UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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PALO ALTO NETWORKS, INC.,
Petitioner,

v.

FINJAN, INC.,
Patent Owner.

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Case IPR2015-02001
Case IPR2016-00157[1]
Patent 8,225,408 B2

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Held: January 5, 2017

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BEFORE: THOMAS L. GIANNETTI, MIRIAM L. QUINN, and
PATRICK M. BOUCHER, Administrative Patent Judges.

The above-entitled matter came on for hearing on Thursday,
January 5, 2017, commencing at 1:30 p.m., at the U.S. Patent and
Trademark Office, 600 Dulany Street, Alexandria, Virginia.

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[1] Case IPR2016-00157 has been consolidated with IPR2015-
02001 ("the consolidated proceeding"). Cases IPR2016-00955
and IPR2016-00956 have been consolidated and joined with the
consolidated proceeding.

APPEARANCES:

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1   P R O C E E D I N G S

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3   JUDGE GIANNETTI: So this is the second hearing

4   today. This case is IPR2015-2001, which has been joined with

5   case IPR2016-00157, Palo Alto Networks Inc., versus Finjan, Inc.

6   This is the final hearing. I am Judge Giannetti. On the screen to

7   my left is Judge Boucher. Judge Quinn is on the screen to my

8   right. They are participating in this hearing remotely. And Judge

9   Boucher will be presiding. So Judge Boucher.

10   JUDGE BOUCHER: Thank you. Just to clarify the

11   record, there are actually two other IPRs involved here as well,

12   IPR2015-2001 and 2016-157 have been consolidated with Palo

13   Alto Networks as the petitioner, but then there is also 2016-955

14   and 956, which have been joined to these proceedings, filed by

15   Blue Coat Systems. And those two have also been consolidated.

16   Before we begin, I just want to remind the parties that

17   the hearing is open to the public and a full transcript of it will

18   become part of the record. Also please keep in mind that

19   anything that is projected on the screen will not be viewable by

20   me or by Judge Quinn. So when you refer to an exhibit on the

21   screen, please state the slide, exhibit or page number that you are

22   referring to for the record. Also I want to remind the parties that

23   demonstrative exhibits are not evidence and have not been filed

24   as part of the record. In this case, I haven't seen any objections

25   from either side to the demonstrative exhibits.

1   And I also want to remind the parties that arguments are

2   limited to those that are supported by the written briefing. To the

3   extent that an argument is made or evidence presented that lacks

4   support in the written briefing, we will disregard it when we

5   render our final written decision.

6   So now if we could get appearances from the parties,

7   please, beginning with the petitioner.

8   MR. EUTERMOSER: Brian Eutermoser on behalf of

9   petitioner, Palo Alto Networks.

10   JUDGE BOUCHER: Thank you, Mr. Eutermoser. And

11   for the patent owner.

12   MR. HANNAH: Good afternoon, Your Honors. James

13   Hannah on behalf of Finjan. And with me is Shannon Hedvat.

14   JUDGE BOUCHER: And we allotted one hour to each

15   side for argument. So if you want to begin, petitioner, when you

16   are ready, and let us know how much time you would like to keep

17   for rebuttal, and I will keep track of the time here.

18   MR. EUTERMOSER: Thank you, Your Honor. I think

19   we just need a minute to get the slides set up. But I would like to

20   retain 20 minutes for rebuttal.

21   JUDGE BOUCHER: So whenever you are ready,

22   please go ahead and begin.

23   MR. EUTERMOSER: Good afternoon. May it please

24   the Board. In these proceedings, petitioner, Palo Alto Networks,

25   respectfully requests that the Board find all independent claims

1   and certain dependent claims of the '408 patent invalid as

2   obvious.

3   JUDGE GIANNETTI: Mr. Eutermoser, I think you

4   have to get closer to the microphone.

5   MR. EUTERMOSER: Is that better?

6   JUDGE GIANNETTI: That's better.

7   MR. EUTERMOSER: Unless the Board directs

8   otherwise, I plan to proceed through the topics shown on slide 2

9   of petitioner's demonstratives in the order shown here. So I'll

10   start with a quick overview of the '408 patent and then talk briefly

11   about claim construction, state of the art and knowledge of a

12   person of skill in the art, and then deal with the disputed claim

13   limitations.

14   So this case and the '408 patent is about virus detection

15   using parse trees. As we'll see, Finjan didn't invent this field, and

16   prior art discloses and teaches all the limitations in the claims.

17   This is Figure 2 of the '408 patent shown on slide 4 of our

18   demonstratives. And this outlines the three separate stages

19   described in the claims of the '408 patent. It takes an incoming

20   stream of code. That code is passed through a tokenizer and then

21   a parser and then an analyzer, one after the other.

22   And using lexical analysis to convert a data stream to a

23   stream of tokens, that's what happens in the tokenizer. That

24   wasn't new. Nor was using a parser to identify patterns of tokens

25   that correspond to potentially malicious code. Nor was using an

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