

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

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

v.

LUMINATI NETWORKS LTD.,
Patent Owner.

IPR2020-01266
Patent 10,257,319 B2

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

GIANNETTI, *Administrative Patent Judge*.

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

I. INTRODUCTION

Petitioner (collectively, Code200, UAB; Teso LT, UAB; Metacluster LT, UAB; and Oxysales, UAB) filed a Petition (Paper 5, “Pet.”) requesting an *inter partes* review of claims 1, 2, 14, 15, 17–19, 21, 22, and 24–29 (“the challenged claims”) of U.S. Patent No. 10, 257,319 B2 (Ex. 1001, “the ’319 patent”). Patent Owner, Luminati Networks, LTD, filed a Corrected Preliminary Response (Paper 16, “Prelim. Resp.”).¹

The Board has authority to determine whether to institute an *inter partes* review. *See* 35 U.S.C. § 314; 37 C.F.R. § 42.4(a). Under 35 U.S.C. § 314(a), we may not authorize an *inter partes* review unless the information in the petition and the preliminary response “shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.”

The Board, however, has discretion to deny a petition even when a petitioner meets that threshold. *Id.*; *see, e.g., Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016) (“[T]he agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion.”); *NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential).

Both the Petition and Preliminary Response address the issue of discretionary denial under 35 U.S.C. § 314(a). Pet. 6–9; Prelim. Resp. 4–14.

For the reasons that follow, we exercise our discretion under 35 U.S.C. § 314(a) to deny institution of *inter partes* review.

¹ The Board authorized a Corrected Preliminary Response providing citations to a stipulation entered after the original preliminary response was filed. Paper 15.

II. BACKGROUND

A. Real Parties-in-Interest

Petitioner identifies the following as the real parties-in-interest: Code200, UAB; Teso LT, UAB; Metacluster LT, UAB; Oxysales, UAB; and coretech lt, UAB. Pet. 2.

Patent Owner identifies Luminati Networks LTD as the real party-in-interest. Paper 7, 2.

B. Related Proceedings

The parties identify the following litigation in the Eastern District of Texas involving the '319 patent: *Luminati Networks Ltd. v. Teso LT, UAB et al.*, 2:19-cv-00395-JRG (E.D. Tex.) (“the Texas Litigation”). Pet. 2; Paper 7, 2. The parties identify other proceedings involving patents related to the '319 patent, including other litigations in the Eastern District of Texas, other petitions for *inter partes* review, and numerous pending applications. Pet. 3; Paper 7, 2–3.

C. The '319 Patent

The '319 patent is directed to a system for increasing network communication speed for users, while lowering network congestion for content owners and internet service providers (ISPs). Ex. 1001, (57). The system employs network elements including an acceleration server, clients, agents, and peers, where communication requests generated by applications are intercepted by the client on the same machine. *Id.* The IP address of the server in the communication request is transmitted to the acceleration server, which provides a list of agents to use for this IP address. *Id.*

The communication request is sent to the agents. One or more of the agents respond with a list of peers that have previously seen some or all of the content which is the response to this request (after checking whether this data is still valid). *Id.* The client then downloads the data from these peers in parts and in parallel, thereby speeding up the Web transfer, releasing congestion from the Web by fetching the information from multiple sources, and relieving traffic from Web servers by offloading the data transfers from them to nearby peers. *Id.*

D. Illustrative Claim

Claim 1 is the only independent claim, and is illustrative of the challenged claims. Claim 1 recites:

1. A method for use with a first client device, for use with a first server that comprises a web server that is a Hypertext Transfer Protocol (HTTP) server that responds to HTTP requests, the first server stores a first content identified by a first content identifier, and for use with a second server, the method by the first client device comprising:

receiving, from the second server, the first content identifier;

sending, to the first server over the Internet, a Hypertext Transfer Protocol (HTTP) request that comprises the first content identifier;

receiving, the first content from the first server over the Internet in response to the sending of the first content identifier; and

sending, the first content by the first client device to the second server, in response to the receiving of the first content identifier.

Ex. 1001, 19:16–32.

E. Prior Art

Petitioner relies on the following prior art:

1. Michael Reiter & Aviel Rubin, *Crowds: Anonymity for Web Transactions*, ACM Transactions on Information and System Security, Vol. 1, No. 1, Nov. 1998, at 66-92 (Ex. 1011, “Crowds”);
2. Marc Rennhard, *MorphMix – A Peer-to-Peer-based System for Anonymous Internet Access* (2004) (Doctoral Thesis) (Ex. 1013, “MorphMix”);
3. Border et al. United States Patent No. 6,795,848 (Ex. 1017, “Border”);
4. Network Working Group, RFC 2616 (Ex. 1018).

F. The Asserted Grounds

Petitioner challenges claims 1, 2, 14, 15, 17–19, 21, 22, and 24–29 of the ’319 patent on the following grounds (Pet. 5–6):

Claims Challenged	35 U.S.C. §	References
1, 2, 21, 22, 24–27	102(b)	Crowds
1, 2, 14, 15, 17, 18, 21, 22, 24–27	103(a) ²	Crowds, RFC 2616
1, 12, 14, 21, 22, 24, 25, 27–29	102(b)	Border
1, 12, 14, 15, 17, 18, 21, 22, 24–29	103(a)	Border, RFC 2616
1, 2, 17, 19, 21, 22, 24–27	102(b)	MorphMix
1, 2, 14, 15, 17–19, 21, 22, 24–27	103(a)	MorphMix, RFC 2616

² The Leahy-Smith America Invents Act (“AIA”), Pub. L. No. 112-29, 125 Stat. 284, 287–88 (2011), amended 35 U.S.C. § 103. Because the ’319 patent was filed before March 16, 2013 (the effective date of the relevant amendments), the pre-AIA version of § 103 applies.

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