

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

PALO ALTO NETWORKS, INC.,
BLUE COAT SYSTEMS, INC.,
Petitioner,

v.

FINJAN, INC.,
Patent Owner.

Case IPR2016-00159¹
U.S. Patent No. 8,677,494

PATENT OWNER'S MOTION TO EXCLUDE

¹ Case IPR2016-01174 has been joined with this proceeding.

Pursuant to 37 C.F.R. § 42.64, Patent Owner Finjan, Inc. hereby moves to exclude the following exhibits submitted in this proceeding by Petitioner Palo Alto Networks, Inc.: 1092, 1098, 1100, 1095, 1089, 1088, 1089, 1006, and 1047. The Board should grant Patent Owner's Motion to Exclude for the reasons set forth below. Patent Owner timely raised the objections set forth in this Motion to Exclude. On May 27, 2016, Patent Owner timely filed its objections to the evidence in Petitioner's Petition. Paper 12. On November 23, 2016, Patent Owner timely filed its objects to the evidence in Petitioner's Reply. Paper 27.

I. The Board Should Exclude Petitioner's New Arguments and Exhibits As Outside the Proper Scope of the Reply.

Petitioner's Reply improperly introduced new evidence and arguments that are inadmissible under 37 C.F.R. § 42.61 and are properly subject to exclusion.² *Belden Inc. v. Berk-Tek LLC*, 805 F.3d 1064, 1081 (Fed. Cir. 2015) (“a party may move to exclude evidence, whether as improper under the response-only regulation, under the Trial Practice Guide's advice, or on other grounds.”). These belated submissions should be excluded because it is improper for Petitioner to introduce new evidence and arguments in its Reply in order to resolve the deficient arguments and evidentiary shortcomings of its Petition. “[T]he expedited nature of

² The Board granted Patent Owner's request to identify specific portions of Petitioner's Reply and evidence that is outside the proper scope of reply. Paper 29.

IPRs bring with it an obligation for petitioners to make their case in their petition to institute” unlike in district courts where “parties have greater freedom to revise and develop their arguments over time.” *Intelligent Bio-Sys., Inc. v. Illumina Cambridge Ltd.*, 821 F.3d 1359, 1369–70 (Fed. Cir. 2016).

First, Petitioner improperly offers Exhibits 1095,³ 1096,⁴ and 1097⁵ in its Reply as a belated attempt to revise its argument or supplement its evidence that Swimmer (Exhibit 1006) was publicly available prior art. Petitioner failed to provide sufficient evidence that Swimmer was publicly available because Swimmer itself states that it was not intended to be publicly available and Petitioner’s reliance on Mr. John Hawes’s testimony (as further discussed herein) fails to remedy this deficiency as he lacked personal knowledge for his statements and based his testimony on unauthenticated hearsay documents that were not produced with the Petition. Paper 17 at 12-14.

The Board should not consider new evidence introduced in the Reply because it was available at the time that Petitioner filed its Petition. Office Patent

³ Exhibit 1095 comprises comprising Exhibits 1006, 1007, 1011, 1037 from *Symantec Corp. v. Finjan, Inc.*, IPR2015-01892 (“Symantec IPR”).

⁴ Exhibit 1096 comprises Exhibits 1038, 1039 and 1040 from the Symantec IPR.

⁵ Exhibit 1097 comprises Exhibits 1026 and 1041 from the Symantec IPR.

Trial Practice Guide, 77 Fed. Reg. 48,156, 48,767 (Aug. 14, 2012) (“reply that raises a new issue or belatedly presents evidence will not be considered and may be returned. The Board will not attempt to sort proper from improper portions of the reply.”). “[I]ndications that a new issue has been raised in a reply include new evidence necessary to make out a prima facie case for...patentability...and new evidence that could have been presented in a prior filing.” *Id.*

There is no reason why Petitioner could not have included such evidence in its Petition and in fact, the information contained in Exhibits 1095-1097 regarding Swimmer's alleged public accessibility was available at the time Petitioner filed its Petition. Petitioner knew that it had the burden to demonstrate Swimmer's public availability in order to establish its *prima facie* invalidity case. Its belated attempt to do so in its Reply should not be permitted. *See, e.g., Toshiba Corp. v. Optical Devices, LLC*, IPR2014-01447, Paper 34 at 44–47 (P.T.A.B. Mar. 9, 2016) (“[Section 42.23(b)]...does not authorize or otherwise provide a means for supplementing the evidence of record.”); *Toyota Motor Corp. v. Am. Vehicular Scis. LLC*, IPR2013-00424, Paper 50 at 21 (P.T.A.B. Jan. 12, 2015) (“[Petitioner] cannot rely belatedly on this evidence in its Reply and Reply Declaration...to make up for the deficiencies in its Petition.”); *The Scotts Co. v. Encap, LLC*, IPR 2013-00110, Paper 79 at 5–6 (P.T.A.B. June 24, 2014) (declining to consider untimely evidence and arguments based on belated evidence because patent owner

“was denied the opportunity to file responsive evidence.”). The Board should thus exclude Exhibits 1095, 1096 and 1097 and Petitioner's Reply arguments relying on the same. Paper 26 at 3-5.

Second, Petitioner improperly attempts, in its Reply, to introduce new references, Exhibits 1091, 1093 and 1094, to supplement its grounds for invalidity. Petitioner introduces Exhibits 1093 and 1094, without any basis or authentication, to support its contention of a POSITA's understanding and in particular that “function numbers correspond to computer operations identified by the ‘494 as examples of operations that POSAs *already* understood to be suspicious.” Paper 26 at 9. Petitioner similarly relies on Exhibit 1091 in describing *Avast* products, which are neither relevant to nor at issue in this IPR, and in alleging that “Avast's logs [] meet[] the DSP data limitation.” Paper 26 at 10.

Petitioner's reliance on these new exhibits is improper because these references are not part of the instituted grounds in this proceeding. Moreover, Petitioner's reliance on this new evidence is unfairly prejudicial to Patent Owner as Patent Owner did not have an opportunity to substantively respond to the untimely evidence and arguments. Fed. R. Evid. (“FRE”) 403 advisory comm. notes (2011) (“‘Unfair prejudice’ within its context means an undue tendency to suggest decision on an improper basis....”).

Thus, the Board should exercise its discretion and exclude Exhibits 1093 and

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