

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

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

v.

FINJAN, INC.,
Patent Owner.

Case IPR2016-00159¹
Patent 8,677,494 B2

Before ZHENYU YANG, CHARLES J. BOUDREAU, and
SHEILA F. McSHANE, *Administrative Patent Judges*.

BOUDREAU, *Administrative Patent Judge*.

DECISION

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

¹ Case IPR2016-01174 has been joined with the instant proceeding.

INTRODUCTION

In a Final Written Decision entered on April 11, 2017, in the above-captioned *inter partes* review (Paper 50, “Final Dec.”), we determined that Palo Alto Networks, Inc. (“PAN”) and Blue Coat Systems LLC (formerly known as Blue Coat Systems, Inc.² (“Blue Coat”)) (collectively, “Petitioner”) demonstrated by a preponderance of the evidence adduced at trial that claims 1, 2, and 6 of U.S. Patent No. 8,677,494 B2 (“the ’494 patent”) are unpatentable under 35 U.S.C. § 103(a) over Morton Swimmer et al., *Dynamic Detection and Classification of Computer Viruses Using General Behaviour Patterns*, Virus Bull. Conf. 75 (Sept. 1995) (“Swimmer”). Patent Owner, Finjan, Inc., filed a Request for Rehearing. Paper 52 (“Reh’g Req.”). Patent Owner contends that we misapprehended the claim language and the prior art in the Final Written Decision, alleging that “Petitioners failed to disclose an inconsistent opinion from their own expert that directly contradicts the positions they advanced in this matter, thereby misleading the Board and flouting their discovery obligations.” Reh’g Req. 1. Patent Owner requests that we reverse our decision and hold that claims 1, 2, and 6 of the ’494 patent are patentable. *Id.* at 2. For the reasons discussed below, Patent Owner’s Request for Rehearing is *denied*.

BACKGROUND

PAN and Blue Coat filed petitions requesting *inter partes* review of certain claims of the ’494 patent as being unpatentable over Swimmer, among other references. Paper 2 (Petition filed by PAN, requesting review

² See Paper 30, 1. Blue Coat Systems LLC identified Symantec Corp. as an additional real party in interest in this proceeding. Paper 39.

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of claims 1–18 of the '494 patent on various grounds); IPR2016-01174, Paper 2 (Petition filed by Blue Coat, requesting review of claims 1–6 and 10–15 of the '494 patent on various grounds and seeking joinder in the instant case). We instituted a trial pursuant to 35 U.S.C. § 314(a) with respect to claims 1–6 and 10–15—including claims 1, 2, 6, 10, 11, and 15 as being unpatentable over Swimmer—and subsequently joined Case IPR2016-01174 with the instant case. Paper 8; *see also* Paper 20 (copy of decision instituting *inter partes* review in Case IPR2016-01174 and granting motion for joinder; also filed as IPR2016-01174, Paper 8). In our Final Written Decision, we determined that Petitioner demonstrated by a preponderance of the evidence that claims 1, 2, and 6 are unpatentable over Swimmer. Final Dec. 20–48, 60–68, 82. In reaching that conclusion, we found, *inter alia*, that the claim 1 limitation “deriving security profile data for [a] Downloadable, including a list of suspicious computer operations that may be attempted by the Downloadable” was taught by Swimmer, even under Patent Owner’s implied construction³ of “a list of suspicious computer operations” as “a list of computer operations deemed suspicious,” based in part on our finding that the cited portions of Swimmer teach generation of audit records that include the same types of operations that U.S. Patent No. 6,092,194 (Ex. 1013), incorporated by reference into the '494 patent, recited in an “example list of operations deemed potentially hostile.” *Id.* at 33–35

³ As we explained in the Final Written Decision, Patent Owner explicitly proposed the referenced construction in IPR2015-01892, and we considered and rejected that construction in the final written decision in that case. Final Dec. 33 (citing *Symantec Corp. v. Finjan, Inc.*, Case IPR2015-01892, slip op. at 8–12 (PTAB Mar. 15, 2017) (Paper 58)).

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(quoting Ex. 1013, 5:50–6:4 (initial capitalization omitted)). In our Final Written Decision, we also noted both that Patent Owner acknowledged our explanation in our Decision on Institution that we do not understand the “deriving” step of claim 1 to require the recited list to consist *only* of suspicious computer operations (Final Dec. 35) and that, regardless, we do not understand Swimmer to register *all* calls to DOS functions (*id.* at 36 n.10).

ANALYSIS

“The burden of showing a decision should be modified lies with the party challenging the decision[,]” which party “must specifically identify all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed in a motion, an opposition, or a reply.” 37 C.F.R. § 42.71(d).

In the Request for Rehearing, Patent Owner contends that “Petitioners failed to disclose an inconsistent opinion from their own expert that directly contradicts the positions they advanced in this matter”; that “Petitioners served an expert report that repeatedly and unequivocally states that a list of *all* operations attempted by a downloadable ‘cannot be a “list of suspicious computer operations”’”; that “Petitioners now expressly renounce the very arguments they made before this Board”; and that “Petitioners knew all along that their expert would present a contrary opinion in the District Court.” Reh’g Req. 1, 2 (underlining added). Notwithstanding Patent Owner’s use of the plural terms “Petitioners” and “their,” however, Patent Owner’s proffered evidence consists only of an expert report allegedly served by Blue Coat. *See id.* at 3 (asserting that “Petitioner Blue Coat Systems, Inc.” served a “Rebuttal Expert Report of Dr. Seth Nielson

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Regarding Noninfringement (the ‘Report’) in the underlying action between Patent Owner and Petitioner Blue Coat Systems”). Patent Owner does not proffer any evidence that PAN served any report alleged to be similarly inconsistent with any positions advanced in this matter. Nor does Patent Owner offer any evidence that PAN was aware of Dr. Neilson’s report served by Blue Coat prior to the issuance of our Final Written Decision. Patent Owner has not sufficiently shown on this record that Blue Coat violated its duty of candor. Even if it had, however, and we further were to agree that the requested reversal of our conclusion in the Final Written Decision as to the unpatentability of claims 1, 2, and 6 would potentially be an appropriate remedy for that violation, we still would not be persuaded that PAN engaged in any conduct that would justify imposing the same remedy against PAN.

Although we agree with Patent Owner that the drafting of Dr. Neilson’s report most likely began before we issued our Final Written Decision, *see* Reh’g Req. 2 (“[T]hey surely began drafting the highly technical, 217-page report long before the Board issued its final written decision – because they disclosed it just ten days later.”)), we can do no more than speculate, on the record before us, particularly as to whether *the specific portions of Dr. Neilson’s report alleged by Patent Owner to contradict positions advanced in this matter* were drafted prior to the entry of our Decision. If a party purposely withheld an expert report with contradictory testimony until after the issuance of a Board decision, that would be troubling indeed, and we unequivocally condemn such gamesmanship in the strongest terms possible. The participants in an *inter partes* review are under a continuing duty of duty of candor to the Board.

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