

Why If Find the Director's Decision in, *Code200, UAB v. Bright Data, Ltd.*, IPR2022-00861, Paper 18 (Aug. 23, 2022) (herein after "Code200"), Problematic

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In *Code200*, Director Vidal, as a matter of policy, reset the Board's application of *General Plastic* factors when determining whether to exercise discretion under § 314(a) to deny institution of review. First, the Director indicated that the Board should discount a petitioner's failure, in a prior IPR proceeding, to elect that IPR proceeding over a district court action, in which to have validity challenges within the scope of IPR proceedings decided. Second, the Director also indicated that the Board should discount the Board's finite resources.

I find the Director's actual decision in *Code200* to institute review problematic, however, independent of its policy directives. This is because that decision relied upon a Board finding that is inconsistent with the record, the Director failed to provide the patent owner with an opportunity to be heard on that finding, and the Director failed to exercise her authority to conduct a plenary review. Moreover, because the Board's decision was a non-institution decision favoring the patent owner, the patent owner had no opportunity to be heard on that finding before the Board.

Director Vidal rightly stated that road mapping concerns are minimized when, for example, "the later petition is not refined based on lessons learned from later developments." However, in this case, the later petition was in fact refined based upon lessons learned from later developments. In fact, the earlier petition failed to mention network "architecture," and the patent owner responded to that earlier petition arguing that the claims defined a "novel network architecture." The later petition which is the subject to the *Code200* decision specifically addresses the patent owner's earlier network "architecture" argument.

Moreover, the Board's finding of no evidence of road-mapping was based solely upon the Board's statement that "Patent Owner presents no evidence, however, that this Petition has been modified from the petition in the 1266 IPR filed in 2020 based on information that became available in the subsequent preliminary response and decision in the 1492 IPR." In fact, the later petition was modified compared to the earlier petition. If the Director had uncovered the evidence of road-mapping (for example by providing the patent owner an opportunity to be heard instead of *sua sponte* issuing a decision; or by conducting a plenary review of the facts instead of relying upon the Board's findings), then the decision in Code200 might have been different.

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