

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ZSCALER, INC.,
Petitioner,

v.

SYMANTEC CORPORATION,
Patent Owner.

Case IPR2017-01342
Patent 8,661,498 B2

Record of Oral Hearing
Held: September 6, 2018

Before JEFFREY S. SMITH, DANIEL N. FISHMAN, and
STACEY G. WHITE, *Administrative Patent Judges*.

Case IPR2017-01342
Patent 8,661,498 B2

APPEARANCES:

ON BEHALF OF THE PETITIONER:

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The above-entitled matter came on for hearing on Thursday, September 6, 2018, commencing at 9:17 a.m., at the U.S. Patent and Trademark Office, 600 Dulany Street, Alexandria, Virginia.

PROCEEDINGS

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JUDGE SMITH: Welcome to the Patent Trial and Appeal Board. We are here for IPR2017-01342. This is the case where Zscaler is the Petitioner, and Symantec is the Patent Owner.

Petitioner, will you step up to the podium and make your appearance?

MR. LAM: Judge Smith, Judge White, Judge Fishman; good morning, Your Honors. Leo Lam from Keker Van Nest & Peters, on behalf of Petitioner, Zscaler. With me is Justina Sessions, who will give Zscaler's presentation, Your Honors.

Unless Your Honors have a different preference, Ms. Sessions will proceed to give Petitioner's presentation, and in the context of that presentation address at least each of the enumerated issues articulated by the Board's order dated September 4th, Paper number 33, in the context of our presentation.

JUDGE SMITH: Okay. Thank you. Patent Owner, will you step up to the podium and make your appearance?

MR. WALTERS: Good morning, Your Honors. Chad Walters of Baker Botts, for Patent Owner Symantec; and with me are my colleagues, Harrison Rich and Kurt Pankratz. Thank you.

JUDGE SMITH: Thank you. Petitioner, you'll present your case-in-chief. Patent Owner, you'll have a chance to rebut. Petitioner, you may reserve time for rebuttal if you choose. And then Patent Owner, I see you have motion pending, you may reserve time for rebuttal for your motion if you choose to do so.

Petitioner, do you wish to reserve time for rebuttal?

1 MS. SESSIONS: Yes, Your Honor. I would ask that I proceed
2 through the presentation and then whatever time I have left over at the end,
3 pending Your Honors' questions, I would reserve for rebuttal.

4 JUDGE SMITH: Okay. And Patent Owner, do you wish to reserve
5 time for rebuttal for your motion?

6 MR. WALTERS: Your Honor, I'm thinking 15 minutes. If I could
7 get just a warning with 15 minutes left, and I'll see where I'm at, at that
8 point.

9 JUDGE SMITH: Okay. Thank you. Petitioner, you have 60 minutes.
10 You may begin when you're ready.

11 MS. SESSIONS: Thank you, Your Honor. Good morning, Judge
12 Smith, Judge White, Judge Fishman. Justina Sessions of Kecker Van Nest &
13 Peters, on behalf the Petitioner, Zscaler.

14 Your Honors, I think we all understand that this case is a little bit
15 unusual. Initially, the Board had found that Zscaler established a reasonable
16 likelihood that claims 1 to 13, 28 and 39 of the 498 Patent were unpatentable
17 as anticipated by the Peled reference, and instituted trial on those claims, and
18 declined to institute on additional claims challenged in the petition.

19 Rather than proceed in the face of these arguments Symantec elected
20 to statutorily disclaim all of those originally instituted claims. That would
21 have ended the proceedings but the SAS decision came down after
22 Symantec's disclaimer, but before the proceedings were terminated; and the
23 Board then instituted a review of the remaining challenged claims in the
24 petition.

25 So, we are here in a somewhat strange posture where there's been a
26 disclaimer of some of the claims including all of the independent claims in

1 the challenged patent, and Zscaler would argue that Symantec has therefore
2 effectively conceded that all of the elements of the independent claims of the
3 498 Patent are anticipated by the Peled reference.

4 But one of the questions now before the Board is whether the
5 remaining dependent claims are also invalid in light of the Peled reference,
6 or the combination of the Peled and Liddy references.

7 On these dependent claims Symantec would like to obtain victory by
8 default, their position is, since the Board initially found the explanations in
9 Zscaler's petition lacking for these dependent claims, that there's nothing
10 more to be done. But the evidence that Zscaler relies on to show invalidity
11 and unpatentability of these new dependent claims was all in the petition.

12 And the Federal Circuit's recent *Ericsson* case confirms: that while
13 adding entirely new evidence a new argument would be improper, a
14 petitioner may expand on the contentions that were made in the initial
15 petition.

16 So today I intend to go through these claims -- Excuse me?

17 JUDGE SMITH: I'm sorry. Can you repeat what you just said?

18 MS. SESSIONS: About the *Ericsson* case?

19 JUDGE SMITH: About expanding, yeah.

20 MS. SESSIONS: Yes, Your Honor, so the Federal Circuit's recent
21 *Ericsson* case.

22 JUDGE SMITH: Oh. I see.

23 MS. SESSIONS: Distinguished between improper addition of new
24 evidence, and expansion upon arguments that were made in the petition.

25 JUDGE SMITH: Okay.

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