

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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ESET, LLC and ESET spol s.r.o.,  
Petitioner,

v.

FINJAN, INC.,  
Patent Owner.

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Case IPR2017-01738  
Patent 7,975,305 B2

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Before JAMES B. ARPIN, PATRICK M. BOUCHER, and  
ZHENYU YANG, *Administrative Patent Judges*.

*Per Curiam.*

Opinion Dissenting filed by *Administrative Patent Judge ARPIN*.

ORDER  
*Conduct of the Proceeding*  
37 C.F.R. § 42.5

On April 30, 2018, the panel held a conference call with counsel for the parties to discuss the potential impact of the U.S. Supreme Court's determination in *SAS Institute, Inc. v. Iancu*, 138 S.Ct. 1348 (2018), that a

decision to institute under 35 U.S.C. § 314 may not institute review on less than all claims challenged in the petition. Petitioner entered a transcript of the conference call into the record. Ex. 1021 (“Tr.”). During the call, Patent Owner requested authorization to brief the impact of the determination in *SAS Institute* on this proceeding, and proposed a procedure that would allow Petitioner to respond. Tr. 4:11–5:23.

In our Institution Decision, we determined that Petitioner demonstrated a reasonable likelihood that it would establish that at least one of the challenged claims of the subject patent is unpatentable. Paper 10 (“Dec.”). Subsequent to the Court’s decision in *SAS Institute*, the Office issued “Guidance on the Impact of SAS on AIA Trial Proceedings,”<sup>1</sup> which states the Office’s policy that “if the PTAB institutes a trial, the PTAB will institute on all challenges raised in the petition.” That guidance additionally states that “for pending trials in which a panel has instituted trial only on some of the challenges raised in the petition (as opposed to all challenges raised in the petition), the panel may issue an order supplementing the institution decision to institute on all challenges raised in the petition.” In light of this guidance, we modify our Institution Decision to institute on all of the challenged claims and all of the grounds presented in the Petition, i.e., also to include the challenge to claims 1–25 as unpatentable under 35 U.S.C. § 103(a) over the combination of Freund and Chandnani. Accordingly, and also in light of that guidance, we deny Patent Owner’s request for

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<sup>1</sup> Available at <https://www.uspto.gov/patents-application-process/patent-trial-and-appeal-board/trials/guidance-impact-sas-aia-trial>.

authorization to brief the impact of *SAS Institute* on this proceeding separate from its Patent Owner Response.

Our Institution Decision noted that “Freund was considered *extensively* by the Office during prosecution, including no fewer than five Office Actions in which the Examiner and Applicant negotiated the scope of the claims in light of the teachings of Freund.” Dec. 25 (emphasis added). In light of that “extensive prosecution history,” we found it unproductive to reconsider the patentability of the claims over Freund, even in combination with Chandnani—and we continue to question whether it is productive to do so. *Id.* As we stated, “[w]e agree with Patent Owner that Petitioner oversimplifies the prosecution history and that the Examiner considered other distinctions with Freund.” *Id.*

Accordingly, we direct the parties to meet and confer to determine whether agreement can be reached to withdraw the Freund-based challenges from the proceeding.<sup>2</sup> *See* Tr. 18:3–19:4 (discussion of parties’ positions regarding withdrawal of Freund-based challenges). If the parties reach agreement, they are authorized to file a Joint Motion to Limit the Petition by removing the ground upon which we did not institute in our original Institution Decision. *See, e.g., Apotex Inc. v. OSI Pharms., Inc.* Case IPR2016-01284 (PTAB Apr. 3, 2017) (Paper 19) (granting, after institution,

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<sup>2</sup> *See SAS Institute*, 138 S.Ct. at 1357 (“Naturally, then, the claims challenged ‘in the petition’ will not always survive to the end of the case; some may drop out thanks to the patent owner’s actions. And in that light it is plain enough why Congress provided that only claims still challenged ‘by the petitioner’ at the litigation’s end must be addressed in the Board’s final written decision.”)

a joint motion (Paper 12) to limit the petition by removing a patent claim that was included for trial in the institution decision); *SAP America, Inc. v. Versata Devel. Grp., Inc.*, Case CBM2012-00001, slip op. at 3 (PTAB Feb. 21, 2013) (“SAP however, has agreed to withdraw the instituted grounds of unpatentability under § 102 should the Board order an expedited schedule.”).

As confirmed during the conference call, we stayed the April 30, 2018, deadline for Patent Owner’s filing of its Response. *See* Tr. 16:13–17; Paper 11 (Scheduling Order). We hereby lift that stay and set the deadline for Patent Owner’s Response as twenty-one days from the date of this Order. The parties are directed to meet and confer to consider any further stipulations to the schedule that fairly and reasonably accommodate this change.

#### ORDER

It is

ORDERED that Patent Owner’ request for authorization to brief the impact of *SAS Institute* on this proceeding is *denied*;

FURTHER ORDERED that our Institution Decision is modified to include review of all challenged claims and all grounds presented in the Petition;

FURTHER ORDERED that Patent Owner’s Response is due twenty-one days from the date of this Order; and

FURTHER ORDERED that the parties shall meet and confer to discuss potential withdrawal of the Freund-based grounds and to discuss stipulated modifications to the proceeding’s schedule.

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Before JAMES B. ARPIN, PATRICK M. BOUCHER, and  
ZHENYU YANG, *Administrative Patent Judges*.

ARPIN, *Administrative Patent Judge*, dissenting.

I respectfully dissent from this order expanding the scope of this *inter partes* review to include the ground on which we did not institute *inter partes* review in our Institution Decision. In our Institution Decision, we exercised our discretion and declined to institute review of challenged claims 1–25 as unpatentable under 35 U.S.C. § 103(a) over the combined teachings of Freund and Chandnani. Paper 10, 25–26. We instituted review of each of those challenged claims on other grounds. *Id.* at 26. With respect

to the uninstituted ground, however, we found that Freund had been considered extensively by the Office during prosecution of the patent at issue, that Petitioner relies on Chandnani for limited purposes in the uninstituted ground,<sup>3</sup> and that the Examiner had considered other distinctions with Freund. *Id.* at 25; *see* 35 U.S.C. § 325(d) (“[T]he Director may take into account whether, and reject the petition or request because, *the same or substantially the same prior art or arguments* previously were presented to the Office” (emphasis added)); *see also Unified Patents, Inc. v. Berman*, Case IPR2016-01571, slip op. at 11–12 (PTAB Dec. 14, 2016) (Paper 10) (informative). Consequently, we declined to institute on that additional ground. Although Patent Owner requested that we sanction Petitioner for advancing frivolous arguments based on Freund, we also declined to sanction Petitioner with respect to this uninstituted ground. Paper 10, 25–26.

The U.S. Supreme Court makes clear in *SAS Institute, Inc. v. Iancu* that, if we institute *inter partes* review and do not dismiss that review, we must address all claims challenged in the petition in any final written decision. 138 S.Ct. 1348, 1354 (2018). Nevertheless, the Court does not *require* us to institute *any inter partes* review. *Id.* at 1356 (“But while § 314(a) invests the Director with discretion on the question *whether* to

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<sup>3</sup> In particular, Petitioner argues that “[t]o the extent Freund is deemed not to explicitly teach that its parser and analyzer rules include a punctuation type, an identifier type, and a function type, it would have been obvious to one of ordinary skill in the art at the time of the invention that Freund could be readily modified by adding these features, which are disclosed by Chandnani.” Paper 2, 51–52 (emphasis added).

institute review, it doesn't follow that the statute affords him discretion regarding *what* claims that review will encompass.” (emphases in original)).<sup>4</sup> Our reviewing court has determined that “[35 U.S.C.] § 318(a) contemplates that a proceeding can be ‘dismissed’ after it is instituted, and, as [its] prior cases have held, ‘administrative agencies possess inherent authority to reconsider their decisions, subject to certain limitations, regardless of whether they possess explicit statutory authority to do so.’” *Medtronic, Inc. v. Robert Bosch Healthcare Sys., Inc.*, 839 F.3d 1382, 1385 (Fed. Cir. 2016) (citations omitted); *see SAS Inst.*, 138 S.Ct. at 1354 (“But ‘[i]f an inter partes review is instituted *and not dismissed*,’ at the end of the litigation the Board ‘shall issue a final written decision with respect to the patentability of any patent claim challenged by the petitioner.’ § 318(a).” (emphasis added)). Thus, on this record, especially considering the early stage of this proceeding, I would vacate the Institution Decision and dismiss this proceeding.

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<sup>4</sup> Despite our inability to “curate the claims at issue,” we have asked the parties to confer regarding the potential withdrawal of the challenge to claims 1–25 as allegedly rendered obvious by the combined teachings of Freund and Chandnani from this proceeding. *See SAS Inst.*, 138 S.Ct. at 1353, 1357.

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