

E-filed 2/2/2017

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UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

FINJAN, INC.,  
Plaintiff,  
v.  
BLUE COAT SYSTEMS, LLC,  
Defendant.

Case No.15-cv-03295-BLF (HRL)

**ORDER GRANTING-IN-PART AND DENYING-IN-PART DEFENDANT’S MOTION TO STRIKE PLAINTIFF’S INFRINGEMENT CONTENTIONS**

Re: Dkt. No. 89

Defendant Blue Coat Systems, Inc. (“Blue Coat”) moves to strike Plaintiff Finjan, Inc.’s (“Finjan”) Patent Local Rule 3-1 Infringement Contentions Regarding U.S. Patent Nos. 6,154,844 (the ’844 Patent), 6,956,968 (the ’968 Patent), and 7,418,731 (the ’731 Patent) (together, the “three patents”). For the following reasons, the court grants Blue Coat’s motion in part and denies it in part.

**BACKGROUND**

This is the second suit between these two parties, both players in the cybersecurity industry, involving these three patents. In 2013, Finjan sued Blue Coat, accusing the latter’s products of infringing six of its patents. 5:13-cv-03999-BLF, Dkt. No. 1, ¶ 37. During the prior case (“*Blue Coat I*”), Finjan sought leave to amend its infringement contentions to assert certain of its patents against additional Blue Coat products (specifically, Content Analysis System (“CAS”), Malware Analysis Appliance (“MAA”), and WebPulse Service (“WebPulse”). The court granted leave for Finjan to amend its infringement contentions with respect to asserting the ’731 patent against CAS, but denied it with respect to most of Finjan’s requested amendments. 5:13-cv-03999-BLF, Dkt. No. 116. The court’s denial of leave to amend was justified on the grounds that Finjan had failed to identify any new or recently discovered nonpublic information about the

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1 diligence needed to establish good cause to amend.<sup>1</sup> *Id.* *Blue Coat I* went to trial and ended in a  
 2 judgment in favor of Finjan, with the jury finding that Blue Coat had infringed five of the six  
 3 patents asserted. 5:13-cv-03999-BLJ, Dkt. Nos. 487, 556.

4 Five days before the trial in *Blue Coat I*, Finjan filed the present action. Dkt. No. 1. In its  
 5 Patent Local Rule 3-1 infringement contentions,<sup>2</sup> Finjan accuses Blue Coat's products of  
 6 infringing ten patents, including the three patents at issue in the present motion. Finjan's  
 7 infringement contentions related to the three patents are presented in the following table:<sup>3</sup>

Patent	Accused Products
'844	WebPulse
	Web Security Service
	Advanced Security Gateway with the MAA or Security Analytics
	ProxySG and CAS with MAA or Security Analytics
	Mail Threat Defense with the MAA or Security Analytics
'968	Web Security Service
	Advanced Security Gateway with the MAA
	ProxySG and CAS with MAA
'731	Web Security Service
	Advanced Security Gateway with the MAA or Security Analytics
	ProxySG and CAS with MAA or Security Analytics
	Mail Threat Defense with the MAA or Security Analytics

17 Blue Coat now moves to strike Finjan's infringement contentions with respect to the three  
 18 patents. Blue Coat asserts that "all of the products accused for [the three] Patents were either  
 19 directly accused in [*Blue Coat I*] or the accused functionalities of the accused products were well-  
 20 known to Finjan . . . ." Dkt. No. 89, at 4. Several of the products currently accused were directly  
 21 accused in *Blue Coat I* or were the subject of Finjan's denied request to amend its infringement  
 22 contentions there. Other products, Blue Coat asserts, are "essentially the same" as products

24 <sup>1</sup> Amendments to infringement contentions are only permitted for "good cause." *O2 Micro Int'l*  
 25 *Ltd. v. Monolithic Power Sys., Inc.*, 467 F.3d 1355, 1365-66 (Fed. Cir. 2006). In the Northern  
 26 District, good cause "require[s] a showing that the party seeking leave to amend acted with  
 27 diligence in promptly moving to amend when new evidence is revealed in discovery." *Id.* at 1363.

<sup>2</sup> Patent Local Rule 3-1 states that infringement contentions must contain statements of each claim  
 of each patent in suit that is allegedly infringed. For each asserted claim, the contentions must  
 contain each accused "apparatus, product, device, process, method, act, or other instrumentality . . .  
 of each opposing party of which the party is aware." Patent L.R. 3-1(b).

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1 accused in *Blue Coat I*, in that Finjan only accuses functionalities that were the subject of the prior  
2 case.<sup>4</sup> *Id.* at 5-8. Blue Coat argues that Finjan’s contentions should be stricken because (1) they  
3 represent a collateral attack on the court’s order in *Blue Coat I* denying leave to amend Finjan’s  
4 infringement contentions, and (2) the accused products are “the same or essentially the same” as  
5 the accused products in *Blue Coat I*, and so res judicata should apply to preclude these claims. *Id.*  
6 at 9.

7 Finjan responds that its infringement contentions, for the most part, accuse products and  
8 functionalities that “did not exist” when Finjan asserted its infringement contentions in *Blue Coat*  
9 *I*. Dkt. No. 106, at 1. For the other contentions—those which Finjan sought to include in *Blue*  
10 *Coat I*—Finjan asserts that the order denying leave to amend did not bar Finjan from pursuing  
11 those claims in a separate action. *Id.*

12 Counsel for the parties appeared before the court for a hearing on this motion on  
13 November 15, 2016.

14 **DISCUSSION**

15 The Federal Rules of Civil Procedure provide that “[t]he court may strike from a pleading  
16 an insufficient defense or any redundant, immaterial, impertinent, or scandalous matter.” Fed. R.  
17 Civ. P. 12(f). Motions to strike are intended to enable the court and the parties to “avoid the  
18

19 <sup>4</sup> Blue Coat summarizes its arguments regarding the relationships between its products and the  
20 accusations against them in the following table (Dkt. No. 89, at 16):

The ‘844, ‘731, and ‘968 Patents				
Case 1 Accused Products	Case 2 Accused Products			
ProxySG	ProxySG	Advanced Security Gateway		Mail Threat Defense (“MTD”) (only MAA and CAS functions accused)
Content Analysis System (“CAS”)	Content Analysis System (“CAS”)			
Malware Analysis Appliances (“MAA”)	Malware Analysis Appliances (“MAA”)			
WebPulse Service	WebPulse Service	Global Intelligence Network	Web Security Service	
MailThreat BLADE	Security Analytics			
WebThreat BLADE				
FileThreat BLADE				

1 expenditure of time and money that must arise from litigating spurious issues by dispensing with  
 2 those issues prior to trial.” *Townshend v. Rockwell Int’l Corp.*, No. C99-0400SBA, 2000 WL  
 3 433505, at \*4 (N.D. Cal., Mar. 28, 2000) (quoting *Sidney-Vinsein v. A.H. Robbins, Co.*, 697 F.2d  
 4 880, 885 (9th Cir. 1983)). Motions to strike should only be granted “if it is clear that the matter to  
 5 be stricken can have no possible bearing upon the subject matter of the litigation.” *Id.*

6 Blue Coat essentially has two arguments supporting its motion to strike: that the current  
 7 infringement contentions are an impermissible collateral attack on the court’s order denying Finjan  
 8 leave to amend its infringement contentions in *Blue Coat I*, and that Finjan is precluded from  
 9 asserting the three patents against Blue Coat’s products because the products are essentially the  
 10 same as those accused in *Blue Coat I*. The court addresses the impermissible collateral attack  
 11 argument first.

12 A party may not use a second action to reverse a decision in a prior action. *Glitsch, Inc. v.*  
 13 *Koch Eng’g Co.*, 216 F.3d 1382, 1384 (Fed. Cir. 2000). “When a court enters an order that a party  
 14 does not like, the party’s recourse is to seek relief on appeal; it is not appropriate for the party to  
 15 contest the court’s order by filing a new action . . . challenging the court’s ruling in the first case.”  
 16 *Id.*

17 The parties cite two competing lines of cases discussing the prohibition on impermissible  
 18 collateral attacks. In the first, favored by Blue Coat, courts have held that subsequent actions  
 19 represented impermissible collateral attacks on orders in prior actions that were still ongoing. For  
 20 example, in *Icon-IP PTY Ltd. v. Specialized Bicycle Components, Inc.* [“*Icon IP*”], the court held  
 21 that a party’s infringement contentions against new bicycle seat models were an impermissible  
 22 collateral attack on the court’s denial of leave to amend the infringement contentions in *Icon I* to  
 23 include those new models. No. 13-cv-03677-JST, 2013 WL 10448869, at \*1-2 (N.D. Cal., Oct.  
 24 22, 2013). The court noted that, if it had allowed the second action to continue, it would likely  
 25 have had to consolidate it with the first action, and this consolidation would have “negated, and  
 26 essentially reversed” the *Icon I* order. *Id.* at \*2.

27 In the line of cases favored by Finjan, courts held that prior court orders denying leave to  
 28 amend infringement contentions did not preclude separate future actions alleging the same

1 infringement contentions where the second actions would not effectively reverse or negate the  
 2 orders in the prior actions. Finjan cites *Fujitsu Limited v. Tellabs Operations, Inc.* as an example.  
 3 No. 13-C-3229, 2013 WL 361810 (N.D. Ill., Jan. 20, 2013). In that case, the court held that a  
 4 second action alleging infringement based on new products did not represent an impermissible  
 5 collateral attack on the court's order denying leave to include those new products in amended  
 6 infringement contentions in an earlier suit. The court in *Fujitsu* reasoned that the earlier court "did  
 7 not rule that Fujitsu Limited was forever barred from suing" based on those claims. *Id.* at \*4. A  
 8 recent Northern District decision has followed *Fujitsu*. In that case, the court held that there was  
 9 no collateral attack on an earlier opinion where the prior order did not explicitly bar the plaintiff  
 10 from alleging infringement with respect to new products, even when the prior case was still  
 11 pending. *Avago Technologies General IP v. Asustek Computer, Inc.*, No. 15-cv-04525-EMC,  
 12 2016 WL 1623920, at \*2 (N.D. Cal., Apr. 25, 2016).

13 Here, the court is persuaded that, as far as the collateral attack argument is concerned, the  
 14 present situation is more similar to *Fujitsu* than to *Icon*. The court does not read the order in *Blue*  
 15 *Coat I* denying Finjan leave to amend its infringement contentions with respect to ProxySG, CAS,  
 16 and MAA to prohibit Finjan from accusing these products in subsequent suits. And there is no  
 17 concern here regarding reversing or negating the court's order in *Blue Coat I*, as there has been a  
 18 final judgment on the merits in that suit.

19 That the present suit is not an impermissible collateral attack on the order in *Blue Coat I*,  
 20 however, does not mean that Finjan is home free: it may still be precluded from asserting some or  
 21 all of its new infringement contentions for other reasons, to which the court now turns.

22 The doctrine of res judicata applies when there is "(1) an identity of claims; (2) a final  
 23 judgment on the merits; and (3) identity or privity between parties." *Stewart v. U.S. Bancorp*,  
 24 297 F.3d 953, 956 (9th Cir. 2001). The parties do not dispute that the second and third elements  
 25 exist here. For the first element, in the patent infringement context (for which Federal Circuit law  
 26 governs), claims are identical "when 'the accused device in the action before the court is  
 27 'essentially the same' as the accused device in a prior action between the parties that was resolved

28 have judgment on the merits?" *Icon IP, PTV, L.L.C. v. Icon IP, PTV, L.L.C.*, 2012 WL 10448860, at \*2 (Northern District of California, August 1, 2012).

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