

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

PALO ALTO NETWORKS, INC.,
Petitioner,

v.

TAASERA LICENSING LLC,
Patent Owner.

IPR2023-00574
Patent 9,923,918 B2

Before WILLIAM V. SAINDON, ARTHUR M. PESLAK, and
KRISTI L. R. SAWERT, *Administrative Patent Judges*.

SAINDON, *Administrative Patent Judge*.

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

I. INTRODUCTION

A. *Background and Summary*

Palo Alto Networks, Inc. (“Petitioner”) filed a Petition (Paper 2, “Pet.”) requesting *inter partes* review of claims 1–24 of U.S. Patent No. 9,923,918 B2 (Ex. 1001, “the ’918 patent”). Taasera Licensing LLC (“Patent Owner”), filed a Preliminary Response. Paper 6 (“Prelim. Resp.”).

We have authority to enter this decision granting institution of *inter partes* review (“Decision”) under 35 U.S.C. § 314(b) and 37 C.F.R. § 42.4(a). The standard for instituting an *inter partes* review is set forth in 35 U.S.C. § 314(a), which provides that an *inter partes* review may not be instituted unless “there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” For the reasons provided below, we determine that Petitioner has satisfied the threshold requirement set forth in 35 U.S.C. § 314(a). Because Petitioner has demonstrated a reasonable likelihood that at least one claim of the ’918 patent is unpatentable, we institute an *inter partes* review of all challenged claims based on all grounds raised in the Petition. 37 C.F.R. § 42.108(a).

B. *Real Parties in Interest*

The parties each only identify themselves as real parties in interest. Pet. 51; Paper 5, 2 (Patent Owner’s Mandatory Notices).

C. *Related Matters*

Petitioner states that the ’918 patent has been asserted against it and other entities in the following district court litigation: *Taasera Licensing LLC v. Trend Micro Inc.*, No. 2-21-cv-00441 (E.D. Tex.); *Taasera Licensing*

LLC v. Palo Alto Networks, Inc., No. 2-22-cv-00062 (E.D. Tex.); *Taasera Licensing LLC v. Check Point Software Techs. Ltd.*, No. 2-22-cv-00063 (E.D. Tex.); *Trend Micro Inc. v. Taasera Licensing LLC*, No. 3-22-cv-00477 (N.D. Tex.); *Trend Micro, Inc. v. Taasera Licensing LLC*, No. 3-22-cv-00518 (N.D. Tex.); *Palo Alto Networks, Inc. v. Taasera Licensing LLC*, No. 1-22-cv-02306 (S.D.N.Y.); *In re: Taasera Licensing LLC Patent Litig.*, No. 2-22-md-03042 (E.D. Tex.); *Trend Micro Inc v. Taasera Licensing LLC*, No. 2-22-cv-00303 (E.D. Tex.); *Palo Alto Networks, Inc. v. Taasera Licensing LLC*, No. 2-22-cv-00314 (E.D. Tex.); *Taasera Licensing LLC v. Fortinet, Inc.*, No. 2-22-cv-00415 (E.D. Tex.); *Taasera Licensing LLC v. Musarubra US, LLC*, No. 2-22-cv-00427 (E.D. Tex.); *Taasera Licensing LLC v. CrowdStrike, Inc.*, No. 6-22-cv-01094 (W.D. Tex.); *Taasera Licensing LLC v. CrowdStrike, Inc.*, No. 2-22-cv-00468 (E.D. Tex.). Pet. 51–52.

Patent Owner provides a similar list, but omits, without explanation, the '62, '477, '518, '1094, and '2306 actions. Paper 5, 2–3.

We also note that Patent Owner appears to have asserted the '918 patent against Petitioner in another action that neither party reported within the 21-day timeframe required by 37 C.F.R. § 42.8(a)(3): *Taasera Licensing LLC v. Palo Alto Networks, Inc.*, No. 2-23-cv-00113 (E.D. Tex.) (filed Mar. 15, 2023).

The parties are ordered to each file updated and complete mandatory notices within 7 calendar days of entry of this Decision. The parties are reminded of their continuing obligation under Rule 42.8(a)(3) and reminded that a failure to comply with Rule 42.8 constitutes misconduct under Rule 42.12(a)(1) is sanctionable under Rule 42.12(b).

D. Prior Art and Asserted Ground

Petitioner's ground relies on the following prior art reference:

Name	Reference	Exhibit No.
Cheng	US 8,065,712 B1, iss. Nov. 22, 2011	1004

Petitioner asserts that claims 1–24 would have been unpatentable on the following ground:

Claim(s) Challenged	35 U.S.C. §	Reference(s)/Basis
1–24	103	Cheng

E. Technical Background and Overview of the '918 Patent

The '918 patent is directed to a method for controlling access to computing resources based on known computing security vulnerabilities. Ex. 1001, 1:27–30. Various rules and policies are defined to review the presence or status of various software installed on the client machine (e.g., operating system, anti-virus, or anti-spyware versions). *Id.* at 15:35–41, 17:22, 20:30, 20:44. Software agents on the client machines report the condition of the machine in view of the rules and policies. *Id.* at 24:44–46. The information gleaned from these reports is used to control access to computing resources. *Id.* at 3:43–45.

F. Challenged Claims

Claims 1–24 are challenged. Claims 1, 9, and 17 are independent. Claim 1 is reproduced below.

1. A method for controlling the operation of an endpoint, comprising:

providing a user interface, at a computing system that is remote from the end point, configured to allow configuration of a plurality of policies;

maintaining the plurality of policies in a data store on the computing system;

identifying, from the plurality of policies, a plurality of operating conditions on the endpoint to evaluate;

configuring one or more software services provided by an operating system on the endpoint to monitor the plurality of operating conditions;

receiving, across a network, at the computing system, status information about the plurality of operating conditions on the endpoint, gathered by the one or more software services on the endpoint, and user information that identifies a user of the endpoint;

determining, by the computing system, a compliance state of the endpoint based on the user information and status information, and a plurality of compliance policies in the data store;

authorizing access by the endpoint to a computing resource on the network, authorization being determined by the remote computing system in response to the compliance state; and

continuing to monitor the compliance state by the endpoint and restricting access to the computing resource if the compliance state changes.

Ex. 1001, 61:29–56.

II. DISCRETIONARY ANALYSIS

Patent Owner asserts that we should deny institution under *Fintiv*. Prelim. Resp. 7–15; *see Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11, at 11–12 (PTAB Mar. 20, 2020) (precedential). Our analysis under *Fintiv* is guided by the USPTO Director’s Memorandum issued on June 21, 2022, titled “Interim Procedure for Discretionary Denials in AIA Post Grant Proceedings with Parallel District Court Litigation” (“Director’s Memo”).

Pursuant to the Director’s Memo, we “will not discretionarily deny institution . . . where a petitioner presents a [*Sotera*] stipulation.” Director’s Memo at 3 (citing *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 (PTAB Dec. 1, 2020) (precedential as to § II.A)). Because Petitioner has offered a stipulation like in *Sotera*, i.e., to “not pursue in parallel district court proceedings the same grounds as in the Petition or any grounds that could have reasonably been raised in the petition” (Pet. 51), we do not discretionarily deny institution under *Fintiv*.

III. MERITS ANALYSIS

A. Burdens of Proof

“In an IPR, the petitioner has the burden from the onset to show with particularity why the patent it challenges is unpatentable.” *Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1363 (Fed. Cir. 2016) (citing 35 U.S.C. § 312(a)(3) (requiring *inter partes* review petitions to identify “with particularity . . . the evidence that supports the grounds for the challenge to each claim”)); *Dynamic Drinkware, LLC v. Nat’l Graphics, Inc.*, 800 F.3d 1375, 1378 (Fed. Cir. 2015) (discussing the burden of proof in *inter partes* review). At the institution phase of an *inter partes* review, Petitioner’s burden is to show that “there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. § 314(a).

B. Level of Ordinary Skill in the Art

Petitioner asserts a person of ordinary skill in the art (“POSA” or “POSITA”):

would have had a bachelor’s degree in computer science, computer engineering, or electrical engineering and at least three

years of experience in networking operating systems and cyber security, or a master's degree in one of the foregoing and at least two years of experience in the aforementioned fields. Ex. 1003, ¶ 23. Someone with less or different technical education but more relevant practical experience, or more relevant education but less practical experience, could also be considered a POSITA. *Id.* This level of skill in the art is reflected by the prior art reference cited in this Petition, the state of the art, and the experience of Dr. Black, as described in his declaration.

Pet. 3.

Patent Owner uses Petitioner's proposed level of skill. Prelim. Resp.

4. We adopt Petitioner's definition for purposes of this Decision.

C. Claim Construction

Under 37 C.F.R. § 42.100(b), we apply the claim construction standard set forth in *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312–13 (Fed. Cir. 2005) (en banc). That is, “the words of a claim ‘are generally given their ordinary and customary meaning’ . . . that the term would have to a person of ordinary skill in the art in question at the time of the invention.” *Id.* at 1312–13.

The parties assert that no claims require construction. Pet. 7; Prelim. Resp. 4. We do not construe any terms at this time.

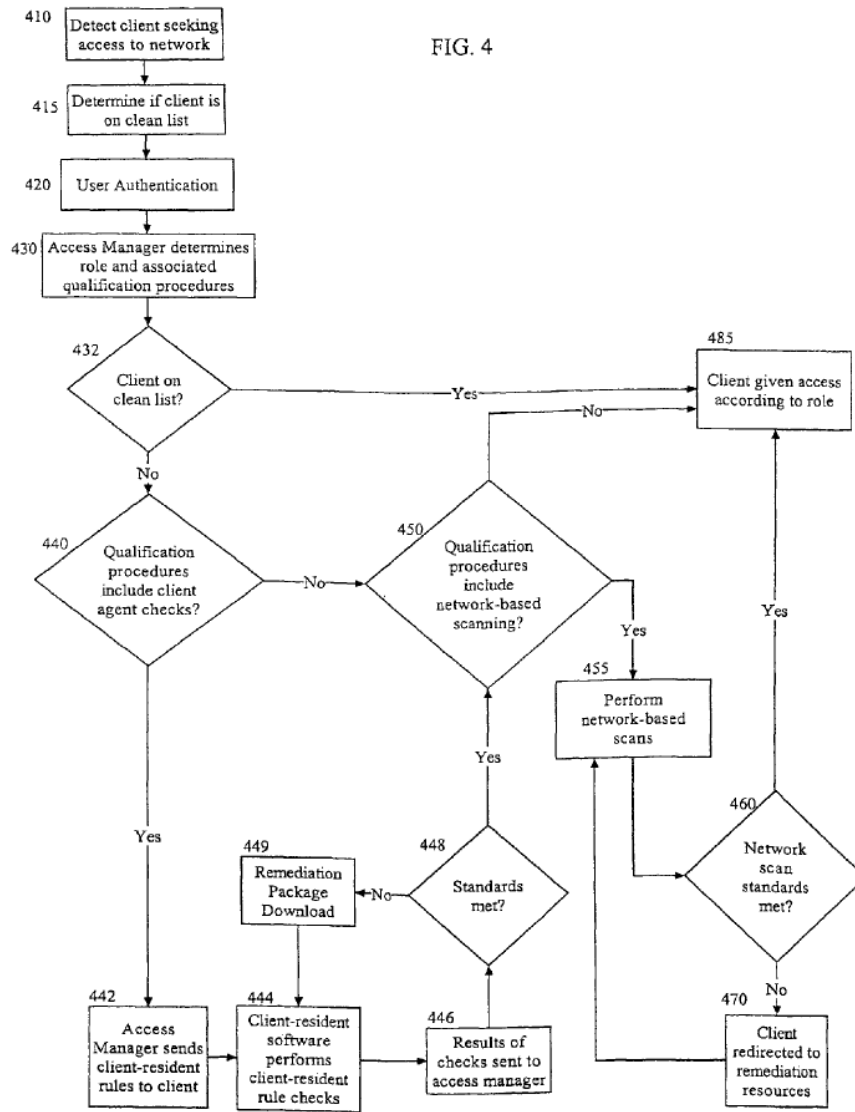
D. Asserted Obviousness in View of Cheng (Claims 1–24)

Petitioner asserts that claims 1–24 would have been obvious in view of Cheng. Pet. 13–50. We focus our analysis on claim 1. *See id.* at 13–29. In general, claim 1 is directed to a method for controlling the operation of the endpoint (e.g., a user's computer) by determining whether the endpoint complies with various policies based on the user information (e.g., user role or workgroup) and status information (e.g., whether that computer has an

up-to-date operating system and anti-virus protection). We begin with an overview of Cheng before turning to the parties' positions and our analysis.

1. Cheng

Cheng is directed to “qualifying a client machine to access a network.” Ex. 1004, 1:24–25. In order to enforce enterprise security policies, client devices (i.e., user devices) are assessed for compliance with the security policies prior to granting access to the network. *Id.* at 1:12–30. An access manager is used to define and disseminate policy rule sets. *Id.* at 6:59–62, 8:12–9:33. The policy rules are received by software residing on the client device itself. *Id.* at 2:5–29, 6:2–12. The client software uses the rules to determine if a client machine complies with the rule set, and reports the results back to the access manager. *Id.* If the client machine complies with the policy rules, the access manager provides access to the network. *Id.* at 8:24–26. Cheng also provides for rules relevant to information relating to the user of the client machine (e.g., based on user role or workgroup). *Id.* at 9:35–10:61. Figure 4 of Cheng, reproduced below, depicts a flowchart of one way to determine if a client machine should be granted access in accordance with the process just described.



Ex. 1004, Fig. 4. Figure 4 of Cheng is a flowchart illustrating an embodiment of a method for qualifying a device to access a network. *Id.* at 2:52–53, 10:62–14:10 (describing each step of the flowchart).

2. The Parties' Positions and Our Analysis

Petitioner's position is that Cheng describes, teaches, or suggests each element of independent claim 1. Pet. 13–29. We will focus on the limitations relevant to the limitation disputed by Patent Owner.

Petitioner maps the limitation of “maintaining the plurality of policies in a data store” to features of the “policy repository stores” of Cheng, noting that those policy repository stores hold “policy rules” such as “check[ing] that the latest antivirus version has been installed on a client machine.” *Id.* at 16–17 (quoting Ex. 1004, 5:11–15) (emphasis omitted). Petitioner maps the limitation of “identifying . . . a plurality of operating conditions on the endpoint to evaluate” to features of the “access manager” of Cheng, noting that it takes the policy rules and applies them to “the client agent software installed [on client machines].” Pet. 17–18 (quoting Ex. 1004, 59–62). Petitioner maps the limitation of “receiving . . . status information” to features of the client agent of Cheng, in which a software agent installed on a client machine “carries out certain checks, as indicated by the rule set, and reports the results.” Pet. 19–21 (quoting Ex. 1004, 5:37–40) (emphasis omitted). Petitioner maps the limitation of “determining . . . a compliance state of the endpoint based on the user information and status information, and a plurality of compliance policies in the data store” to features of the access manager of Cheng, which “determines whether the client machine meets the standards of adequate protection.” Pet. 22–24 (quoting Ex. 1004, 6:55–62, 13:44–46) (emphasis omitted).

In summary, Petitioner asserts that Cheng discloses an access manager that determines compliance of a client machine relative to policy rules stored in a policy repository. The purpose of determining compliance with the rules is to determine whether the client machine meets the standards of protection required to provide it access to a network.

Patent Owner argues that Petitioner has not shown how Cheng discloses the step of “determining . . . a compliance state of the endpoint

based on the user information and the status information, and a plurality of compliance policies in the data store.” Prelim. Resp. 5–7 (emphasis omitted). We have reviewed each of Patent Owner’s arguments and find them unpersuasive on this record.

Patent Owner argues that “Petitioner does not argue that the check results are used to make any determination regarding compliance.” *Id.* at 5. However, Petitioner asserts that Cheng “carries out certain checks, as indicated by the rule set, and reports the results.” Pet. 20 (quoting Ex. 1004, 5:37–40). Petitioner also states that Cheng “determines whether the client machine meets the standards of adequate protection.” Pet. 23 (quoting Ex. 1004, 6:55–62). Thus, Petitioner has asserted that the check results in Cheng are used to make a compliance determination.

Patent Owner then argues that “the relevant portion of the Petition does not attempt to show that any compliance policies are considered, much less that those policies are in a data store.” Prelim. Resp. 6. Directly to the contrary, however, Petitioner asserts that “access manager 110 determines the compliance state of the endpoint” (Pet. 23) based on a “policy repository” having policy rules associated with the user roles (*id.* at 17). Thus, Petitioner has shown that a repository of policies (i.e., a store of policies) are considered in the process of determining compliance.

Patent Owner lastly argues that “nothing related to determining the role of a user or network access is the previously identified ‘status information.’” Prelim. Resp. 6. Petitioner asserts, however, that the “status information” and “user information” in Cheng are the result of the checks performed by the client agent that are then reported back to the access manager. Pet. 20–23. This information includes “user identification

information.” *Id.* at 22–23 (quoting Ex. 1004, 11:4–10); *see also* Ex. 1004, 9:50–59 (describing in further detail how Cheng utilizes user roles). Thus, Petitioner has shown the claimed “user information” as well as “status information.” As Petitioner explains, the system may apply different sets of rules based on the role. Pet. 23–24 (citing, e.g., Ex. 1004, 9:50–54).

3. *Conclusion for the Cheng Ground*

Having reviewed the Petition and Preliminary Response, we determine that Petitioner has established a reasonable likelihood that the subject matter of claim 1 would have been obvious in view of Cheng. Patent Owner’s only other argument is for claim 17, but there Patent Owner relies on its unpersuasive argument for claim 1. Prelim. Resp. 7.

IV. CONCLUSION

For the reasons explained above, we find that Petitioner has established a reasonable likelihood of success in showing that claim 1 of the ’918 patent would have been obvious in view of Cheng. Accordingly, we institute *inter partes* review on all claims and grounds. 37 C.F.R. § 42.108(a) (“When instituting . . . review, the Board will authorize the review to proceed on all of the challenged claims and on all grounds of unpatentability asserted for each claim.”).

V. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that *inter partes* review of claims 1–24 of the ’918 patent is instituted with respect to all grounds set forth in the Petition;

FURTHER ORDERED that, as explained *supra* in Part I.C, the parties are both to provide updated mandatory notices within 7 calendar days of the entry of this decision; and

FURTHER ORDERED that pursuant to 35 U.S.C. § 314(a), the *inter partes* review of the '918 patent commences on the entry date of this Decision, and 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.

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