

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*.

FINAL WRITTEN DECISION
35 U.S.C. § 318(a) and 37 C.F.R. § 42.73

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

I. INTRODUCTION

Palo Alto Networks, Inc. and Blue Coat Systems, Inc., now known as Blue Coat Systems LLC,² (collectively, “Petitioner”) filed petitions requesting *inter partes* review of certain claims of U.S. Patent No. 8,677,494 B2 (Ex. 1001, “the ’494 patent”). Paper 2 (“Petition” or “Pet.”; requesting review of claims 1–18 of the ’494 patent); *see also* IPR2016-01174, Paper 2 (requesting review of claims 1–6 and 10–15 of the ’494 patent).

Based on the information provided in the Petition, and in consideration of the Preliminary Response (Paper 6; “Prelim. Resp.”) of Patent Owner, Finjan, Inc., we instituted a trial pursuant to 35 U.S.C. § 314(a) with respect to claims 1–6 and 10–15 and subsequently joined Case IPR2016-01174 with the instant case. Paper 8 (“Decision on Institution” or “Dec. on Inst.”); *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).

After institution, Patent Owner filed a Request for Rehearing Pursuant to 37 C.F.R. §§ 42.71(c) and 42.71(d) (Paper 11), challenging our decision to institute trial, and we issued a Decision Denying Patent Owner’s Request for Rehearing (Paper 13, “Rehearing Decision” or “Reh’g Dec.”). Thereafter, Patent Owner filed a Response (Paper 17 (“PO Resp.”)), and Petitioner filed a Reply (Paper 26, “Pet. Reply”). Petitioner proffered Declarations of Aviel D. Rubin, Ph.D. (Ex. 1002), Eugene Spafford, Ph.D.

² *See* Paper 30, 1. Blue Coat Systems LLC identifies Symantec Corp. as a real party in interest in this proceeding. Paper 39.

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(Ex. 1061), and John Hawes (Ex. 1088) with its Petition; and Supplemental Declarations of Dr. Rubin (Ex. 1090) and Mr. Hawes (Ex. 1089) with its Reply. Patent Owner proffered Declarations of Nenad Medvidovic, Ph.D. (Ex. 2011) and S.H. Michael Kim (Ex. 2012) with its Response. Also, deposition transcripts were filed for Michael T. Goodrich, Ph.D. (Ex. 1098), Mr. Kim (Ex. 1099), Dr. Medvidovic (Ex. 1100), Mr. Hawes (Ex. 2014), Dr. Rubin (Ex. 2015), and Jack W. Davidson, Ph.D., a witness proffered by the petitioner in related Case IPR2015-01892 (Ex. 2016).

Petitioner moves to exclude certain paragraphs of Dr. Medvidovic's Declaration and certain of Patent Owner's Exhibits. Paper 31. Patent Owner filed an Opposition (Paper 43) to Petitioner's Motion to Exclude, and Petitioner filed a Reply (Paper 47).

Patent Owner also moves to exclude certain of Petitioner's Exhibits and portions of Petitioner's Reply. Paper 35. Petitioner filed a Response (Paper 42) to Patent Owner's Motion to Exclude, and Patent Owner filed a Reply (Paper 48).

Patent Owner additionally filed an identification of arguments alleged to exceed the proper scope of Petitioner's Reply (Paper 32), to which Petitioner filed a response (Paper 40). Patent Owner further filed a Motion for Observations on the cross-examination of Mr. Hawes (Paper 34), and Petitioner filed a response thereto (Paper 41); and Patent Owner filed a Motion for Entry of the Default Protective Order and to Seal Certain Exhibits under 37 C.F.R. §§ 42.14 and 42.54 (Paper 45).

An oral hearing was held on February 16, 2017; a transcript of the hearing is included in the record (Paper 49, "Tr.").

We have jurisdiction under 35 U.S.C. § 6. This Final Written Decision is issued pursuant to 35 U.S.C. § 318(a) and 37 C.F.R. § 42.73. For the reasons that follow, we determine that Petitioner has shown by a preponderance of the evidence that claims 1, 2, and 6 of the '494 patent are unpatentable, but that Petitioner has not shown by a preponderance of the evidence that claims 3–5 and 10–15 of the '494 patent are unpatentable.

We also dismiss as moot Petitioner's Motion to Exclude; dismiss-in-part and deny-in-part Patent Owner's Motion to Exclude; and grant Patent Owner's Motion for Entry of the Default Protective Order and to Seal.

II. BACKGROUND

A. *Related Proceedings*

The parties identify six district court actions involving the '494 patent: *Finjan, Inc. v. Sophos, Inc.*, No. 3:14-cv-01197 (N.D. Cal. 2014) (“the *Sophos* litigation”); *Finjan, Inc. v. Websense, Inc.*, No. 14-cv-01353 (N.D. Cal. 2014) (“the *Websense* litigation”); *Finjan, Inc. v. Symantec Corp.*, No. 3:14-cv-02998 (N.D. Cal. 2014); *Finjan, Inc. v. Palo Alto Networks, Inc.*, No. 3:14-cv-04908 (N.D. Cal. 2014); *Finjan, Inc. v. Blue Coat Systems, Inc.*, No. 5:15-cv-03295 (N.D. Cal. 2015) (“the *Blue Coat* litigation”); and *Finjan, Inc. v. Cisco Systems Inc.*, No. 3:17-cv-00072 (N.D. Cal. 2017). Pet. 2; Paper 5, 1; PO Resp. 57; Paper 37, 1.

The '494 patent was also the subject of an *inter partes* review in *Symantec Corp. v. Finjan, Inc.*, Case IPR2015-01892 (“the Symantec 1892 IPR”), to which *Blue Coat Systems, Inc. v. Finjan, Inc.*, Case IPR2016-00890, was joined; and was the subject of denied petitions for *inter partes* review in *Sophos Inc. v. Finjan, Inc.*, Case IPR2015-01022, *Symantec*

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Corp. v. Finjan, Inc., Case IPR2015-01897, and *Blue Coat Systems, Inc. v. Finjan, Inc.*, Case IPR2016-01443. We previously issued a Final Written Decision in the Symantec 1892 IPR, in which we determined, as in the instant proceeding, that claims 1, 2, and 6 of the '494 patent are unpatentable. See IPR2015-01892, slip op. at 66 (PTAB Mar. 15, 2017) (Paper 58) (*Symantec* Final Written Dec.).

B. The '494 Patent

The '494 patent, entitled “Malicious Mobile Code Runtime Monitoring System and Methods,” issued March 18, 2014, from U.S. Patent Application No. 13/290,708 (“the '708 application”), filed November 7, 2011. Ex. 1001, [21], [22], [45], [54].

The '494 patent describes protection systems and methods “capable of protecting a personal computer (‘PC’) or other persistently or even intermittently network accessible devices or processes from harmful, undesirable, suspicious or other ‘malicious’ operations that might otherwise be effectuated by remotely operable code.” Ex. 1001, 2:51–56. “[R]emotely operable code that is protectable against can include,” for example, “downloadable application programs, Trojan horses and program code groupings, as well as software ‘components’, such as Java™ applets, ActiveX™ controls, JavaScript™/Visual Basic scripts, add-ins, etc., among others.” *Id.* at 2:59–64.

C. Priority Date of the '494 Patent

On its face, the '494 patent purports to claim priority from nine earlier applications: (1) U.S. Provisional Application No. 60/030,639 (“the '639 provisional”), filed November 8, 1996; (2) U.S. Patent Application No. 08/790,097, filed January 29, 1997, and issued as U.S. Patent No. 6,167,520

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