

1 IRELL & MANELLA LLP
 Jonathan S. Kagan (SBN 166039)
 2 jkagan@irell.com
 Joshua P. Glucoft (SBN 301249)
 3 jglucoft@irell.com
 Casey Curran (SBN 305210)
 4 ccurran@irell.com
 Sharon Song (SBN 313535)
 5 ssong@irell.com
 1800 Avenue of the Stars, Suite 900
 6 Los Angeles, California 90067-4276
 Telephone: (310) 277-1010
 7 Facsimile: (310) 203-7199

8 Rebecca L. Carson (SBN 254105)
 rcarson@irell.com
 9 Kevin Wang (SBN 318024)
 kwang@irell.com
 10 840 Newport Center Drive, Suite 400
 Newport Beach, California 92660-6324
 11 Telephone: (949) 760-0991
 Facsimile: (949) 760-5200

12 *Attorneys for Defendant*
 13 JUNIPER NETWORKS, INC.

14 **UNITED STATES DISTRICT COURT**
 15 **NORTHERN DISTRICT OF CALIFORNIA**
 16 **SAN FRANCISCO DIVISION**

17	FINJAN, INC.,)	Case No. 3:17-cv-05659-WHA
)	
18	Plaintiff,)	DEFENDANT JUNIPER NETWORKS,
)	INC.'S REPLY IN SUPPORT OF
19	vs.)	MOTION FOR LEAVE TO AMEND ITS
)	ANSWER TO FINJAN, INC.'S SECOND
20	JUNIPER NETWORKS, INC.,)	AMENDED COMPLAINT FOR PATENT
)	INFRINGEMENT AND COUNTER-
21	Defendant.)	CLAIMS
)	

22) Date: November 1, 2018
 23) Time: 8:00 a.m.
) Judge: William Alsup
) Courtroom: 12 - 19th Floor

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1 Juniper's proposed amended responsive pleading overcomes all deficiencies identified by
2 the Court's August 31, 2018 order or otherwise raised by Finjan.¹ Juniper has added factual
3 allegations that detail each element of its counterclaims and/or defenses for inequitable conduct,
4 prosecution laches and ensnarement. *See* Dkt. No. 197. Finjan does not oppose Juniper's
5 amendment to the ensnarement affirmative defense. *See* Dkt. No. 202 at 1 n.1.

6 **I. JUNIPER SUFFICIENTLY ALLEGES INEQUITABLE CONDUCT (FOURTH**
7 **AND FIFTH COUNTERCLAIMS, FOURTEENTH AFFIRMATIVE DEFENSE)**

8 The factual allegations Juniper added to its inequitable conduct counterclaims and
9 affirmative defense overcome all issues previously identified by Finjan. *See* Dkt. No. 202.

10 **A. Juniper Alleges Facts Demonstrating That Mr. Touboul's Statement Of Sole**
11 **Inventorship To The USPTO Was False**

12 Juniper now alleges facts demonstrating that Mr. Touboul's claim of sole inventorship
13 relating to the '494 Patent is false. Specifically, Juniper alleges that Mr. Touboul testified in his
14 declaration that he was the "sole" inventor of claims 1, 3-6, 9, 10, 12-15, and 18 of the
15 '494 Patent, and that these claims were conceived solely by Mr. Touboul no later than November
16 18, 1996. Dkt. No. 197-5 (Ex. 4) at ¶ 233. Juniper then quotes sworn testimony from Mr. David
17 R. Kroll, one of the inventors listed on the face of the '494 Patent,² that he "helped come up with
18 the idea behind claim 10 [of the '494 Patent]" after he started his employment at Finjan in 1999.
19 *See id.* at ¶ 236; Mot. at 3-4. Mr. Kroll's sworn testimony thus expressly contradicts Mr.
20 Touboul's testimony to the USPTO, and it provides strong, clear factual support for Juniper's
21 allegation that Mr. Touboul made an affirmative misrepresentation to the USPTO about claim 10.

22 Finjan's primary response to Juniper's allegations is that "Juniper cites to no statement
23 *from Mr. Touboul* that contradict [*sic*] his declaration to the PTO or show [*sic*] that it was false."
24 Dkt. No. 202 at 4:9-10. But Juniper does not need to allege a statement from *Mr. Touboul* that

25
26 _____
27 ¹ All emphasis is added unless indicated otherwise.

28 ² Mr. Kroll is not a mere "layperson," as Finjan argues (*see* Dkt. No. 202 at 3:17). Rather, he is one of the inventors of the '494 Patent who would be able to testify, from his personal knowledge the extent to which he contributed to the invention of claim 10.

1 contradicts his earlier declaration; Juniper may allege *any set of facts* that show that Mr.
2 Touboul's declaration was false. Here, Juniper carries that burden by presenting sworn testimony
3 from another inventor on claim 10 that expressly contradicts Mr. Touboul's claim of exclusive
4 inventorship. Mot. at 5. Juniper even supplements this testimony from Mr. Kroll with evidence
5 that Mr. Kroll was one of the original and first inventors of the subject matter disclosed in U.S.
6 Patent No. 7,058,822, from which the '494 Patent claims priority.

7 Mr. Kroll's contribution to claim 10 is significant because it helps establish the date on
8 which this claim was conceived. Mr. Kroll started his employment at Finjan in 1999, so
9 (assuming he helped come up with the idea for claim 10, as he testified) the conception date for
10 this claim could not be November 1996 as Finjan has claimed. Moreover, if Mr. Kroll's testimony
11 under oath that he "helped come up with the idea behind claim 10" is true, then Mr. Touboul's
12 statement that he was the sole inventor was false.

13 Finjan's argument that Mr. Kroll was not asked any questions about Mr. Touboul's
14 contribution to the '494 Patent is inapposite. Juniper is not attempting to prove that Mr. Touboul
15 is not an inventor on the patent—only that he is not the exclusive inventor of claim 10, as he
16 represented to the USPTO.

17 At the pleadings stage, where "the court accepts the facts alleged in the complaint as true,"
18 Juniper sufficiently alleges that Mr. Touboul made a misrepresentation to the USPTO in his
19 declaration. *See Vistan Corp. v. Fadei USA, Inc.*, No. C-10-4862 JCS, 2011 WL 1544796, at *7
20 (N.D. Cal. Apr. 25, 2011). As this misrepresentation consists of "the filing of an unmistakably
21 false affidavit," it is an "affirmative act[] of egregious misconduct" that is *per se material*.
22 *Therasense, Inc. v. Becton, Dickinson & Co.*, 649 F.3d 1376, 1392 (Fed. Cir. 2011); *see also*
23 *Outside the Box Innovations v. Travel Caddy, Inc.*, 695 F.3d 1285, 1294 (Fed. Cir. 2012) ("[A]
24 false affidavit or declaration is *per se material*."). Moreover, Mr. Touboul's false statements
25 resulted in the USPTO withdrawing its rejection because Ji would no longer be prior art if the
26 priority date of the '494 Patent is 1996 (when Mr. Kroll was not yet working at Finjan) as opposed
27 to 1999. Thus, his false statements are also "but-for" material.

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1 **B. Juniper Alleges Facts Showing That Ms. Bey’s Certification To The USPTO**
2 **That Her Claim Of Priority Was “Unintentionally” Delayed Was False**

3 Juniper has also added factual allegations supporting its claim that Ms. Bey’s statement to
4 the USPTO that Finjan had “unintentionally” delayed its claim of priority is false. Finjan’s only
5 response to Juniper’s allegations is that the claim of priority was permitted by the USPTO’s
6 procedures. In making this argument, Finjan attempts to distract this Court from the crux of
7 Juniper’s allegations—that Finjan has *intentionally* delayed making its claim of priority as part of
8 an effort to impermissibly extend the length of its patents. Finjan’s strategy is difficult to discern
9 when you look at individual prosecution cases in isolation—after all, it is certainly possible that in
10 any particular case there is unintentional delay in filing certain papers. When Finjan’s overall
11 patent prosecution strategy is examined, however, it becomes clear that Finjan intentionally
12 avoided making claims of priority to try to extend the life of its patents, and, if and only if the
13 USPTO rejected the claims over the prior art, Finjan would then submit a claim of priority to get
14 around the prior art, claiming that its earlier failure to do so was “unintentional.”

15 It is well established that “[c]ourts must consider the complaint in its entirety . . . when
16 ruling on Rule 12(b)(6) motions to dismiss[.]” *Dunn v. Castro*, 621 F.3d 1196, 1205, n.6 (9th Cir.
17 2010) (quoting *Tellabs, Inc. v. Makor Issues & Rights, Ltd.*, 551 U.S. 308, 322 (2007)). Here,
18 Juniper provides detailed allegations concerning Finjan’s pattern of repeated misrepresentations to
19 the USPTO regarding purportedly “unintentionally” delayed claims of priority, comprised of at
20 least five different instances in which Finjan made material misrepresentations to the USPTO. *See*
21 Dkt. No. 197-5 ¶¶ 252-258. These allegations, detailed in the Fifth Counterclaim and incorporated
22 by reference in the Fourth Counterclaim, explain how Finjan’s “unusually abundant history” of
23 petitioning for allegedly “unintentionally” delayed claims of priority illustrates Finjan’s scheme to
24 abuse the patent prosecution system by: (1) trying to get a later priority date for a patent; and (2) if
25 and only if the USPTO rejected this effort, claiming that Finjan made an innocent mistake about
26 the proper priority date, and seeking to “correct” its “unintentionally” delayed priority. *See* Mot.
27 at 6-7. This Court has already held that these allegations are sufficient to support Juniper’s Fifth
28

1 Counterclaim—which alleges the same scheme to maximize the value of the '154 patent. *See* Dkt.
2 No. 190 at 8; Dkt. No. 197-5 at ¶¶ 246-257.

3 Finjan concedes, as it must, that alleging inequitable conduct does not always require “but-
4 for materiality” if the allegations sufficiently plead the filing of an “unmistakably false affidavit”
5 that constitutes “affirmative egregious misconduct.” Dkt. No. 202 at 3:4-11. This Court has
6 already held that the facts alleged by Juniper “are sufficient to support a reasonable inference that
7 Attorney Bey falsely represented [in her petitions to the USPTO] that the delay in claiming
8 priority was ‘unintentional’ under the heightened pleading standard.” Dkt. No. 190 at 8-9. Thus,
9 these petitions constitute *unmistakably false affidavits* that constitute affirmative egregious
10 misconduct and are *per se material*. *See Outside the Box Innovations*, 695 F.3d at 1294;
11 *Therasense*, 649 F.3d at 1392; Dkt. No. 190 at 12 (“The alleged delay tactics [exercised by
12 Attorney Bey], if accepted as true, would be an abuse of the prosecution system, which this order
13 finds would amount to ‘egregious misconduct.’”).

14 C. Juniper Sufficiently Alleges Facts Justifying An Inference Of Specific Intent

15 For inequitable conduct, “knowledge and intent may be alleged more generally” as long as
16 “the pleadings allege sufficient underlying facts from which a court may reasonably infer that a
17 party acted with the requisite state of mind.” *Exergen Corp. v. Wal-Mart Stores, Inc.*, 575 F.3d
18 1312, 1327 (Fed. Cir. 2009); *see also Oracle Corp. v. DrugLogic, Inc.*, 807 F. Supp. 2d 885, 896-
19 97 (N.D. Cal. 2011). “Because direct evidence of deceptive intent is rare, a district court may
20 infer intent from indirect and circumstantial evidence.” *Therasense*, 649 F.3d at 1290.

21 The Federal Circuit has acknowledged that “[a]n inference of intent may arise where
22 material false statements are proffered in a declaration or other sworn statement submitted to the
23 PTO.” *eSpeed, Inc. v. BrokerTec USA, L.L.C.*, 480 F.3d 1129, 1138 (Fed. Cir. 2007). Moreover,
24 the inference that material false statements contained in an affidavit submitted to the PTO “were
25 made with deceptive intent ‘arises not simply from the materiality of the affidavits, but from the
26 *affirmative acts of submitting them*, their misleading character, and the inability of the examiner
27 to investigate the facts.’” *Id.* (internal citations omitted). Additionally, where there is “*a pattern*
28 *of false and misleading statements during prosecution* of related patents,” the Federal Circuit has

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