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IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF CALIFORNIA

FINJAN, INC.,

No. C 17-05659 WHA

Plaintiff,

v.

**ORDER GRANTING IN PART AND  
DENYING IN PART MOTION TO  
DISMISS COUNTERCLAIMS AND  
STRIKE AFFIRMATIVE DEFENSES**

JUNIPER NETWORK, INC.,

Defendant.

\_\_\_\_\_ /

**INTRODUCTION**

In this patent infringement case, plaintiff moves to dismiss several of defendant’s counterclaims and strike several affirmative defenses. For the reasons stated below, the motion to dismiss and strike is **GRANTED IN PART** and **DENIED IN PART**.

**STATEMENT**

Plaintiff Finjan, Inc., accuses defendant Juniper Networks, Inc., of infringing patents pertaining to malware-detection technology. Finjan’s allegations have been summarized in a prior order dated February 14, which dismissed Finjan’s claims of willfulness and induced infringement but allowed Finjan to move for leave to amend by February 22 (Dkt. No. 30 at 8). On February 28, Juniper filed an answer and counterclaims (Dkt. No. 42). On March 21, Finjan filed its answer to Juniper’s counterclaims (Dkt. No. 45). An order dated May 11 granted in part Finjan’s motion for leave to amend its complaint (Dkt. No. 85), and Finjan filed its

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1 amended complaint on May 18 (Dkt. No. 88). On June 1, Juniper filed its answer to the  
2 amended complaint and reasserted the same counterclaims (Dkt. No. 92).

3 Finjan now moves to dismiss various counterclaims and strike related affirmative  
4 defenses, which are based on prosecution laches, inequitable conduct, and unclean hands.  
5 Finjan also moves to strike Juniper's affirmative defense for ensnarement (Dkt. No. 110 at 1).

6 This order follows full briefing and oral argument.

## 7 ANALYSIS

### 8 1. LEGAL STANDARD.

9 To survive a motion to dismiss, a complaint must plead "enough facts to state a claim to  
10 relief that is plausible on its face." *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570 (2007). A  
11 claim has facial plausibility when its factual allegations, rather than mere conclusory  
12 statements, create the reasonable inference that defendant is liable for the misconduct alleged.  
13 *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009). Where a court dismisses for failure to state a claim  
14 pursuant to FRCP 12(b)(6), it should normally grant leave to amend unless it determines that  
15 the pleading could not possibly be cured by the allegation of other facts. *Cook, Perkiss & Liehe*  
16 *v. N. Cal. Collection Serv.*, 911 F.2d 242, 247 (9th Cir. 1990).

17 "If, on a motion under Rule 12(b)(6) or 12(c), matters outside the pleadings are  
18 presented to and not excluded by the court, the motion must be treated as one for summary  
19 judgment under Rule 56." FRCP 12(d). A court, however, may "consider certain  
20 materials—documents attached to the complaint, documents incorporated by reference in the  
21 complaint, or matters of judicial notice—without converting the motion to dismiss into a motion  
22 for summary judgment." *United States v. Ritchie*, 342 F.3d 903, 908 (9th Cir. 2003).

23 A court "may strike from a pleading an insufficient defense or any redundant,  
24 immaterial, impertinent, or scandalous matter." FRCP 12(f). Our court of appeals has not yet  
25 addressed whether the *Iqbal* and *Twombly* standard applies to affirmative defenses. "Within  
26 this district, however, there is widespread agreement that they do." *PageMelding, Inc. v. ESPN,*  
27 *Inc.*, No. C 11-06263 WHA, 2012 WL 3877686, at \*1 (N.D. Cal. Sept. 6, 2012) (collecting  
28 cases). Therefore, after applying the same *Iqbal* and *Twombly* standard to affirmative defenses,

1 if a defendant pleaded “affirmative defenses [which] include only conclusory allegations,  
2 without providing any information about the grounds upon which the defenses rest, it has  
3 insufficiently [pleaded] these defenses.” *Powertech Tech., Inc. v. Tessara, Inc.*, No. C 10–0945  
4 CW, 2012 WL 1746848, at \*5 (N.D. Cal. May 16, 2012) (Judge Claudia Wilken).

5 **2. TIMELINESS OF FINJAN’S MOTION TO DISMISS.**

6 As a threshold matter, Juniper argues that the instant motion to dismiss is untimely  
7 because it is directed to counterclaims to which Finjan has already answered in its initial answer  
8 to Juniper’s counterclaims (*see* Dkt. No. 45). Finjan does not dispute that Juniper’s filing of a  
9 second answer (along with the same counterclaims) to Finjan’s amended complaint fails to  
10 revive Finjan’s ability to move to dismiss. Because a Rule 12(b)(6) motion must be made  
11 before the responsive pleading, Finjan’s instant motion to dismiss is untimely.

12 Our court of appeals, however, “allows an untimely motion to dismiss to be treated as a  
13 motion for judgment on the pleadings.” *Washoe-Mill Apartments v. U.S. Bank Nat. Ass’n*,  
14 639 F. App’x 485, 487 (9th Cir. 2016) (citing *Elvig v. Calvin Presbyterian Church*, 375 F.3d  
15 951, 954 (9th Cir.2004)). “The principal difference between motions filed pursuant to  
16 Rule 12(b) and Rule 12(c) is the time of filing. Because the motions are functionally identical,  
17 the same standard of review applicable to a Rule 12(b) motion applies to its Rule 12(c) analog.”  
18 *Dworkin v. Hustler Magazine Inc.*, 867 F.2d 1188, 1192 (9th Cir. 1989). This order accordingly  
19 treats Finjan’s untimely motion as a motion for judgment on the pleadings.

20 **3. ENSNAREMENT (TWELFTH AFFIRMATIVE DEFENSE).**

21 Finjan moves to strike Juniper’s affirmative defense alleging that Finjan’s claims of  
22 infringement under the doctrine of equivalents are barred due to ensnarement. Finjan argues  
23 that Juniper’s pleading lacks fair notice.

24 Here, Juniper’s one-sentence allegation amounts to the mere conclusion that  
25 ensnarement applies and thus Finjan is barred from using the doctrine of equivalents  
26 “that encompasses, or ‘ensnares,’ the prior art” (Dkt. No. 92 ¶ 136). No facts are alleged.  
27 Juniper’s argument that its “detailed invalidity contentions” — which are *not* incorporated by  
28 reference — served pursuant to Patent Local Rules, is irrelevant for the purposes of dismissing

1 a claim based on the face of the complaint. Moreover, its citation to *ASUSTeK Comput. Inc. v.*  
2 *AFTG-TG LLC*, No. C 11–00192 EJD, 2011 WL 6845791, at \*13 (N.D. Cal. Dec. 29, 2011), for  
3 the proposition that courts have allowed “allegations that merely list the statutory provisions of  
4 invalidity to survive motion to dismiss given [the] procedure of providing invalidity contentions  
5 under Local Patent Rules” is unavailing (Dkt. No. 134 at 11). Even if this were the law, the  
6 cited authority does not suggest that it applies to an ensnarement defense. Finjan’s motion to  
7 strike Juniper’s twelfth affirmative defense is therefore **GRANTED**.

8 **4. PROSECUTION LACHES (THIRD COUNTERCLAIM**  
9 **AND ELEVENTH AFFIRMATIVE DEFENSE).**

10 Finjan moves to dismiss Juniper’s counterclaim for declaratory judgment of  
11 unenforceability of the United States Patent No. 7,613,926 (“the ’926 patent”), United States  
12 Patent No. 7,647,633 (“the ’633 patent”), United States Patent No. 8,141,154 (“the ’154  
13 patent”), and United States Patent No. 8,677,494 (“the ’494 patent”) due to prosecution laches.

14 “The doctrine [of prosecution laches] ‘may render a patent unenforceable when it has  
15 issued only after an unreasonable and unexplained delay in prosecution’ that constitutes an  
16 egregious misuse of the statutory patent system under the totality of the circumstances.”  
17 *Cancer Research Tech. Ltd. v. Barr Labs., Inc.*, 625 F.3d 724, 728 (Fed. Cir. 2010) (quoting  
18 *Symbol Techs., Inc. v. Lemelson Med., Educ. & Research Found.*, 422 F.3d 1378, 1385–86  
19 (Fed. Cir. 2005)). It also requires a showing of prejudice, which in turn requires “evidence of  
20 intervening rights, *i.e.*, that either the accused infringer or others invested in, worked on, or used  
21 the claimed technology during the period of delay.” *Id.* at 729.

22 Here, Juniper has failed to plead adequate facts to show unreasonable and unexplained  
23 delay in prosecution. Juniper’s third counterclaim amounts to mere recitation of the number of  
24 years that lapsed between the time Finjan filed its application for the parent patent and the  
25 applications for the four patents at issue here, rounded out with the conclusory statement that  
26 “Finjan unreasonably and unduly delayed in prosecuting each of” the four patents and that  
27 “[d]uring the delay, Juniper was prejudiced because it spent considerable resources marketing,  
28 selling, and importing updated versions of the accused products” (*see* Dkt. No. 92 ¶¶ 170–78).  
“[A]llegations of a bare lapse in time between patent applications, without other factual

1 allegations of unreasonable or unexplained delay, are insufficient to plausibly state a claim of  
2 prosecution laches.” *Finjan, Inc. v. ESET, LLC*, No. C 17–00183 CAB (BGS), 2017 WL  
3 3149642, at \*3 (S.D. Cal. July 24, 2017) (Judge Cathy Ann Bencivengo).

4 At oral argument, Juniper explained that the timeline offered in this counterclaim  
5 and affirmative defense demonstrates a systematic strategy of delayed prosecution. While this  
6 after-the-fact explanation might (or might not) be sufficient to survive *Twombly*, the explanation  
7 itself was not actually alleged in the pleading itself. Finjan’s motion to dismiss Juniper’s third  
8 counterclaim and strike Juniper’s eleventh affirmative defense is therefore **GRANTED**.

9 **5. INEQUITABLE CONDUCT (FOURTH AND FIFTH COUNTERCLAIMS**  
10 **AND FOURTEENTH AFFIRMATIVE DEFENSE).**

11 Juniper raises allegations of inequitable conduct regarding the ’494 and ’154 patents  
12 both as an affirmative defense and as separate counterclaims (Dkt. No. 92 ¶¶ 138, 179–213).  
13 Finjan moves to dismiss and strike these counterclaims and affirmative defense (which  
14 incorporates the allegations made within both counterclaims), arguing that Juniper failed to  
15 adequately plead material misrepresentation and specific intent to deceive the PTO under  
16 FRCP 9(b). To the extent set forth below, this order agrees.

17 To state a claim for inequitable conduct, a party must allege that “(1) an individual  
18 associated with the filing and prosecution of a patent application made an affirmative  
19 misrepresentation of a material fact, failed to disclose material information, or submitted false  
20 material information; and (2) the individual did so with a specific intent to deceive the PTO.”  
21 *Exergen Corp. v. Wal-Mart Stores, Inc.*, 575 F.3d 1312, 1327 n.3 (Fed. Cir. 2009).

22 “Inequitable conduct . . . must be pled with particularity under Rule 9(b).” *Id.* at 1326  
23 (quotations and alterations omitted). This requires identification of “the specific who, what,  
24 when, where, and how of the material misrepresentation or omission committed before the  
25 PTO.” *Id.* at 1328. “Although knowledge and intent may be alleged more generally, a party  
26 must still allege sufficient facts to justify an inference that a specific individual had knowledge  
27 of the material information withheld or the falsity of the material misrepresentation and  
28 withheld or misrepresented that information with the intent to deceive.” *Oracle Corp. v.*  
*DrugLogic, Inc.*, 807 F. Supp. 2d 885, 896–97 (N.D. Cal. 2011) (citing *Exergen*, 575 F.3d at

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