

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CODE200, UAB; TESOL T, UAB; METACLUSTER LT, UAB;
OXYSALES, UAB; AND CORETECH LT, UAB,
Petitioner,

v.

BRIGHT DATA LTD.,
Patent Owner.

IPR2021-01502
Patent 9,241,044 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

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

I. INTRODUCTION

On September 10, 2021, Code200, UAB, Teso LT, UAB, Metacluster LT, UAB, Oxysales, UAB, and Coretech LT, UAB (collectively “Petitioner”) filed a Petition for *inter partes* review of claims 81, 82, 87–100, and 108 of U.S. Patent No. 9,241,044 B2 (Ex. 1001, “the ’044 patent”). Paper 1 (“Pet.”). With the Petition, Petitioner filed a Motion for Joinder with *NetNut Ltd. v. Bright Data Ltd.*, IPR2021-00458. Paper 7 (“Motion”). 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”). Patent Owner did not file a Preliminary Response, which was due on December 20, 2021. Paper 8 (Notice of Filing Date Accorded).

We have authority to institute *inter partes* review 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.” However, 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 [35 U.S.C.] subsection (c).”

We also have authority to consider Petitioner’s joinder motion under 35 U.S.C. § 315(c), which provides that “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 (1) deny Petitioner’s Motion for Joinder, and (2) deny the Petition as time-barred under 35 U.S.C. § 315(b).

II. RELATED PROCEEDINGS

Patent Owner indicates that IPR2021-01503 is a related proceeding. Paper 9, 1. A similar joinder motion is pending in that proceeding. IPR2021-01503, Paper 7. The parties also indicate that related patents to the ’044 patent are the subject of multiple litigations, *inter partes* reviews, and other Patent and Trademark Office proceedings. Pet. 3–10; Paper 9, 2–3.

III. REAL PARTIES IN INTEREST

Petitioner identifies the real parties-in-interest as Code200, UAB; Teso LT, UAB; Metacluster LT, UAB; Oxysales, UAB; and Coretech It, UAB. Pet 1. These are the parties named in the Petition.

Patent Owner identifies Bright Data Ltd. as the only real party-in-interest. Paper 9, 1. Bright Data was formerly known as Luminati Networks, Ltd. Motion 2 n.1.

IV. BACKGROUND

On July 19, 2018, Luminati Networks, Ltd., now known as Bright Data Ltd., sued UAB Teso LT (f/k/a UAB Tesonet) and UAB Metacluster LT for infringement of the ’044 patent. *Luminati Networks Ltd. v. UAB Tesonet, UAB Metacluster Ltd.*, Civil Action No. 2:18-CV-00299-JRG (E.D. Tx.). Motion 2; Opp. 2.

On February 4, 2020, the claims and counterclaims in that lawsuit were dismissed with prejudice. Motion 2 (citing Ex. 1, dismissal order

attached to Motion). The dismissed counterclaims asserted invalidity of the '044 patent. Opp. 8.

On January 22, 2021, NetNut Limited (“NetNut”) filed a petition challenging claims 81, 82, 87–100, and 108 of the '044 patent. IPR2021–00458, Paper 1.

On August 12, 2021, the Patent Trial and Appeal Board (PTAB) determined that the petitioner in the NetNut proceeding had established “a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition,” and instituted *inter partes* review of the '044 patent. *Id.*, Paper 11.

On September 10, 2021, Petitioner filed the Petition in this proceeding, accompanied by its Motion for Joinder. Papers 1, 7. Petitioner indicates in its joinder motion that the Petition in this proceeding is what is commonly referred to as a “me-too” petition; that is, it concerns the same patent and the same claims, presents the same supporting expert declaration, and asserts the same grounds of challenge and prior art as the petition in IPR2021-00458. Motion 3. Petitioner describes the differences between the Petition here and the petition in IPR2021-00458 as “minimal, non-substantive changes related to formalities of a different party filing the petition.” *Id.* Moreover, Petitioner represents that it will assume an “understudy” role if joined. *Id.* at 5.

Petitioner represents that NetNut does not oppose joinder. *Id.* at 3. However, as discussed below, Patent Owner opposes joinder. *See generally* Opp.

V. DISCUSSION

A. Denial of Joinder Motion

Petitioner contends that the Petition “is substantially identical to the petition in [IPR2021-00458] 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.

Petitioner asserts that the request for joinder has been timely made. Motion 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)¹).

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 also states that it will not request any alterations to the trial schedule of the IPR2021-00458, and it will adopt a secondary, “understudy” role in that IPR. *Id.*

¹ Available at <https://www.uspto.gov/TrialPracticeGuideConsolidated>.

Petitioner argues that, because it will rely on the same prior art and the same expert to support identical arguments regarding unpatentability, granting joinder will not add to the complexity of briefing and discovery. *Id.* at 6.

Patent Owner opposes the Motion for Joinder. Patent Owner 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 for infringement of the '044 patent in 2018. *Id.* Patent Owner asserts that the existence of a time bar under § 315(b) is a factor that may be considered when exercising discretion to grant joinder under 35 U.S.C. § 315(c). *Id.* at 4. Patent Owner asserts the Board should exercise its discretion to join “only in limited circumstances - namely, where fairness requires it and to avoid undue prejudice to a party.” *Id.* Patent Owner contends such circumstances are not present here, and may include “actions taken by a patent owner in a co-pending litigation such as the late addition of newly asserted claims.” *Id.* at 8 (citing *Proppant Express Invs. v. Oren Techs.*, IPR2018-00914, Paper 38 at 4 (PTAB Mar. 13, 2019) (precedential)).

Patent Owner refers to Petitioner’s acknowledgement that the claims and counterclaims in the prior district court lawsuit were dismissed with prejudice on February 4, 2020. Opp. 2 (citing Motion 2, ¶ 2). As a consequence, Patent Owner contends that Petitioner’s actions seeking institution and joinder in this proceeding “undermine the [previous] dismissal of Petitioner’s invalidity counterclaims with prejudice” and “undermine the integrity of the judicial process.” *Id.* at 3.

Patent Owner contends also that Petitioner was aware of the '044 patent and the asserted prior art since 2018, when it was sued for infringement, but fails to explain its delay in filing the Petition until 2021. *Id.*

Petitioner replies that joinder is not time-barred and *Proppant* is inapplicable to the case. Reply 1–2. Petitioner further 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 with a party seeking to join new issues, and does not apply here, where joinder is sought for a different party for 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)). Petitioner alleges that in *Kingston*, the Board referred to the legislative history of the AIA, indicating that joinder would be allowed “as 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 '044 patent, and there is no prohibition in the dismissal order on challenging the patent in an *inter partes* review. *Id.* at 3. Petitioner also asserts that there is no prejudice to Patent Owner because Petitioner will be acting in an understudy role if joinder is permitted. *Id.* at 4–5.

On the “delay in filing issue,” Petitioner offers the explanation that the one-year deadline under § 315(b) does not apply to “me-too” petitions, and Board rules (specifically 37 C.F.R. § 42.122(b)) “expressly permit a motion for joinder within one month of institution in the underlying proceeding.” *Id.* at 3–4.

For the reasons that follow, we determine that Petitioner has not shown that joinder is warranted under the 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 under § 315(b), a one-year bar does not apply when joinder is granted. However, in view of the specific facts of this case, we determine that grant of the joinder 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 dismissal of Petitioner's invalidity counterclaims with prejudice in the prior district court action. We agree with Patent Owner that Petitioner's "inconsistent actions" in dismissing the invalidity counterclaims with prejudice "undermine the integrity of the judicial process." Opp. 7. Furthermore, Petitioner's joinder attempt "undermine[s]" the prior dismissal with prejudice. *Id.* Patent Owner continues that Petitioner "now seek[s] a second bite at the invalidity apple." *Id.* at 8. We agree 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 for infringement of the '044 patent in 2018. Petitioner could have filed a petition for *inter partes* review in the one-year window following commencement of the lawsuit. Instead, Petitioner agreed to a dismissal with prejudice, waiting until several years later to challenge the '044 patent. Petitioner's

unexplained tardiness in challenging the '044 patent after being sued in 2018 is another factor weighing in favor of denying joinder here.

In summary, we agree with Patent Owner that adding Petitioner to IPR2021-00458 at this stage would be unduly prejudicial and not in the interest of justice. Petitioner's delay, the dismissal of its invalidity counterclaims with prejudice, and the resulting unfairness to Patent Owner favor exercising our discretion to deny the motion. Accordingly, in view of these factors, we determine that Petitioner has not demonstrated sufficient justification for the grant of the joinder motion.

Further, although Petitioner cites *Kingston* and the AIA's legislative history to suggest that joinder should be permitted as a matter of right, we do not agree. *See* Reply 2–3 (citing *Kingston* at 14). Section § 315(c) explicitly provides 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. Denial of Inter Partes Review

It is undisputed that Petitioner was served with a complaint alleging infringement of the '044 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 IPR2021-00458, institution of *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).

VI. CONCLUSION

For the foregoing reasons, we deny Petitioner's motion for joinder. Because Petitioner is barred under 35 U.S.C. § 315(b) from seeking *inter partes* review of the '044 patent, we deny the Petition and do not institute review as to any of the challenged claims.

VII. 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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