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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

PALO ALTO NETWORKS, INC.,
Petitioner,

v.

CENTRIPETAL NETWORKS, INC.,
Patent Owner.

IPR2021-01155
Patent 10,567,343 B2

Before BRYAN F. MOORE, LYNNE E. PETTIGREW, and JON M. JURGOVAN, *Administrative Patent Judges.*

JURGOVAN, *Administrative Patent Judge*.

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

I. INTRODUCTION

Palo Alto Networks, Inc. ("Petitioner") filed a Request for Rehearing under 37 C.F.R. § 42.71(d) seeking reconsideration of the Decision Denying Institution of the Petition for *inter partes* review of claims 1–20 of U.S. Patent No. 10,567,343 B2 (Ex. 1001, "the '343 Patent"). Paper 13 ("Req. Reh'g"); Paper 2 ("Pet."); Paper 12 ("Dec."). Petitioner's Request for Rehearing seeks admission of Exhibit 1059, which allegedly shows inconsistency in Patent Owner's positions in parallel district court litigation relative to those taken in this proceeding. Req. Reh'g 1 n.1. In addition, Petitioner's Request for Rehearing seeks admission of Exhibits 1060–1063 allegedly showing instances of district court judges criticizing or disciplining Patent Owner's counsel. *Id.* at 4 n.4.

Petitioner's Request for Rehearing included a request for review by the Precedential Opinions Panel ("POP"). *Id.* at 3–4. By Order of March 16, 2022, the POP panel denied Petitioner's request for POP review. Paper 15, 2. The POP panel ordered that the original panel is to maintain authority in this proceeding over all matters, including the submitted rehearing request. *Id.*

In our Decision Denying Institution, we exercised our discretion under 35 U.S.C. § 325(d) to deny institution of *inter partes* review. Dec. 11–20. In doing so, we applied the following framework set forth in *Advanced Bionics*: (1) whether the same or substantially the same art previously was presented to the Office or whether the same or substantially the same arguments previously were presented to the Office; and (2) if either condition of the first part of the framework is satisfied, whether the petitioner has demonstrated that the Office erred in a manner material to the

patentability of challenged claims. *Id.* at 11 (citing *Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH*, IPR2019-01469, Paper 6 at 8 (PTAB Feb. 13, 2020) (precedential)). We determined that Sourcefire, the main prior art reference asserted in the Petition, had previously been presented to the Office and that Petitioner had not shown the Examiner erred in a manner material to the patentability of the challenged claims when evaluating Sourcefire. *Id.* at 14–19.

In its Request for Rehearing, Petitioner contends that Patent Owner violated its duty of candor by failing to disclose positions it took in district court litigation that are allegedly inconsistent with statements made before the Board in this proceeding. Req. Reh'g 1–9. According to Petitioner, Patent Owner's alleged violation of the duty of candor "led to the denial of institution under § 325(d)." *Id.* Petitioner also contends that the Board overlooked that rules allegedly rendered obvious by Sourcefire prevent exfiltration and mistakenly concluded that the Examiner did not err in allowing the claims of the '343 patent over Sourcefire. *Id.* at 5, 9–13. In addition, Petitioner contends Patent Owner misled the Board into forgoing analysis of the written description support for the claim language to "prevent an exfiltration operation," which Petitioner asserts consists of the exact rules relied upon in the Petition and taught by Sourcefire. *Id.* at 5, 13–15.

After consideration of the arguments that Petitioner presents in its Request for Rehearing, we are not persuaded that we should modify the Decision Denying Institution of *inter partes* review. Consequently, we deny Petitioner's Request for Rehearing.

II. STANDARD OF REVIEW

A party requesting rehearing bears the burden of showing that the

decision should be modified. 37 C.F.R. § 42.71(d). The party must identify specifically all matters the Board misapprehended or overlooked, and where each matter was addressed in the record. *Id.* When rehearing a decision on a petition, we review the decision for an abuse of discretion. 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 fact finding is not supported by substantial evidence, or if the decision represents an unreasonable judgment in weighing relevant factors. *Star Fruits S.N.C. v. United States*, 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). With this in mind, we address the arguments presented by Petitioner in turn.

III. ANALYSIS

A. Alleged Violation of the Duty of Candor

The Board's rules provide that parties and individuals involved in a proceeding have a duty of candor and good faith to the Office during the course of a proceeding. 37 C.F.R. § 42.11. A party is required to serve relevant information that is inconsistent with a position advanced by the party during the proceeding concurrent with the filing of the documents or things that contains the inconsistency. 37 C.F.R. § 42.51(b)(1)(iii).

Petitioner contends that Patent Owner was obligated to disclose inconsistent positions it took in this proceeding and in district court litigation, and violated its duty of candor by failing to do so. Req. Reh'g 1–9. Specifically, Petitioner contends that Patent Owner stated in response to an interrogatory ("Interrogatory No. 21") in district court litigation that its product blocks certain HyperText Transport Protocol (HTTP) methods to prevent exfiltration, whereas Patent Owner told the

Board that Sourcefire's teaching of blocking certain HTTP methods does not satisfy the "exfiltration" limitation of claim 1 of the '343 Patent. *Id.* at 8. Petitioner contends that Patent Owner's failure to inform the Board of its allegedly inconsistent positions constitutes a violation of its duty of candor and warrants reconsideration of the Board's final decision. *Id.*

After reviewing the evidence, we determine that Petitioner has not shown that Patent Owner violated the duty of candor. At the outset, without more detail on Patent Owner's comparison of the claims of the '343 Patent to products in the district court litigation, we cannot judge whether Patent Owner's positions there are inconsistent with its reading of the claims of the '343 Patent onto Sourcefire in this proceeding. Moreover, Petitioner has not explained persuasively how Patent Owner's description of previous determinations by the Office regarding Sourcefire, rather than an argument by Patent Owner on the merits, would be inconsistent with Patent Owner's mapping of a product to the claims of the '343 Patent.

Petitioner asserts that due to confidentiality restrictions in the district court litigation, Petitioner was not allowed to disclose Patent Owner's response to Interrogatory No. 21 to the Board, which allegedly would have revealed the inconsistent positions. Req. Reh'g 2 (citing Ex. 1059, 3, 11 (correspondence between Petitioner's and Patent Owner's counsel over Patent Owner's refusal to de-designate its response to Interrogatory No. 21 as containing confidential analysis)). Petitioner does not mention any attempt to request the district court to lift the restrictions applicable to the interrogatory response so that the information could be timely submitted to the Board. Petitioner alleges it became aware of Patent Owner's inconsistent positions two days after filing its Preliminary Reply, and, thus,

on or about December 1, 2021. *Id.* However, Petitioner did not mention the issue of Patent Owner's alleged inconsistent positions to the Board until the Request for Rehearing filed February 22, 2022 after our Decision Denying Institution already had been entered on January 20, 2022. *Id.* Petitioner's allegation of a violation of the duty of candor asserted to warrant reconsideration of the Board's Decision Denying Institution comes about eleven weeks after Petitioner learned of the alleged inconsistency, and over four weeks after the Decision Denying Institution had been entered. Notice to the Board of Patent Owner's alleged inconsistent positions comes too late in this proceeding for us to adjudicate. In addition, we could not have misapprehended or overlooked anything in our Decision Denying Institution that was not presented to us until the Request for Rehearing after our Decision Denying Institution already had been rendered.

Petitioner contends that Patent Owner's counsel has been criticized for submitting false and misleading information to several judges in unrelated cases. Req. Reh'g 4; Exs. 1060–1063. Misconduct in unrelated cases does not necessarily establish misconduct in this case. Without some showing of misconduct related to this proceeding, we decline to find that Patent Owner violated its duty of candor in this particular case.

For these reasons, Petitioner's allegation that Patent Owner's alleged violation of the duty of candor warrants rehearing of the Board's final decision is both untimely and unpersuasive.

B. Alleged Overlooking of Sourcefire's Rules

Petitioner contends that reconsideration of the Board's Decision Denying Institution is warranted "on the merits of discretionary denial under § 325(d)" because, as a result of Patent Owner's alleged omissions and

mischaracterizations, the Board allegedly overlooked rules rendered obvious by Sourcefire to prevent exfiltration. Req. Reh'g 9–13. Specifically, Petitioner argues that blocking certain HTTP methods, as taught by Sourcefire, would have prevented exfiltration, as its declarant Dr. Akl testified in support of the argument in the Petition that the claims of the '343 Patent would have been obvious over Sourcefire. *Id.* at 9–11. In addition, Petitioner contends that Sourcefire teaches to protect confidentiality of hosts on a network, and addresses intrusions, policy violations, and security breaches, not just intrusions. *Id.* at 12. Petitioner also contends Sourcefire does not filter only inbound traffic, but bidirectional traffic as well. *Id.*

In the Request for Rehearing, Petitioner argues that the Board overlooked certain teachings in Sourcefire that allegedly render the claims of the '343 Patent obvious. The issue we addressed in the Decision Denying Institution, however, was not whether the claims would have been obvious over Sourcefire, but whether Petitioner had shown the Examiner erred in allowing the claims over Sourcefire. Dec. 17–19. Thus, Petitioner's allegation that the Board, rather than the Examiner, overlooked Sourcefire's teachings does not mesh with the § 325(d) framework as applied in the Decision Denying Institution.

In the Petition, Petitioner contended that the Examiner erred in allowing the claims of the '343 Patent because Sourcefire teaches a two-stage filtering process, which Petitioner alleges was the reason the Examiner allowed the claims. Pet. 8–10, 23. As we stated in the Decision Denying Institution, however, the actual reason that the Examiner allowed the claims of the '343 Patent was not two-stage filtering process, but because the packet

transformation function is configured to "prevent an exfiltration operation" as recited in the '343 Patent's claims. Ex. 1002, 1422, 1424, 1426–1429, 1613–1614; *see* Dec. 15. In the Request for Rehearing, Petitioner now contends the Examiner erred with respect to the claim limitation to "prevent an exfiltration operation" and presents new arguments directed to the issue of Examiner error not set forth in the Petition, and we decline to consider these arguments at this late date.

C. Consideration of the Specification's Guidance on Exfiltration Regarding the Claim Limitation to "Prevent an Exfiltration Operation"

Petitioner contends that had the Board not been misled by Patent Owner, and had reviewed the written description support in the '343 Patent for the "prevent an exfiltration operation" limitation, it would have realized that the rules taught by the specification of the '343 Patent match the very same rules (i.e., rules filtering HTTP methods POST, PUT, CONNECT or filtering SSL/TLS versions) taught by Sourcefire which were discussed in the Petition. Req. Reh'g 15. But again, the issue we addressed in the Decision Denying Institution was not whether Petitioner had shown sufficiently that the claims of the '343 patent would have been obvious over Sourcefire, but whether Petitioner had shown Examiner error in allowing the claims. Petitioner's allegation of error in the Petition was not based on the Examiner's handling of the "exfiltration" limitation.

Petitioner further contends "it was plain error for the Board to fault Petitioner for not showing Examiner mistake as to the 'exfiltration' limitation without first considering that the limitation refers to previously claimed and cancelled filtering methods taught by Sourcefire." *Id.* We addressed this issue in the Decision Denying Institution, however, and

concluded that the Examiner had considered previous proceedings involving patents related to the ’343 Patent and yet still allowed the claims of the ’343 Patent over the evidence in the previous proceedings. Dec. 16–18.

D. Petitioner has not made a “good cause” showing for admitting Exhibits 1059–1063

Along with its Request for Rehearing, Petitioner seeks to introduce Exhibits 1059–1063. These exhibits were not in the record when the Decision Denying Institution was entered. *Compare* Exhibit Lists from Papers 9, 13. Absent a showing of “good cause,” new evidence will not be admitted. Consolidated Trial Practice Guide (“TPG”[1]), 90.

“Ideally, a party seeking to admit new evidence with a rehearing request would request a conference call with the Board prior to filing such a request so that it could argue ‘good cause’ exists for admitting the new evidence.” *See Huawei Device Co., Ltd. v. Optis Cellular Technology, LLC*, IPR2018-00816, Paper 19 at 4 (PTAB Jan. 8, 2019) (precedential). “Alternatively, a party may argue ‘good cause’ exists in the rehearing request itself.” *Id.*

Here, Petitioner did not request a conference call with the Board prior to submitting Exhibits 1059–1063 with its Request for Rehearing on February 22, 2022. In a footnote, Petitioner contends “[g]ood cause exists to admit Exhibit 1059 because it relates to [Patent Owner’s] inconsistent statements on the ‘exfiltration’ limitation and [Patent Owner’s] violation of its Duty of Candor to the Board, as well as its efforts to hide the underlying evidence from the Board.” Req. Reh’g 1 n.1. For the foregoing reasons,

[1] https://www.uspto.gov/TrialPracticeGuideConsolidated.

Petitioner has not demonstrated that Patent Owner made inconsistent statements or violated the duty of candor in this proceeding.

Similarly, Petitioner contends "[g]ood cause also exists to admit Exhibits 1060–1063 because they show that [Patent Owner's] counsel's failure to disclose and efforts to hide its contradictory position is a continuation of an ongoing pattern of dishonest conduct." Req. Reh'g 4 n.4. Regardless of whether Patent Owner's counsel engaged in dishonest conduct in other unrelated proceedings, Petitioner has not shown any dishonest conduct by Patent Owner's counsel in this proceeding.

As Petitioner has not shown "good cause" to admit Exhibits 1059–1063, we exercise our authority under 37 C.F.R. § 42.7(a) to expunge them.

IV. CONCLUSION

For the foregoing reasons, Petitioner has not demonstrated that we abused our discretion in not instituting an *inter partes* review of claims 1–20 of the '343 Patent. In particular, Petitioner has not shown that we misapprehended or overlooked (1) any violation of the duty of candor by Patent Owner's alleged failure to disclose inconsistent positions; (2) Sourcefire's rules for filtering network traffic; or (3) disclosure of rules to prevent an exfiltration operation in the specification of the '343 Patent. Petitioner also has not shown "good cause" exists to admit Exhibits 1059–1063 into the record of this proceeding.

V. ORDER

It is ORDERED that Petitioner's Request for Rehearing is *denied*; and

FURTHER ORDERED that, pursuant to 37 C.F.R. § 42.7(a), Exhibits 1059–1063 are expunged from the record of this proceeding because Petitioner has not shown good cause exists for their admission.

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