

UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE PATENT TRIAL AND APPEAL BOARD

Juniper Networks, Inc. & Palo Alto Networks, Inc.,
Petitioners,

v.

Packet Intelligence LLC,
Patent Owner.

Case IPR2020-00339
U.S. Patent No. 6,954,789

**PATENT OWNER'S PRELIMINARY SURREPLY
TO PETITION FOR *INTER PARTES* REVIEW
OF U.S. PATENT NO. 6,954,789**

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EXHIBIT LIST

Patent Owner's Exhibits

Exhibit	Description
2001	Almeroth Declaration
2002	<i>Packet Intelligence LLC v. Sandvine Corp.</i> , No. 2:16-cv-00147, Dkt. No. 17 (E.D. Tex. June 1, 2017) (order consolidating cases)
2003	File History for U.S. Patent No. 6, 771,646 - Feb. 10, 2004, Response to Office Action (annotated version of Ex. 1020)
2004	Reserved
2005	<i>Palo Alto Networks, Inc. v. Packet Intelligence LLC</i> (No. 19-cv-02471-WHO) and <i>Packet Intelligence LLC v. Juniper Networks, Inc.</i> (No. 19-cv-04741-WHO), Transcript of Case Management Conference on January 7, 2020
2006	<i>Palo Alto Networks, Inc. v. Packet Intelligence LLC</i> , No. 19-cv-02471-WHO, Dkt. No. 62 (May 15, 2020) (Order Granting Palo Alto Networks' Proposed Modification to the Scheduling Order)
2007	<i>Packet Intelligence LLC v. Juniper Networks, Inc.</i> , No. 3:19-cv-04741-WHO, Dkt. No. 48 (March 29, 2020) (Stipulated First Amended Scheduling Order)
2008	PAN Contentions A5 - (Riddle)
2009	PAN Contentions A13 - (Yu)
2010	JUN Contentions A6 - (Riddle and Ferdinand)
2011	JUN Contentions A7 - (Riddle and Ferdinand and Yu)
2012	JUN Contentions A8 - (Riddle and Ferdinand and Baker)
2013	JUN Contentions A9 - (Riddle and Ferdinand and Baker and Yu)
2014	JUN Contentions A10 - (Riddle and Ferdinand and RFC1945)
2015	JUN Contentions A11 - (Riddle and Ferdinand and Baker and RFC1945)
2016	JUN Contentions B6 - (Riddle and Baker)
2017	JUN Contentions B7 - (Riddle and Baker and Yu)
2018	JUN Contentions B8 - (Riddle and Baker and RFC1945)
2019	JUN Contentions C6 - (Riddle and Ferdinand and Wakeman)
2020	JUN Contentions C7 - (Riddle and Ferdinand and Wakeman and Yu)
2021	JUN Contentions C8 - (Riddle and Ferdinand and Wakeman and RFC1945)
2022	JUN Contentions D6 - (Riddle and Ferdinand)

2023	JUN Contentions D7 - (Riddle and Ferdinand and Yu)
2024	JUN Contentions D8 - (Riddle and Ferdinand and RFC1945)
2025	JUN Contentions E6 - (Riddle and Ferdinand) 789
2026	JUN Contentions E7 - (Riddle and Ferdinand and Yu)
2027	JUN Contentions E8 - (Riddle and Ferdinand and Wakeman)
2028	JUN Contentions E9 - (Riddle and Ferdinand and Wakeman and Yu)
2029	JUN Contentions E10 - (Riddle and Ferdinand and Wakeman and RFC1945)
2030	JUN Contentions E11 - (Riddle and Ferdinand and Baker)
2031	JUN Contentions E12 - (Riddle and Ferdinand and Baker and Yu)
2032	JUN Contentions E13 - (Riddle and Ferdinand and RFC1945)
2033	JUN Contentions E14 - (Riddle and Ferdinand and Baker and RFC1945)
2034	JUN Contentions E15 - (Riddle and Ferdinand and Hasani)
2035	JUN Contentions E16 - (Riddle and Ferdinand and Hasani and Yu)
2036	JUN Contentions E17 - (Riddle and Ferdinand and Hasani and RFC1945)
2037	U.S. Patent No. 7,748,002 (“Beser”)
2038	File History for USPN 7,748,002 - October 3, 2006 Office Action
2039	U.S. Patent No. 7,706,357 (“Dyckerhoff”)
2040	File History for USPN 7,706,357 - June 30, 2009 Office Action
2041	January 18, 2019 Letter to Palo Alto Networks re Notice of Infringement
2042	January 18, 2019 Letter to Juniper Networks Inc re Notice of Infringement
2043	Almeroth CV
2044	Complaint in <i>Palo Alto Networks, Inc. v. Packet Intelligence LLC</i> , No. 3:19-cv-02471-WHO (N.D. Cal.)
2045	Petition in IPR2019-01289
2046	Petition in IPR2019-01290
2047	Petition in IPR2019-01291
2048	Petition in IPR2019-01292
2049	Petition in IPR2019-01293
2050	Stay Order in <i>Uniloc 2017 LLC v. Apple, Inc.</i> , No. 19-cv-01904-WHO (N.D. Cal.)
2051	Joint Motion to Amend the Scheduling Order in <i>Palo Alto Networks, Inc. v. Packet Intelligence LLC</i> , No. 3:19-cv-02471-WHO (N.D. Cal.)

2052	Order Granting PAN's Proposed Modification to the Scheduling Order in <i>Palo Alto Networks, Inc. v. Packet Intelligence LLC</i> , No. 3:19-cv-02471-WHO (N.D. Cal.)
2053	Petition in IPR2017-00450
2054	Petition in IPR2017-00451
2055	Petition in IPR2017-00629
2056	Petition in IPR2017-00630
2057	Petition in IPR2017-00769
2058	Petition in IPR2017-00869
2059	Final Judgment in <i>Packet Intelligence LLC v. NetScout Systems, Inc. et. al.</i> , No. 2:16-cv-00230-JRG (E.D. Tex.)

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Palo Alto Networks (“PAN”) initiated a formal dispute with Packet Intelligence by filing a declaratory judgment of non-infringement regarding the Challenged Patents¹ in the Northern District of California. Ex. 2044 (PAN Complaint). This allowed PAN to select its desired forum for district court proceedings. It now seeks to halt those proceedings in favor of IPRs it filed nine months later. PAN had a choice at the outset—and it chose the district court. PAN’s election to pursue relief in the district court should be honored. The parties have been engaged in litigation for over a year. The Challenged Patents have been subjected to validity challenges in two prior instances: IPRs and a jury trial. The result in each forum was the same—the patents were upheld as valid. For these reasons, the Board should exercise its discretion to deny institution under § 314(a).

I. The *Fintiv* Factors Support Discretionary Denial

As detailed in its Preliminary Response (Paper 7) and below, the *Fintiv* factors weigh in favor of discretionary denial under § 314(a).

A. Factor 1 – The Court Is Not Likely to Grant a Stay

Petitioners claim that Packet Intelligence “mischaracterizes the exchange between the court and PAN at the January 7, 2020 CMC” Paper 10 at 4

¹ “Challenged Patents” include U.S. Patent Nos. 6,651,099; 6,665,725; 6,771,646; 6,839,751; and 6,954,789.

[hereinafter “Reply”]. Not true. Packet Intelligence block quoted the *entire* exchange between the parties and the Court regarding the request to file a motion to stay. See Paper 7 at 29-30 [hereinafter “Response”]. Petitioners, on the other hand, quoted only a small portion of that exchange—namely their request to file a motion to stay—and then characterized the Judge’s response as follows: “Judge Orrick advised PAN to ‘save your money’ on a pre-institution stay motion and *wait to file the motion until after institution decisions.*” Reply at 3 (emphasis added). But Judge Orrick never invited or even suggested that the Petitioners should file a motion to stay after an institution decision issued. If the district court wanted to stay the case pending instituted IPRs, it likely would have said as much. Yet, the court did not.

Additionally, Packet Intelligence did not submit the initial case management conference transcript because the discussion at that conference related to different IPRs that were filed less than two months after PAN filed its complaint in the co-pending district court litigation. See Ex. 2044 (PAN Complaint); Ex. 2045 (Petition for IPR2019-01289); Ex. 2046 (Petition for IPR2019-01290); Ex. 2047 (Petition for IPR2019-01291); Ex. 2048 (Petition for IPR2019-01292); Ex. 2049 (Petition for IPR2019-01293). Thus, the Court was faced with a situation in which IPRs were filed on the patents at issue shortly after the complaint had been filed. The instant scenario is quite different. This IPR was filed on February 4, 2020—approximately *nine months* after PAN’s complaint was filed. And Judge Orrick explained at the

initial case management conference that he would want to look at the circumstances at the time of an institution decision to decide whether a stay was warranted. *See* Ex. 1084 at 8:15-18 (“MR. SMITH: I understand that’s what courts typically do, but *I would like to look at the circumstances at the time*, Your Honor. THE COURT: *Of course. Me, too.*” (emphases added)). The circumstances surrounding the current IPR versus the PAN litigation are vastly different than those surrounding the Nokia IPRs versus the PAN litigation. Notably, the PAN litigation has proceeded through an additional seven months, including discovery, contentions, subpoenas, and claim construction briefing. *See* Response at 30-32 (detailing the investment by the parties and court in the PAN litigation). Finally, Judge Orrick’s recent activity concerning stays pending IPRs indicates that he will grant such a stay when agreed to by the parties. *See* Ex. 2050 (Stay Order in *Uniloc 2017 LLC v. Apple, Inc.*, No. 19-cv-01904-WHO). Factor 1 favors discretionary denial.

B. Factor 2 – Trial Is Set Near the Time for FWD

Petitioners rely on two factors to support their arguments concerning factor two: (1) uncertainty and difficulty surrounding the ongoing COVID-19 pandemic; and (2) Packet Intelligence’s request for a two-month separation between the PAN and Juniper trials. *See* Reply at 5-6. Regarding the pandemic, nobody disputes that it has created uncertainty and difficulties for legal proceedings—this includes district court litigations as well as IPRs. However, forums are dealing with these challenges

by replacing in-person proceedings with virtual proceedings, including depositions, hearings, and trials. And, as explained in Patent Owner's Preliminary Response, the Court and parties have already invested significantly in the co-pending litigations. See Response at 30-32. Given that the pandemic affects ***all proceedings***, the Board should recognize the effort already expended in the district court litigations and avoid parallel effort within the PTAB.

Next, Petitioners highlight the fact that Packet Intelligence requested a separation between the PAN trial and the Juniper trial. See Reply at 6. At the time, this was true. However, Packet Intelligence opposed PAN's recent request to align the entire PAN litigation schedule with the Juniper litigation schedule. See Ex. 2051 (Joint Motion to Amend the Scheduling Order in *Palo Alto Networks, Inc. v. Packet Intelligence LLC*, No. 3:19-cv-02471-WHO). But, the Court granted PAN's request. See Ex. 2052 (Order Granting PAN's Proposed Modification to the Scheduling Order). Packet Intelligence seeks to resolve the district court litigations as efficiently and promptly as possible. Given PAN's insistence on extending the PAN litigation schedule, Packet Intelligence currently does not intend to request an additional extension of the Juniper schedule. The trials in the district court litigations are currently set to occur at approximately the same time a final written decision would issue. To the extent the district court litigations incur additional delays due to

COVID-19, it is likely that PTAB proceedings will incur similar delays. Factor 2 weights in favor of discretionary denial.

C. Factor 3 – The Parties Have Invested Considerable Resources

Petitioners do not deny that considerable investment has already been made in the co-pending litigations. *See* Reply at 7. However, they argue that considerable work remains in the litigations. The same would be true in the IPR context as well. Further, Petitioners’ argument that the Board should consider the “interests” of hypothetical future litigants has no basis in the law.

PAN initiated the co-pending litigation. *See* Ex. 2044 (PAN complaint). PAN had options—it could seek relief from the district court or it could seek relief from the PTAB. It chose the district court. PAN should not now be rewarded for switching horses. PAN elected to initiate litigation first—then, nine months later it decided to seek relief from the PTAB in parallel. Juniper elected to join PAN, when it could have filed its own IPRs. To support its efforts at the PTAB, PAN pushed out the schedule in the district court litigation. It should not be rewarded for such gamesmanship. Factor 3 favors discretionary denial.

D. Factor 4 – The Issues Are the Same

There is no dispute that the issues are currently the same—the same claims challenged in the IPR are at issue in the co-pending litigations. Petitioners ask the Board to hypothesize about which claims will advance to trial in the co-pending

litigations. *See* Reply at 8. That is not the focus of this factor. Regardless of which claims advance to trial, the “issues” will essentially be the same. The primary prior art being raised here and in the litigations relates to all challenged claims (*i.e.*, Riddle, Yu, and RFC 1945). Factor four weighs in favor of discretionary denial.

E. Factor 5 – The Parties are the Same

There is no dispute that the parties are the same. This factor strongly favors discretionary denial.

F. Factor 6 – The Merits and Prior Proceedings Favor Discretionary Denial

Packet Intelligence detailed why the Petition should be denied on the merits in its Preliminary Response, and will not repeat those reasons here. *See* Response at 37-48. The Board should consider the number of times the patents-at-issue have been challenged in prior proceedings. The patents have been challenged in multiple IPR proceedings in which the Board denied institution on the merits. *See* Ex. 2053 (Petition in IPR2017-00450); Ex. 2054 (Petition in IPR2017-00451); Ex. 2055 (Petition in IPR2017-00629); Ex. 2056 (Petition in IPR2017-00630); Ex. 2057 (Petition in IPR2017-00769); Ex. 2058 (Petition in IPR2017-00869). Further, three of the five patents have been declared valid by a jury. *See* Ex. 2059 (Final Judgment in *Packet Intelligence LLC v. NetScout Systems, Inc. et. al.*, No. 2:16-cv-00230-JRG). The commonality of the art asserted against the five patents-at-issue shows that the other two patents likely would have received similar validity determinations.

Given that these patents have survived validity challenges in two different forums and the ongoing investment being made by the parties and district court in the co-pending litigations, it is an inefficient use of the Board's resources to once again revisit the patents-at-issue. Factor six favors discretionary denial.

II. Conclusion

As detailed above, the *Fintiv* factors weigh in favor of discretionary denial. Further, PAN selected the district court to resolve its dispute with Packet Intelligence nine months before initiating the instant IPRs. Juniper elected to join PAN in this endeavor. Given the effort expended in prior forums (IPRs and a jury trial) and in the co-pending litigations, Packet Intelligence respectfully requests that the Board exercise its discretion to deny institution under § 314(a).

Dated: July 8, 2020

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned certifies that pursuant to 37 C.F.R. § 42.6(e), a copy of the foregoing PATENT OWNER'S PRELIMINARY SURREPLY TO PETITION FOR INTER PARTES REVIEW OF U.S. PATENT NO. 6,954,789 was served via email to lead and backup counsel of record for Petitioner as follows:

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