

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

STRIPE, INC., SHOPIFY INC., AND SHOPIFY (USA) INC.,
Petitioner,

v.

BOOM! PAYMENTS, INC.,
Patent Owner.

CBM2020-00002 (Patent 8,429,084 B1)
CBM2020-00003 (Patent 9,235,857 B2)
CBM2020-00004 (Patent 10,346,840 B2)

Before JONI Y. CHANG, MEREDITH C. PETRAVICK, and KEVIN W.
CHERRY *Administrative Patent Judges.*

PETRAVICK, *Administrative Patent Judge.*

ORDER

Dismissal of Petition and Termination of Trial after Institution
37 C.F.R §§ 42.71(a) and 42.72

On January 13, 2021, in *Boom! Payments, Inc. v. Stripe, Inc., et al.*,
Case No. 2020-1274, the United States Court of Appeals for the Federal
Circuit affirmed a district court's determination that claim 7 of U.S. Patent
8,429,084 ("the '084 patent"), claim 7 of U.S. Patent 9,235,857 ("the '857

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patent”), and claim 1 of U.S. Patent 10,346,840 (“the ’840 patent”) were patent ineligible. Exs. 2029, 3001.¹ The Federal Circuit also clarified that the remaining claims of the ’084, ’857, and ’840 patents were likewise patent ineligible. *See* Ex. 2029, 10–11. The Federal Circuit, thus, has determined that all of the claims challenged in these covered business method (“CBM”) patent reviews are unpatentable under 35 U.S.C. § 101.

After issuance of the Federal Circuit’s decision, we postponed oral argument, which was to be held on January 19, 2021, and held a conference call with the parties on January 21, 2021 to discuss how these CBM patent review trials should proceed. After the conference call, Patent Owner requested and we authorized the filing of the motion to terminate these CBM patent reviews. Patent Owner filed the Motion to Terminate on February 12, 2021. Paper 46. In conjunction with filing the Motion to Terminate, Patent Owner filed, at the Federal Circuit, an unopposed motion requesting issuance of its mandate (Ex. 2028), and the Federal Circuit subsequently granted that motion and issued the mandate (Exs. 2031–2032). Accompanying the Motion to Terminate is a Declaration of Erik T. Bogaard, the founder and Chief Executive Officer of Boom, confirming that Patent Owner will not further appeal or challenge the Federal Circuit’s decision. Ex. 2027.

Patent Owner’s Motion to Terminate requests that we vacate our Institution Decisions, dismiss the Petitions, and terminate the proceedings without rendering final written decisions. Paper 46, 6. Patent Owner argues that these proceedings are moot “because the Federal Circuit’s decision

¹ All citations are to CBM2020-00002.

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affirming the District Court’s decision invalidating the patents-at-issue is final, and no petition for writ of certiorari will be filed” (*id.* at 1) and that these proceedings “should be terminated in order to promote efficiency and conserve costs” (*id.* at 6). Patent Owner cites to decisions of the Board and the Federal Circuit in support of its request and, in particular, the Patent Owner cites to the Federal Circuit’s decision in *Apple Inc. v. Voip-Pal.com, Inc.*, 976 F.3d 1316 (Fed. Cir. 2020). Paper 46, 4–6. Patent Owner argues

were the Board to issue a final written decision, an appeal of such decision would result in the Federal circuit vacating the final written decision and directing the Board to dismiss the petition. 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 Federal Circuit had found to be patent ineligible in a parallel appeal. *Id.* The Federal Circuit found that its ineligibility decision rendered the appeal of the Board’s final written decisions moot. *Id.*

Paper 46, 4.

Petitioner requests that we deny the Motion to Terminate and enter adverse judgment under 37 C.F.R. § 42.73(b). Paper 47, 1. Petitioner responds that mooting these proceedings would be improper because it would allow Patent Owner to avoid estoppel under 37 C.F.R. § 42.73(d). Rule 42.73(d)(3)(i) provides that “[a] patent applicant or owner is precluded from taking action inconsistent with the adverse judgment, including obtaining in any patent: (i) A claim that is not patentably distinct from a finally refused or canceled claim.” Petitioner accuses Patent Owner of attempting to “resurrect[] its concededly unpatentable claims in a pending or future patent application,” pointing to pending Patent Application No.

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16/427,695. Paper 47, 1–2. Petitioner asserts that the Board’s decision in *Sony Corp. v. Surpass Tech Innovations, LLC*, “makes clear that adverse judgement should be entered under the circumstances here” because estoppel under Rule 42.73(d) is an important consideration. Paper 47, 6–7 (citing *Sony Corp. v. Surpass Tech Innovations, LLC*, IPR2015-00863, Paper 41, 6, n.3).

We do not find Petitioner’s arguments concerning *Sony Corp. v. Surpass Tech Innovations* to be persuasive. *Sony Corp. v. Surpass Tech Innovations*, decided in 2016, is a non-precedential Board decision.

We do find, however, Patent Owner’s argument concerning *Apple v. Voip-Pal.com*, persuasive. See Paper 46, 4–6. In *Apple v. Voip-Pal.com*, decided in 2020, the Federal Circuit vacated the Board’s final written decision as to claims that were determined to be unpatentable by a district court and directed the Board to dismiss the petition as to those claims. *Apple*, 976 F.3d 1316, 1321 (citing *United States v. Munsingwear, Inc.*, 340 U.S. 36, 39–41 (1950) (“noting that ‘*the established practice . . . in dealing with a civil case from a court in the federal system which has become moot while [on appeal] is to reverse or vacate the judgment below and remand with a direction to dismiss*’”)).

Petitioner attempts to distinguish the circumstances of these proceeding from *Apple v. Voip-Pal.com*. Paper 47, 8–9. Petitioner argues:

The patent owner prevailed before the Board, with a finding of non-obviousness. . . . Thus, estoppel against the patent owner was not even possible because the IPR judgement was not adverse to the patent owner. Shortly after the final written decision, in a parallel district court action, the petitioner

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successfully invalidated the challenged claims on Section 101 grounds. *Id.* at 1321.

On those facts, the Federal Circuit held the underlying IPRs moot and ordered the Board to terminate them. *Id.* (finding that petitioner no longer had potential for injury and mooted IPR proceedings). This was consistent with *Sony*, because there could be no Rule 42.73(d) estoppel against the prevailing patent owner.

But, the Federal Circuit’s decision in *Apple v. Voip-Pal.com* did not turn on whether Rule 42.73(d) estoppel applied to Patent Owner or not. *See Apple*, 976 F.3d at 1321; *see also Asghari-Kamrani v. United Servs. Auto. Ass’n*, 737 Fed. Appx. 539 (Mem) (Fed. Cir. 2018) (non-precedential) (dismissing the appeal of a final written decision, determining claims to be unpatentable, in a covered business method patent review as moot because the parties agreed “affirmance of the district court’s in-eligibility decision has the effect of invalidating all claims” of the patent at issue). The Federal Circuit simply stated: “Because we have determined that the overlapping claims failed the Section 101 threshold in *Twitter*, Apple ‘no longer has the potential for injury, thereby mooted the [obviousness] inquiry’ at issue in the instant appeal[.]” *Apple*, 976 F.3d at 1321.

Under 37 C.F.R. § 42.71, “[t]he Board may . . . dismiss any petition . . . , and may enter any appropriate order” and 37 C.F.R. § 42.72, “[t]he Board may terminate a trial without rendering a final written decision, where appropriate.” The Federal Circuit, has finally determined that all of the claims challenged in these covered business method (“CBM”) patent reviews are unpatentable under 35 U.S.C. § 101, and Patent Owner has submitted a declaration that it will not further appeal or challenge the Federal Circuit’s decision (Ex. 2027). Every ground of unpatentability set

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forth in these Petitions are now moot. Under the particular circumstances of these proceedings, we determine that it is appropriate to terminate these CBM patent review trials, without rendering a final written decision, and dismiss the Petitions because it would be inefficient for the Board to allocate further limited resources to these particular CBM patent review trials.

We do not vacate our Institution Decisions because Patent Owner provides no sufficient reason for us to do so under the particular circumstances of these proceedings. *See Mylan Pharm. v. St. Regis Mohawk Tribe*, IPR2016-01127, Paper 159, 3 (dismissing the petition and terminating trial without rendering a final written decision and without vacating the institution decision).

ORDER

It is:

ORDERED that the Petitions in CBM2020-00002, CBM2020-00003, and CBM2020-00004 are *dismissed as moot*; and

FURTHER ORDERED that CBM2020-00002, CBM2020-00003, and CBM2020-00004 are *terminated*.

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