UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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PALO ALTO NETWORKS, INC.,
Petitioner,

v.

CENTRIPETAL NETWORKS, INC.,
Patent Owner.

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Case IPR2021-01154
U.S. Patent No. 10,785,266

PATENT OWNER'S PRELIMINARY SUR-REPLY TO PETITIONER'S PRELIMINARY REPLY

PATENT OWNER'S EXHIBIT LIST

Exhibit	Description
2001	Declaration of Hannah Lee in Support of Plaintiff Centripetal Networks, Inc.'s Opposition to Defendant Palo Alto Networks, Inc.'s Motion to Stay with Exhibits 1 and 4, *Centripetal Networks, Inc. v. Palo Alto Networks, Inc.*, Case No. 2:21-cv-00137 (RCY), Dkt. No. 86 (E.D. Va. July 23, 2021)
2002	Protective Order, *Centripetal Networks, Inc. v. Palo Alto Networks, Inc.*, Case No. 2:21-cv-00137-RCY-RJK, Dkt. No. 93 (E.D. Va. July 30, 2021) ("Protective Order")
2003	Amended Complaint for Patent Infringement, *Centripetal Networks, Inc. v. Palo Alto Networks, Inc.*, Case No. 2:21-cv-00137-RCY, Dkt. No. 65 (E.D. Va. July 9, 2021) ("Amended Complaint")
2004	Order Regarding Discovery of Electronically Stored Information ("ESI"), *Centripetal Networks, Inc. v. Palo Alto Networks, Inc.*, Case No. 2:21-cv-00137-AWA-RJK, Dkt. No. 155 (E.D. Va. Sept. 13, 2021) ("ESI Order")
2005	Memorandum in Support of Defendant's Motion to Stay Pending Resolution of *Inter Partes* Review Proceedings, *Centripetal Networks, Inc. v. Palo Alto Networks, Inc.*, Case No. 2:21-cv-00137-RCY-RJK, Dkt. No. 68 (E.D. Va. July 9, 2021)
2006	Declaration of James Hannah in Support of Patent Owner's Preliminary Response
2007	U.S. Patent No. 10,567,437 (the "'437 Patent")
2008	File History for U.S. Patent No. 10,567,437

Exhibit	Description
2009	U.S. Patent Application Publication No. 2003/0118038 A1 ("Jalava")
2010	Transcript of deposition of Dr. Kevin Jeffay from *Cisco Sys., Inc. v. Centripetal Networks, Inc.*, No. IPR2018-01513, taken on June 28, 2019
2011	Transcript of deposition of Dr. Kevin Jeffay from *Cisco Sys., Inc. v. Centripetal Networks, Inc.*, No. IPR2018-01513, taken on November 27, 2019
2012	U.S. Patent Application Publication No. 2006/123481 A1 ("Bhatnagar")
2013	U.S. Patent No. 10,091,246 (the "'246 Patent").
2014	Patent Owner's Response Under 37 C.F.R. § 42.107, *Cisco Systems, Inc. v. Centripetal Networks, Inc.*, No. IPR2018-01443, Paper 12 (P.T.A.B. May 13, 2019)
2015	U.S. Patent. Application Publication No. 2010/0082811 A1 ("Van Der Merwe")
2016	Petition for *Inter Partes* Review, *Palo Alto Networks, Inc. v. Centripetal Networks, Inc.,* No. IPR2021-01153, Paper 2 (P.T.A.B. July 6, 2021)
2017	Order, *Bushnell Hawthorne, LLC v. Cisco Sys., Inc.*, Case No. 1:18 cv-00760, Dkt. No. 88 (E.D. Va. Apr. 22, 2019)
2018	Memorandum Order, *Cont'l Auto. Sys., Inc. v. Hamaton Auto. Tech. Co.*, Case No. 2:16-cv-00226, Dkt. No. 63 (E.D. Va. Feb. 7, 2017)
2019	RESERVED

Exhibit	Description
2020	RESERVED
2021	RESERVED
2022	RESERVED
2023	RESERVED
2024	Excerpts from Palo Alto Networks, Inc.'s First Supplemental Objections and Responses to Plaintiff's Interrogatory No. 4, *Centripetal Networks, Inc. v. Palo Alto Networks, Inc.*, Case No. 2:21-cv-00137-RCY- RJK (E.D. Va.), dated October 22, 2021
2025	E-mail Correspondence between the Board and Counsel of Record, dated between November 10, 2021 through December 6, 2021

The Board should deny institution under 35 U.S.C. § 314(a) because (1) Petitioner stipulated to a trial date of August 1, 2022, in the District Court litigation and there is no indication that the Court will not honor the parties' agreement, (2) the District Court case is unlikely to be stayed given the amount of time that has passed since the stay motion was filed, the amount of work done in that matter, and the risk of prejudice to Centripetal, (3) the Petitioner failed to file a stipulation in the District Court that would eliminate the overlap of invalidity issues, and (4) the merits of the Petition are weak because *Jungck* fails to teach the "entire interface" and "all traffic" limitations of the Challenged Claims. When Petitioner's rhetoric and diversionary tactics are set aside, and the facts are analyzed, there is no doubt that institution of these proceedings will only result in wasted resources for the Board, District Court and Centripetal.

A. *Fintiv* Factor 1: The EDVA Case is not Likely to be Stayed

Petitioner provides no meaningful response to Centripetal's argument that the co-pending litigation between the parties is unlikely to be stayed. *See* Paper 7 (Patent Owner's Preliminary Response "POPR") at 3; *see also* Paper 8 (Petitioner's Preliminary Reply, "Reply") at 2-3. The fact that the Court has waited so long to rule on the Motion to Stay suggests that it will not be granted given that parties have expended, and continue to pour, substantial resources into the case. *See infra* § C. While it is true that "[t]he District Court has discretion in

deciding whether to stay the action" pending an IPR proceeding, the parties are operating the District Court case at full throttle, which cuts against any notion that the District Court case will be halted. *Cobalt Boats, LLC v. Sea Ray Boats, Inc.*, No. 2:15cv21, 2015 WL 2454296, at *2 (E.D. Va. May 21, 2015). Petitioner also makes no effort to establish that the factors that the court will consider weigh in favor of a stay, which is understandable because Centripetal and PAN are direct competitors, and a stay of the district court litigation would prejudice Centripetal. *See id*. This factor weighs in favor of denying institution.[1]

B. *Fintiv* Factor 2: The Anticipated Trial Date Weighs in Favor of Denying Institution

Remarkably, despite its accusations and slander, Petitioner fails to acknowledge that it stipulated to a trial date of August 1, 2022, which means that any Final Written Decision in these proceedings will come six months after the jury has delivered their verdict. *See* Ex. 2001 at 1, ¶ 2; *id.* at 19-20 (proposed schedules). During motion practice in the District Court litigation, Petitioner

[1] If the Board does not "attempt to predict how the district court litigation will proceed," it should find this factor neutral. *See Sand Revolution II, LLC v. Cont'l Intermodal Grp. – Trucking LLC*, No. IPR2019-01393, Paper 24 at 7 (P.T.A.B. June 16, 2020) (informative).

reiterated the same and confirmed that the parties "reached agreement, using the Court's provided dates" for "trial to commence on August 1, 2022." Ex. 2005 at 4. There has been no indication that the District Court will not honor the parties' stipulation.

In pointing fingers at Centripetal, Petitioner fails to address that its proposed trial schedule is largely unaffected by the pending Motion to Stay. The parties agreed to a case schedule based on a trial date of August 1, 2022, and presented two proposed schedules to the judge in advance of the initial pretrial conference. *See* Ex. 2001 at 1, ¶ 2; *id.* at 19-20 (proposed schedules). While the schedules proposed slightly different deadlines[2], the anticipated August 1, 2022, trial date remains intact. In fact, not a single deadline on Petitioner's proposed schedule has passed, with the first forthcoming deadline still over one month away.[3] *Id.* at 19.

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[2] For example, Petitioner sought to delay claim construction stages in an attempt to game the *Fintiv* factors and prevent Patent Owner from referencing the claim construction schedule in these very preliminary briefings regarding discretionary denial. *See* Ex. 2001 at 19-20, 23.

[3] Petitioner levies the baseless charge that Patent Owner misrepresented the status of the parallel district court proceeding in view of its statement that trial is

C. *Fintiv* Factor 3: Ongoing Work in Parallel Proceedings Weighs in Favor of Denying Institution

Factor 3 weighs in favor of denying institution because the parties have already invested substantial time and resources in the litigation. *See* POPR at 4-6. Since the submission of Centripetal's POPR on October 25, 2021, the litigation has continued, with discovery and motion practice continuing apace. On November 5, PAN filed a motion to compel Centripetal to produce certain documents (Dkt. No. 194), and upon the completion of briefing, asked the Court for oral argument on the motion (Dkt. No. 207). On November 2, 2021, PAN served five additional interrogatories and 18 additional requests for production on Centripetal. PAN supplemented its responses to interrogatory responses on November 19 and December 3. To date, PAN has produced well over 100,000 pages of documents and made source code available for inspection for many of its Accused

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scheduled to begin "six months before the Final Written Decision is due in this case." *See* Reply at 3-4 (citations omitted). However, Petitioner conveniently omits that Centripetal never stated or implied that the District Court entered a formal scheduling order and that it referred to the trial date as "anticipated" because the parties stipulated to the date. Ex. 2001 at 1, ¶ 2 and 19-20; *see also* POPR at 4-5.

Instrumentalities. On December 2, 2021, Centripetal filed a motion to compel PAN to produce witnesses to testify in response to its Federal Rule of Civil Procedure 30(b)(6) notice of deposition, documents and source code. Dkt. No. 212. On the same day, Centripetal served its objections and responses to PAN's November 2 discovery requests. Since October 28, 2021, Centripetal has produced over 175,000 pages of documents to PAN.

Petitioner provides no basis for its assertion that the significant discovery already undertaken is "insufficient to tilt this factor toward denial of institution." Reply at 5. Indeed, it struggles to distinguish this case from *Regeneron Pharmaceuticals, Inc. v. Novartis Pharma AG*, No. IPR2020-01317, Paper 15 at 15-17 (P.T.A.B. Jan. 15, 2021), which was at a similar stage in terms of fact and expert discovery and in which a claim construction order had not yet issued. Petitioner's assertions about the "timing of a Markman hearing" also fall flat. Reply at 5. Under Petitioner's proposed schedule, the parties are not due to exchange claim terms until January 13, a date which still predates the institution decision in this case by several weeks. *See id*. Thus the fact that the court has not adopted a formal scheduling order has no bearing on whether that activity is still on track (it is) or whether the trial date will have to be pushed back (it will not). As is typical in these situations, the parties will contact the Court before January 13, 2022, to determine whether they should proceed with the exchange or make

slight alternations to the schedule while maintaining the stipulated trial date. This factor weighs in favor of denying institution.

D. *Fintiv* Factor 4: PAN's Untimely Stipulation Fails to Cure Overlap with the Parallel Proceedings

In a last minute effort to shift the "overlap" factor in its favor, Petitioner wrote to Patent Owner the same date it filed its Preliminary Reply, indicating that, if the Board institutes this Petition, it would stipulate to not pursuing against the instituted claims of the '266 Patent any ground that was raised or reasonably could have been raised in the IPR petition, invoking *Sotera Wireless, Inc. v. Masimo Corp.*, No. IPR2020-01019, Paper 12 at 13 (P.T.A.B. Dec. 1, 2020) (precedential). Unlike in *Sotera*, however, Petitioner has not filed its stipulation in the District Court. Petitioner has also not indicated which grounds in its preliminary invalidity contentions are affected by its stipulation. Even if Petitioner submits its stipulation to the court, the Board should still not institute for all of the reasons described in Patent Owner's Preliminary Response. *See Cisco Sys., Inc. v. Estech Sys., Inc.*, No. IPR2021-00332, Paper 11 (P.T.A.B. July 7, 2021) (denying institution despite a proffered *Sotera*-style stipulation).

Petitioner's stipulation also fails to address the overlap between issues raised several of its petitions and the parallel proceeding. Petitioner's main reference in IPR2021-01155, IPR2021-1156, and IPR2021-1270, is the user manual for the Sourcefire 3D System. In its invalidity contentions, Petitioner asserted the

Sourcefire 3D System itself. Ex. 2024 at 24 (identifying "Sourcefire/Firepower," 3D sensors, Defense Center, IPS, RNA as prior art systems). Because Petitioner's stipulation does not promise to forego invalidity challenges premised on the system art identified in its invalidity contentions there is significant risk of duplicating work regarding the patentability of the Challenged Claims over Sourcefire in both venues, with attendant risks for gamesmanship and inconsistent decisions.

Petitioner's inadequate stipulation also promises to multiply the cost of the proceedings, undercutting any promise that the IPR will provide a cheaper, quicker, and more efficient venue for validity issues. For example, Petitioner's inadequate stipulation regarding system art all but promises that the parties will litigate the estoppel issue before the district court and raises the likelihood that the parties will also litigate substantive validity questions over Sourcefire in both venues. *See Cobalt Boats, LLC v. Sea Ray Boats, Inc.*, No. 2:15cv21, 2017 WL 2605977 (E.D. Va. June 5, 2017) (deferring ruling on the question of whether prior art products related to printed publications were estopped). This is not idle speculation because there is considerable disagreement among courts about whether and how IPR estoppel extends to system art. *See Star Envirotech, Inc. v. Redline Detection, LLC*, No. SACV 12-01861, 2015 WL 4744394, at *4 (C.D. Cal. Jan. 29, 2015) (finding no IPR estoppel for a prior art physical machine because it was a "superior and separate reference" than its instruction manual); *In re DMF*,

Inc., 858 F. App'x 361 (Fed. Cir. 2021) (denying a mandamus petition without reaching the merits of whether the standard of estoppel for prior art products versus related printed publications).

It was within Petitioner's power to craft its stipulation to avoid this foreseeable issue, but it chose not to. The overlap between the Sourcefire user manual and product is bound to create problems down the line, up to and including the duplication of efforts between Court and PTAB, and the attendant potential for conflicting decisions. The overlap factor weighs in favor of discretionary denial.

E. *Fintiv* Factor 5: Petitioner and the Defendant in the Parallel Proceeding are the Same Party

There is no dispute that Petitioner is the Defendant in the parallel proceedings between the parties, so this factor weighs against institution.

F. *Fintiv* Factor 6: Petitioner's Reply Exceeds the Permitted Scope, and the Merits Favor Denying Institution

The Board should ignore Petitioner's "merits" arguments regarding "Fintiv Factor 6" because they exceed the scope of the Reply permitted in the Board's Order. Ex. 2025 at 4 ("Each paper will be limited to 10 pages and will address the subject of the panels' discretion under 35 U.S.C. § 314(a), ***as discussed in Patent Owner's Preliminary Responses***." (emphasis added)). Centripetal did not discuss the "merits" of Petitioner's challenge with respect to the panel's discretion to deny the Petition under 35 U.S.C. § 314(a), so Petitioner's arguments exceed the

permissible scope. In any event, Petitioner's arguments on the merits illustrate that its case is fundamentally flawed.

Jungck was explicitly considered during prosecution of the '266 Patent. In fact, by the time the '266 Patent received its first rejection the Examiner was intimately familiar with *Jungck*, having already determined that it does not disclose the "entire boundary" and "all traffic" limitations during prosecution of the related '437 Patent." POPR at 18-19. Petitioner identifies no error in the Examiner's application of those references to the claims. *See id.* at 25-31.

In an attempt to muddy the waters, Petitioner incorrectly asserts that there are no pathways through *Jungck's* POPs that bypass the edge servers. *See* Reply at 8-10. That claim is demonstratively false, and the many categories of traffic that bypass *Jungck's* edge servers via the edge caches fundamentally prove that the edge servers do not "collectively provide an entire interface across a boundary of a network protected by the [edge server] and one or more networks other than the network protected by the [edge server]," as claimed. *See* POPR at 32-39. Petitioner's argument that cache misses ***can*** be handled by the edge server misses the point because *Jungck* clearly discloses circumstances where the client is directed "to make all of its content requests from the edge cache 508" (thus bypassing the edge server) and where the edge cache in turn makes requests on behalf of the client (again bypassing the edge server). *See* Ex. 1051 at ¶ [0095].

Petitioner cannot discount these teachings to suggest that *Jungck's* edge servers provide an entire boundary across an interface between a protected network and one or more other networks. It simply does not.

Petitioner also fails to address, let alone rebut, Centripetal's observation that "*Jungck* fails to disclose 'packet filtering rules to be applied to all network traffic traversing the boundary' because the client requests disclosed in *Jungck* never traverse the boundary at all." POPR 39-40; *see also id.* at 45-47. The merits of this case are extremely weak, so this factor, along with all of the others, weighs in favor of the Board exercising its discretion to deny the Petition.

Respectfully submitted,

Dated: December 7, 2021

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CERTIFICATE OF SERVICE

The undersigned certifies, in accordance with 37 C.F.R. 42.6(e), and pursuant to agreement by the parties that filing with the Board through the PTAB End 2 End system constitutes electronic service, service was made on Petitioner as detailed below.

Date of service	December 7, 2021
Manner of service	Electronic Filing with the Board
Documents served	PATENT OWNER'S PRELIMINARY SUR-REPLY TO PETITIONER'S PRELIMINARY REPLY
Persons served	ROPES & GRAY LLP Scott A. McKeown James Batchelder Mark D. Rowland Andrew Radsch

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