

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ESET, LLC, and ESET spol s.r.o.,
Petitioner,

v.

FINJAN, INC.,
Patent Owner.

Case IPR2017-01969
Patent 8,079,086 B1

Before JAMES B. ARPIN, PATRICK M. BOUCHER, and
ZHENYU YANG, *Administrative Patent Judges*.

BOUCHER, *Administrative Patent Judge*.

DECISION
Denying Request for Rehearing
37 C.F.R. § 42.71(d)

On January 9, 2018, we denied a Petition (Paper 1, “Pet.”) and Joinder Motion (Paper 3, “Mot.”) filed by ESET, LLC, and ESET spol s.r.o. (collectively, “ESET”). Paper 8 (“Decision” or “Dec.”). ESET requests rehearing of that Decision. Paper 10 (“Rehearing Request” or “Req. Reh’g”).

When rehearing a decision on whether to institute a trial, the Board reviews the decision for an abuse of discretion. *See* 37 C.F.R. § 42.71(c). An abuse of discretion may be indicated if a decision is based on an erroneous interpretation of law, if a factual finding is not supported by substantial evidence, or if the decision represents an unreasonable judgment in weighing relevant factors. *See Star Fruits S.N.C. v. U.S.*, 393 F.3d 1277, 1281 (Fed. Cir. 2005); *Arnold P’ship v. Dudas*, 362 F.3d 1338, 1340 (Fed. Cir. 2004); *In re Gartside*, 203 F.3d 1305, 1315–16 (Fed. Cir. 2000). The burden of showing that our Decision should be modified lies with Petitioner, the party challenging the decision. *See* 37 C.F.R. § 42.71(d). In addition, “[t]he request must specifically identify all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed.” *Id.*

I. BACKGROUND

The procedural background against which we consider the instant Rehearing Request is complex. The subject patent, i.e., U.S. Patent No. 8,079,086 B1 (“the ’086 patent”), was first challenged at the Board in a petition filed on July 15, 2016, by Blue Coat Systems, Inc. (“Blue Coat”). *FireEye, Inc. v. Finjan, Inc.*, Case IPR2016-01444 (“1444 proceeding”), Paper 1. The Board initially denied that petition on February 16, 2017, and Blue Coat filed a rehearing request on March 20, 2017. *Id.*, Papers 9, 10.

While the original petition in the 1444 proceeding was pending, FireEye, Inc. (“FireEye”) also challenged the ’086 patent with a petition filed on October 28, 2016. *FireEye, Inc. v. Finjan, Inc.*, Case IPR2017-00155 (“155 proceeding”), Paper 1. The FireEye petition, which was substantially identical to Blue Coat’s Petition, was statutorily time-barred under 35 U.S.C. § 315(b), but, concurrent with its petition, FireEye filed a motion for joinder with the 1444 proceeding. *Id.*, Paper 3. The statutory time bar “shall not apply to a request for joinder under [35 U.S.C. § 315(c)].” 35 U.S.C. § 315(b). Because the Board is subject to statutory requirements to decide petitions for *inter partes* review according to certain time limits that include affording the patent owner, Finjan, Inc. (“Patent Owner”), an opportunity to be heard through a preliminary response, the Board initially denied the FireEye petition and dismissed the joinder motion without prejudice. 155 proceeding, Paper 9. That decision was made while Blue Coat’s rehearing request remained pending in the 1444 proceeding and, accordingly, we authorized FireEye to refile its petition and joinder motion in the event that Blue Coat’s rehearing request was granted. *Id.* FireEye requested rehearing of that decision on May 31, 2017. *Id.*, Paper 10.

On July 18, 2017, we granted Blue Coat’s rehearing request in the 1444 proceeding, thereby initiating an *inter partes* review of the ’086 patent. On July 19, 2017, we entered a decision in the 155 proceeding that treated FireEye’s rehearing request as a renewal of its joinder motion, which we granted. 155 proceeding, Paper 11. Accordingly, FireEye was joined as a party to the 1444 proceeding.

Subsequently, on November 27, 2017, pursuant to our authorization, Blue Coat and Patent Owner filed a joint motion to terminate the 1444

proceeding with respect to Blue Coat because those parties had settled. 1444 proceeding, Paper 45. The termination motion was granted on December 1, 2017, leaving only FireEye as a petitioner in the 1444 proceeding.

On January 12, 2018, also pursuant to our authorization, FireEye and Patent Owner filed a joint motion to terminate the 1444 proceeding with respect to both FireEye and Patent Owner because those parties also have settled. *Id.*, Paper 50.

Thus far, we have deferred ruling on the second termination motion in the 1444 proceeding, as related to FireEye and Patent Owner, because of the relationship of the instant proceeding to the 1444 proceeding and to provide ESET a further opportunity to be heard through its Rehearing Request. *See id.*, Paper 52. ESET's interest in the 1444 proceeding arose because, on August 16, 2017, ESET challenged the '086 patent with a further petition that also appears time-barred under 35 U.S.C. § 315(b), and moved for joinder with the 1444 proceeding. Papers 1, 3. The ESET Petition, however, differs materially from the Blue Coat and FireEye petitions. We denied the ESET Petition and Joinder Motion on January 9, 2018, and ESET filed its Rehearing Request on February 6, 2018. Papers 8, 10.

To summarize, the 1444 proceeding that ESET seeks to join currently includes a single petitioner, FireEye, with whom Patent Owner has settled. The petition upon which the 1444 proceeding was instituted was filed by a petitioner, Blue Coat, who is no longer a party to the proceeding because it also has settled with Patent Owner. The challenges presented in the ESET Petition differ materially from those presented in the Blue Coat and FireEye petitions.

II. ANALYSIS

The decision whether to institute an *inter partes* review is discretionary. See *General Plastic Industrial Co., Ltd. v. Canon Kaushiki Kaisha*, Case IPR2016-01347, slip op. at 15 (PTAB Sept. 6, 2017) (Paper 19) (precedential) (citing 35 U.S.C. § 314(a); 37 C.F.R. § 42.108(a)). And the decision whether to join a petitioner to an instituted proceeding, even when the petitioner files a petition that “warrants institution of an *inter partes* review,” is also discretionary. 35 U.S.C. § 315(c) (“ . . . the Director, *in his or her discretion, may join as a party . . .*”) (emphasis added).

Although the circumstances presented here differ from the underlying facts of the Board’s precedential *General Plastic* decision—in this case, *different* petitioners are involved in filing multiple petitions challenging the same patent—the policy considerations guiding the application of our discretion are similar. In particular, *General Plastic* explains that we take into account “undue inequities and prejudices to Patent Owner,” and that we recognize that “shifts” in arguments and the use of “[m]ultiple, staggered petitions challenging the same patent and same claims raise the potential for abuse.” *General Plastic* at 17. Exercising our discretion in a manner that takes insufficient account of those impacts “is unfair to patent owners and is an inefficient use of the *inter partes* review process.” *Id.* at 17–18.

In the instant case, we are cognizant of those impacts, particularly because ESET’s Petition presents arguments that differ materially from those presented in the original Blue Coat petition upon which the 1444 proceeding was instituted, and because ESET’s Rehearing Request introduces additional shifts in those arguments. In addition, we are mindful of the equities resulting from the procedural history, in which Patent Owner

repeatedly finds itself defending its patent, in the same proceeding, against new petitioners who rise up to replace those with whom it has settled.

First, the ESET Petition sought to introduce additional grounds into the 1444 proceeding, namely additional challenges to claims 2 and 10, which were not challenged by the original Blue Coat petition, nor by the subsequent FireEye petition. *See* Pet. 42–45. Those challenges involve additional prior art in the form of Martin,¹ which is neither of record in the 1444 proceeding nor part of any challenge brought by the prior petitioners. Although ESET now “abandons its request to add dependent claims 2 and 10 to IPR2016-01444” in its Rehearing Request, that shift in position undercuts, rather than supports, ESET’s argument that we abused our discretion in denying joinder based on the information originally presented.

In addition, ESET’s Petition relies on new evidence in the form of testimony by Eugene H. Spafford, Ph.D. (Ex. 1002). *See* Dec. 10 (noting that “joinder to the 1444 proceeding would disrupt the progress of that proceeding by adding additional issues and evidence addressing those additional issues, as well as a new Declaration by [ESET’s] witness”). To consider Dr. Spafford’s testimony would require that Patent Owner be afforded an opportunity to cross-examine that declarant and to provide briefing to which ESET could thereafter respond. *See* 37 C.F.R. § 42.51(b)(1)(ii). This would have a significant impact on the schedule of the 1444 proceeding, which has already been impacted by the complexity of its procedural history.

¹ David M. Martin Jr., Sivaramakrishnan Rajagopalan, and Aviel D. Rubin, *Blocking Java Applets at the Firewall*, Proc. 1997 SYMP. ON NETWORK AND DISTRIBUTED SYSTEMS SECURITY (IEEE 1997) (Ex. 1012).

Second, an issue in the 1444 proceeding is whether Necula² is prior art to the challenged claims. 1444 proceeding, Paper 47, 48–53 (Patent Owner contending that FireEye “failed to establish that Necula is a prior art printed publication that predates the January 29, 1997, priority date that the ’086 Patent is entitled to.”). As we noted in our Decision denying the ESET Petition and Joinder Motion, “[r]esolution of that issue may depend on the effective filing date ultimately accorded to the challenged claims.” Dec. 7. In articulating its position on this issue, ESET argues that “there is no written description support in the specification of the ’086 patent (or in any of the provisional or nonprovisional patent applications incorporated by reference into the ’086 specification)” for certain claim terms. Pet. 6–7. That position depends on constructions of terms that appear in the following limitations: (1) “appending a representation of the Downloadable security profile data to the Downloadable, to generate an appended Downloadable,” recited in independent claim 1; (2) “a file appender . . . for appending a representation of the Downloadable security profile data to the Downloadable, to generate an appended Downloadable,” recited in independent claim 9; and (3) “transmitting the Downloadable and a representation of the Downloadable security profile to a destination computer,” recited in independent claims 17, 24, 35, and 37.

ESET addresses these limitations with constructions proposed in its Petition for “appended Downloadable” (including a contention that “the term ‘appending’ would have been understood by a person of ordinary skill in the

² George C. Necula, *Proof-Carrying Code*, PROC. 24TH ACM SIGPLAN-SIGACT SYMP. ON PRINCIPLES OF PROGRAMMING LANGUAGES 106 (ACM 1997) (Ex. 1008).

art, given the context of the '086 claims, as adding the security profile data to a file that includes the Downloadable”), “file appender,” “transmitter,” and “transmitting.” Dec. 8; Pet. 10–14. As we observed in our Decision, “[t]hese proposed constructions were not made in the original [Blue Coat and FireEye] petition[s] in the 1444 proceeding.” Dec. 8 (citing 1444 proceeding, Paper 2, 15–16).

Our Decision declined to revisit construction of the relevant terms in light of the Board’s prior finding regarding the scope of substantially similar terms in *Palo Alto Networks, Inc. v. Finjan, Inc.*, Case IPR2016-00145, slip op. at 6–7 (PTAB May 9, 2016) (Paper 9). Dec. 7–11. ESET argues that “[t]he '086 patent expired no later than January 29, 2017, and accordingly the Board’s prior claim construction – based on broadest reasonable interpretation (‘BRI’) – is no longer appropriate.” Req. Reh’g 1. That argument is not without merit, but is insufficient to establish an abuse of discretion when weighed in the context of all of the factors before us. ESET specifically conditioned its Petition and Joinder Motion on whether the Board is “willing to determine whether the '086 patent is entitled to claim” an earlier effective filing date. Mot. 8 n.1. Given the advanced stage of the 1444 proceeding, with an oral hearing anticipated for April 13, 2018, and ESET’s reliance on new evidence to support an argument that expands the scope of the position presented in the original Blue Coat petition, we conclude that denial of the Joinder Motion remains appropriate. 1444 proceeding, Paper 12.

Third, ESET introduces still further additional evidence with its Rehearing Request to support its argument that Necula is not prior art. Specifically, ESET provides a copy of a Markman Order entered in related

litigation between Patent Owner and ESET, asserting that it “should inform this Board’s determination of an appropriate *Phillips*-type construction.” Req. Reh’g 2; Ex. 1028. It is axiomatic that we could not have misapprehended or overlooked the relevance of this evidence in our Decision when the evidence was not previously of record in the proceeding. “A request for rehearing is not an opportunity for a party to introduce new argument, bolster insufficient argument, or mend gaps in the evidence relied on in the Petition.” *Ericsson Inc. v. Intellectual Ventures II LLC*, Case IPR2015-01872, slip op. at 4 (PTAB Apr. 19, 2016) (Paper 15). Notably, the Markman Order that ESET only now brings to our attention was entered in the related litigation on November 14, 2017, but ESET took no steps to bring it to our attention during the several weeks that passed before our Decision was entered—even though ESET urges that it “should inform this Board’s determination.” Although the district court’s order is relevant, it comes too late as evidence in this proceeding for us to consider it.

To the extent that ESET has identified matter that we misapprehended or overlooked, we have reconsidered our Decision. In doing so, we exercise our discretion in accordance with the mandate that our regulations “be construed to secure the just, speedy, and inexpensive resolution of every proceeding.” 37 C.F.R. § 1(b). For the reasons expressed above, consideration of the full scope of relevant factors continues to weigh against granting ESET’s Petition or Joinder Motion.

III. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that ESET’s Rehearing Request is *denied*.

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Patent 8,079,086 B1

PETITIONER

Nicola A. Pisano
Christopher C. Bolten
FOLEY & LARDNER LLP
npisano@foley.com
cbolten@foley.com

PATENT OWNER

Jeffrey H. Price
KRAMER LEVIN NAFTALIS & FRANKEL LLP
jprice@kramerlevin.com