

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CODE200, UAB; TESO LT, UAB; METACLUSTER LT,
UAB; OXYSALES, UAB; AND CORETECH LT, UAB,
Petitioner,

v.

BRIGHT DATA LTD.,
Patent Owner.

IPR2021-01503
Patent 9,742,866 B2

Before THOMAS L. GIANNETTI, SHEILA F. McSHANE, and
RUSSELL E. CASS, *Administrative Patent Judges*

McSHANE, *Administrative Patent Judge*.

DECISION

Denying Institution of *Inter Partes* Review
35 U.S.C. § 314

Denying Motion for Joinder
35 U.S.C. § 315(c); 37 C.F.R. § 42.122

I. INTRODUCTION

Code200, UAB, Teso LT, UAB, Metacluster LT, UAB, Oxysales, UAB, and Coretech LT, UAB (“Petitioner”) filed a Petition for *inter partes* review of claims 15–20, 23, 24, 27, and 28 of U.S. Patent No. 9,742,866 B2 (Ex. 1001, “the ’866 patent”). Paper 1 (“Pet.”). Petitioner also filed a Motion for Joinder with *NetNut Ltd. v. Bright Data Ltd.*, IPR2021-00465 (“the 465 IPR” or “the NetNut 465 IPR”). Paper 7 (“Mot.”). Bright Data Ltd. (“Patent Owner”) filed an Opposition to the Motion for Joinder. Paper 11 (“Opp.”). Petitioner filed a Reply to Patent Owner’s Opposition. Paper 12 (“Reply”).

We have authority under 35 U.S.C. § 314(a), which provides that an *inter partes* review may not be instituted “unless . . . there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” Under 35 U.S.C. § 315(b), “[a]n *inter partes* review may not be instituted if the petition requesting the proceeding is filed more than 1 year after the date on which the petitioner, real party in interest, or privy of the petitioner is served with a complaint alleging infringement of the patent.” Section 315(b) further provides that “[t]he time limitation set forth in the preceding sentence shall not apply to a request for joinder under subsection (c).” Additionally, under 35 U.S.C. § 315(c), “the Director, in his or her discretion, may join as a party to that *inter partes* review any person who properly files a petition under section 311 that the Director . . . determines warrants the institution of an *inter partes* review under section 314.”

For the reasons described below, we do not institute an *inter partes* review of the challenged claims and we deny Petitioner's Motion for Joinder.

II. RELATED PROCEEDINGS

Patent Owner indicates that a related proceeding is IPR2021-01502. Paper 10, 1. The parties also indicate that related patents are the subject of multiple litigations, *inter partes* reviews, and other Patent Office proceedings. Pet. 3–10; Paper 10, 1–3.

In a related litigation, Luminati Networks, Ltd., now known as Bright Data Ltd., the Patent Owner here, sued UAB Teso LT (f/k/a UAB Tesonet) and UAB Metacluster LT, some of the petitioners here, for infringement of the '866 patent in *Luminati Networks Ltd. v. UAB Tesonet, UAB Metacluster Ltd.*, Civil Action No. 2:18-CV-00299-JRG (E.D. Tx.). Mot. 2; Opp. 2. That lawsuit was filed on July 19, 2018. Mot. 2. In that lawsuit, the claims and counterclaims, which included invalidity assertions, were dismissed with prejudice on February 4, 2020. *Id.* (citing Ex. 1 (attached to Motion)).

In the NetNut 465 IPR, we instituted an *inter partes* review of claims 15–20, 23, 24, 27, and 28 of the ’866 patent on the following grounds:

Claim(s)	35 U.S.C. §	References/Basis
15–17, 23, 24	102(a) ¹	Sharp KK ²
18	103	Sharp KK, MPEG DASH ³
19, 20, 27, 28	103	Sharp KK, Shribman ⁴
15, 17, 18	103	Luotonen ⁵ , RFC 2616 ⁶
15, 17, 18	103	Luotonen, RFC 2616, RFC 3040 ⁷

NetNut Ltd. v. Bright Data Ltd., IPR2021-00465, Paper 11 at 4–5, 35 (PTAB Aug. 12, 2021) (“465 Decision” or “465 Dec.”).

III. DISCUSSION

A. Joinder Motion

The Petition in this proceeding asserts the same grounds of unpatentability as those upon which we instituted review in the NetNut 465 IPR. *Compare* Pet. 1, 12, with 465 Dec. 4–5, 35. Consistent with this,

¹ The Leahy-Smith America Invents Act (“AIA”), Pub. L. No. 112-29, 125 Stat. 284, 287–88 (2011), which amended 35 U.S.C. §§ 102 and 103, was effective on March 16, 2013 and applies here.

² EP 2 597 869 A1, published on May 29, 2013. (Ex. 1018)

³ Information technology–Dynamic adaptive streaming over HTTP (DASH)–Part 1: Media Presentation Description and Segment Formats, ISO/IEC JTC 1/SC 29, January 5, 2012 (Ex. 1027).

⁴ U.S. Patent Application No. 2011/0087733 A1, filed July 14, 2010, published April 14, 2011 (Ex. 1017).

⁵ Ari Luotonen, WEB PROXY SERVERS, Prentice Hall Web Infrastructure Series, 1998 (Ex. 1014).

⁶ Hypertext Transfer Protocol–HTTP/1.1, Network Working Group, RFC 2616, The Internet Society, 1999 (Ex. 1007).

⁷ Internet Web Replication and Caching Taxonomy, Network Working Group, RFC 3040, The Internet Society, 2001 (Ex. 1020).

Petitioner contends that the Petition is “is substantially identical to the petition in the NetNut IPR [465 IPR] and contains the same grounds (based on the same prior art and supporting evidence) against the same claims, and differs only as necessary to reflect the fact that it is filed by a different petitioner.” Pet. 1 (citing Ex. 1034).

Petitioner requests that we institute *inter partes* review and seeks joinder with the NetNut 465 IPR. Mot. 1. Petitioner asserts that the request for joinder has been timely made. *Id.* at 3. Petitioner contends that the following factors identified in *Kyocera Corp. v. Softview LLC* favor joinder: (1) the reasons why joinder is appropriate; (2) whether the petition raises any new grounds of unpatentability; (3) any impact joinder would have on the cost and trial schedule for the existing review; and (4) whether joinder will add to the complexity of briefing or discovery. *Id.* at 3–4 (citing *Kyocera Corp. v. Softview LLC*, IPR2013-00004, Paper 15 at 4 (PTAB Apr. 24, 2013); Consolidated Trial Practice Guide 76 (Nov. 2019)⁸). More specifically, Petitioner argues that the Board routinely grants joinder where the party seeking joinder relies upon identical arguments and the same grounds raised in the existing proceeding, as is the case here. *Id.* at 4. Petitioner asserts that joinder is the most efficient and economical manner to proceed. *Id.* at 5. Petitioner states that it will not request any alterations to the trial schedule of the NetNut 465 IPR and it will adopt a secondary, understudy role in that IPR. *Id.* Petitioner argues that, because it will rely on the same prior art and the same expert to support identical arguments

⁸ Available at <https://go.usa.gov/xpvPF>.

regarding the unpatentability, granting joinder will not add to the complexity of briefing and discovery. *Id.* at 6.

Patent Owner opposes the Motion for Joinder because it contends that the burden is on Petitioner to justify joinder and that burden has not been met. *Opp.* 2. Patent Owner argues that absent joinder the Petition would be time-barred under 35 U.S.C. § 315(b) because Petitioner was sued on this patent in 2018. *Id.* Patent Owner asserts that the existence of a time bar is one of the factors that may be considered when exercising discretion to avoid undue prejudice to a party. *Id.* at 4 (citing *Proppant Express Invs. v. Oren Techs.*, IPR2018-00914, Paper 38 at 4 (PTAB Mar. 13, 2019) (precedential) (“*Proppant*”). Patent Owner argues that consideration of one-year time bar is only disregarded in limited circumstances, such as those in view of actions taken by a patent owner in a co-pending litigation, like the late addition of newly asserted claims. *Id.*

Patent Owner refers to Petitioner’s acknowledgement that the claims and counterclaims in the District Court lawsuit were dismissed with prejudice on February 4, 2020. *Opp.* 2 (citing *Mot.* 2, ¶ 2). Patent Owner contends that Petitioner’s actions seeking institution and joinder undermine the previous dismissal of Petitioner’s invalidity counterclaims with prejudice and these inconsistent actions further serve to undermine the integrity of the judicial process. *Id.* at 3, 8. Patent Owner argues that “the finite resources of the Board should not be used to give Petitioner[] a second bite at the invalidity apple, particularly in light of Petitioner[’s] prior dismissal with prejudice of their invalidity counterclaims.” *Id.* Patent Owner contends that if NetNut were to exit the NetNut 465 IPR, Petitioners should not be allowed to step into NetNut’s shoes and “Patent Owner should not have to bear the

additional time and expense to defend its patents against Petitioners, given the prior dismissal with prejudice.” *Id.* at 8.

Patent Owner contends that Petitioner was aware of the ‘866 patent and the asserted prior art since 2018, which is before the one-year bar for filing a petition. Opp. 9–10. Patent Owner argues that Petitioner fails to explain its delay in filing the Petition or why fairness now requires joinder. *Id.* at 10.

In Reply, Petitioner argues that *Proppant* is inapplicable to the case and joinder is not time-barred. Reply 1–2. Petitioner argues that § 315(b) states that the one year time bar does not apply to requests for joinder. *Id.* at 1. Petitioner contends that *Proppant* was directed to same-party joinder where a party seeks to join new issues, which does not apply in this case because here joinder is sought by a different party based on a “me-too” petition. *Id.* at 1–2 (citing *Kingston Tech. Co., Inc. v. Securewave Storage Solutions, Inc.*, IPR2020-00139, Paper 12 at 14 (PTAB Mar. 23, 2020) (“*Kingston*”)). Petitioner also alleges that in the *Kingston* case, the Board referred to the legislative history of the AIA, which indicates that joinder would be allowed as a matter of right. *Id.* at 2–3 (citing *Kingston* at 14). Petitioner further argues that the previous District Court litigation was settled before trial, with no determination of validity of the ‘866 patent, and there is no prohibition in the District Court order preventing Petitioner from challenging the patent in an *inter partes* review. *Id.* at 3. Petitioner also asserts that there is no prejudice to Patent Owner from joinder because Petitioner will be acting in an understudy role. *Id.* at 4–5. Petitioner further argues that there was no delay in filing because the one year deadline does not apply in these circumstances, that is, for “me-too” cases under § 315(b),

and also that the Board's rules permit joinder within one month of institution in the underlying proceeding under § 42.122(b). *Id.* at 4.

For the reasons that follow, we determine that Petitioner has not shown that joinder is warranted under these specific circumstances, and we exercise our discretion to deny Petitioner's motion for joinder.

Joinder may be authorized when warranted, but the decision to grant joinder is discretionary. *See* 35 U.S.C. § 315(c); 37 C.F.R. § 42.122. We agree with Petitioner that a one-year bar does not apply to joinder under § 315(b). However, in view of the specific facts of this case, we determine that the grant of the motion is not warranted because of prejudice to Patent Owner as well as Petitioner's unexplained delay in seeking *inter partes* review.

More specifically, allowing joinder would offer Petitioner a second bite at asserting invalidity after the previous dismissal with prejudice of Petitioner's invalidity counterclaims in the District Court action. As such, joinder would not be in the interest of justice and would be prejudicial to Patent Owner under these circumstances. We agree with Patent Owner that the prior dismissal with prejudice of Petitioner's invalidity counterclaims weighs heavily in favor of denying joinder in this case.

Additionally, Petitioner was sued in District Court on the '866 patent in 2018. Although it could have done so, Petitioner did not file an *inter partes* challenge in the one-year time frame following the lawsuit's commencement. Now, several years later, after a dismissal of the District Court litigation with prejudice, Petitioner seeks to challenge the patent by its joinder motion. Petitioner provides no explanation for not filing for review when it could have earlier done so in the one-year window, but now seeks to

join a challenge after dismissal of its earlier counterclaims with prejudice—except to argue that there was no delay for the joinder motion under the statute. Petitioner also does not provide an explanation why fairness now requires joinder. Thus, we agree with Patent Owner that adding Petitioner to the NetNut 465 IPR would not be in the interests of justice and has not been justified.

Accordingly, in view of these factors, we determine that Petitioner has not presented sufficient justification for the grant of the joinder motion.

Additionally, Petitioner refers to the AIA legislative history cited in the *Kingston* case, perhaps to suggest that joinder should be permitted as a matter of right. *See* Reply 2–3 (citing *Kingston* at 14). We do not agree that joinder is granted as a matter of right. Section § 315(c) explicitly states that joinder is discretionary. *See* 35 U.S.C. § 315(c) (“If the Director institutes an inter partes review, the Director, in his or her discretion, may join as a party to that inter partes review any person.”)

Thus, in view of the specific facts here, we exercise our discretion to deny joinder.

B. Inter Partes Review

Petitioner was served with a complaint alleging infringement of the ’866 patent more than one year prior to filing the Petition in this proceeding. *See* Pet. 2. Accordingly, in view of the denial of the requested relief of joinder with IPR2021-00465, institution of an *inter partes* review as requested by Petitioner is barred by statute. *See* 35 U.S.C. § 315(b); 37 C.F.R. § 42.101(b).

IV. CONCLUSION

For the foregoing reasons, we deny Petitioner's motion for joinder. Because Petitioner is barred under 35 U.S.C. § 315(b) from *inter partes* review of the '866 patent, we do not institute review as to any of the challenged claims.

V. ORDER

Accordingly, it is:

ORDERED that the Motion for Joinder is *denied*; and

FURTHER ORDERED that, the Petition is *denied* as to all challenged claims and grounds and no trial is instituted.

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