

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ZSCALER, INC.,
Petitioner,

v.

SYMANTEC CORPORATION,
Patent Owner.

Case IPR2017-01342
Patent 8,661,498 B2

Before JEFFREY S. SMITH, DANIEL N. FISHMAN, and
STACEY G. WHITE, *Administrative Patent Judges*.

FISHMAN, *Administrative Patent Judge*.

FINAL WRITTEN DECISION
35 U.S.C. § 318(a) and 37 C.F.R. § 42.73
and
DECISION DENYING PATENT OWNER'S MOTION TO STRIKE

I. INTRODUCTION

Zscaler, Inc. (“Petitioner” or “Zscaler”) filed a Petition (Paper 3, “Pet.”) requesting *inter partes* review of claims 1, 2, 13–15, 21, 23–28, and 35–39 (hereinafter the “challenged claims”) of U.S. Patent No. 8,661,498 B2 (Ex. 1001, “the ’498 patent”) pursuant to 35 U.S.C. §§ 311–319. Symantec Corporation (“Patent Owner” or “Symantec”) filed a Patent Owner Preliminary Response (Paper 9, “Prelim. Resp.”).

On November 16, 2017, based on the record before us at that time, we instituted an *inter partes* review of *only* claims 1, 2, 13, 28, and 39. Paper 10 (“Decision” or “Dec.”), 27.

On February 1, 2018, Patent Owner filed a Patent Owner Response (Paper 14, “PO Resp.”) in which Patent Owner noted its filing of a statutory disclaimer (Ex. 2007) of claims 1, 2, 13, 28, and 39 and requested termination of this proceeding. PO Resp. 1. On February 13, 2018, Petitioner filed a Reply (Paper 15, “Reply”) in which Petitioner requested that we interpret Patent Owner’s Response as a request for adverse judgment against Patent Owner under 37 C.F.R. § 42.73(b)(2). Reply 2.

Responsive to the Supreme Court’s decision in *SAS Institute, Inc. v. Iancu*, 138 S. Ct. 1348 (2018), we issued an Order on May 7, 2018, modifying our Decision to institute review of all claims and all grounds and instructed the parties to confer regarding any need for further briefing and changes to the schedule for trial. Paper 17 (“SAS Order”). Responsive to our instructions, the parties filed a Joint Motion to Amend Schedule proposing a revised schedule and, impliedly, requesting additional briefing. Paper 19 (“Motion”). Responsive to the Motion, we granted the requested schedule changes (with some adjustments), authorized Patent Owner to file a

Supplemental Response addressing the newly instituted claims (claims previously denied review for lack of a reasonable likelihood of prevailing), and authorized Petitioner to file a Supplemental Reply addressing issues raised by Patent Owner's Supplemental Response. Paper 20. Responsive to the parties' request in a conference call, we issued an Order to increase the number of pages for each party's supplemental brief from 15 pages to 50 pages. Paper 21. Patent Owner filed its Supplemental Response (Paper 22, "Supp. Resp.") and Petitioner filed its Supplemental Reply (Paper 24, "Supp. Reply").

In a conference call on August 13, 2018, Patent Owner requested, and received, authorization to file a Motion to Strike Petitioner's Supplemental Reply as improperly containing new arguments. Patent Owner filed the authorized Motion to Strike (Paper 27) and Petitioner filed its authorized Opposition to the Motion to Strike (Paper 32).

Oral Argument was conducted on September 6, 2018, and a transcript of that hearing is of record. Paper 36 ("Tr.").

We have jurisdiction under 35 U.S.C. § 6. The Petitioner has the burden of proving unpatentability by a preponderance of the evidence. *See* 35 U.S.C. § 316(e); *see also* 37 C.F.R. § 42.1(d). This Final Written Decision is issued pursuant to 35 U.S.C. § 318(a) and 37 C.F.R. § 42.73.

For the reasons expressed below, we conclude that Petitioner has shown by a preponderance of the evidence that claims 14 and 15 are unpatentable but has not shown by a preponderance of the evidence that claims 21, 23–27, and 35–38 are unpatentable.

A. Real Parties in Interest and Related Matters

The Petition identifies Zscaler, Inc. as the sole real party in interest. Pet. 39. Both Petitioner and Patent Owner identify a related litigation matter captioned *Symantec Corp. v. Zscaler, Inc.*, Case No. 1:16-cv-1176-SLR-SLF, filed in the U.S. District Court for the District of Delaware. Pet. 39; Paper 5, 2.

B. The '498 Patent

The '498 patent generally relates to detecting preselected data in messages transmitted over a network. Ex. 1001, 1:9–11. According to the '498 patent, known systems for content filtering may monitor or restrict web traffic to certain identified sites and/or may block email messages containing certain restricted words or proprietary information. *Id.* at 4:15–26. The '498 patent discloses methods and structures to search for such restricted data (e.g., “preselected” data) through use of an abstract data structure to represent the proprietary/restricted data. *Id.* at 4:30–37. In one embodiment of the '498 patent, an abstract data structure may be an index that represents preselected data in a database to be protected from transmission over a network. *Id.* at 6:43–48. This exemplary abstract data structure may contain a hash value and other parameters that, collectively, represent data at a particular location in a database and can be used to search messages (e.g., email or web exchanges) to determine whether the preselected data corresponding to the hash value is being transmitted improperly. *Id.* at 6:48–58.

C. Disclaimed Claims

As noted *supra*, Patent Owner filed a statutory disclaimer of claims 1, 2, 13, 28, and 39. PO Resp. 1–2; Ex. 2007. Petitioner filed a Reply arguing that the statutory disclaimer be construed as a request for adverse judgment by Patent Owner pursuant to our rules. Reply 1 (citing 37 C.F.R. § 42.73(b)(2) which states: “[a]ctions construed to be a request for adverse judgment include: . . . [c]ancellation or disclaimer of a claim such that the party has no remaining claim in the trial”). At the time that Petitioner filed its Reply, it was true that all claims for which review had been instituted were disclaimed, thus, leaving “no remaining claim in the trial.” However, Petitioner’s request for adverse judgment was taken up by this panel after our SAS Order issued, an order that added claims to the trial for which review had been earlier denied. Thus, at the time the Board considered Petitioner’s Reply requesting adverse judgment be entered against Patent Owner, there were claims remaining in the trial. Following entry of our SAS Order, there is no basis to enter an adverse judgment because claims remained to be adjudicated in the trial.

Regardless, it is sufficiently clear that, at a minimum, the disclaimed claims (1, 2, 13, 28, and 39) are cancelled and, thus, no longer at issue in this case. See 37 C.F.R. § 1.321. However, remaining challenged claims 14 and 15 depend from cancelled claim 13, which, in turn, depends from cancelled claim 1. Remaining challenged claims 21 and 23–27 depend from cancelled claim 1 and remaining challenged claims 35–38 depend from cancelled claim 28. Therefore, we consider the arguments directed to the disclaimed (now cancelled) claims 1, 13, and 28 because the remaining challenged claims incorporate the features of those respective base claims.

D. Illustrative Claims

Claims 1, 28, and 39 (all cancelled) are the independent claims of the '498 patent. Independent claims 1 and 28, reproduced below, are illustrative of the remaining challenged claims:

1. A method comprising:

identifying, by a message monitoring system (MMS), an abstract data structure derived from preselected data to be protected from traveling across a network, the abstract data structure not revealing data elements of the preselected data to be protected;

performing, by the MMS, content searches on a plurality of messages electronically transmitted to reach a respective destination over the network, the content searches to be performed to determine whether one or more of the plurality of searched messages contain at least a portion of the preselected data to be protected using the abstract data structure that does not reveal the data elements of the preselected data; and

causing a searched message of the plurality of searched messages to be prevented from reaching the respective destination in response to a determination that the searched message contains at least a portion of the preselected data to be protected.

Remaining claims 14, 15, 21, and 23–27 depend, directly or indirectly, from claim 1.

28. A preselected data protection system comprising:

a policy management computer system to set a policy identifying preselected data to be protected from traveling across a network and to derive an abstract data structure from the preselected data to be protected, the abstract data structure not revealing data elements of the preselected data to be protected; and

a message monitoring computer system to implement the policy by

performing content searches on a plurality of messages electronically transmitted to reach a respective destination over the network, the content searches to be performed to determine whether one or more of the plurality of searched messages contain at least a portion of the preselected data to be protected using the abstract data structure that does not reveal the data elements of the preselected data; and

preventing a searched message of the plurality of searched messages from reaching the respective destination in response to a determination that the searched message contains at least a portion of the preselected data to be protected.

Remaining claims 35–38 depend from claim 28.

E. Alleged Grounds of Unpatentability

The Petition sets forth the following asserted grounds of unpatentability:

Reference(s)	Basis	Challenged Claims
Peled ¹	102(b)	1, 2, 13, 21, ² 23–28, and 35–39
Peled and Liddy ³	103(a)	13–15, 26, and 35–38

Pet. 8. Petitioner relies on the Declaration of Dr. Marcus Jakobsson (Ex. 1003) in support of its contentions. Patent Owner relies on the Declarations of Dr. Sandeep Chatterjee (Exs. 2002, 2015) in support of its contentions.

¹ U.S. Patent No. 7,681,032 B2. Ex. 1008 (“Peled”).

² The Petition requests *inter partes* review of claims 1, 2, 13, 23–28, and 35–39 (excluding claims 14, 15, and 21). Pet. 1. Later, the Petition “requests” *inter partes* review in a first ground for claims 1, 2, 13, 23–28, and 35–39 and in a second ground for claims 13–15, 26, and 35–38. *Id.* at 8. Thus, the Petition adds claims 14 and 15 in the second asserted ground but never “requests” review of claim 21. However, the Petition includes dependent claim 21 in its analysis for the first ground (*id.* at 29) and includes claims 14 and 15 in its analysis for the second ground (*id.* at 34–35) but did not request *inter partes* review for claim 21 (*id.* at 1, 8). Patent Owner’s Preliminary Response responded to Petitioner’s assertions regarding claims 14, 15, and 21. Prelim. Resp. 37–38, 49–52. Therefore, we find Petitioner’s failure to include claims 14, 15, and 21 in the formal “request” for review is harmless error and we consider the parties’ arguments regarding claims 14, 15, and 21.

³ U.S. Patent No. 6,829,613 B1. Ex. 1010 (“Liddy”).

II. ANALYSIS

A. General Legal Principles

1. Anticipation

To establish anticipation, each and every element in a claim, arranged as recited in the claim, must be found in a single prior art reference. *Net MoneyIN, Inc. v. VeriSign, Inc.*, 545 F.3d 1359, 1369 (Fed. Cir. 2008); *Karsten Mfg. Corp. v. Cleveland Golf Co.*, 242 F.3d 1376, 1383 (Fed. Cir. 2001). Each element of the challenged claim must be found, either expressly or inherently, in the single prior art reference. *Verdegaal Bros., Inc. v. Union Oil Co. of Cal.*, 814 F.2d 628, 631 (Fed. Cir. 1987). While the elements must be arranged or combined in the same way as in the claim, “the reference need not satisfy an *ipsissimis verbis* test,” i.e., identity of terminology is not required. *In re Gleave*, 560 F.3d 1331, 1334 (Fed. Cir. 2009); *In re Bond*, 910 F.2d 831, 832 (Fed. Cir. 1990). Thus, the dispositive question is whether one skilled in the art would reasonably understand or infer from a prior art reference that every claim element is disclosed in that reference. *Eli Lilly v. Los Angeles Biomedical Research Inst. at Harbor–UCLA Med. Ctr.*, 849 F.3d 1073, 1074–75 (Fed. Cir. 2017). Still further, “it is proper to take into account not only specific teachings of the reference but also the inferences which one skilled in the art would reasonably be expected to draw therefrom.” *In re Preda*, 401 F.2d 825, 826 (CCPA 1968).

2. Obviousness

A patent claim is unpatentable under 35 U.S.C. § 103(a) if the differences between the claimed subject matter and the prior art are “such that the subject matter[,], as a whole[,], would have been obvious at the time

the invention was made to a person having ordinary skill in the art to which said subject matter pertains.” *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007). The question of obviousness is resolved on the basis of underlying factual determinations, including (1) the scope and content of the prior art; (2) any differences between the claimed subject matter and the prior art; (3) the level of skill in the art; and (4) objective evidence of nonobviousness, i.e., secondary considerations.⁴ *Graham v. John Deere Co.*, 383 U.S. 1, 17–18 (1966).

3. *Level of Ordinary Skill in the Art*

Petitioner argues a person of ordinary skill in the art related to the ’498 patent would have a Bachelor’s Degree in computer engineering, computer science, or the equivalent, and two years of experience in computer security. Pet. 9 (citing Ex. 1003 ¶ 27).

In its Preliminary Response, Patent Owner suggested a higher level of skill of at least two to four years of experience in “network security, distributed computer systems, or a related technology field.” Prelim. Resp. 9–10. Patent Owner’s Response does not address the level of skill in the art but its Supplemental Response argues, “Petitioner and Patent Owner have presented different levels of ordinary skill in the art.” Supp. Resp. 5. The “different” level asserted by Patent Owner presumably refers to the argument presented in its Preliminary Response. Our orders make clear that

⁴ Patent Owner does not present arguments or evidence of such secondary considerations in its Response or Supplemental Response. Therefore, without any evidence regarding secondary considerations of non-obviousness in the record, secondary considerations do not constitute part of our analysis.

an argument in the Preliminary Response that is not repeated in the Response (or in the later authorized Supplemental Response) is waived. See Paper 11, 3. Thus, Patent Owner's arguments in the Preliminary Response regarding the level of skill in the art are waived. Regardless, Patent Owner argues in its Supplemental Response that the alleged differing levels do not impact our decisions in this proceeding. Supp. Resp. 5.

We are persuaded by Petitioner's definition of the level of ordinary skill in the art and we find this definition is commensurate with the level of ordinary skill in the art as reflected in the prior art. See *Okajima v. Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001) (“[T]he absence of specific findings on the level of skill in the art does not give rise to reversible error where the prior art itself reflects an appropriate level and a need for testimony is not shown.” (internal quotation marks omitted)); *In re GPAC Inc.*, 57 F.3d 1573, 1579 (Fed. Cir. 1995).

Therefore, we define the level of ordinary skill in the art, at the time of the '498 patent, to include a Bachelor's degree in computer engineering or computer science and at least two years of experience in computer security.

4. Claim Construction

As a step in our analysis of patentability, we determine the meaning of the claims for this Decision. In an *inter partes* review, a claim in an unexpired patent, as is the case here, shall be given its broadest reasonable construction in light of the specification of the patent in which it appears. 37 C.F.R. § 42.100(b); see also *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2142–46 (2016) (upholding the use of the broadest reasonable interpretation standard).

Under the broadest reasonable construction standard, claim terms are generally given their ordinary and customary meaning, as would be understood by one of ordinary skill in the art in the context of the entire disclosure. *In re Translogic Tech., Inc.*, 504 F.3d 1249, 1257 (Fed. Cir. 2007). “[A] claim construction analysis must begin and remain centered on the claim language itself.” *Innova/Pure Water, Inc. v. Safari Water Filtration Sys., Inc.*, 381 F.3d 1111, 1116 (Fed. Cir. 2004). “Though understanding the claim language may be aided by the explanations contained in the written description, it is important not to import into a claim limitations that are not a part of the claim.” *SuperGuide Corp. v. DirecTV Enters., Inc.*, 358 F.3d 870, 875 (Fed. Cir. 2004). Only terms that are in controversy need to be construed and only to the extent necessary to resolve the controversy. *See Wellman, Inc. v. Eastman Chem. Co.*, 642 F.3d 1355, 1361 (Fed. Cir. 2011); *Vivid Techs., Inc. v. Am. Sci. & Eng’g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999).

Aside from the following term, we determine that it is unnecessary to construe any other claim terms.

“Abstract Data Structure”

All claims recite the use of an “abstract data structure” for detecting the presence of preselected data in messages. Specifically, for example, claim 1 recites “identifying . . . an abstract data structure derived from preselected data to be protected from traveling across a network, the abstract data structure not revealing data elements of the preselected data to be protected.” Petitioner proffers an interpretation that “abstract data structure” means “a structure for storing or organizing data that does not contain

fragments or copies of the preselected data to be protected.” Pet. 9. In its Preliminary Response, Patent Owner asserts no construction of “abstract data structure” is necessary because “the term is clear on its face.” Prelim. Resp. 13.⁵ Patent Owner contends the claims already make clear that an abstract data structure is one that does “not reveal[] elements of the preselected data to be protected.” *Id.* (alteration in original) (quoting claim 1). Patent Owner further asserts “construction of the term is not necessary to resolve the parties’ dispute in this IPR.” *Id.* Patent Owner’s Supplemental Response does not address construction of this term.

Claim interpretation focuses on the claim itself. *Innova*, 381 F.3d at 1116. “Under a broadest reasonable interpretation, words of the claim must be given their plain meaning, unless such meaning is inconsistent with the specification and prosecution history.” *Trivascular, Inc. v. Samuels*, 812 F.3d 1056, 1062 (Fed. Cir. 2016). Accordingly, we construe “abstract data structure” based on the plain meaning of a data structure and based on the context of the claims. Specifically, we determine that “data structure” is a term of art well understood by the ordinarily skilled artisan as evidenced by the Microsoft Computer Dictionary. *See* Pet. 9–10 (citing Ex. 1011, 110 (defining *data structure* as “an organizational scheme, such as a record or an array, applied to data so that it can be interpreted and so that specific operations can be performed upon that data”)); *see also* Ex. 1003 ¶¶ 43–44. In addition, the context of the term in claim 1 clearly indicates that an *abstract* data structure is a data structure that is “derived from preselected

⁵ We do not depend on Patent Owner’s remarks in its Preliminary Response because arguments not repeated in the Patent Owner’s Response are waived. Paper 11, 3.

data to be protected from traveling across a network [and does] not reveal[] data elements of the preselected data to be protected.”

Thus, we interpret *abstract data structure* to mean “any data structure that is derived from preselected data to be protected from traveling across a network and does not reveal data elements of the preselected data to be protected.”

B. *Patent Owner’s Motion to Strike*

Patent Owner moves to strike arguments in Petitioner’s Supplemental Reply contending “Petitioner’s Reply supplied arguments necessary for its prima facie case for the first time, using PO’s responses and the Board’s Institution Decision as roadmaps.” Paper 27, 2. Patent Owner identifies alleged new arguments directed to claims 14, 15, 21, 23, 26, and 35–38, but does not clarify precisely what portions of Petitioner’s Supplemental Reply it is requesting be stricken.

In an update to our Trial Practice Guide, the Board has indicated,

In most cases, the Board is capable of identifying new issues or belatedly presented evidence when weighing the evidence at the close of trial, and disregarding any new issues or belatedly presented evidence that exceeds the proper scope of reply or sur-reply. As such, striking the entirety or a portion of a party’s brief is an exceptional remedy that the Board expects will be granted rarely.

Trial Practice Guide August 2018 Update, p. 17–18, *available at* www.uspto.gov/sites/default/files/documents/2018_Revised_Trial_

Practice_Guide.pdf (“TPG Update”).⁶ Here, we discern no need to strike any portions of Petitioner’s Supplemental Reply. Instead, our analysis identifies and disregards, where appropriate, any new arguments. Thus, we deny Patent Owner’s motion to strike.

C. Anticipation by Peled

The Petition asserts claims 1, 2, 13, 21, 23–28, and 35–39 are anticipated by Peled. Pet. 12–30.

1. Peled (Ex. 1008)

Peled “relates to monitoring transport of digital content, particularly but not exclusively for the enforcement of digital copyright, secrecy and confidentiality.” Ex. 1008, 1:15–17. Specifically, Peled discloses inspecting and analyzing computer network traffic to detect the transmission of unauthorized/restricted content. *Id.* at 3:1–3. The detection extracts features from content transmitted over the network and compares those features to features in a database extracted from content that is to be protected from unauthorized transmission. *Id.* at 3:4–10. In one embodiment of Peled, a database stores signatures that are extracted from restricted content to be monitored on the network. *Id.* at 3:25–28.

⁶ We further note the Board’s published Frequently Asked Questions clarify that “the Petitioner will receive a limited opportunity for supplemental briefing, to respond to the Institution Decision, regardless of whether Patent Owner says anything about the claims or grounds added to the proceeding.” See USPTO, SAS Q & A (2018), https://www.uspto.gov/sites/default/files/documents/sas_qas_20180605.pdf (“SAS Q & A”).

Peled's Figure 1 is reproduced below.

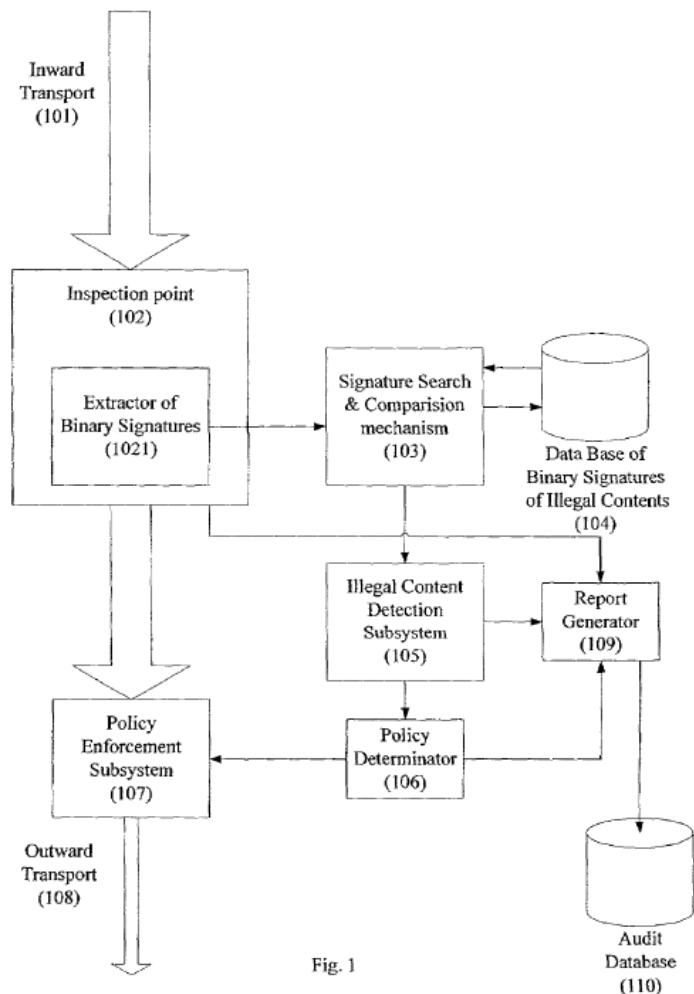


Fig. 1

Peled's Figure 1 is a simplified block diagram of a system for detecting unauthorized transport of restricted content. *Id.* at 11:64–67. Inbound content (“inward transport” 101) is received at inspection point 102, in which extractor 1021 extracts a signature of the received content. *Id.* at 12:1–5. The signature extracted from an inbound packet is compared with previously extracted signatures from restricted content stored in database 104. *Id.* at 12:26–28. The extracted signatures may be “the output of a hash function” applied to the data payload of a packet. *Id.* at 13:3–6. Signature search and comparison mechanism 103 compares the extracted signature

from inbound content 101 with previously extracted signature in database 104. *Id.* at 12:28–30. When a match is detected, policy determinator 106 in conjunction with policy enforcement subsystem 107 determine an appropriate action in response to the unauthorized transmission including, for example, blocking the transmission of the unauthorized transmission through outward transport 108. *Id.* at 12:36–55.

2. *Independent Claims 1, 28, and 39*

As noted *supra*, claim 39 is cancelled and no remaining challenged claims depend from claim 39. Thus, we need not reach the issue of unpatentability of claim 39. Although independent claims 1 and 28 are cancelled, all remaining challenged claims depend (directly or indirectly) from these two independent claims and, thus, incorporate these recited features. Therefore, we address the parties’ arguments relating to claims 1 and 28 because they apply to their respective dependent claims.

Regarding independent claim 1, Petitioner identifies each element in the disclosures of Peled. Pet. 12–22. In particular, Petitioner identifies Peled’s database 104 (which stores previously extracted signatures) as the claimed “abstract data structure.” *Id.* at 16–17. Petitioner argues Peled’s extracted signatures (signatures extracted from inbound packets as they are received or signatures previously extracted and stored in database 104) do not reveal the data elements of the preselected data to be protected as required of the recited abstract data structure. *Id.* at 17. Petitioner further argues, in one embodiment, the signatures are the output of a hash function such as a 64-bit cyclic redundancy check (“CRC”) value that is generally non-invertible. *Id.* at 17–18 (citing Ex. 1001, 13:2–11, 13:3–6, 13:9–11,

13:16–23; Ex. 1003 ¶¶ 40, 51–52). Petitioner argues Peled’s comparison of a signature (extracted from a received inbound transport) with the extracted signatures stored in the database discloses the recited step of performing content searches. *Id.* at 18–21. Lastly, Petitioner argues the step of preventing the searched message from reaching its destination is disclosed by Peled’s policy determinator 106⁷ and policy enforcement subsystem 107 by actions such as stopping the transport of the message. *Id.* at 21–22.

Patent Owner argues the Petition fails to establish anticipation of claim 1 (and claim 28) because there is no express disclosure of the claimed “abstract data structure not revealing data elements of the preselected data to be protected” and the Petition does not argue the feature is inherent in Peled. *See* Supp. Resp. 12–24. In particular, Patent Owner argues the Petition fails to identify in Peled an abstract data structure as recited in the claims because Peled’s database 104 fails to meet the “not revealing” requirement of the claimed abstract data structure. *Id.* at 12–18. More specifically, Patent Owner argues there is no *express* disclosure in Peled that database 104 *does not* contain the underlying data or contains *only* the signatures. *Id.* at 14. Patent Owner contends Petitioner’s expert admitted in his deposition that Peled “fails to describe that the database does not have information other than the signatures.” *Id.* (citing Ex. 2008, 90:13–17, 90:19–22). Patent Owner points to several of the citations Petitioner relies on in Peled and argues these portions never *expressly* disclose that the underlying data to be protected is *not* revealed. *Id.* at 15–17 (citing Ex. 2015 ¶¶ 45, 46). Dr. Chatterjee’s Declaration regarding contents of Peled’s database primarily

⁷ We note as harmless error that Petitioner mislabeled determinator 106 as reference number 107. Pet. 21.

focuses on the lack of any *express* language in Peled that its database *only* contains the signatures or that the database *does not* contain the underlying data to be protected. Ex. 2015 ¶¶ 44–49. In the absence of such express disclosure, Dr. Chatterjee concludes “one of ordinary skill would have understood that Peled’s databases ***include the content to be protected.***” *Id.* ¶ 44; *see also id.* ¶ 49.

In its Supplemental Reply, Petitioner argues the ordinarily skilled artisan would have understood Peled’s disclosures of a “database of signatures” to mean a database of signatures but devoid of the underlying data from which the signatures are extracted—thus, not revealing the preselected data as claimed. Supp. Reply 8–9. Petitioner further argues Patent Owner’s position would have merit if there were “anything in Peled suggesting a reason to store both signatures and the underlying content together in the same database.” *Id.* at 10. Petitioner contends Patent Owner has not identified any such disclosure in Peled. *Id.* Petitioner further contends “[i]t would be unnecessary, inefficient, and indeed self-defeating to superfluously store both signatures and the underlying contents from which the signatures were derived in the signature database.” *Id.*

We are persuaded by Petitioner’s arguments. As noted *supra*, the dispositive question is whether one skilled in the art would reasonably understand or infer from a prior art reference that every claim element is disclosed in that reference. *Eli Lilly*, 849 F.3d at 1074–75; *see also Preda*, 401 F.2d at 826. Dr. Jakobsson’s testimony in his deposition explains that the ordinarily skilled artisan would have understood that the only information required in Peled’s signature database is the signatures extracted from the content to be protected—other information would be superfluous to

the purpose of the signature database. *See, e.g.*, Ex. 2008, 90:1–8, 100:8–16, 110:7–11, 113:15–114:16, 117:2–18. We agree. Peled could have matched the protected information *per se* with a transmission rather than extracted signatures of each but, instead, creates a signature from the protected information, stores the signatures in a database, and uses those stored signatures to match with a signature of transmitted information to detect a violation. *See, e.g.*, Ex. 1008, Abstract (“a signature extractor, associated with said transport data monitor, for extracting a derivation of said data, said derivation being indicative of content of said payload”), 12:26–28 (“The extracted signature is compared to previously extracted illegal content signatures, which have been stored in a preferably pre-sorted database 104.”), 12:64–66 (“FIG. 2 illustrates a subsystem for detection of the presence of unauthorized content, based on extracted binary signatures.”), 19:59–65 (“Signatures are then extracted from the data in any of the ways explained above and transferred to the central control of the monitoring system 910. The signatures are then analyzed by the signature analyzer 9101 and compared with stored signatures to determine whether the monitored transport shows any significant level of correspondence with any of the content items represented by the stored signatures.”).

Patent Owner’s alleged “admissions” by Petitioner’s expert, are not persuasive because they are lacking context. Patent Owner’s Counsel and Dr. Jakobsson engage in an extensive colloquy regarding the content of Peled’s database 104. *See* Ex. 2008, 86:6–119:11. An enlightening exchange occurs near the end of that lengthy discussion (objections and individual names omitted):

Q. Is it a possibility to have the data to be protected in the database?

[A.] Theoretically speaking, you know, of course. Anything can be contained anywhere. Peled has no reason to speak of it. An engineer would have no reason to put it there based on the specification Peled gives. I would have to speculate if you asked me to.

Q. So it's theoretically possible to have the content to be protected in the database?

[A.] Databases can contain content. You know, it could be any kind of content in a database. But in the context of Peled, it is not any kind of content. It's signatures. Peled implicitly speaks of storing signatures.

Q. Do all databases have signatures only have signatures?

[A.] "Database" is a very vague description. It's -- some people call something a database if it's a storage unit that contains data. And it -- would you like me to review what the Court interpreted "database" to be or --

Q. I'm just wondering, is it a possibility to have content to be protected in a database with signatures?

A. Are you asking me in the -- in the context of Peled?

Q. No. Is it just a possibility for someone to include a database with signatures and the content that corresponds to the signatures?

[A.] If we're not speaking about Peled and in general, and we set aside traditional engineering goals, such as, you know, only do what is needed, of course, a database could have both kinds of items.

As an engineer, it would not make sense to me. And if one of the engineers I work with would do it, I would highly question this person's sanity. I would ask why.

So it's my understanding, from reading this, that Peled speaks about what is in the database because it needs to be used for matching.

Ex. 2008, 117:10–119:8. We credit Dr. Jakobsson’s testimony that an ordinarily skilled artisan would not understand Peled’s database to contain any information not required to perform its disclosed matching of the signature to transmitted information.

We are persuaded that the ordinarily skilled artisan would understand Peled to disclose a database of signatures that does not contain the underlying data from which the signatures are extracted. The purpose of Peled’s database is to compare the signatures in the database with transmitted data to detect an attempt to transmit protected information. Other than generating the signatures, Peled has no use for the underlying protected data. As Dr. Jakobsson testifies regarding also storing the underlying protected data in Peled’s database, “[a]s an engineer, it would not make sense to me.” Ex. 2008, 119:2–3. We are persuaded that there would be no purpose for an engineer to consider also storing in the same database the underlying protected content because only the signatures are needed to detect transmissions of unauthorized material.

Thus, we are persuaded Peled teaches an “abstract data structure not revealing data elements of the preselected data to be protected” as recited in claims 1 and 28. As noted *supra*, we need not reach the patentability of independent claims 1 and 28 because they are cancelled by Patent Owner’s statutory disclaimer. We have reviewed Petitioner’s assertions regarding other elements of these claims and we find them to be sufficiently persuasive. Furthermore, the parties do not argue other aspects of claims 1 and 28 and, thus, we need not specifically address other aspects of claims 1 and 28 to determine patentability of the remaining challenged (dependent) claims.

3. *Claim 21*

Claim 21 depends from claim 1 and further recites “wherein monitoring messages occurs at a plurality of exit points of the network.”

The Petition reproduces Peled’s Figure 9 and presents its entire argument as the following: “Peled figure 9 discloses monitoring at a plurality of exit points of the network. Figure 9 discloses monitoring at several ‘exit points,’ for example, the external mail server, the external traffic router, and the web proxy.” Pet. 29 (citing Ex. 1003 ¶ 59). Dr. Jakobsson’s Declaration states:

Peled discloses a method wherein the monitoring of messages “occurs at a plurality of exit points of the network.” For example, Figure 9 discloses “monitors” located at multiple network locations that one of ordinary skill in the art would consider “exit points[”:] the external mail server, the external traffic router, and the web proxy.”

Ex. 1003 ¶ 59.

Patent Owner argues in its Preliminary Response that the Petition is devoid of “explanation of what the components in Figure 9 are monitoring” and, therefore, argues “Petitioner has not met its anticipation burden as to Claim 21.” Prelim. Resp. 38. Our Decision on Institution agreed with Patent Owner that Petitioner’s argument was insufficient leaving it to the panel to speculate whether and how the cited portions of Peled disclose the claimed subject matter. Dec. 21–22.

Patent Owner’s Supplemental Response emphasizes that the Petition fails to explain in what manner the alleged exit points of Peled’s Figure 9 are “monitoring messages” as claimed. Supp. Resp. 24. Patent Owner argues that Dr. Jakobsson’s Declaration similarly fails to cite anything in Peled that

describes what the “monitors” of Figure 9 are monitoring. *Id.* (citing Ex. 1003 ¶ 59). Patent Owner contends that, without any explanation in the Petition of what the elements of Figure 9 are disclosing relating to the claimed monitoring of messages, Petitioner has not met its burden of proof for anticipation. *Id.* (citing *GN Resound A/S v. Oticon A/S*, Case IPR2015-00103, Paper 13, 6)).

In its Supplemental Reply, Petitioner provides two pages of further argument that Peled’s Figure 9 discloses monitoring messages at exit points as claimed including, for the first time, citations to disclosures in Peled describing elements of Figure 9. Supp. Reply 17–19 (citing Ex. 1008, 19:52–61). Petitioner further explains that the monitoring performed at these exit points compares signatures extracted from messages with a database of signatures and that messages may be network traffic such as e-mail messages or e-mail attachments. *Id.* at 19 (citing Ex. 1008, 12:2–3, 12:26–30, 13:37–39).

As noted above, we denied Patent Owner’s motion to strike alleged new arguments because the Board has the ability to recognize the presentation of new arguments and weight them accordingly. Under our rules, it is the *Petition* that must identify where claimed elements are found in the reference(s) and must explain the relevance of those identified portions of the reference(s). *See, e.g.*, 37 C.F.R. § 42.104(b)(4) (“The petition must specify where each element of the claim is found in the prior art patents or printed publications relied upon.”); *see also* 37 C.F.R. § 42.104(b)(5) (the petition must identify “the relevance of the supporting evidence to the challenge raised, including identifying specific portions of the evidence that support the challenge”). Here, we determine that the

additional argument in Petitioner's Supplemental Reply is not merely providing clarification of the argument presented in the Petition but, instead, is correcting the lack of sufficient explanation as required by our rules. The Petition, not the Supplemental Reply, must identify the specific portions of supporting evidence for the challenges and the relevance of those portions to the challenges.

In the *GN Resound* case cited by Patent Owner, the Board found as follows:

Although we agree with Petitioner that the quoted passages from Yoshino '289 are present in the claim chart on page 22 of the Petition, we are not persuaded that bare citations and quotes provide a sufficiently detailed explanation of how the asserted references teach or suggest the claimed limitations. Essentially, Petitioner requires the Board to search through the cited portions of both Meskens and Yoshino '289 to map prior art disclosure with claim elements. It is a requirement of a Petition to align the evidence and arguments with the various limitations of the challenged claims. See 37 C.F.R. § 42.22(a)(2) (the "petition . . . must include . . . [a] full statement of the reasons for the relief requested, including *a detailed explanation of the significance of the evidence*" (emphasis added)). Petitioner should not expect us to infer or create arguments from the record.

Case IPR2015-00103, Paper 13, 6. We recognize the holding of another panel in a non-precedential decision is not binding on this panel. However, we find the prior panel's analysis informative in this similar situation. The Petition here provided so little explanation that Petitioner required the Board to search for support in Peled to explain Petitioner's position—we declined to do so at institution. The further explanations provided in Petitioner's Supplemental Reply are new arguments attempting to cure the deficiencies of the Petition. We note that the Office has stated that "a limited opportunity for supplemental briefing" is permissible in order "to respond to the

Institution Decision, regardless of whether Patent Owner says anything about the claims or grounds added to the proceeding.” See SAS Q & A. This limited opportunity, however, is not intended to allow Petitioner to create new arguments that were not articulated in the original Petition in an attempt to cure deficiencies in its Petition. Therefore, we accord no weight to the new arguments presented for the first time in Petitioner’s Supplemental Reply.

Based on the record before us, disregarding new arguments directed to claim 21 first raised in Petitioner’s Supplemental Reply, we determine Petitioner’s arguments fail to persuasively identify portions of Peled that disclose the claimed elements and fail to adequately explain the relevance of the cited portions of Peled. Therefore, we are not persuaded Petitioner has shown by a preponderance of the evidence that claim 21 is anticipated by Peled.

4. *Claim 26*

Claim 26 depends from claim 1 further comprising “reporting violations of the policy.” Regarding claim 26, the totality of the argument presented in the Petition is, “The policy determinator may decide, according to related information . . . how the inspected transport is to be handled for example should it be blocked, should it be **logged**.” Pet. 30 (citing Ex. 1008, 12:56–59).

For essentially the same reasons as for claim 21, discussed above, our Decision on Institution found Petitioner’s argument insufficient to comply with our rules leaving it to the panel to speculate whether and how the cited portions of Peled disclose the claimed subject matter. Dec. 21–22.

Patent Owner's Supplemental Response argues that, for essentially the same reasons as for claim 21, the Petition is deficient because it "provides no explanation of how mere mention of 'logging' discloses the specific step of 'reporting violations of the policy,' as Claim 26 requires, or what *Peled* is logging." Supp. Resp. 27. In addition, Patent Owner argues "the cited portions of *Peled* do not describe whether *Peled* is logging violations of a security policy, transports that do not violate a security policy, or statistics about transports that are entirely unrelated to violations of a security policy." *Id.* Patent Owner argues Petitioner fails to identify express disclosure of what *Peled* is logging and the Petition does not argue that the reporting limitation is somehow inherent in the disclosures of *Peled*. *Id.* Therefore, Patent Owner argues Petitioner has not met its burden to show that claim 26 is anticipated as either expressly or inherently disclosed by *Peled*. *Id.*

Petitioner's Supplemental Reply provides a page and a half of discussion explaining how *Peled*'s policy determinator determines what to do with a message including, for example, logging a message. Supp. Reply 21–22 (citing Ex. 1008, 12:36–40, 12:56–57, 12:59). Petitioner further explains that *Peled*'s logging of a message when the message's signature matches a stored signature discloses the recited reporting because logging is the same as reporting. *Id.* at 22.

Once again, Petitioner provides new arguments to remedy the deficiency of its Petition. We accord no weight to such new arguments improperly provided for the first time in Petitioner's Supplemental Reply. Thus, for essentially the same reasons as claim 21 discussed above, we determine Petitioner's arguments fail to persuasively identify portions of *Peled* that disclose the claimed elements and fail to adequately explain the

relevance of the cited portions of Peled. Therefore, we are not persuaded Petitioner has shown by a preponderance of the evidence that claim 26 is anticipated by Peled.⁸

5. *Claims 23 and 35–37*

Claim 23 depends from claim 1 and further recites “further comprising receiving the abstract data structure by the message monitoring system.” Claims 35 and 36 depend from claim 28 and add further limitations regarding the “policy management system” and the “message monitoring system” being incorporated within the same physical system (claim 35) and the same logical system (claim 36). Claim 37 depends from claim 28 and further recites “the policy management system and the message monitoring system do not reside on the same local area network (LAN).”

Regarding claims 23, 35, and 36, the totality of the argument presented in the Petition for each claim is, “See Figure 1; Figure 9.” Pet. 29–30. Regarding claim 37, the totality of the argument presented in the Petition is, “See Figure 9.” Pet. 30.

Patent Owner argues the Petition is deficient with respect to claims 23 and 35–37 by failing to provide any analysis or explanation. Supp. Resp. 25, 27–29. We agree. The lack of analysis and explanation in the Petition is egregious with respect to these claims. Merely pointing to a figure is wholly inadequate to comply with our rules regarding the content of a petition. *See*,

⁸ Petitioner asserts (in a footnote) that it is unclear what is meant by “policy” in the ’498 patent. *Id.* at 21 n.12. Even granting that the term is unclear, it would be Petitioner’s burden to offer a construction of the term to persuasively challenge the claims under our rules and Petitioner did not meet that burden.

e.g., 37 C.F.R. §§ 42.22, 42.104. Petitioner's Supplemental Reply is not an opportunity to correct these deficiencies. All explanation provided in the Supplemental Reply regarding claims 23 and 35–37 is, therefore, new argument that we disregard.

We accord no weight to such new arguments improperly provided for the first time in Petitioner's Supplemental Reply. Thus, for essentially the same reasons as claims 21 and 26 discussed above, we determine Petitioner's arguments fail to persuasively identify portions of Peled that disclose the claimed elements and fail to adequately explain the relevance of the cited portions of Peled. Therefore, we are not persuaded Petitioner has shown by a preponderance of the evidence that claims 23 and 35–37 are anticipated by Peled.

6. *Claims 24, 25, 27, and 38*

As we observed in our Decision on Institution, the Petition provides no discussion whatsoever regarding claims 24, 25, 27, and 38 being anticipated by Peled. Dec. 22. It follows that Petitioner's Supplemental Reply provides no explanation regarding anticipation of these claims.

Accordingly, Petitioner has not shown by a preponderance of the evidence that claims 24, 25, 27, and 38 are anticipated by Peled.

7. *Conclusion Regarding Anticipation of Claims 1, 2, 13, 21, 23–28 and 35–39*

For the above reasons, Petitioner has not shown by a preponderance of the evidence that claims 21, 23–27, and 35–38 are anticipated by Peled. Furthermore, claims 1, 2, 13, 28, and 39 are cancelled and, therefore, we need not reach the issue of whether they are anticipated by Peled.

D. Obviousness over Peled and Liddy

Petitioner asserts claims 13–15, 26, and 35–38 are unpatentable as obvious over the combination of Peled and Liddy. Pet. 30–38.

1. Liddy (Ex. 1010)

Liddy “relates generally to the field of computer data security and content-based filtering of information.” Ex. 1010, 1:42–44.

2. Motivation to Combine Peled and Liddy

Regarding all claims asserted to be obvious over the combination of Peled and Liddy, the Petition argues “[e]ach of the dependent claims identified in Ground 2 add nothing more than well-known, conventional limitations to the independent claims.” Pet. 30. Petitioner further argues, “[e]ach of the limitations in the Ground 2 dependent claims would have been obvious to one of skill in the art, because each is simply a predictable variation on the existing art, and a design choice among known alternatives.” Pet. 31. The Petition further asserts “[a] person of ordinary skill in the art would combine the teachings of Peled and Liddy because they are in the same field of monitoring electronic communications, and both prior-art patents are directed to solving very similar problems.” *Id.* at 33 (citing Ex. 1003 ¶ 63⁹).

Patent Owner’s Preliminary Response argues such a general, broad reason that an ordinarily skilled artisan would have combined the references

⁹ The cited portion of Dr. Jakobsson’s Declaration merely repeats, without further elaboration or explanation, the same assertion as the Petition.

without further explanation is inadequate. Prelim. Resp. 32. Specifically, Patent Owner asserts Petitioner’s reasoning lacks explanation of how or why the ordinarily skilled artisan would seek to combine Liddy with Peled. *Id.* Our Decision on Institution essentially agreed with Patent Owner that this general, broad motivation is inadequate to articulate a reason an ordinarily skilled artisan would have combined Peled and Liddy. Dec. 23. Patent Owner’s Supplemental Response argues we should maintain that position because Petitioner cannot alter their motivation arguments from the Petition without improperly introducing new arguments. Supp. Resp. 11–12.

Patent Owner further argues “[t]o avoid any waiver issues, Patent Owner reiterates arguments it presented in the Patent Owner Preliminary Response, which the Board found persuasive.” *Id.* at 29. To the extent Patent Owner is attempting to incorporate by reference arguments from its earlier Preliminary Response, such incorporation is contrary to our rules. 37 C.F.R. § 42.6(a)(3). Furthermore, Patent Owner was cautioned that arguments not raised in its Response (or Supplemental Response) are waived. Paper 11, 3.

Regardless, we maintain that Petitioner’s generalized, broad reason why an ordinarily skilled artisan would have combined the references provided by Petitioner lacks sufficient explanation—i.e., lacks reasonable underpinnings to explain why the ordinarily skilled artisan would have been motivated to make the proposed combination. Thus, to the extent the Petition relies *solely* on this broad reasoning, we are not persuaded Petitioner has shown by a preponderance of the evidence that any of claims 13–15, 26, and 35–38 are unpatentable as obvious over Peled in combination with Liddy. However, as noted in our Decision on Institution (*see* Dec. 23), for

some of these challenged claims, Petitioner provides further reasoning regarding motivation to combine the references as discussed below.

Patent Owner further argues Petitioner fails to even address whether the ordinarily skilled artisan would have had a reasonable expectation of success in combining Peled and Liddy—in other words whether the ordinarily skilled artisan *could have* combined Peled and Liddy. Supp. Resp. 30–31. Petitioner argues in its Supplemental Reply that, although not using the phrase “reasonable expectation of success,” the Petition made clear that the subject matter of the dependent claims (the remaining challenged claims) as “so conventional and trivial” that it amounts to nothing more than “the predictable use of prior art elements according to their established functions.” *Id.* at 28 (quoting *KSR*, 550 U.S. at 417).

We are persuaded that Petitioner adequately articulated that the ordinarily skilled artisan would have had a reasonable expectation of success in the proposed combination because the claimed features of the challenged dependent claims are conventional uses of known prior art elements (thus, *could have* combined the references). See Pet. 30–31.

3. *Obviousness of Claims 14, 15 and 26*

As noted *supra*, claim 13 is no longer at issue due to Patent Owner’s statutory disclaimer. However, remaining challenged claims 14 and 15 depend from claim 13, which, in turn, depends from claim 1. Thus, we must consider arguments directed to patentability of claim 13 to determine the patentability of claims 14 and 15.

Claim 13, dependent from claim 1, recites that “the preselected data comprises proprietary information selected based on a policy.” Claim 14,

dependent from claim 13, further recites “accepting user input specifying the policy” and claim 15, dependent from claim 14, further recites “accepting user input specifying the policy comprises receiving information on a graphical user interface.”

The Petition argues claim 13 is anticipated by Peled (Pet. 27–28) and argues claim 13 is obvious over the combination of Peled and Liddy (Pet. 30–34). In our Decision on Institution, based on the preliminary record at that time, we determined that Petitioner had established a reasonable likelihood of prevailing in showing that claim 13 is anticipated by Peled (Dec. 20–21) but failed to establish a reasonable likelihood of prevailing in showing that claim 13 is obvious over the combination of Peled and Liddy (Dec. 23–25). Other than arguments noted above regarding claim 1, from which claim 13 depends, Patent Owner’s Supplemental Response does not further address our preliminary determination that claim 13 is anticipated by Peled. We need not address claim 13 here because it is cancelled. However, as it relates to our analysis of claims 14 and 15, dependent from claim 13, we find that Petitioner has put forth sufficient evidence that the limitations of claim 13 are disclosed by Peled. *See* Pet. 27–28.

Regarding claims 14 and 15, Petitioner argues “[i]t would have been obvious to derive the policy (i.e., decide what materials to protect) from user input specifying the policy.” Pet. 35. Petitioner provides additional motivation for combining Liddy with Peled because there is a finite number of solutions to solve the problem of “knowing what data or type of data is ‘desired to be protected.’” *Id.* (citing *KSR*, 550 U.S. at 421 (if there are a finite number of identified, predictable solutions to solve a problem, a person of ordinary skill in the art has good reason to pursue the known

options within his or her technical grasp)). Petitioner contends user input to the computer “would be a natural way” for the computer to implement a policy and “Liddy’s graphical user interface . . . was a known option that would have been obvious to try.” *Id.* (citing Ex. 1003 ¶¶ 65, 67).

Patent Owner argues the Petition fails to adequately articulate a reason for the proposed combination because “Petitioner does not specify what the ‘design need or market pressure’ was, what the ‘problem’ was, how many solutions were available, what the solutions were, or why one of ordinary skill would have chosen the solutions to solve the relevant problem.” Supp. Resp. 36. Patent Owner further argues “Petitioner’s conclusory assertion that the combination would have been ‘obvious to try’ lacks any explanation, supporting evidence.” *Id.* at 37.

Petitioner argues that the further recitations defining the policy by user input (claim 14), and specifically by graphical user input (claim 15), “if not completely trivial and incidental, at most simply reflects a design choice among finite alternatives.” Supp. Reply 29. Petitioner contends “a policy that resides in a computer system must make its way into the system somehow, such as by user input or computer generation.” *Id.*

We are persuaded by Petitioner’s argument. We agree that claims 14 and 15 requiring that a policy be specified by a user input using a graphical user interface is trivial and well-known. Computers generally perform tasks based on user input in one form or another. The Petition adequately explains why an ordinarily skilled artisan would have been motivated to seek out Liddy’s disclosures regarding user input to specify a policy for selecting proprietary information to be protected.

Thus, Petitioner has shown by a preponderance of the evidence that claims 14 and 15 are obvious over the combination of Peled and Liddy.

The Petition asserts claim 26 is obvious over the combination of Peled and Liddy (Pet. 34), quotes the same portion of Peled as relied on for its anticipation argument (Pet. 30), but does not rely on any features in Liddy for the asserted obviousness challenge (Pet. 34). As discussed *supra* regarding anticipation of claim 26 by Peled, merely italicizing the quoted word “logging” with no explanation of the relevance of the quoted disclosure is insufficient to comply with our rules whether alleging anticipation or obviousness. Petitioner’s Supplemental Reply does not further address the obviousness challenge of claim 26.

Thus, Petitioner has not established by a preponderance of the evidence that claim 26 is obvious over the combination of Peled and Liddy.

4. *Obviousness of Claims 35–38*

Claims 35–38 each depend from claim 28 and recite various configurations of the policy management and message monitoring systems—incorporated in one logical system, incorporated in one physical system, on separate LANs, or on separate LANs connected via the Internet, respectively. In addition to the bare citations to Figures 1 and 9 of Peled, the Petition identifies disclosures of Liddy that allegedly teach the recited configurations. Pet. 36–37. In addition to the broad, generalized reason to combine the references, as discussed *supra*, Petitioner argues there is additional motivation because each such configuration would have been a “mere matter of design choice among finite alternatives.” *Id.* at 37 (citing Ex. 1003 ¶¶ 69–72).

For each of claims 35–38, Patent Owner contends Petitioner’s reasoning of a “design choice” indicates that the ordinarily skilled artisan *could have* chosen among the various options but fails to explain why one *would have* chosen any one of these design choices. *See* Supp. Resp. 40–46. In response, Petitioner argues “[t]his arrangement represents a design choice among only two possible alternatives: the two subsystems are either incorporated into the same logical system or not (*i.e.*, incorporated in different logical systems).” Supp. Reply 32.

We agree with Patent Owner that Petitioner has failed to meet its burden, *in the Petition*, to articulate a specific reason for the proposed combination based on evidence of record. *See In re Magnum Oil Tools Int’l, Ltd.*, 829 F.3d 1364, 1380 (Fed. Cir. 2016) (“To satisfy its burden of proving obviousness, . . . [t]he petitioner must . . . articulate specific reasoning, based on evidence of record, to support the legal conclusion of obviousness.” (citing *KSR*, 550 U.S. at 418)). As above, although we agree, in general, that there are a small finite number of configurations for communicatively coupling two computing systems, it is Petitioner’s burden to identify, *in the Petition*, the problem and the finite known solutions. As noted by Patent Owner, “[m]erely stating ‘design choice’ when confronted with a missing limitation, without citing any authority or references to establish why the feature in question amounts to a mere design choice, does not carry Petitioner’s burden.” Supp. Resp. 41 n.17 (quoting *Kartri Sales Co. v. Zahner Design Grp.*, Case IPR2016-01327, Paper 10 at 17 (PTAB Jan. 3, 2017)). Petitioner’s attempt to cure the deficiencies of its Petition in its Supplemental Reply is inappropriate. Petitioner is not entitled to a second bite to cure deficient arguments in the Petition.

Therefore, the Petition fails to adequately explain why an ordinarily skilled artisan would have been motivated to seek out Liddy's disclosures regarding configurations for communications between two systems.

Accordingly, we are not persuaded Petitioner has shown by a preponderance of the evidence that claims 35–38 are obvious over the combination of Peled and Liddy.

III. ORDER

After due consideration of the record before us, and for the foregoing reasons, it is:

ORDERED that claims 1, 2, 13, 28, and 39 of U.S. Patent No. 8,661,498 B2 are *cancelled* in accordance with Patent Owner's statutory disclaimer;

FURTHER ORDERED that claims 14 and 15 of U.S. Patent No. 8,661,498 B2 have been shown to be unpatentable;

FURTHER ORDERED that claims 21, 23–27, and 35–38 of U.S. Patent No. 8,661,498 B2 have *not* been shown to be unpatentable;

FURTHER ORDERED that Patent Owner's Motion to Strike Petitioner's Supplemental Reply (Paper 24) is *denied*; and

FURTHER ORDERED that because this is a final written decision, parties to the proceeding seeking judicial review of the decision must comply with the notice and service requirements of 37 C.F.R. § 90.2.

IPR2017-01342
Patent 8,661,498 B2

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