

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

OXYLABS, UAB,
Petitioner,

v.

BRIGHT DATA LTD.,
Patent Owner.

IPR2023-01425
Patent 11,206,317 B2

Before KRISTEN L. DROESCH, 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

I. INTRODUCTION

Oxylabs, UAB (“Petitioner”) filed a Petition requesting *inter partes* review of claims 1, 8, 16, 17, 22, 29, and 30 of U.S. Patent No. 11,206,317 B2 (Ex. 1001, “the ’317 patent”), along with the supporting Declaration of Kevin C. Almeroth, Ph.D. Paper 1 (“Pet.”); Ex. 1003. Bright Data Ltd. (“Patent Owner”) filed a Preliminary Response. Paper 6 (“Prelim. Resp.”). With authorization, Petitioner filed a Reply to the Preliminary Response (Paper 8 (“Pet. Prelim. Reply”)), and Patent Owner filed a Sur-reply (Paper 9 (“PO Prelim. Sur-reply”)).

Upon consideration of the Petition, the Preliminary Response, the Petitioner Preliminary Reply, the Patent Owner Preliminary Sur-reply, and the evidence of record, we exercise our discretion to deny institution of trial on this Petition under 35 U.S.C. § 314(a). Therefore, we do not institute an *inter partes* review as to the challenged claims of the ’317 patent.

A. *Real Parties-in-Interest*

Petitioner identified itself, along with Metacluster LT, UAB; Code200, UAB; Teso LT, UAB; Oxysales, UAB; and coretech lt, UAB, as real parties-in-interest. Pet. 7. Petitioner also explains that “Metacluster, Oxysales, and Teso are no longer named operating companies. Metacluster and Oxysales were merged into Teso. Afterwards, Teso changed its name to Oxylabs (Petitioner). For completeness, Petitioner nevertheless names Metacluster, Oxysales, and Teso as RPIs.” *Id.*, n.1.

Patent Owner identifies the real party-in-interest as Bright Data Ltd. Paper 5, 1.

B. Related Matters

The parties identify several litigations involving patents that are related to the '317 patent. Pet. 7–8; Paper 5, 5–7. In *Bright Data Ltd. v. Oxylabs, UAB*, No. 2:23-CV-171 (E.D. Tex.) (“the district court litigation”), Patent Owner alleges that Petitioner infringes the '317 patent. *Id.*

The parties also identify *Metacluster LT, UAB v. Bright Data Ltd.*, No. IPR2022-00936 (“the -936 IPR”), where Petitioner challenged claims of the '317 patent, as a related proceeding. Pet. 8–9; Paper 5, 1. Institution was denied in the -936 IPR because Petitioner did not demonstrate a reasonable likelihood of prevailing in its challenges. Pet. 8–9. The parties also identify several *inter partes* reviews that challenge related patents. Pet. 9–10; Paper 5, 1–3.

C. The '317 Patent

The '317 patent is titled “System Providing Faster And More Efficient Data Communication” and issued on December 21, 2021, from an application filed on May 27, 2021. Ex. 1001, codes (22), (45), (54). The application for the '317 patent is a continuation of Application No. 16/600,505, which is continuation of Application No. 16/278,109, now U.S. Patent No. 10,484,511, which is a continuation of Application No. 15/957,950, now U.S. Patent No. 10,225,374, which is a continuation of Application No. 14/025,109, now U.S. Patent No. 10,069,936, which is a division of Application No. 12/836,059, now U.S. Patent No. 8,560,604, and which claims priority to Provisional Application No. 61/249,624. *Id.* at code (60).

The '317 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.” Ex. 1001, 1:54–56. The ’317 patent states that other “attempts at making the Internet faster for the consumer and cheaper for the broadcaster,” such as proxy servers and peer-to-peer file sharing, have various shortcomings. *Id.* at 1:58–3:3. The ’317 patent provides a system and method “for faster and more efficient data communication within a communication network,” such as in the network illustrated in Figure 3, reproduced below. *Id.* at 3:13–16, 4:3–5.

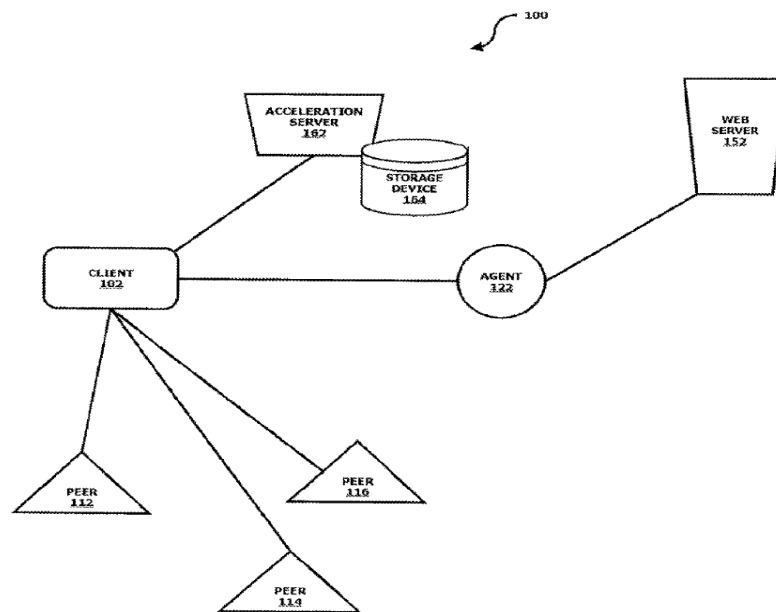


FIG. 3

Figure 3, above, is a schematic diagram depicting communication network 100 including a number of communication devices. Ex. 1001, 4:54–61. Client 102 is capable of communicating with peers 112, 114, and 116, as well as with one or more agents 122. *Id.* at 4:56–58. Web server 152 may be “a typical HTTP server, such as those being used to deliver content on any of the many such servers on the Internet.” *Id.* at 4:63–67. Acceleration server 162 includes acceleration server storage device 164 with an acceleration server database, which “stores Internet

Protocol (IP) addresses of communication devices within the communication network 100 having acceleration software stored therein.” *Id.* at 5:11–16.

In operation, a client may request a resource on the network, for example, through the use of an Internet browser. Ex. 1001, 12:62–13:3. If server 152 is the target of the request, the client sends the IP address of server 152 to acceleration server 162. *Id.* at 13:8–13. Acceleration server 162 then prepares a list of agents that can handle the request, which includes communication devices “that are currently online, and whose IP address is numerically close to the IP [address] of the destination Web server 152.” *Id.* at 13:19–29. The client then sends the original request to the agents in the list to find out which “is best suited to be the one agent that will assist with this request.” *Id.* at 13:31–36. The connection established between the agent and client may be a Transmission Control Protocol [TCP] connection. *Id.* at 17:61–64.

Each agent responds to the client with information as to “whether the agent has seen a previous request for this resource that has been fulfilled,” and “which can help the client to download the request information from peers in the network.” Ex. 1001, 13:51–58. The client selects an agent based on a number of factors, and the selected agent determines whether data stored in its memory or the memory of the peers “still mirrors the information that would have been received from the server itself for this request.” *Id.* at 13:64–14:1, 14:35–38. If the selected agent does not have the necessary information to service a request, it may “load the information directly from the server in order to be able to provide an answer to the requesting client.” *Id.* at 14:62–67.

Claim 1 of the '317 patent, the only independent claim, is reproduced below.¹

1. [pre] A method for fetching, by a first device, a first web-page that is identified by a first Uniform Resource Locator (URL) and is stored in a first web server and a second web-page that is identified by a second URL and is stored in a second web server, for use with a second device that stores a group of Internet Protocol (IP) addresses, each of the IP addresses is associated with a respective geographical location, the method comprising:

[1.1] identifying, at the first device, the first URL and a first geographical location that is associated with at least one of the IP addresses in the group;

[1.2] sending, by the first device to the second device, the first URL and the first geographical location;

[1.3] receiving, by the first device from the second device, the first web-page, in response to the sending of the first URL and the first geographical location;

[1.4] identifying, at the first device, the second URL and a second geographical location that is associated with at least one of the IP addresses in the group;

[1.5] sending, by the first device to the second device, the second URL and the second geographical location; and

[1.6] receiving, by the first device from the second device, the second web-page, in response to the sending of the second URL and the second geographical location.

Ex. 1001, 19:18–41.

D. Asserted Grounds of Unpatentability

Petitioner asserts that claims 1, 8, 16, 17, 22, 29, and 30 of the '317 patent are unpatentable based on the following grounds:

¹ We include bracketed claim element identifiers, which are used by Petitioner.

Claim(s) Challenged	35 U.S.C §	Reference(s)/Basis
1, 8, 16, 17, 22, 29, 30	103(a) ²	Goodell ³

Pet. 15.

II. ANALYSIS OF DISCRETIONARY DENIAL

A. Background

In April 2022, Petitioner⁴ challenged claims 1–27, 29, and 30 of the ’317 patent in the -936 IPR. *See* IPR2022-00936, Paper 1. At that time, there was no lawsuit pending against the Petitioner on the ’317 patent. Pet. 8. The Board denied institution of the -936 IPR in December 2022, because Petitioner failed to provide adequate support for the combination of references asserted and did not demonstrate a reasonable likelihood of prevailing on its obviousness assertions. *See* IPR2022-00936, Paper 8, 14–26. Subsequently, Patent Owner filed the district court litigation, asserting that Petitioner infringes claims of the ’317 patent. Pet. 7.

As this Petition challenges the claims of the ’317 patent that were previously challenged in the prior -936 IPR, Patent Owner argues that we

² The Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011) (“AIA”), amended 35 U.S.C. § 103, and was effective on March 16, 2013. Because the ’317 patent has an effective filing date prior to the effective date of the applicable AIA amendments (*see* Ex. 1001, code (60)), we refer to the pre-AIA version of 35 U.S.C. § 103.

³ Geoffrey L. Goodell, *Perspective Access Networks* (July, 2006) (Ph.D. dissertation, Harvard University) (Ex. 1005, “Goodell”).

⁴ In the -936 IPR, the named Petitioner was Metacluster LT, UAB and other real parties-in-interest were identified as Code200, UAB; Teso LT, UAB; Oxysales, UAB; and coretech lt, UAB. *See* IPR2022-00936, Paper 1, 2. As Petitioner explains, Metacluster and Oxysales were merged into Teso, and then Teso changed its name to Oxylabs, the Petitioner in this case. Pet. 7, n.1.

should exercise our discretion not to institute *inter partes* review in this case. Prelim. Resp. 19–26. Petitioner disagrees, alleging that it only discovered the Goodell reference in response to the later-filed district court litigation by way of a search that included product art. Pet. 48–56.

There is no requirement that we institute an *inter partes* review. 35 U.S.C. § 314; *see Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016) (“[T]he PTO is permitted, but never compelled, to institute an [*inter partes* review] proceeding.”). Rather, a decision whether to institute is within the Director’s discretion. *See* 37 C.F.R. § 42.4(a) (2018); *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.”); Consolidated Trial Practice Guide (“CTPG”), 55 (Nov. 2019) (“Sections 314(a) and 324(a) provide the Director with discretion to deny a petition.” (citations omitted)).

In *General Plastic*, the Board articulated a list of factors to be considered in evaluating whether to exercise discretion under 35 U.S.C. § 314(a) to deny a petition that challenges a patent that was previously challenged before the Board. *General Plastic Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 at 15–16 (PTAB Sept. 6, 2017) (designated precedential as to Section II.B.4.i) (“*General Plastic*”); *see also* CTPG at 55–58 (stating that the Board will consider the *General Plastic* factors when determining whether to institute a trial). These factors are:

1. whether the same petitioner previously filed a petition directed to the same claims of the same patent;
2. whether at the time of filing of the first petition the petitioner knew of the prior art asserted in the second petition or should have known of it;

3. whether at the time of filing of the second petition the petitioner already received the patent owner's preliminary response to the first petition or received the Board's decision on whether to institute review in the first petition;
4. the length of time that elapsed between the time the petitioner learned of the prior art asserted in the second petition and the filing of the second petition;
5. whether the petitioner provides adequate explanation for the time elapsed between the filings of multiple petitions directed to the same claims of the same patent;
6. the finite resources of the Board; and
7. the requirement under 35 U.S.C. § 316(a)(11) to issue a final determination not later than 1 year after the date on which the Director notices institution of review.

General Plastic, at 16 (citing *NVIDIA Corp. v. Samsung Elecs. Co.*, IPR2016-00134, Paper 9 at 6–7 (PTAB May 4, 2016)); *see also* CTPG at 56–57. Both Petitioner and Patent Owner address these factors (*see* Pet. 48–56; Prelim. Resp. 19–26), and we now apply the *General Plastic* factors to the facts of this case.

B. General Plastic Factor Evaluation

1. Factor 1

The first *General Plastic* factor asks “whether the same petitioner previously filed a petition directed to the same claims of the same patent.” *General Plastic*, 16.

As noted *supra*, Metacluster, the named petitioner in the -936 IPR, was merged into Teso, and then Teso changed its name to Oxylabs. Accordingly, the Petitioner in this case is the same as that of the -936 IPR. The claims challenged here, claims 1, 8, 16, 17, 22, 29, 30 of the '317 patent, were also challenged in the -936 IPR. Petitioner also states that *General Plastic* factor 1 favors denying institution. Pet. 49.

Thus, we determine that because Petitioner here was a petitioner in a previous IPR, and the previous proceeding challenged all the claims at issue here, the first *General Plastic* factor weighs heavily against institution.

2. Factor 2

The second *General Plastic* factor asks “whether at the time of filing of the first petition the petitioner knew of the prior art asserted in the second petition or should have known of it.” *General Plastic*, 16.

Petitioner states that it did not know of the Goodell reference at the time the petition was filed in the -936 IPR. Pet. 50 (citing Ex. 1039 ¶¶ 2–4; Ex. 1040 ¶¶ 2–4; Ex. 1041 ¶¶ 2–4). Petitioner argues that “Goodell is relatively difficult to find,” and although the reference is accessible on Google Scholar, Goodell was not cited in many papers and was not published in an academic journal. *Id.* Petitioner asserts that because of the later district court litigation, there was a second prior art search performed, which was expanded to include product art usable in the district court case. *Id.* Petitioner contends that in this search it found Blossom software written by Dr. Goodell, and this led to the search of works by this author, and thereby the Goodell reference was located. *Id.* at 50–51 (citing Ex. 1037 ¶ 12). Petitioner asserts that it “did not know of Goodell at the time of the first petition, nor should have Petitioner’s first prior-art search uncovered Goodell,” and thus this factor strongly favors institution. *Id.* at 51.

In support of the diligence of the search for the earlier -936 IPR, Petitioner refers to the declarations of Petitioner’s attorneys who represented Petitioner in that earlier IPR. Ex. 1039; Ex. 1040; Ex. 1041. The declarations all contain similar attestations, which is that the declarants were not aware of Goodell before filing the petition in the -936 IPR and that the

declarants's law firm had "engaged a prior-art search before filing the petition in IPR2022-00936," and "the prior-art search did not locate Goodell." *See e.g., Ex. 1039 ¶¶ 3, 4.* These declarations are the only evidence provided regarding the prior art search that was performed for the -936 IPR—and that evidence is limited to statements that a prior art search was performed, but there is no identification of the type or extent of the search that was done.

As *General Plastic* states: "[t]he relevant issue under factor 2 is whether [the prior art references] could have been found with reasonable diligence [A] petitioner is free to explain why a reasonably diligent search could not have uncovered the newly applied prior art." *General Plastic*, at 20. As discussed above, Petitioner provides no support explaining the nature and extent of the prior search done for the -936 IPR, short of alleging that prior-art search focused on printed publications (Pet. 50). Therefore, in view of the dearth of evidence provided, there is little to support and demonstrate that a reasonably diligent search had been previously done.

Accordingly, Petitioner provides little evidence to demonstrate the diligence of its previous prior art search. This factor weighs strongly against institution.

3. Factor 3

The third *General Plastic* factor asks "whether at the time of filing of the second petition the petitioner already received the patent owner's preliminary response to the first petition or received the Board's decision on whether to institute review in the first petition." *General Plastic*, at 16. The Board explained the relevance of this factor in *General Plastic* in terms of

unfair benefit to petitioners from follow-on petitions:

[F]actor 3 is directed to Petitioner’s potential benefit from receiving and having the opportunity to study Patent Owner’s Preliminary Response, as well as our institution decisions on the first-filed petitions, prior to its filing of follow-on petitions Multiple, staggered petitions challenging the same patent and same claims raise the potential for abuse. The absence of any restrictions on follow-on petitions would allow petitioners the opportunity to strategically stage their prior art and arguments in multiple petitions, using our decisions as a roadmap All other factors aside, this is unfair to patent owners and is an inefficient use of the *inter partes* review process and other post-grant review processes.

General Plastic, at 17–18 (internal citation and footnote omitted).

Petitioner argues that, although it had received the Board’s prior decision in the -936 IPR before filing the instant petition, and it has shifted its prior art from the prior petition, “the shift was not responsive to the prior decision.” Pet. 51. Petitioner contends that in the prior -936 IPR, the Board did not construe any claim terms, and only found that Petitioner did not show a motivation to combine the previously-asserted references. *Id.* Further, Petitioner argues that the previous prior art is not at issue here, the Petition does not respond to or address the Board’s findings, and the shift is due to the new art that was found as a result of searching that was not limited to printed publications. *Id.*

We agree with Petitioner that the basis of the denial of the *inter partes* review in the -936 IPR was the failure to demonstrate a motivation to combine specific prior art and that because the previous combination of prior art references is not relied upon here, this Petition does not directly address the previous shortcoming. Petitioner, however, had received the Board’s prior decision in the -936 IPR and now has changed course and switched to

asserting new prior art, albeit where the new prior art is alleged to have only been later found. Nevertheless, even if there is no “road mapping” where the specific deficiencies of the previous petition are corrected, Petitioner is effectively trying to take another bite at the apple here in its assertion of new art.

Because Petitioner had received the Board’s decision for the prior petition, factor 3 moderately weighs against institution.

4. Factor 4

The fourth *General Plastic* factor considers “the length of time that elapsed between the time the petitioner learned of the prior art asserted in the second petition and the filing of the second petition.” *General Plastic*, 16.

Petitioner contends that it only learned of Blossom on May 22, 2023, and found Goodell in early June 2023. Pet. 52 (citing Ex. 1037 ¶ 12).

Although Patent Owner argues that Petitioner should have found Goodell earlier, this factor only concerns the time between when Petitioner knew of the reference and when the second petition was filed. Prelim. Resp. 23. The instant Petition was filed on September 18, 2023, three months after Petitioner asserts it found Goodell.

Because the Petition was promptly filed, factor 4 weighs in favor of institution.

5. Factor 5

The fifth *General Plastic* factor queries “whether the petitioner provides adequate explanation for the time elapsed between the filings of multiple petitions directed to the same claims of the same patent.” *General Plastic*, at 16.

Petitioner asserts that it has provided adequate explanation for the time elapsed between the filing of the multiple petitions because the asserted prior art was only found after Petitioner engaged a second prior art search responsive to Patent Owner's district-court infringement contentions. Pet. 52.

Although the second search may have been precipitated by the later district court litigation, as discussed for factor 2 above, Petitioner does not provide sufficient evidence of the diligence of the previous prior art search. Because Petitioner does not establish that its first prior art search was diligent, it also fails to show that it was justified in filing a second Petition well over a year after filing its first Petition based on performing a second prior art search. Accordingly, because the conduct of the searching was within the control of Petitioner, we do not find that there is adequate support provided for the time elapsed. This factor weighs strongly against institution.

6. Factor 6

The sixth *General Plastic* factor considers “the finite resources of the Board.” *General Plastic* at 16.

Petitioner argues that it has carefully limited its challenges to match the claims at issue in the litigation. Pet. 52. Patent Owner responds that the district court litigation trial will finish 3.5 months before a final written decision would be expected in this review, if instituted. Prelim. Resp. 24. Petitioner also agrees that the district court litigation may conclude before this proceeding. Pet. 57.

In *General Plastic*, the Board explained that “with respect to factor 6, we found that the Board's resources would be more fairly expended on

initial petitions, rather than follow-on petitions.” *General Plastic* at 10. Because of this, we determine that this factor moderately weighs against institution.

7. Factor 7

The seventh *General Plastic* factor considers “the requirement . . . to issue a final determination not later than 1 year after the date on which the Director notices institution of review.” *General Plastic*, at 16.

Both Petitioner and Patent Owner assert that this factor is neutral. Pet. 52; Prelim. Resp. 24.

We determine that this factor is neutral.

*8. Other Factors – IPR Efficiencies (Factor 8) and
Non-Cumulative Art (Factor 9)*

Petitioner also contends that the *General Plastic* factor evaluation, in view of IPR efficiencies, should consider that these proceedings were designed to provide an alternate forum to district court litigation, so the Board should favorably weigh that this is “a follow-on petition filed in response to intervening district-court litigation.” Pet. 52–53. We refer to this issue as “factor 8.” In response, Patent Owner argues that it already had to defend itself against a challenge to this patent in -936 IPR. Prelim. Resp. 25. Patent Owner also asserts that it may have to defend the patent’s validity against the Blossom system in the district court litigation. *Id.*

Petitioner also contends that Patent Owner will not suffer undue abuse or prejudice because it “chose to litigate the challenged patent in district court” and “must mount a new defense to invalidity, whether here or in the district court.” Pet. 52. Patent Owner responds that Petitioner admits that there is significant overlap between the Goodell reference here and the Blossom prototype system, which is discussed in the Goodell reference and

which may be asserted in the district court litigation. Prelim. Resp. 22. Patent Owner argues that, even in light of Petitioner’s stipulation not to pursue invalidity in the district court litigation based on Goodell, there would be inefficiencies to Patent Owner in defending issues regarding Blossom in the litigation and defending issues regarding Goodell in this proceeding because Blossom and Goodell are substantially similar art. *Id.* at 22–23. Patent Owner asserts this is prejudicial to it. *Id.*

Patent Owner has already had an *inter partes* challenge to the claims of this patent, which was previously contested by Patent Owner and evaluated by the Board. We do not agree with Petitioner that the fact that IPR proceedings were designed to provide an alternate forum to district court litigation justifies its filing of a second, later petition under the facts of this case. Additionally, we disagree with Petitioner that the filing of its second petition “in response to intervening district-court litigation” justifies institution in light of its first petition, the intervening delay between the petitions, and Petitioner’s failure to show that its original prior art search was diligent. Pet. 52–53. Accordingly, we determine that efficiency considerations do not favor granting institution under factor 8.

Petitioner also argues that the art and arguments here are non-cumulative to those in the -936 IPR. Pet. 53–55. We refer to this issue as “factor 9.” Patent Owner responds that institution is not justified because the art is non-cumulative. Prelim. Resp. 25–26.

We agree that the assertions of the instant Petition present new art. We, however, do not find that the issue that the prior art asserted here is non-cumulative to the art previously asserted is, in and of itself, specifically relevant as to whether we should institute review.

Accordingly, we find that factor 9 is neutral.

9. Summary

We have considered the factors identified in *General Plastic* in determining whether to exercise our discretion under 35 U.S.C. § 314(a). In summary, we determine that:

- i. Factors 1, 2, and 5 weigh heavily against institution;
- ii. Factors 3 and 6 weigh moderately against institution;
- iii. Factors 7, 8 and 9 are neutral; and
- iv. Factor 4 favors institution.

Considering these factors as a whole, and on this record, we determine that it is appropriate to exercise our discretion under 35 U.S.C. § 314(a) to deny institution of an *inter partes* review of the challenged claims of the '317 patent.

III. CONCLUSION

For the foregoing reasons, we exercise our discretion to deny institution of an *inter partes* review pursuant to 35 U.S.C. § 314.

IV. ORDER

Accordingly, it is:

ORDERED that, pursuant to 35 U.S.C. § 314(a), *inter partes* review is *denied*.

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