

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

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

FISHMAN, *Administrative Patent Judge*.

FINAL WRITTEN DECISION
35 U.S.C. § 318(a) and 37 C.F.R. § 42.73
and
DECISION DENYING PATENT OWNER'S MOTION TO STRIKE

I. INTRODUCTION

Zscaler, Inc. (“Petitioner” or “Zscaler”) filed a Petition (Paper 3, “Pet.”) requesting *inter partes* review of claims 1, 2, 13–15, 21, 23–28, and 35–39 (hereinafter the “challenged claims”) of U.S. Patent No. 8,661,498 B2 (Ex. 1001, “the ’498 patent”) pursuant to 35 U.S.C. §§ 311–319. Symantec Corporation (“Patent Owner” or “Symantec”) filed a Patent Owner Preliminary Response (Paper 9, “Prelim. Resp.”).

On November 16, 2017, based on the record before us at that time, we instituted an *inter partes* review of *only* claims 1, 2, 13, 28, and 39. Paper 10 (“Decision” or “Dec.”), 27.

On February 1, 2018, Patent Owner filed a Patent Owner Response (Paper 14, “PO Resp.”) in which Patent Owner noted its filing of a statutory disclaimer (Ex. 2007) of claims 1, 2, 13, 28, and 39 and requested termination of this proceeding. PO Resp. 1. On February 13, 2018, Petitioner filed a Reply (Paper 15, “Reply”) in which Petitioner requested that we interpret Patent Owner’s Response as a request for adverse judgment against Patent Owner under 37 C.F.R. § 42.73(b)(2). Reply 2.

Responsive to the Supreme Court’s decision in *SAS Institute, Inc. v. Iancu*, 138 S. Ct. 1348 (2018), we issued an Order on May 7, 2018, modifying our Decision to institute review of all claims and all grounds and instructed the parties to confer regarding any need for further briefing and changes to the schedule for trial. Paper 17 (“SAS Order”). Responsive to our instructions, the parties filed a Joint Motion to Amend Schedule proposing a revised schedule and, impliedly, requesting additional briefing. Paper 19 (“Motion”). Responsive to the Motion, we granted the requested schedule changes (with some adjustments), authorized Patent Owner to file a

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Supplemental Response addressing the newly instituted claims (claims previously denied review for lack of a reasonable likelihood of prevailing), and authorized Petitioner to file a Supplemental Reply addressing issues raised by Patent Owner's Supplemental Response. Paper 20. Responsive to the parties' request in a conference call, we issued an Order to increase the number of pages for each party's supplemental brief from 15 pages to 50 pages. Paper 21. Patent Owner filed its Supplemental Response (Paper 22, "Supp. Resp.") and Petitioner filed its Supplemental Reply (Paper 24, "Supp. Reply").

In a conference call on August 13, 2018, Patent Owner requested, and received, authorization to file a Motion to Strike Petitioner's Supplemental Reply as improperly containing new arguments. Patent Owner filed the authorized Motion to Strike (Paper 27) and Petitioner filed its authorized Opposition to the Motion to Strike (Paper 32).

Oral Argument was conducted on September 6, 2018, and a transcript of that hearing is of record. Paper 36 ("Tr.").

We have jurisdiction under 35 U.S.C. § 6. The Petitioner has the burden of proving unpatentability by a preponderance of the evidence. *See* 35 U.S.C. § 316(e); *see also* 37 C.F.R. § 42.1(d). This Final Written Decision is issued pursuant to 35 U.S.C. § 318(a) and 37 C.F.R. § 42.73.

For the reasons expressed below, we conclude that Petitioner has shown by a preponderance of the evidence that claims 14 and 15 are unpatentable but has not shown by a preponderance of the evidence that claims 21, 23–27, and 35–38 are unpatentable.

A. *Real Parties in Interest and Related Matters*

The Petition identifies Zscaler, Inc. as the sole real party in interest. Pet. 39. Both Petitioner and Patent Owner identify a related litigation matter captioned *Symantec Corp. v. Zscaler, Inc.*, Case No. 1:16-cv-1176-SLR-SLF, filed in the U.S. District Court for the District of Delaware. Pet. 39; Paper 5, 2.

B. *The '498 Patent*

The '498 patent generally relates to detecting preselected data in messages transmitted over a network. Ex. 1001, 1:9–11. According to the '498 patent, known systems for content filtering may monitor or restrict web traffic to certain identified sites and/or may block email messages containing certain restricted words or proprietary information. *Id.* at 4:15–26. The '498 patent discloses methods and structures to search for such restricted data (e.g., “preselected” data) through use of an abstract data structure to represent the proprietary/restricted data. *Id.* at 4:30–37. In one embodiment of the '498 patent, an abstract data structure may be an index that represents preselected data in a database to be protected from transmission over a network. *Id.* at 6:43–48. This exemplary abstract data structure may contain a hash value and other parameters that, collectively, represent data at a particular location in a database and can be used to search messages (e.g., email or web exchanges) to determine whether the preselected data corresponding to the hash value is being transmitted improperly. *Id.* at 6:48–58.

C. Disclaimed Claims

As noted *supra*, Patent Owner filed a statutory disclaimer of claims 1, 2, 13, 28, and 39. PO Resp. 1–2; Ex. 2007. Petitioner filed a Reply arguing that the statutory disclaimer be construed as a request for adverse judgment by Patent Owner pursuant to our rules. Reply 1 (citing 37 C.F.R. § 42.73(b)(2) which states: “[a]ctions construed to be a request for adverse judgment include: . . . [c]ancellation or disclaimer of a claim such that the party has no remaining claim in the trial”). At the time that Petitioner filed its Reply, it was true that all claims for which review had been instituted were disclaimed, thus, leaving “no remaining claim in the trial.” However, Petitioner’s request for adverse judgment was taken up by this panel after our SAS Order issued, an order that added claims to the trial for which review had been earlier denied. Thus, at the time the Board considered Petitioner’s Reply requesting adverse judgment be entered against Patent Owner, there were claims remaining in the trial. Following entry of our SAS Order, there is no basis to enter an adverse judgment because claims remained to be adjudicated in the trial.

Regardless, it is sufficiently clear that, at a minimum, the disclaimed claims (1, 2, 13, 28, and 39) are cancelled and, thus, no longer at issue in this case. *See* 37 C.F.R. § 1.321. However, remaining challenged claims 14 and 15 depend from cancelled claim 13, which, in turn, depends from cancelled claim 1. Remaining challenged claims 21 and 23–27 depend from cancelled claim 1 and remaining challenged claims 35–38 depend from cancelled claim 28. Therefore, we consider the arguments directed to the disclaimed (now cancelled) claims 1, 13, and 28 because the remaining challenged claims incorporate the features of those respective base claims.

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