The Federal Circuit affirmed that the Challenged Claims of the '641 Patent are invalid under Section 101[1] and denied Patent Owner's ("PO's") request for rehearing. As such, the Board "question[ed] 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." Paper 11 ("Order") at 3.

While Petitioner prefers to conserve resources, PO indicated that it will petition the Supreme Court for certiorari. Petitioner cannot agree to early termination of this IPR at the expense of losing its ability to have the Challenged Claims' validity resolved by the Board should the Supreme Court grant PO's petition. Dismissing this IPR before the Supreme Court acts on PO's forthcoming petition would risk prejudice to Petitioner and the public: if PO revives the '641 Patent, Petitioner would have no recourse before the Board, despite Petitioner's briefing being complete and the public's and Petitioner's interest in the '641 Patent's validity. Terminating this IPR based on the still-appealable CAFC Decision would also be inconsistent with the Office's policy of withholding the finality of Office

[1] *Plotagraph, Inc. v. Lightricks, Ltd.*, No. 2023-1048, 2024 WL 223185 (Fed. Cir. Jan. 22, 2024) (hereinafter the "CAFC Decision").

decisions until all appeals thereof are exhausted. Indeed, the Board consistently includes the status of any Supreme Court appeal in its assessment of the impact of a parallel finding of invalidity.

Therefore, Petitioner opposes termination of this IPR unless (1) PO represents that it will not file a petition for certiorari, (2) the time permitted for it do so lapses, or (3) if filed, the Supreme Court denies PO's petition. To that end, Petitioner notes there is good cause for the Board to extend the final written decision ("FWD") deadline by up to six months (*see* 35 U.S.C. 316(a)(11)), i.e., to April 2, 2025, and adjust the schedule should PO file its petition. Doing so would provide sufficient time for the Supreme Court's decision and conserve the parties' and the Board's resources—without risking prejudice to Petitioner or the public.

The Board nevertheless has authority to reach a FWD on the Challenged Claims even if the CAFC Decision mooted the case or controversy between the parties, as the requirements of Article III justiciability do not apply to the Board. Further, the Board-cited Federal Circuit decisions that vacate FWDs and instruct Board proceeding dismissals did so under the *Munsingwear* doctrine, which applies when the Federal Circuit loses jurisdiction over a case due to mootness while it is on appeal. That doctrine does not apply here. There is no FWD or any appeal thereof, and the potential mooting event—the CAFC Decision—would have occurred before any such FWD or appeal thereof.

The Board further noted the CAFC Decision's collateral estoppel effect. But collateral estoppel, if applicable, binds PO as the losing party of the CAFC Decision. It does not deprive the Board of authority to issue a FWD. Should the Board find that collateral estoppel applies, it would serve as a basis to issue a FWD like the Board has previously done.

## II. The Board Has Authority to Proceed to a FWD Despite the CAFC Decision and *Munsingwear* Vacatur is Inapplicable

The Board requested briefing on its "authority to maintain" this IPR in view of the CAFC Decision and cited Federal Circuit decisions vacating FWDs once appeals therefrom became moot. Order at 5-6. At the outset, the mootness addressed by these Federal Circuit decisions defeated Article III justiciability—meaning the Federal Circuit was "deprived of jurisdiction." *Apple Inc. v. Voip-Pal.com, Inc.*, 976 F.3d 1316, 1320-21 (Fed. Cir. 2020). The Board's jurisdiction, however, is not limited by Article III justiciability requirements. A party to an IPR "need not have a concrete stake in the outcome" and "may lack constitutional standing." *Cuozzo Speed Techs., LLC v. Lee*, 579 U.S. 261, 279 (2016); *see also Tile, Inc. v. Linquet Techs., Inc.*, IPR2021-00927, Paper 52 at 4-5 (PTAB Nov. 16, 2022) ("[E]ven if the parties in an *inter partes* review before the Board render the patentability dispute between them moot, the Board may still decide issues of patentability raised in the Petition.").

Accordingly, even if a patent is elsewhere finally invalidated, the Board has authority to resolve issues before it in an IPR of that patent—i.e., termination is not mandated. For instance, in *Tile*, all claims of the subject patent were determined to be invalid under § 101 at the district court, and patent owner dismissed its Federal Circuit appeal of the district court's decision, rendering that invalidity determination final. *Tile* at 3. Patent owner then moved to terminate the IPR as moot. *Id.* at 4. The Board denied patent owner's motion and proceeded to issue a FWD, noting that mootness does not deprive the Board of jurisdiction. *Id.* at 4-6.

Moreover, the vacatur and dismissal ordered by the Federal Circuit in the Board-cited decisions reflects application of the *Munsingwear* doctrine: "the established practice in dealing with [a proceeding before an administrative agency] which has become moot while on appeal is to reverse or vacate the judgement below and remand with a direction to dismiss." *Apple*, 976 F.3d at 1321, incl. n. 3 (cleaned-up). That doctrine is inapposite here because there is no FWD or an appeal thereof. Beyond that, to the extent the CAFC Decision mooted the dispute between the parties, such mootness would have occurred before any appeal of a later-issued FWD, rendering *Munsingwear* vacatur inapplicable in such an appeal. *See Apple Inc. v. Qualcomm Inc.*, 17 F.4th 1131, 1137 (Fed. Cir. 2021) (declining to vacate Board FWDs under *Munsingwear* "[b]ecause Apple's injury disappeared before it invoked our jurisdiction").

## III. Collateral Estoppel Provides a Basis for a FWD Rather than Deprives the Board of Authority

The Board further cites to *XY, LLC v. Trans Ova Genetics* (Order at 4-5), in which the Federal Circuit held 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." 890 F.3d 1282, 1294 (Fed. Cir. 2018). Should the Board decide that collateral estoppel applies here based on the CAFC Decision,[2] it would operate against PO. *See Pharmacia & Upjohn Co. v. Mylan Pharms., Inc.*, 170 F.3d 1373, 1379 (Fed. Cir. 1999) (collateral estoppel prevents a party from litigating "issues that have been fully and fairly tried in a previous action and decided adversely to [the] party"). And the impact would be that the "judgement of invalidity

[2] The CAFC Decision affirmed invalidity of the identical Challenged Claims under Section 101 rather than the Section 103 challenges presented in the Petition. Nevertheless, the Federal Circuit treats invalidity for purposes of collateral estoppel broadly—i.e., whether a given claim was already finally invalidated, despite the reasons therefor. *See MaxLinear, Inc. v. CF CRESPE LLC*, 880 F.3d 1373 at 1375-78 (Fed. Cir. 2018) (applying collateral estoppel based on an affirmed FWD invalidating claims over a first set of references to estop the patent owner from defending the patentability of those claims over a second set of references).

[affirmed in the CAFC Decision] renders the [same Challenged Claims] invalid" in this IPR. *See MaxLinear*, 880 F.3d at 1376-77.

Rather than deprive the Board of authority, collateral estoppel provides a basis to issue a FWD. *See*, *e.g.*, *IronSource Ltd. v Digital Turbine Inc.*, PGR2022-00053, Paper 58 at 59 (PTAB Mar. 12, 2024) (ordering claims "unpatentable based on collateral estoppel" (emphasis added)); *Mylan Pharms. Inc. et al. vs. Saint Regis Mohawk Tribe et al.*, IPR2016-01130, Paper 154 at 26-27 (PTAB Sept. 27, 2019). As such, a FWD based on collateral estoppel is more appropriate than terminating this IPR.

## IV. Terminating this IPR Before PO's Petition is Decided Would Prejudice Petitioner and the Public and be Inconsistent with Office Policy

PO indicated to Petitioner that it intends to file a petition for certiorari. If the Board terminates this IPR and the '641 Patent is revived through PO's efforts, Petitioner and the public would be prejudiced. Petitioner would be prejudiced because, even though the record is fully developed in this IPR (Order at 3), Petitioner would be precluded from seeking Board review due to the one-year bar (*see* 35 U.S.C. § 315(b)). Both Petitioner and the public would be prejudiced because Petitioner's challenges to the '641 Patent would be left unresolved.

Also, early termination of this IPR would be inconsistent with Office policy. If the Board reached a FWD, it would not issue its final trial certificate until "the time for appeal has expired or any appeal has terminated" (37 C.F.R. § 42.80

(emphasis added)). *See also* 35 U.S.C. § 307(a) (similar provision for reexaminations). This includes time for the Supreme Court's review.

And while the Board has terminated proceedings based on parallel findings of invalidity, before doing so, it ensured there was no potential for further appeals of those invalidity findings, including to the Supreme Court. *See*, *e.g.*, *Stripe, Inc. et al. v. Boom! Payments, Inc.*, CBM2020-00002, Paper 49 at 5-6 (PTAB Mar. 4, 2021) ("Patent Owner has submitted a declaration that it will not further appeal or challenge the Federal Circuit's decision."); *Facebook, Inc. v. EveryMD.com LLC*, IPR2017-02027, Paper 24 at 3-4 (PTAB Oct. 9, 2012018) ("Patent Owner informed the panel … that is would not appeal the Federal Circuit's decision to the U.S. Supreme Court"); *Mylan Pharms. Inc. et al. v. Saint Regis Mohawk Tribe et al.*, IPR2016-01127, Paper 159 at 2-4 (PTAB Sept. 27, 2019) ("Patent Owner's petition for a writ of certiorari was denied").

Terminating this IPR based on a parallel decision that remains appealable would be inconsistent with the Office's policy and prior Board decisions.

Dated: April 22, 2024

/Robert Greeson/
Robert Greeson (Reg. No. 52,966)

## CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6(e), the undersigned certifies that on April 22, 2024, a copy of Petitioner's Brief Regarding the Impact of the Federal Circuit's Parallel Affirmance of Invalidity was served on Lead and Backup Counsel for Patent Owner via email (by consent) to:

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