

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SPLUNK, INC.,
Petitioner,

v.

SABLE NETWORKS, INC.,
Patent Owner.

IPR2021-01469
Patent 8,817,790 B2

Before GARTH D. BAER, SCOTT B. HOWARD and
JULIET MITCHELL DIRBA, *Administrative Patent Judges*.

BAER, *Administrative Patent Judge*.

DECISION
Granting Institution of *Inter Partes* Review
35 U.S.C. § 314

I. INTRODUCTION

Splunk, Inc. (“Petitioner”) filed a Petition (Paper 2, “Pet.”), requesting an *inter partes* review of claims 1–5, 8–10, 13, 15, 16, 19–21, 26, and 27 of U.S. Patent No. 8,817,790 B2 (Ex. 1001, “the ’790 Patent”). Sable Networks Inc. (“Patent Owner”) filed a statutory disclaimer of claims 1–5, 8, 13, 15, 16, 20, 21, and 27, and a Preliminary Response to the Petition. Paper 8 (“Prelim. Resp.”); Ex. 2005.

We have authority under 35 U.S.C. § 314 to determine whether to institute *inter partes* review. For the reasons discussed below, we institute *inter partes* review of claims 9, 10, 19, and 26, which are all remaining challenged claims.

II. BACKGROUND

A. RELATED MATTERS

The ’790 patent is at issue in *Sable Networks, Inc. v. Splunk Inc.*, Civil Action No. 5:21-cv-00040-RWS (E.D. Tex.) (“related E.D. Texas litigation”) and *Sable Networks, Inc. v. Riverbed Technology, Inc.*, Civil Action No. 6:21-cv-00175-ADA (W.D. Tex.). Pet. 80–81; Paper 5, 1.

B. THE ’790 PATENT

The ’790 patent is directed to identifying, classifying, and controlling information packet flows in a network. Ex. 1001, 2: 38–39. The ’790 patent’s Figure 3 is reproduced below.

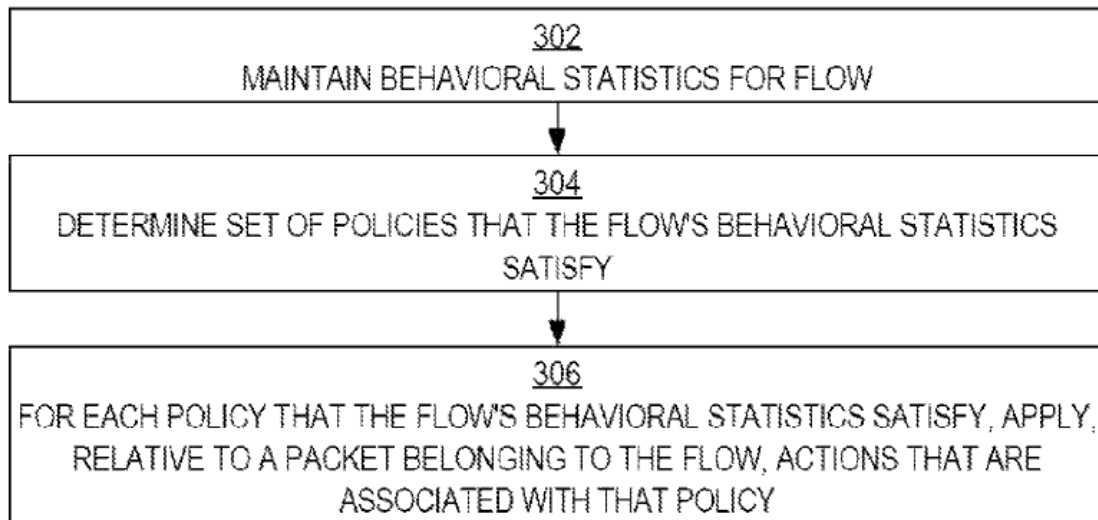


FIG. 3

Figure 3 “is an operational flow diagram showing the operation of a flow manager (FM).” *Id.* at 3:40–41.

C. STATUTORY DISCLAIMER AND REMAINING CHALLENGED CLAIMS

The Petition challenges claims 1–5, 8–10, 13, 15, 16, 19–21, 26, and 27. Pet. 2. However, because Patent Owner disclaimed claims 1–5, 8, 13, 15, 16, 20, 21, and 27 (Ex. 2005), the remaining challenged claims are 9, 10, 19, and 26. *See* 37 C.F.R. § 42.107(e) (2020) (“No *inter partes* review will be instituted based on disclaimed claims.”). Remaining challenged claims 9, 10, 19, and 26 depend (ultimately) from independent claim 1, which is reproduced below:

1. A method for handling a flow, comprising:
 - processing a flow comprised of two or more information packets having header information in common;
 - storing header-independent statistics about said flow in a flow block associated with said flow;
 - updating said header-independent statistics in said flow block as each information packet belonging to said flow is processed;

categorizing said flow as one or more traffic types by determining whether said header-independent statistics match one or more profiles corresponding to a traffic type; and performing an operation on one or more information packets belonging to said flow if said one or more traffic types match one or more particular traffic types designated by a user; wherein said operation is determined according to said one or more particular traffic types.

Ex. 1001, 15:55–16:6.

D. ASSERTED GROUNDS OF UNPATENTABILITY

Petitioner asserts the following grounds of unpatentability. Pet. 3.¹

Reference(s)	Basis	Challenged Claim(s)
Olesinski ²	§ 103	19
Olesinski, Papp ³	§ 103	9, 10, 19, 26

Petitioner also relies on a declaration from Dr. Kevin Jaffay (Ex. 1003).

III. DISCRETIONARY DENIAL BASED ON *FINTIV*

Patent Owner contends we should deny the Petition under 35 U.S.C. § 314(a) because “this proceeding would be duplicative” of the related E.D. Texas litigation. Prelim. Resp. 30. For the reasons that follow, we decline to exercise our discretion to deny the Petition.

The Board’s precedential decision in *Apple Inc. v. Fintiv Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential) (“*Fintiv*”), identifies a non-exclusive list of factors parties may consider addressing

¹ Petitioner’s additional asserted grounds relate only to claims that that Patent Owner has now disclaimed. See Pet. 3; Ex. 2005.

² US 7,782,793 B2, Aug. 24, 2010 (Ex. 1005, “Olesinski”).

³ US 7,843,843 B1, Nov. 30, 2010 (Ex. 1007, “Papp”).

where there is a related, parallel district court action to determine whether such action provides any basis for discretionary denial. *Fintiv*, Paper 11 at 5–16. Those factors include:

1. whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
2. proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision;
3. investment in the parallel proceeding by the court and the parties;
4. overlap between issues raised in the petition and in the parallel proceeding;
5. whether the petitioner and the defendant in the parallel proceeding are the same party; and
6. other circumstances that impact the Board’s exercise of discretion, including the merits.

Id. at 5–6.

In evaluating the factors, we take a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review.

Id. at 6.

1. Factor 1

Patent Owner notes that in the related E.D. Texas litigation, Petitioner filed a Motion to Stay, which the district court denied. Prelim. Resp. 31. However, the district court denied the stay without prejudice at least partially because, as the district court indicated, the motion was premature because an IPR had not yet been instituted. *Sable Networks, Inc. v. Splunk, Inc.*, No. 5:21-cv-00040-RWS (E.D. Tex. Nov. 1, 2021), ECF No. 77. In these circumstances, we find this factor is neutral.

2. Factor 2

Trial in the E.D. Texas litigation is scheduled to begin on November 14, 2022, which is approximately four months before the deadline for a final written decision in this proceeding. *See* Pet. 77, Prelim. Resp. 33. Petitioner notes, however, that “[t]arget trial dates are often subject to settlement, delays, stipulations, transfers, or stays, and in particular, delays due to the COVID-19 pandemic and resultant court congestion.” Pet. 77. In these circumstances, we decline to speculate on delay for the district-court trial. Even so, given the proximity between the scheduled trial and the final written decision’s due date, on balance this factor weighs only slightly in favor of exercising our discretion to deny the Petition.

3. Factor 3

Patent Owner argues that there has been significant investment in the related E.D. Texas litigation because, by the time our institution decision issues, the district court will have held its Markman hearing and fact discovery will be underway. Prelim. Resp. 36. On the other side, Petitioner asserts it was diligent in filing its Petition because it did so less than two months after Patent Owner identified its asserted claims in the district court proceeding. Pet. 80. Despite the parties’ investment in the related E.D. Texas litigation, given Petitioner’s diligence, we find this factor weighs against exercising our discretion to deny the Petition.

4. Factor 4

Petitioner asserts that if we institute, “Petitioner will not raise any invalidity challenges to the ’790 Patent in the district court case that are raised, or could have been reasonably raised, in this Petition.” Pet. 78.

Thus, Petitioner asserts, this factor “strongly favors institution.” *Id.* On the other side, Patent Owner asserts that Petitioner has not yet actually made its stipulation, and that even if Petitioner did so, “there would still be overlapping issues because Petitioner’s [district court] invalidity contentions include 102(g) prior art that raise the same issues as those found in the [Petition’s asserted references].” Prelim. Resp. 37. We agree with Petitioner.

With Petitioner’s assurance in its Petition, Patent Owner has a written record of Petitioner’s assurances. We see no reason to require more. In addition, Petitioner’s stipulation is similar to that provided in *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 at 18–19 (PTAB Dec. 1, 2020) (precedential), which the Board found mitigated concerns of duplicative efforts and potentially conflicting decisions, thus ensuring that the *inter partes* review is a “true alternative” to the district court proceeding. We find Petitioner’s *Sotera*-type stipulation mitigates concerns of duplicative efforts to a significant extent, even if Patent Owner is correct that there may ultimately be some issue overlap in light of system prior art in the related E.D. Texas litigation. Given the stipulation, we find this factor weighs strongly against exercising our discretion to deny institution.

5. Factor 5

Neither party disputes that Petitioner and Patent Owner are parties to the related E.D. Texas litigation. Thus, this factor somewhat favors exercising our discretion to deny institution.

6. Factor 6

Petitioner asserts “the merits of the Petition are strong.” Pet. 79. Patent Owner contends we should deny institution because “Petitioner’s

current Petition is nothing more than a copycat of previously submitted petitions” in IPR2021-00166 and IPR2021-00259, which each challenged the ’790 Patent. Prelim. Resp. 38–39 (citing *General Plastic Indus. Co., Ltd. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 at 16–17 (Sept. 6, 2017) (precedential in relevant part) (“*General Plastic*”)).

We find this factor neutral. As to Petitioner’s argument, while we determine that the merits meet the standard for institution of *inter partes* review, we decline to opine as to whether the merits are particularly strong. As to Patent Owner’s argument, we disagree that the framework from *General Plastic* favors denying institution. The main concern motivating the *General Plastic* framework is “the potential for abuse of the review process by repeated attacks on patents.” *General Plastic*, Paper 19 at 17. Here, the potential for abuse is minimal because this is the first time this petitioner has challenged the ’790 patent, and Petitioner’s alleged copying of the earlier-filed petitions is not enough to fairly characterize Petitioner’s relationship with the IPR2021-00166 and IPR2021-00259 petitioners as significant enough to warrant exercising our discretion to deny institution. *See Valve Corp. v. Elec. Scripting Prods. Inc.*, IPR2019-00062, Paper 11 at 9 (Apr. 2, 2019) (precedential) (exercising discretion to deny institution based on a different petitioner’s earlier-filed petition where the different petitioners were co-defendants in a related district-court litigation, and where both petitioners were accused of infringing the challenged patent based on the same product).⁴ In addition, because the IPR2021-00166 and IPR2021-

⁴ Patent Owner argues that the Board has found a relationship between petitioners when one uses substantive challenges from an earlier petition. Prelim. Resp. 39–40 (citing *Ericsson Inc. v. Uniloc 2017 LLC*, IPR2019-01550, Paper 8 at 12 (Mar. 17, 2020)). *Ericsson* imposed a

00259 petitioners voluntarily dismissed their petitions before Patent Owner filed preliminary responses and before we issued decisions on those petitions, Petitioner has not gained an unfair advantage in this proceeding. *See General Plastic*, Paper 19 at 9 (factoring whether a petitioner had received the patent owner’s preliminary response to the first petition or the Board’s decision on whether to institute review in the first petition).

7. Summary and Conclusion

We have considered the circumstances and facts before us in view of the *Fintiv* factors. For the reasons given, we are not persuaded to exercise our discretion to deny institution.

IV. ANALYSIS

A. LEVEL OF SKILL IN THE ART

Petitioner contends a person of ordinary skill in the art “would have had a B.S. degree in Electrical Engineering, Computer Science, or an equivalent field as well as three to five years of academic or industry experience in computer networking or comparable industry experience.” Pet. 11 (citing Ex. 1003 ¶ 25). At this stage, Patent Owner does not provide a description of the person of ordinary skill.

Petitioner’s description is supported by credible expert testimony. For the purpose of our decision, we adopt Petitioner’s description.

relationship in light of the derivative nature of the petition at issue. *Ericsson*, IPR2019-01550, Paper 8 at 12. That decision, however, has not been designated as precedential or informative by the Board, and other decisions have determined that factor 1 weighs against discretionary denial for an independent petitioner. *E.g.*, *United Fire Protection Corp. v. Engineered Corrosion Solutions, LLC*, IPR2018-00991, Paper 10.

table.” *Id.* at 3:41–43. Olesinski describes real-time traffic monitoring process 200 inspecting packets to extract information and maintain flow information table 100. *Id.* at 7:7–14.

2. Papp (Ex. 1007)

Papp is directed to a system that dynamically adjusts different network services based on classes of network traffic. Ex. 1007, code (57). Petitioner relies on Papp for teaching details related to classifying and handling flows of network traffic based on packet attributes. Ex. 1007, 31:42–43, 31:60–65, 41:51–21; *see also, e.g.*, Pet. 27–31, 37–40, 46–47.

D. OBVIOUSNESS ANALYSIS

Petitioner contends claim 19 would have been obvious over Olesinski, and that claims 9, 10, 19, and 26 would have been obvious over Olesinski and Papp. Pet. 13–23, 26–32, 39–40, 46–47. Based on Petitioner’s analysis and for the reasons explained below, we find Petitioner has, at this stage, demonstrated a reasonable likelihood of prevailing on these challenges. Patent Owner raises several arguments contesting Petitioner’s showing. We discuss those arguments below.

a. Header-Independent Statistics

Claim 1, on which claim 19 ultimately depends, recites “storing header-independent statistics about said flow in a flow block associated with said flow.” Ex. 1001, 12:65–13:2. Petitioner asserts Olesinski describes storing header-independent statistics because “Figure 1 shows that Olesinski’s flow table entry stores statistical information, e.g., ‘# Sampled Packets,’ ‘Cumulative Amt. Sampled,’ and ‘Last Sampling Time,’ for each flow entry (*flow block*).” Pet. 15–16 (citing Ex. 1005, Fig. 1, 6:57–64).

Patent Owner argues that Petitioner’s challenge fails because “the information Petitioner points to as allegedly being stored in Olesinski’s flow table—number of packets sampled, cumulative amount of content sampled, and time of the last packet—is found in or derived from packet headers and is therefore not header independent as the ’790 patent requires.” Prelim. Resp. 18. We disagree with Patent Owner’s argument.

As Petitioner explains, Olesinski’s flow-table statistics are header-independent “because they are aggregate statistics related to the number, size, and time of packets sampled, rather than individual attributes found in the packet header.” Pet. 16. Although, as Patent Owner points out, Olesinski’s flow-table statistics may ultimately be “derived from packet headers,” Prelim. Resp. 18, so too the ’790 patent’s header-independent statistics (e.g., total byte count and average packet size) would be derived, at least in part, from packet headers. On the current record, we agree with Petitioner that Olesinski’s flow table entries teach the claimed header-independent statistics.

b. “updating said header-independent statistics in said flow block as each information packet belonging to said flow is processed.”

Claim 1, on which claim 19 ultimately depends, further recites “updating said header-independent statistics in said flow block as each information packet belonging to said flow is processed.” Petitioner asserts “Olesinski meets this *as each information packet requirement* by updating the fields on a per-packet basis.” Pet. 18. According to Patent Owner, however, Olesinski is deficient because, even if Olesinski’s packet processing is done on a per-packet basis, “at most only some packets belonging to the flow are processed.” Prelim. Resp. 25. That is, Patent

Owner contends, Olesinski's sampling process is insufficient because the claims require processing every information packet belonging to a flow. *Id.*

Neither party has proposed a construction for the claimed "updating" and/or "processing" steps that would specifically include or exclude sampling. Thus, we invite the parties to address this claim construction issue at trial and find this issue is better suited for resolution there, on a full record.

3. Undisputed Limitations

As for the remaining limitations of claims 9, 10, 19, and 26, Petitioner provides a detailed analysis of how the prior art disclosures teach every element of those challenged claims. *See* Pet. 13–23, 26–32, 39–40, 46–47. Other than as discussed above, Patent Owner does not additionally challenge Petitioner's analysis in its Preliminary Response. We have reviewed Petitioner's arguments and the underlying evidence cited in support and are persuaded that, at this stage, Petitioner sufficiently demonstrates a reasonable likelihood of succeeding in its challenges to claims 9, 10, 19, and 26.

V. CONCLUSION

For the foregoing reasons, we have determined that there is a reasonable likelihood that the Petitioner would prevail with respect to at least one of the claims challenged in the Petition. We therefore institute trial as to all challenged claims on all grounds stated in the Petition. We decline also to exercise our discretion to deny institution under 35 U.S.C. § 314(a).

VI. ORDER

Accordingly, it is:

ORDERED that *inter partes* review of claims 9, 10, 19, and 26 of the '867 patent is instituted on based on the following grounds:

1. Obviousness of claim 19 based on Olesinski, and
2. Obviousness of claims 9, 10, 19, and 26 based on Olesinski and Papp; and

FURTHER ORDERED that pursuant to 35 U.S.C. § 314(c) and 37 C.F.R. § 42.4, notice is hereby given of the institution of a trial; the trial will commence on the entry date of this decision.

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