

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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BLUE COAT SYSTEMS, INC.,  
Petitioner,

v.

FINJAN, INC.,  
Patent Owner.

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Case IPR2016-01441  
Patent 8,225,408 B2

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**PATENT OWNER'S SUR-REPLY  
REGARDING 35 U.S.C. § 315(e)(1) AND FEE DEFICIENCY**

Pursuant to the Board's Order (Paper 7), Patent Owner Finjan, Inc., ("PO") submits this sur-reply in response to Petitioner's Reply (Paper 9, "Pet. Reply") regarding estoppel under 35 U.S.C. § 315(e)(1) and fee deficiency.

**I. PETITIONER WILL BE ESTOPPED UNDER 35 U.S.C. § 315(e)(1)**

The Board should deny institution because the Petition is moot. 35 U.S.C. § 315(e)(1) will estop Petitioner from maintaining this proceeding upon the issuance of a Final Written Decision in either of the two other IPR proceedings involving U.S. Patent No. 8,225,408, IPR20165-02001 and IPR2016-00157 (together, the "Prior Petitions"). Paper 6 ("Prelim Resp.") at 8-10. Petitioner's tactic of bringing a third Petition styled as only challenging dependent claims is a transparent attempt to avoid the estoppel from once again directly challenging independent claims 1, 9, 22, 23, 29 and 35.

Petitioner does not present any reason it could not have earlier asserted these grounds. *See* Pet. Reply at 2-3. Petitioner is raising substantially the same prior art and invalidity arguments as presented in the Prior Petitions. *See* Prelim. Resp. at 10-15. Petitioner admits as much: "[T]he Board has previously instituted *inter partes* review of the '408 patent, including of the independent claims from which [the challenged claims] depend . . . . This Petition presents *essentially the same disclosure and arguments* for those independent claims." Petition at 1 (emphasis added).

Petitioner incorrectly argues estoppel does not apply because it is challenging different claims from those at issue in the Prior Petitions. However, the challenged dependent claims all depend from the same independent claims challenged in the Prior Petitions, and the Petition directly challenges the validity of those independent claims. Indeed, while Petitioner contends it is not challenging the validity of the independent claims, the heart of its Petition is a *twenty five page* section arguing that the independent claims are obvious. Petition at 16-41 (Section VII.A.: “Chandnani and Kolawa Disclose or Render Obvious Each Element of Independent Claims 1, 9, 23, and 29”).

A finding in one of the Prior Petitions that an independent claim is valid would necessarily entail a finding that all of its dependent claims are valid, and a finding in this case that a dependent claim is invalid would necessarily entail a finding that its parent independent claim is invalid. *See K-Swiss Inc. v. Glide N Lock GmbH*, 567 Fed. App'x 906, 911 (Fed. Cir. 2014). Indeed, the Board already found in connection with another petition challenging the same patent that review of dependent claims requires review of the claims from which they depend. *Palo Alto Networks, Inc. v. Finjan, Inc.*, IPR2016-00157, Paper 3 at 2 (PTAB Nov. 17, 2015) (petition defective because “The challenged claims depend from claims 1 and 9, therefore review of claims 1 and 9 is required.”). Therefore, the claims at issue in this Petition substantially overlap with the claims at issue in the Prior

Petitions and § 315(e)(1) applies.

PO's request to deny institution due to estoppel is not premature. Because estoppel will require dismissal of this case once a Final Written Decision issues in one of the Prior Petitions, PO requests that the Board consider the policy goal of petitioner estoppel (to have petitioners promptly file all of their challenges, rather than file serial challenges) and the substantial waste of resources of the Board and the parties attendant to continuing both proceedings and, therefore, exercise its discretion to not institute the Petition. *Conopco Inc. dba Unilever v. Proctor & Gamble Co.*, Case No. IPR2014-00628, Paper 23 at 5 (PTAB Mar. 20, 2015) (Board did not err "in selecting the result that removes an incentive for petitioners to hold back prior art for successive attacks, and protects patent owners from multifarious attacks on the same patent claims").

Allowing this case to proceed until such time as the Board issues Final Written Decisions in the earlier-filed cases would declaw the petitioner estoppel provision of 35 U.S.C. § 315(e)(1) to the point of rendering it useless, and the Board and parties will have needlessly expended substantial resources during the interim. The legislative history of the AIA confirms that the rules were designed to prevent precisely the type of duplicative challenges raised by Petitioner here by pursuing multiple instituted IPR proceedings on the same claims. *See* H.R. Rep. No. 112-98, pt. 1, at 48 (2011) (warning that the AIA's procedures, including IPR,

should “not . . . be used as tools for harassment or a means to prevent market entry through repeated litigation and administrative attacks on the validity of a patent.”).

Consistent with this Congressional policy and the fact that all arguments in the Petition could have been raised in the Prior Petitions, the Board should exercise its discretion to deny the Petition and not permit Petitioner to file serial petitions raising similar arguments against the same claims.

## **II. THE PETITION SHOULD BE DENIED BECAUSE PETITIONER DID NOT PAY THE REQUISITE FEE**

Petitioner concedes it did not timely pay the requisite fee. Pet. Reply at 5; Prelim. Resp. at 20-22. Because Petitioner is not entitled to a filing date within one year of PO's complaint against it, the Petition should be dismissed.

While Petitioner mischaracterizes its failure as an “inadvertent Board error,” it offers no evidence that the E2E system was malfunctioning or incorrectly calculated the applicable fees or that it followed the procedure for E2E errors, and any such error would be attributable to Petitioner's failure to identify the challenged claims under 35 U.S.C. § 312. See [www.uspto.gov/patents-application-process/patent-trial-and-appeal-board/ptab-e2e-frequently-asked-questions](http://www.uspto.gov/patents-application-process/patent-trial-and-appeal-board/ptab-e2e-frequently-asked-questions) at A2; see also Prelim. Resp. at 15-20; *Terremark N. Am. LLC v. Joao Control & Monitoring Sys., LLC*, IPR2015-01482, Paper 10 at 8 (PTAB Aug. 5, 2015) (rejecting motion to recognize earlier filing date based on alleged PRPS malfunction where petitioner failed to carry its burden to prove malfunction and

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