UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

PALO ALTO NETWORKS, INC.,
Petitioner,

v.

FINJAN, INC.,
Patent Owner.

Case IPR2016-00151
Patent No. 8,141,154

PATENT OWNER'S SUR-REPLY TO PETITIONER'S REPLY BRIEF ON REMAND

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I. THIS PROCEEDING SHOULD BE TERMINATED BECAUSE PETITIONER IS ESTOPPED UNDER 35 U.S.C. § 315(E)(1)

In the Patent Owner Response on Remand, Finjan argued that Petitioner is estopped from maintaining this proceeding with respect to claims 1–8, 10 and 11 as a result of the Board's Final Written Decision in IPR2015-01979. Response at 1. Petitioner does not dispute this fact.

Before *SAS*, the Board handled situations like this by terminating the *inter partes* review with respect to any estopped claims. *See Ford Motor Co. v. Paice LLC*, IPR2015-00758, Paper 28 at 7–8 (P.T.A.B. Nov. 8, 2016). That procedure is no longer possible given that the *SAS* dictates that "[t]he agency cannot curate the claims at issue but must decide them all." *SAS Inst. Inc. v. Iancu*, 138 S. Ct. 1348, 1353 (2018). The Board is now faced with the question of whether to proceed to issue a Final Written Decision on claims for which the Petitioner is undisputedly estopped, to terminate Petitioner as a party to the case and proceed to a Final Written Decision without Petitioner's further participation, or to terminate the proceedings pursuant to 35 U.S.C. § 315(e)(1). The final option most faithfully adheres to the statutory text.

Rather than address Finjan's arguments, Petitioner incorrectly argues that Finjan's position is not supported by any authority. Reply at 2. As discussed in the Response, it is settled law that a challenge to a dependent claim "necessarily demands consideration of the independent claims from which it depends."

Response at 3 (citing *Callaway Golf Co. v. Acushnet Co.*, 576 F.3d 1331 (Fed. Cir. 2009)). Accordingly, allowing a petitioner to maintain a proceeding with respect to a dependent claim violates § 315(e)(1) when the petitioner is estopped from maintaining the challenge to the independent claim from which it depends. To prevent violation of § 315(e)(1) under such circumstances, the Board should consider estoppel to attach to all claims dependent upon a patentable base claim. Thus, while this particular issue may be one of first impression post-*SAS*, Finjan's position is supported by the statutory text as well as the dictates of the Supreme Court and Federal Circuit.

Petitioner's reliance on *Credit Acceptance Corp. v. Westlake Servs.*, 859 F.3d 1044, 1052 (Fed. Cir. 2017) for the proposition that § 315(e)(1) is only relevant when a Final Written Decision issues for a particular claim fails. First, the decision in *Credit Acceptance* was premised in large part on the Federal Circuit's decision in *Synopsys*, where the Court found that "the Board may institute an IPR on a claim-by-claim basis." *Synopsys, Inc. v. Mentor Graphics Corp.*, 814 F.3d 1309, 1314 (Fed. Cir. 2016). The Supreme Court foreclosed this reasoning in *SAS*. Second, *Credit Acceptance* is distinguishable on the basis that it did not consider interplay between independent and dependent claims in determining whether maintenance of a proceeding on claims not facially subject to estoppel would still violate § 315(e)(1).

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