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Paper 13
Entered: June 23, 2016

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

PALO ALTO NETWORKS, INC.,
Petitioner,

v.

FINJAN, INC.,
Patent Owner.

Case IPR2016-00159
Patent 8,677,494 B2

Before JAMES B. ARPIN, ZHENYU YANG, and
CHARLES J. BOUDREAU, *Administrative Patent Judges*.

BOUDREAU, *Administrative Patent Judge.*

DECISION
Denying Patent Owner's Request for Rehearing
37 C.F.R. § 42.71(d)

I. INTRODUCTION

Finjan, Inc. ("Patent Owner") filed a Request for Rehearing Pursuant to 37 C.F.R. §§ 42.71(c) and 42.71(d) (Paper 11, "Req. Reh'g"), requesting rehearing of our determination, in our Decision to Institute entered May 13, 2016 (Paper 8, "Dec. to Inst."), to institute an *inter partes* review of claims 1–6 and 10–15 of U.S. Patent No. 8,677,494 B2 (Ex. 1001, "the '494 patent"). For the reasons that follow, Patent Owner's Request for Rehearing is *denied*.

II. BACKGROUND

Palo Alto Networks, Inc. ("Petitioner") filed a Petition (Paper 2, "Pet.") challenging the patentability of claims 1–18 of the '494 patent ("the challenged claims") on the following grounds:

Reference(s)	Basis	Claims Challenged
Touboul[1]	35 U.S.C. § 102	1, 3–6, 9, 10, 12–15, and 18
Touboul and Swimmer[2]	35 U.S.C. § 103	2 and 11
Touboul and Ji[3]	35 U.S.C. § 103	7 and 16
Touboul	35 U.S.C. § 103	8 and 17
Swimmer	35 U.S.C. § 103	1, 2, 6, 10, 11, and 15
Swimmer and Martin[4]	35 U.S.C. § 103	3–5 and 12–14

[1] International Patent Publication No. WO 98/21683 to Shlomo Touboul, published May 22, 1998 (Ex. 1026)
[2] Morton Swimmer et al., *Dynamic Detection and Classification of Computer Viruses Using General Behaviour Patterns*, VIRUS BULL. CONF. 75 (Sept. 1995) (Ex. 1006)
[3] U.S. Patent No. 5,983,348 to Shuang Ji (Ex. 1010)
[4] David M. Martin, Jr. et al., *Blocking Java Applets at the Firewall*, PROC. 1997 SYMP. ON NETWORK & DISTRIBUTED SYS. SEC. (©1997) (Ex. 1047)

Pet. 5. Prior to the filing of the Petition, the '494 patent previously was the subject of three other petitions for *inter partes* review. *See Sophos Inc. v. Finjan, Inc.*, Case IPR2015-01022 (Paper 1); *Symantec Corp. v. Finjan, Inc.*, Case IPR2015-01892 (Paper 1), *Symantec Corp. v. Finjan, Inc.*, Case IPR2015-01897 (Paper 1).[5] Of note here, the petition in Case IPR2015-01892 challenged the patentability of claims 1, 2, 5, 6, 10, 11, 14, and 15 of the '494 patent over Swimmer (Ex. 1006), and the petition in Case IPR2015-01897 challenged the patentability of those same claims over two United States patents related to Touboul (Ex. 1026). The arguments made by Symantec, the petitioner in those two cases, overlap with, but also differ substantively from, the arguments advanced by Petitioner in the instant case.

On February 17, 2016, Patent Owner filed a Preliminary Response (Paper 6, "Prelim. Resp.") in which it argued, *inter alia*, that Touboul does not qualify as prior art to the challenged claims (*id.* at 2–3, 13–26) and that Petitioner did not demonstrate that Swimmer discloses certain limitations recited in the challenged independent claims (*id.* at 3–4, 26–40). Patent Owner also asserted that "Case No. IPR2015-01897 . . . is substantially similar to Grounds 1–4 of the instant Petition in terms of the art cited and the arguments made" and that "Case No. IPR2015-01893 [*sic*] . . . asserts substantially similar art and arguments to Grounds 5 and 6 of the instant Petition." *Id.* at 1. Patent Owner further stated that it "has filed Patent Owner Preliminary Responses in [those] two cases, which await institution

[5] Additionally, to date, two more petitions have been filed that challenge certain claims of the '494 patent. *See Blue Coat Systems, Inc. v. Finjan, Inc.*, Case IPR2016-00890 (Paper 2); *Blue Coat Systems, Inc. v. Finjan, Inc.*, Case IPR2016-01174 (Paper 2).

decisions, and *requests that the Board use its discretion* to reject the instant Petition under 35 U.S.C. § 325(d) for recycling substantially the same art and arguments previously submitted to the USPTO." *Id.* at 1–2 (emphasis added).

Shortly after Patent Owner filed its Preliminary Response in this case, we entered a decision denying institution of *inter partes* review of the challenged claims in Case IPR2015-01897, explaining that we were persuaded on the record before us in that case that claims 1, 2, 5, 6, 10, 11, 14, or 15 were entitled to a priority date of at least November 6, 1997, and that, based on that priority date, the references cited in that case did not constitute prior art to the challenged claims. *Symantec Corp. v. Finjan, Inc.*, Case IPR2015-01897, slip op. 5–16 (PTAB Feb. 26, 2016) (Paper 7). We then entered a decision instituting an *inter partes* review in Case IPR2015-01892, concluding that Symantec had demonstrated a reasonable likelihood that it would prevail in showing the unpatentability of each of claims 1, 2, 5, 6, 10, 11, 14, and 15 of the '494 patent as unpatentable under 35 U.S.C. § 103(a) over Swimmer. *Symantec Corp. v. Finjan, Inc.*, Case IPR2015-01892, slip op. 12–23 (PTAB Mar. 18, 2016) (Paper 9). Patent Owner requested reconsideration of our institution decision in the latter case on April 1, 2016. Case IPR2015-01892, Paper 13.

In our Decision to Institute, we concluded, following consideration of Petitioner's explanations and supporting evidence in view of Patent Owner's Preliminary Response, that Petitioner had demonstrated in its Petition a reasonable likelihood of prevailing in showing the unpatentability of challenged claims 1, 2, 6, 10, 11, and 15 under 35 U.S.C. § 103(a) over Swimmer and claims 3–5 and 12–14 under § 103(a) over Swimmer and

Martin, as well as that relatively weak evidence of secondary considerations on the record before us did not overcome the relatively strong evidence of obviousness. Dec. to Inst. 17–33. Accordingly, we instituted an *inter partes* review on those grounds. *Id.* at 34. We also concluded, however, that Touboul does not qualify as prior art to the challenged claims, and we declined to institute an *inter partes* review on any other ground. *Id.* at 9–17, 34.

Patent Owner now contends we overlooked its request that we exercise our discretion to reject the Petition under 35 U.S.C. § 325(d) and that our Decision to Institute "'represents an unreasonable judgment in weighing relevant factors' and therefore, meets the stringent 'abuse of discretion' standard." Req. Reh'g 1 (quoting *Star Fruits S.N.C. v. United States*, 393 F.3d 1277, 1281 (Fed. Cir. 2005)).

III. DISCUSSION

The party challenging a decision in a request for rehearing bears the burden of showing the decision should be modified. 37 C.F.R. § 42.71(d). A request for rehearing "must specifically identify all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed." *Id.* Upon a request for rehearing, the decision on a petition will be reviewed for an abuse of discretion. 37 C.F.R. § 42.71(c). An abuse of discretion occurs when a "decision [i]s based on an erroneous conclusion of law or clearly erroneous factual findings, or . . . a clear error of judgment." *PPG Indus. Inc. v. Celanese Polymer Specialties Co.*, 840 F.2d 1565, 1567 (Fed. Cir. 1988).

In relevant part, 35 U.S.C. § 325(d) provides that, "[i]n determining whether to institute or order a proceeding under . . . chapter 31, the Director

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