

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.

IPR2022-01110
Patent 10,484,510 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” or “Code200”) filed a Petition for *inter partes* review of claims 1–12 and 15–24 of U.S. Patent No. 10,484,510 B2 (Ex. 1001, “the ’510 patent”). Paper 1 (“Pet.”). Patent Owner filed a Preliminary Response. Paper 14 (“Prelim. Resp.”). Petitioner also filed a Reply to Patent Owner’s Preliminary Response. Paper 15 (Pet. Reply). Patent Owner then filed a Sur-reply to Petitioner’s Reply. Paper 17 (PO Sur-reply). With the Petition, Petitioner also filed a Motion for Joinder with *The Data Company Technologies Inc. v. Bright Data Ltd.*, IPR2022-00138 (“the 138 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 (“Mot. 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. BACKGROUND

A. Related Matters

The ’510 patent is currently the subject of several proceedings pending before the USPTO and in district court. We discuss these proceedings below.

B. Real Parties-in-Interest

Petitioner identifies Code200, UAB; Teso LT, UAB; Metacluster LT; UAB, Oxysales; UAB; and coretech LT, UAB as the real parties-in-interest. Pet. xii.

Patent Owner identifies Bright Data Ltd. as the real party-in-interest. Paper 10, 1.

C. The ’510 Patent

The ’510 patent is titled “System Providing Faster And More Efficient Data Communication” and issued on November 19, 2019 from an application filed on February 17, 2019. Ex. 1001, codes (22), (45), (54). The ’510 patent is directed to addressing the “need for a new method of data transfer that is fast for the consumer, cheap for the content distributor and does not require infrastructure investment for ISPs.” *Id.* at 1:57–59. The ’510 patent provides a system and method “for faster and more efficient data communication within a communication network.” *Id.* at 3:16–18, 4:5–7.

D. Asserted Grounds of Unpatentability

Petitioner challenges the patentability of claims of the '510 patent on the following grounds, which are the same as those asserted in IPR2022-00138, the case that Petitioner seeks to join as a petitioner.

Claims Challenged	35 U.S.C. §¹	Reference(s)
1, 10, 12, 15–23	102(b)	Plamondon ²
24	103(a)	Plamondon
8, 11	103(a)	Plamondon, RFC 2616 ³
8, 9	103(a)	Plamondon, RFC 1122 ⁴
2	103(a)	Plamondon, IEEE 802.11-2007 ⁵
2–5	103(a)	Plamondon, Price ⁶

¹ The Leahy-Smith America Invents Act (“AIA”), Pub. L. No. 112-29, 125 Stat. 284, 287–88 (2011), amended 35 U.S.C. §§ 102 and 103, effective March 16, 2013. Because the '510 patent claims priority to a provisional application that was filed before this date, pre-AIA versions of §§ 102 and 103 apply. *See* Ex. 1001, code (60).

² U.S. Patent Application Publication US 2008/0228938 A1, published September 18, 2008 (Ex. 1010).

³ Hypertext Transfer Protocol—HTTP/1.1, Network Working Group, RFC 2616, The Internet Society, 1999 (Ex. 1018).

⁴ Requirements for Internet Hosts—Communication Layers, Network Working Group, RFC 1122, Internet Engineering Task Force, 1989 (Ex. 1014).

⁵ 802.11-2007—IEEE Standard for Information Technology—Telecommunications and Information Exchange Between Systems - Local and Metropolitan Area Networks—Specific Requirements—Part 11: Wireless LAN Medium Access Control (MAC) and Physical Layer (PHY) Specifications, IEEE Standards, June 12, 2007 (Ex. 1022).

⁶ U. S. Patent Application Publication US 2006/0026304 A1, published February 2, 2006 (Ex. 1023).

Claims Challenged	35 U.S.C. § ¹	Reference(s)
6, 7	103(a)	Plamondon, Kozat ⁷

Pet. 3.

III. DISCUSSION ON INSTITUTION

A. Background

The Petition in this proceeding is a “me-too” petition asserting the same grounds of unpatentability as those upon which we instituted review in the 138 IPR. Consistent with this, Petitioner contends that the Petition “is substantially identical to the petition in the TDC IPR [The Data Company 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. 2 (citing Ex. 1080).

As noted above, the ’510 patent is currently the subject of several proceedings before the USPTO and in district court. More specifically, there are currently three IPRs, one *ex parte* reexamination, and one district court proceeding already pending involving challenges to the ’510 patent.

Petitioner is involved in the pending district court proceeding and one of the three IPRs. Another of these proceedings is the 138 IPR, which Petitioner seeks to join as a party.

We summarize those proceedings below.

⁷ U. S. Patent Application Publication US 2009/0055471 A1, published February 26, 2009 (Ex. 1024).

1. Teso District Court Litigation

The parties indicate that there are several related district court litigations involving the '510 patent, including *Bright Data Ltd. v. Teso LT, UAB*, 2:19-cv-00395-JRG (E.D. Tex.) (“the *Teso* Litigation”). Pet. xiii; Prelim. Resp. 3. In the *Teso* Litigation, Bright Data Ltd., Patent Owner, sued Teso LT, as well as other members of the petitioner group here (UAB, Metacluster LT, UAB, Oxysales, UAB, and Coretech LT, UAB) for infringement of the '510 patent, among other patents. Mot. 2. The issue of whether claims 1 and 22 of the '510 patent are invalid was presented to the jury. *Id.* at 3. On November 5, 2021, the jury found that that the defendants did not prove that these claims were invalid by clear and convincing evidence. *Id.*; Ex. 1081, 5. Currently, the *Teso* litigation is stayed. Mot. 3.

2. The Ex Parte Patent Reexamination

The '510 patent is the subject of an *ex parte* reexamination, Control No. 90/014,876, requested by Petitioner, which has been stayed. Mot. 4–5; Opp. 1.

3. 1493 IPR

On September 3, 2021, NetNut filed a petition seeking *inter partes* review of the '510 patent. IPR2021-01493 (“the 1493 IPR”), Paper 2.

Petitioner’s principal references were Crowds,⁸ Border,⁹ and MorphMix.¹⁰ 1493 IPR, Paper 2 at 9.

On March 21, 2022, we instituted *inter partes* review of claims 1, 2, 6–11, 13, and 15–24 of the ’510 patent. 1493 IPR, Paper 11 at 7, 42.

The 1493 IPR petition was the first that we granted for *inter partes* review of the ’510 patent.¹¹ After institution, Patent Owner reached a settlement with NetNut, and as a result, on May 27, 2022, NetNut was terminated as petitioner in the 1493 IPR. 1493 IPR, Paper 19. The 1493 IPR proceeding, however, was not terminated. Instead, as is discussed in the next section, Code200 was joined as a party to the 1493 IPR and is now the only petitioner in the case.

4. 862 IPR

On April 18, 2022, Petitioner filed a “me-too” petition in IPR2022-00862 (“the 862 IPR”), asserting the same grounds of unpatentability based on Crowds, Border, and MorphMix, the references upon which we instituted review in the 1493 IPR. *See* 862 IPR, Paper 1, 2, 10. With the petition, Petitioner filed a motion to join the 1493 IPR. *Id.*, Paper 7.

⁸ Michael Reiter & Aviel Rubin, *Crowds: Anonymity for Web Transactions*, ACM Transactions on Information and System Security, Vol. 1, No. 1 (Nov. 1998) (Ex. 1006, “Crowds”).

⁹ U.S. Patent No. 6,795,848 B1 (Sept. 21, 2004) (Ex. 1012, “Border”).

¹⁰ Marc Rennhard, *MorphMix – A Peer-to-Peer-based System for Anonymous Internet Access* (2004) (Ex. 1008, “MorphMix”).

¹¹ A previous petition filed by Petitioner challenging certain claims of the ’510 patent was denied on discretionary grounds. Mot. 4; IPR2020-01358, Paper 11.

On October 19, 2022, the panel in the 862 IPR issued a decision granting institution of *inter partes* review in the 862 IPR and granting Petitioner's motion to join the 1493 IPR. IPR862, Paper 19.¹²

Because NetNut, the sole petitioner in the 1493 IPR, had been terminated (*see supra*), the effect of this joinder was to place Petitioner in control of the 1493 IPR.

5. 138 IPR

On November 3, 2021, The Data Company Technologies Inc. filed a petition in the 138 IPR, challenging certain claims of the '510 patent based on the Plamondon reference. *See supra*. On June 1, 2022, we granted the petition and instituted a second *inter partes* review of the '510 patent. 138 IPR, Paper 12.

6. 916 IPR

Major Data UAB filed a petition challenging the '510 patent on April 21, 2022. IPR2022-00916, Paper 1. Major Data also sought joinder with the 1493 IPR. *Id.*, Paper 3. On July 29, 2022, we denied the motion for joinder. *Id.*, Paper 14. However, as Major Data was not time-barred under 35 U.S.C. § 315(b), on September 15, 2022, we granted the petition and instituted a third *inter partes* review of the '510 patent. *Id.*, Paper 18.

¹² The Director of the U.S. Patent and Trademark Office, *sua sponte*, vacated the panel's initial decision denying institution and remanded the proceeding to the panel for reconsideration. 862 IPR, Paper 18. On remand, the panel granted the motion for joinder and instituted *inter partes* review. *Id.*, Paper 19. The panel denied Patent Owner's request for rehearing of that decision. *Id.*, Paper 25.

B. Discussion

Patent Owner argues we should exercise our discretion under 35 U.S.C. § 314(a) to deny *inter partes* review. Prelim Resp. 5–17. More specifically, Patent Owner argues for discretionary denial of the Petition under *Fintiv*¹³ and *General Plastic*.¹⁴ Patent Owner asserts that “Petitioner[] did not rank their serial petitions pending against the ‘510 Patent.” *Id.* at 9. Patent Owner further contends that Petitioner also did not argue whether Plamondon is more material to the validity of the ’510 patent than Crowds, Morphmix, or Border. *Id.* Patent Owner also notes that Petitioner asserts that the issue of relative materiality is “irrelevant.” *Id.* (citing Mot. Reply 4, n.1).

Our discretionary determination of whether to institute review takes into consideration guidance in the *Consolidated Trial Practice Guide* (TPG)¹⁵ which provides guidance on handling situations involving multiple petitions by a single petitioner challenging the same patent claims:

Based on the Board’s experience, *one petition should be sufficient* to challenge the claims of a patent in most situations. . . . In addition, *multiple petitions by a petitioner are not necessary in the vast majority of cases*. To date, a substantial majority of patents have been challenged with a single petition.

TPG 59 (emphasis added). The *Consolidated Trial Practice Guide* continues: “[f]urther, based on prior experience, the Board finds it unlikely

¹³ *Apple Inc. v. Fintiv Inc.*, IPR2020-00019, Paper 11 (PTAB March 20, 2020) (precedential) (“*Fintiv*”).

¹⁴ *General Plastic Industrial Co., Ltd. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 (PTAB Sept. 6, 2017) (precedential as to § II.B.4.i) (“*General Plastic*”).

¹⁵ Available at <https://go.usa.gov/xpvPF>

that circumstances will arise where three or more petitions by a petitioner with respect to a particular patent will be appropriate.” *Id.*

While recognizing that multiple petitions by the same petitioner will be “rare,” the *Consolidated Trial Practice Guide* provides a procedure to follow when more than one petition is deemed necessary. TPG 59–60. It requires that petitioner provide “(1) a ranking of the petitions in the order in which it wishes the Board to consider the merits, if the Board uses its discretion to institute any of the petitions, and (2) a succinct explanation of the differences between the petitions, why the issues addressed by the differences are material, and why the Board should exercise its discretion to institute additional petitions if it identifies one petition that satisfies petitioner’s burden under 35 U.S.C. § 314(a).” *Id.* at 60.

Under the *Consolidated Trial Practice Guide* guidance, a party seeking to maintain multiple challenges to the same patent claims carries a burden of establishing that multiple petitions are necessary. Petitioner’s main argument for *inter partes* review institution and joinder is that, “it will represent Petitioner’s *first and only* IPR directed to the ’510 patent that will have been instituted.” Mot. Reply 2. Although we recognize that at the time of Petitioner’s statement it was true, since the filing of the Petition, we have granted the petition in the 862 IPR, and joined Petitioner to the 1493 IPR, where Code 200 is now the sole petitioner and controls the proceedings. Petitioner, Code200, has not explained why Plamondon is more material to the validity of the ’510 patent than Crowds, Morphmix, or Border presented in the 1493 IPR, nor explained why Petitioner needs more than one instituted proceeding. *See* TPG 59 (explaining why more than one petition on

different grounds could be required). In short, no explanation has been provided as to why the 1493 IPR is not a sufficient challenge.

Additionally, we note that besides the Code200 challenge of the '510 patent in the 1493 IPR, there are other several pending proceedings challenging claims¹⁶ of the same patent: The Data Company challenges in the 138 IPR, the Major Data challenges in the 916 IPR, and the *ex parte* reexamination. Additionally, Petitioner has more recently filed another petition challenging the claims of the '510 patent, IPR2023-00039, which seeks joinder with the 916 IPR.¹⁷

In considering a balanced assessment of all relevant circumstances in this proceedings, we are not persuaded that institution of this case serves to promote the efficient administration of the *inter partes* review process. See TPG 56. Accordingly, in consideration of the circumstances of this case, we exercise our discretion under § 314(a) to deny institution of review of *inter partes* review.

IV. DENIAL OF MOTION FOR JOINDER

Patent Owner asserts that Petitioner was sued for infringement of the '510 patent in December 2019, and therefore, “[w]ithout joinder, the petition is time-barred under 35 U.S.C. § 315(b).” Opp. 1. Patent Owner argues that the time bar should be a consideration for the exercise of our discretion to deny joinder. *Id.* at 7.

¹⁶ All relevant IPR petitions challenge the sole independent claim 1 and at least the following dependent claims 2–13 and 15–24. The *ex parte* reexamination involves claim 1 and dependent claims 2, 6–11, 13, and 15–24.

¹⁷ A decision on institution and joinder in IPR2023-00039 is pending and the decision in that proceedings will be evaluated based on its respective record.

Joinder may be authorized when warranted, but the decision to grant joinder is discretionary. *Kyocera Corp. v. Softview LLC*, IPR2013-00004, Paper 15 at 3 (PTAB Apr. 24, 2013); TPG 76. Our *Trial Practice Guide* states that “when an otherwise time-barred petitioner requests same party and/or issue joinder, the Board may exercise its discretion to permit joinder, but will do so only where fairness requires it and to avoid undue prejudice to a party.” TPG. at 75–76 (citing *Proppant Express Invs. v. Oren Techs.*, IPR2018-00914, Paper 38 at 3–4 (PTAB Mar. 13, 2019) (precedential)). Here, considering that Petitioner has the control and opportunity to challenge the ’510 patent in the 1493 IPR, as discussed above, we determine that there is no undue prejudice to Petitioner. Accordingly, we deny Petitioner’s Motion for Joinder.

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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PETITIONER:

George Scott
John Heuton
CHARHON CALLAHAN ROBSON & GARZA, PLLC
jscott@ccrglaw.com
theuton@ccrglaw.com

PATENT OWNER:

Thomas Dunham
Elizabeth O'Brien
CHERIAN LLP
tomd@ruyakcherian.com
elizabetho@ruyakcherian.com