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.

_____

IPR2022-00862
Patent 10,484,510 B2

_____

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

McSHANE, *Administrative Patent Judge*.

DECISION

Rehearing on Director Remand

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

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

I. INTRODUCTION

We address this case after a decision by the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office vacating our previous decision denying institution, remanding for further proceedings, and ordering us to reconsider joinder after reconsidering the decision denying institution. Paper 18 ("Remand Dec.").

II. BACKGROUND

A. Background of Proceeding

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, 2, 6–11, 13, and 15–24 of U.S. Patent No. 10,484,510 B2 (Ex. 1001, "the '510 patent"). Paper 1 ("Pet."). Bright Data Ltd. ("Patent Owner") filed a Preliminary Response. Paper 15 ("Prelim. Resp."). With the Petition, Petitioner also filed a Motion for Joinder with *NetNut Ltd. v. Bright Data Ltd.*, IPR2021-01493 ("the 1493 IPR"). Paper 7 ("Mot."). Patent Owner filed an Opposition to the Motion for Joinder. Paper 11 ("Opp."). Petitioner filed a Reply to Patent Owner's Opposition. Paper 13 ("Reply").

The Petition in this proceeding asserts the same grounds of unpatentability as those upon which we instituted review in the 1493 IPR. *Compare* Pet. 10, *with NetNut Ltd. v. Bright Data Ltd.*, IPR2021-01493, Paper 11 at 7, 42 (PTAB Mar. 21, 2022) ("1493 Decision" or "1493 Dec."). Consistent with this, Petitioner contends that the Petition is "is substantially identical to the petition in the NetNut IPR [1493 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. 1024).

On July 25, 2022, we issued a Decision in this case exercising discretion to deny institution based on an assessment of factors set forth in *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*). Paper 17 ("Dec."). Our Decision also denied joinder of this case with the 1493 IPR. *Id.* at 17. The Director reviewed our Decision *sua sponte*, vacated the Decision, and remanded the case to the panel, with orders that our Decision denying institution and joinder be reconsidered consistent with the Remand Decision. Remand Dec. 7.

B. *Director Decision and Scope of Remand*

The Director considered our discretionary denial of institution under *General Plastic*, and clarified *General Plastic* by stating that, "[w]here the first-filed petition . . . was discretionarily denied or otherwise was not evaluated on the merits," a finding favoring discretionary denial under *General Plastic's* factors 1–3 is limited to "when there are 'road-mapping' concerns under factor 3 or other concerns under factor 2." Remand Dec. 5. The Director noted that in this case, the panel had found "no evidence of road-mapping." *Id.* at 5 (citing Dec. 13). The Director added that "'road-mapping' concerns are minimized when, as in this case, a petitioner files a later petition that raises unpatentability challenges substantially overlapping with those in the previously-filed petition and the later petition is not refined based on lessons learned from later developments." *Id.* at 5. The Director agreed with the Board's finding that *General Plastic's* factors 2, 4, and 5 " have limited relevance." *Id.* at 6. The Director similarly found factor 7 to

"have limited relevance" because the one-year statutory time period may be adjusted for a joined case under 35 U.S.C. § 316(a)(11). *Id*. (citing Dec. 16). Further, the Director disagreed with the panel's determination on factor 6 in view of potential inefficiencies, with the Director determining that "the Board's mission 'to improve patent quality and restore confidence in the presumption of validity that comes with issued patents' outweighs the impact on Board resources needed to evaluate the merits of a petition." *Id*. In accordance with the evaluation of the factors, the Director found that "the Patent Owner's concerns of fairness are outweighed by the benefits to the patent system of improving patent quality by reviewing the merits of the challenges raised in the petitions, which have not been addressed to date." *Id*.

The Director remanded the case to the panel for further proceedings, with direction to reconsider the institution decision and joinder. Remand Dec. 7. The Director directed that the panel "consider the Patent Owner's remaining arguments, including those for discretionary denial under *Fintiv* and against the merits of the Petitioner's patentability challenges." *Id*.

C. Related Proceedings

The '510 patent has been the subject of numerous proceedings in district court and the Board. We summarized several related proceedings in the previous decision denying institution in this case. Dec. 3–5. The proceedings of most interest are the 1493 IPR, IPR2020-01358 ("the previously-filed 1358 IPR"), and *Bright Data Ltd. v. Teso LT, UAB*, 2:19-cv-00395-JRG (E.D. Tex.) ("the *Teso* litigation").

In the 1493 IPR, the case to which Petitioner is seeking joinder, we instituted an *inter partes* review of claims 1, 2, 6–11, 13, and 15–24 of the '510 patent on the following grounds:

Claims Challenged	35 U.S.C. §[1]	Reference(s)/Basis
1, 6, 7, 13[2], 15, 16, 18–24	102(b)	Crowds[3]
1, 2, 6–11, 13, 15, 16, 18–24	103(a)	Crowds, RFC 2616[4]
1, 6, 10, 15–20, 23, 24	102(b)	Border[5]
1, 6, 8–11, 13, 15–20, 22–24	103(a)	Border, RFC 2616
1, 6–8, 13, 15, 16, 18–24	102(b)	MorphMix[6]
1, 2, 6–11, 13, 15, 16, 18–24	103(a)	MorphMix, RFC 2616

---

[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, with Petitioner not contesting that priority, the pre-AIA versions of §§ 102 and 103 apply. *See* Ex. 1001, code (60); Pet. 17.

[2] The Petition includes assertions for claim 13 under the Crowds anticipation ground. Pet. 33. Accordingly, we include this claim in the summary table, although not included in the Petition's summary table. *Id*. at 10.

[3] Michael K. Reiter, *Crowds: Anonymity for Web Transactions*, ACM Transactions on Information and System Security, Vol. 1, No. 1, November 1998, at 66–92 (Ex. 1006).

[4] Hypertext Transfer Protocol—HTTP/1.1, Network Working Group, RFC 2616, The Internet Society, 1999 (Ex. 1013).

[5] U. S. Patent No. 6,795,848, issued September 21, 2004 (Ex. 1012).

[6] Marc Rennhard, MorphMix—A Peer-to-Peer-based System for Anonymous Internet Access (2004) (Ph.D. dissertation, Swiss Federal Institute of Technology) (Ex. 1008).

DOCKET ALARM

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts

Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research

With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips

Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS
Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS
Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS
Sync your system to PACER to automate legal marketing.

fastcase®
Smarter legal research.