

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

NETNUT LTD.,

Petitioner

v.

BRIGHT DATA LTD. (f/k/a Luminati Networks Ltd.,)

Patent Owner

Case IPR2021-00465

Patent 9,742,866

**PATENT OWNER'S SUR-REPLY TO
PETITIONER'S PRE-INSTITUTION REPLY TO THE *GENERAL
PLASTIC* ANALYSIS IN THE PATENT OWNER'S PRELIMINARY
RESPONSE UNDER AUTHORIZATION FROM THE BOARD¹**

Mail Stop PATENT BOARD
Patent Trial and Appeal Board
United States Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450

¹ On June 3, 2021, the Board authorized Patent Owner to file this Sur-Reply.

Petitioner's Reply (Paper 9) to the *General Plastic* analysis in Patent Owner's Preliminary Response ("POPR")(Paper 8) does nothing more than confirm the facts and analysis originally set forth by Patent Owner. Moreover, Patent Owner respectfully submits that Petitioner's Reply should be rejected as untimely because Petitioner had full opportunity to address the *General Plastic* factors in its Petition but chose, instead, to focus on the Grounds. *See* 37 C.F.R. §§ 42.108(c), 42.208(c).

As explained below, Petitioner now: (i) concedes the applicability of *General Plastics* (Reply at 2); (ii) fails to explain its delay in filing the second petition; and (iii) fails to address the impact that instituting *inter partes* review would have on the finite resources of the Board under the present circumstances - where the petitions at issue were disingenuously filed to apply settlement pressure. Other than a red herring standing argument, Petitioner's Reply does not raise any new arguments not already addressed in the POPR. Accordingly, Patent Owner respectfully requests that the Board reject Petitioner's Reply, exercise its discretion, and decline to institute the requested *inter partes* review.

A. NO EXPLANATION FOR PETITIONER'S DELAY IN FILING THE SECOND PETITION

Petitioner's Reply fails to explain the delay in filing the second petition. Regarding factor 5, Petitioner's Reply improperly focuses on the delay between (a)

when Petitioner's counsel was retained and (b) when the second petition was filed.²

If this were true, a petitioner would be motivated to wait to retain counsel. Instead, the question is about Petitioner's delay between (a) when the first petition was filed and (b) when the second petition was filed. *General Plastic* at 16. Petitioner has provided no explanation for the delay between the filings of multiple petitions.³

See POPR at 7-9.

The earlier IPRs with BiScience involving the '044 and '866 patents were terminated in April 2020.⁴ If Petitioner was truly interested in protecting the public interest, Petitioner could have filed the instant IPRs soon after the earlier IPRs were terminated in April 2020.

² "Petitioner's counsel was first retained on August 31, 2020... The 4-5 months from such retention to the filing of the present IPRs is reasonable... the elapsed time in bringing the present IPRs had no linkage to any advantage to be gained by waiting to bring these Petitions." Reply at 2, n.1.

³ Additionally, Patent Owner notes that NetNut has not disclosed when it learned of the asserted prior art. NetNut also has not explained when it first became aware of the earlier petitions that BiScience had filed challenging the '044 and '866 patents. *See* POPR at 15.

⁴ The earlier petitions were filed on November 22, 2019 by BiScience. POPR at 5.

The district court complaint asserting the '511 and '968 patents was filed against Petitioner in June 2020. *See* POPR at 5. Similarly, if Petitioner was truly interested in protecting the public interest, Petitioner could have filed the instant IPRs soon after the district court complaint was filed in June 2020.

Petitioner asserts its IPR counsel was retained in August 2020. Reply at 2, n.1. Petitioner improperly focuses on the date of retention of counsel in August 2020, but regardless; contrary to Petitioner's assertion, waiting five months from retention is still unreasonable when counsel is essentially just re-filing the same petition against the '866 patent as BiScience. There was minimal time and cost associated with preparing the second petition.

Petitioner filed re-examination requests on the '511 and '968 patents in December 2020. Petitioner pursued re-examination instead of *inter partes* review because as of December 2020, the district court trial involving the '511 and '968 patents was set for November 2021 (*see* Case No. 2:20-cv-188, Dkt. 41 (E.D. Tex. Oct. 13, 2020)) and the *Fintiv* factors would have heavily weighed against institution.

The instant IPRs involving the '044 and '866 patents were filed in January 2021. Petitioner chose to attack these other patents because Petitioner was able to (1) save time and money by essentially re-filing the same petition as BiScience and (2) still get settlement leverage in the district court case against Patent Owner.

Petitioner has provided no explanation for its delay until January 2021 to file the instant Petition. For at least the foregoing reasons, factor 5 weighs in favor of denial.

B. PETITIONER BENEFITED FROM THE FILING OF THE FIRST PETITION

Even without an institution decision or POPR in the first IPR with BiScience, Petitioner benefitted from the filing of the first petition. Because there was no institution decision or POPR in the first IPR, Patent Owner submitted this consideration as “additional” factor 8.

The instant IPRs challenge the same patent claims and assert exactly the same prior art as in the earlier IPRs with BiScience. *See* POPR at 6. Even if it is counsel's “own prior work” filed publicly (see Reply at 3), the roadmap in the first petition benefitted the second petitioner, NetNut. In the instant IPRs, NetNut used the same lawyers and the same expert as BiScience. As such, NetNut saved significant time and expense by essentially re-filing the same petition against the ‘866 patent as BiScience.

Furthermore, Petitioner used the first petition against the ‘044 patent as a roadmap and even modified its challenges in the second petition against the ‘044 patent to cure potential deficiencies. NetNut changed one basis for challenging claims 81 and 82 from Section 102 anticipation by the Prince reference to Section

103 obviousness over Prince in view of another reference, presumably because their later review revealed that the Section 102 argument was not persuasive. *See* POPR at 6 and 14.

C. PETITIONER'S STANDING ARGUMENT IS A RED HERRING

Patent Owner did not assert the '044 or '866 patents against Petitioner in district court litigation. Petitioner argues, "[i]n any case, there is no standing requirement for challenging a questionable patent in an IPR." Reply at 3. This argument is a red herring. Patent Owner has not argued that there is a standing requirement for seeking *inter partes* review. Even if there is no injury in fact suffered by Petitioner, it does not mean that this IPR is a good use of the Board's finite resources.

D. CONCLUSION

On balance, based on the *General Plastic* analysis in Patent Owner's Preliminary Response (Paper 8) and this Sur-Reply, institution should be denied.

Respectfully submitted,

Date: June 21, 2021

By: /s/ Scott W. Kanalak

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CERTIFICATE OF COMPLIANCE WITH TYPE-VOLUME LIMITS

This Patent Owner Sur-Reply ("Sur-Reply") consists of no more than 5 pages as authorized by the Board via email on June 3, 2021.

Respectfully submitted,

Date: June 21, 2021

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CERTIFICATE OF SERVICE

The undersigned certifies service pursuant to 37 C.F.R. § 42.6(e) on the undersigned date on Petitioner by email as authorized by the Petitioner at the following email addresses:

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