

Petitioner's Opposition to Patent Owner's
Request for Discretionary Denial of Institution
U.S. Patent No. 8,327,426

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FORTINET, INC.,
Petitioner,

v.

NETSKOPE, INC.,
Patent Owner.

Case No. IPR2026-00026

U.S. Patent No. 8,327,426

**PETITIONER'S OPPOSITION TO PATENT OWNER'S
REQUEST FOR DISCRETIONARY DENIAL OF INSTITUTION**

TABLE OF CONTENTS

I. INTRODUCTION 1

II. PETITIONER'S *SOTERA* PLUS SIPULATION 2

**III. SETTLED EXPECTATIONS HEAVILY WEIGH AGAINST DENIAL
..... 2**

A. RPX Owned the '426 Patent From 2016-2024, Effectively Taking the
'426 Patent off the Market 3

B. PO Readily Admits it Has Not Commercialized, Licensed, Marked, or
Previously Asserted the '426 Patent 4

C. PO's Discretionary Denial Request Does not Address, or Even
Acknowledge, the Ownership History of the '426 Patent, or *Proxense* 5

**IV. THE DISTRICT COURT CASE INVOLVES A LARGE NUMBER OF
PATENTS WITH DIVERSE SUBJECT MATTER..... 6**

V. THE *FINTIV* FACTORS HEAVILY WEIGH AGAINST DENIAL..... 6

A. Factor 1: Evidence Confirms Petitioner's Pending Stay Motion Is
Likely to Be Granted 7

B. Factor 2: No Scheduled Trial Date..... 9

C. Factor 3: Little Investment in the Litigation 10

D. Factor 4: Petitioner's Broad *Sotera* Plus Stipulation 11

E. Factor 5: Overlapping Parties..... 11

F. Factor 6: The Merits of the Petition Are Strong 11

G. PO's "Additional Consideration" 15

VI. CONCLUSION 15

Petitioner's Opposition to Patent Owner's
Request for Discretionary Denial of Institution
U.S. Patent No. 8,327,426

TABLE OF EXHIBITS

Exhibit No.	Document
1001	U.S. Patent No. 8,327,426 ("the '426 patent")
1002	File History of the '426 patent
1003	Declaration of Dr. Kevin Almeroth.
1004	U.S. Patent Pub. No. 2006/0021019 to Hinton et al. ("Hinton")
1005	U.S. Patent Pub. No. 2007/0234408 to Burch et al. ("Burch")
1006	<i>Sotera Plus</i> Stipulation filed in <i>Netskope, Inc. v. Fortinet, Inc.</i> , Case no. 4:25-cv-02360-HSG
1007	February 8, 2016 Assignment of '426 patent from Novell Intellectual Property Holdings, Inc. to RPX Corporation ("RPX")
1008	July 1, 2024 Assignment of '426 patent from RPX to Netskope
1009	Webpage from RPX website, available at http://rpxcorp.com/about (last accessed, Jan. 7, 2026)
1010	RPX Corporation Form 10-K for fiscal year 2017
1011	Netskope's Preliminary Infringement Contentions in <i>Netskope, Inc. v. Fortinet, Inc.</i> , Case no. 4:25-cv-02360-HSG
1012	Netskope's Preliminary Disclosure of Damages Contentions in <i>Netskope, Inc. v. Fortinet, Inc.</i> , Case no. 4:25-cv-02360-HSG
1013	U.S. District Court Time-to-Trial Statistics for NDCA
1014	Netskope's Identification of Proposed Claim Terms for Construction Pursuant to Patent Local Rule 4-1 in <i>Netskope, Inc. v. Fortinet, Inc.</i> , Case no. 4:25-cv-02360-HSG

Petitioner's Opposition to Patent Owner's
Request for Discretionary Denial of Institution
U.S. Patent No. 8,327,426

Exhibit No.	Document
1015	Netskope's Patent L.R. 4-2 Preliminary Claim Constructions and Extrinsic Evidence in <i>Netskope, Inc. v. Fortinet, Inc.</i> , Case no. 4:25-cv-02360-HSG

I. INTRODUCTION

The Director should deny Netskope, Inc.'s ("PO's") request for discretionary denial (Paper 6) ("Request") because PO has no settled expectations, the district court litigation involves a large number and vast scope of patents, and the *Fintiv* factors weigh heavily against denial.

The settled-expectations doctrine does not apply because PO only recently purchased the '426 patent from a third-party broker, RPX Corporation ("RPX"), for the sole purpose of asserting it against Fortinet, Inc. ("Fortinet" or "Petitioner"). RPX had owned the '426 patent for over eight years, from 2016 through 2024. RPX is a defensive patent aggregator—its business model is to effectively take patents off the market so those patents cannot be asserted in litigation. In its public SEC filings, RPX has confirmed that it does *not* assert the patents it acquires. Petitioner had no reason to expect that the '426 patent would be asserted and no reason to challenge its validity.

PO similarly had no reason to expect the '426 patent would go unchallenged when it acquired the patent on July 1, 2024 to assert against Petitioner shortly thereafter. PO acquired the patent after RPX kept it off the market for eight years. Moreover, PO has readily admitted in district court that it does not practice the '426 patent and it has not licensed or otherwise commercialized the patent either. There

are no settled expectations that support discretionary denial.

The *Fintiv* factors also weigh heavily against discretionary denial. Petitioner has moved for a stay of the district court litigation and PO has admitted that the Judge presiding over the Northern District of California case regularly grants stay motions. No trial date has been set, and any trial would occur long after a final written decision is issued. Petitioner has filed a "*Sotera Plus*" stipulation. And, contrary to PO's mischaracterizations, Petitioner's '426 IPR petition (the "Petition") is strong on the merits; at least Hinton discloses and/or renders obvious the Challenged Claims. For these reasons, and as discussed below, the Request should be denied.

II. PETITIONER'S *SOTERA PLUS* SIPULATION

On January 9, 2026, Petitioner filed a *Sotera Plus* Stipulation in the district court litigation. EX1006. The stipulation broadly confirms that Petitioner will not pursue in the parallel litigation the grounds it raised or could have reasonably raised or a combination of system prior art with the prior art asserted in the Petition. *Id.* Accordingly, there is no risk of overlapping issues.

III. SETTLED EXPECTATIONS HEAVILY WEIGH AGAINST DENIAL

There are compelling reasons why the Director should find there are no "settled expectations" for the '426 patent: (1) RPX, a *defensive* patent aggregator,

owned the '426 Patent until July 1, 2024, when PO acquired it for purposes of asserting it; and (2) PO admits that the '426 patent has not been practiced, commercialized, asserted, marked, or licensed. For both of these reasons, the settled-expectations doctrine does not apply. *See Intel Corp. v. Proxense LLC*, No. IPR2025-00327, Paper 12 at 2-3 (P.T.A.B. June 26, 2025) ("*Proxense*").

A. RPX Owned the '426 Patent From 2016-2024, Effectively Taking the '426 Patent off the Market

RPX owned the '426 patent from February 8, 2016 until assigning it to PO on July 1, 2024. *See* EX1007; EX1008. RPX is a *defensive* patent aggregator. As RPX explains, it "offer[s] a platform that includes defensive buying of patent rights . . . to mitigate and manage the risk of potential patent assertions for our growing client network." EX1009 at 1. RPX represents in SEC filings and public press releases that it *never* asserts its patents in litigation. *See, e.g.*, EX1010 at 11 ("We have not asserted and *will not assert* our patents. We have *never* initiated patent infringement litigation, and our clients receive guarantees that we will never assert patents against them.").

The '426 patent was effectively taken off the market by RPX and PO only recently acquired the patent, so PO should not be able to argue that it had settled expectations. If anything, *Petitioner* had a reasonably settled expectation that the '426 patent would *not* be asserted. *Petitioner* therefore should not be faulted for

failing to challenge the '426 patent earlier. *See, e.g., Home Depot U.S.A. v. H2 Intellect LLC*, IPR2025-00480, Paper 11 at 2-3 (Sep. 4, 2025). In *Home Depot*, the Petitioner "did not have reason to anticipate assertion of the patent against it" because PO had "only previously targeted smartphones, tablets, and watches, whereas Petitioner, Home Depot, is the proprietor of a chain of hardware stores." *Id.* The Acting Director found that "[t]hese considerations weigh against Patent Owner's settled expectations and weigh in favor of Petitioner's expectations and outweigh the considerations favoring discretionary denial." *Id.* The same reasoning applies here: because the patents were assigned to RPX, who does not target *anyone*, there was no reason for Petitioner to anticipate assertion of the '426 patent against it.

B. PO Readily Admits it Has Not Commercialized, Licensed, Marked, or Previously Asserted the '426 Patent

Moreover, PO has alleged it has not commercialized, licensed, marked, or previously asserted the '426 patent. In its infringement contentions, and throughout the district court case, PO has repeatedly confirmed it "does not allege that it practices the Asserted Claims," EX1011 at 7, and did not produce any documents related to alleged licensed products. The '426 patent was never previously asserted. PO has confirmed it has never licensed the '426 patent either. EX1012 at 6. And PO has not identified any products that were marked or that should have been marked. *See* EX1011 at 9 (identifying no documents for Patent L.R. 3-2(i), which

requires a production of documents sufficient to show marking).

The Acting Director refused to discretionarily deny petitions under facts similar to those here. *E.g.*, *Shenzen v. Stratsys, Inc.*, No. IPR2025-00438, Paper 10 at 3 (P.T.A.B. July 17, 2025) ("The patent challenged in [IPR2025-00531] has been in force for approximately 10 years, creating strong settled expectations for Patent Owner. Petitioner, however, presents evidence that the challenged patents have never been 'commercialized, asserted, marked, licensed, or otherwise applied' in Petitioner's 'particular technology space.'") (quoting *Proxense*, Paper 12 at 2-3). Similar to the *Shenzen* matter and for the reasons provided in *Proxense*, the Director should find no settled expectations and deny the Request.

C. PO's Discretionary Denial Request Does not Address, or Even Acknowledge, the Ownership History of the '426 Patent, or *Proxense*

In its Request, PO wholly fails to acknowledge, let alone address (1) the assignment history of the '426 patent, (2) the fact it was owned by RPX for eight years, and (3) PO's own admissions in district court as to the lack of commercialization or licensing of the '426 patent. Instead, the decisions PO cites only stand for the proposition that settled expectations may apply for patents of similar vintage. *See* Request at 3-4 (citing decisions where settled expectations apply but notably failing to address any of the analysis under *Proxense*).

Because RPX effectively removed the '426 patent from the market for eight years and PO only recently acquired the patent in July 2024, PO cannot argue it has "settled expectations" that the '426 patent would not be challenged.

IV. THE DISTRICT COURT CASE INVOLVES A LARGE NUMBER OF PATENTS WITH DIVERSE SUBJECT MATTER

In the district court litigation, PO originally asserted 176 claims across nine patents from eight different patent families. Although PO has since dropped one patent and a handful of other claims, there are still eight asserted patents and 135 asserted claims in the district court litigation. The fact that this is a complex and diverse litigation also weighs against discretionary denial. *See Tesla, Inc., v. Intell. Ventures II LLC*, IPR2025-00217, Paper 9 at 2-3 (P.T.A.B. June 13, 2025) ("*Tesla*") (denying discretionary denial petitions for a nine-patent-family case because "[t]he large number and vast scope of the patents asserted in the district court litigation . . . weighs against discretionary denial, as the Board is better suited to review a large number of patents involving diverse subject matter.").

V. THE *FINTIV* FACTORS HEAVILY WEIGH AGAINST DENIAL

The *Fintiv* factors heavily weigh against denial as well. There is no trial date set in the district court action. In fact, there is no schedule at all in that case beyond the February 6, 2026 *Markman* hearing. Most of the work in the parallel case still needs to occur. Petitioner filed a *Sotera Plus* stipulation. And the Petition is strong

on the merits.

A. Factor 1: Evidence Confirms Petitioner's Pending Stay Motion Is Likely to Be Granted

Petitioner filed a motion to stay the parallel Northern District of California case (*Netskope, Inc. v. Fortinet, Inc.*, Case No. 4:25-cv-02360-HSG) on October 22, 2025. Although the Court denied that motion pre-institution, the denial was *without* prejudice, and, if the IPRs are instituted, there is a high likelihood that the case will be stayed. The litigation is before Judge Gilliam, who routinely stays cases pending IPR decisions. *See, e.g., DSS Tech. Mgmt., Inc. v. Apple, Inc.*, No. 14-CV-05330-HSG, 2015 WL 1967878 (N.D. Cal. May 1, 2015); *Finjan, Inc. v. Symantec Corp.*, 139 F. Supp. 3d 1032 (N.D. Cal. 2015); *Google LLC v. EcoFactor, Inc.*, No. 21-CV-03220-HSG, 2024 WL 88003 (N.D. Cal. Jan. 8, 2024). Even PO admits that Judge Gilliam "has demonstrated propensity to stay the litigation pending IPR institution." Request at 5.

The Northern District of California Court considers three factors in determining whether to grant a stay: "(1) whether discovery is complete and whether a trial date has been set; (2) whether a stay will simplify the issues in question and trial of the case; and (3) whether a stay would unduly prejudice or present a clear tactical disadvantage to the non-moving party." *DSS Tech.*, 2015 WL 1967878, at *2 (citation omitted). All three factors weigh heavily in favor of a stay.

Petitioner's Opposition to Patent Owner's
Request for Discretionary Denial of Institution
U.S. Patent No. 8,327,426

Stage of the litigation. The early stage of this litigation weighs heavily in favor of a stay. *See, e.g., Google*, 2024 WL 88003, at * 2. In the district court case, the Court has not issued a scheduling order covering events after the *Markman* hearing or set a trial date, a partial motion to dismiss is still pending, Petitioner only recently answered the complaint in October 2025, PO and Petitioner have barely engaged in fact discovery (no fact depositions have even been scheduled), and the Court has not issued a claim construction order—all circumstances the Court consistently finds warrant granting a stay. *See id.* (finding first factor weighed in favor of stay when the Court had not yet issued a claim construction order or set a trial date, and the parties had "engaged in virtually no discovery"); *see also Finjan*, 139 F. Supp. 3d at 1035-36 (granting stay even though claim construction briefing and hearing had been completed).

Simplification of the issues. As PO admits, Judge Gilliam routinely grants motions to stay pending IPRs under similar circumstances because of the likelihood that the litigation issues will be narrowed. *See DSS Tech.*, 2015 WL 1967878, at *4 ("Were the Court to deny the stay until a decision on institution is made, the parties and the Court would expend significant resources on claim construction proceedings that could eventually be mooted by the IPR decision.").

No undue prejudice. As described above, PO has repeatedly admitted it does

not practice the '426 patent (or any of the other patents at issue in the district court case). EX1011 at 7. And Petitioner filed its IPR petitions approximately seven months after the complaint, well within the statutory period. As such, PO has no claim to prejudice. *See DSS Tech.*, 2015 WL 1967878, at *4; *see also CF Traverse LLC v. Amprius, Inc.*, No. 20-CV-00484-RS, 2020 WL 6820942, at *1 (N.D. Cal. Nov. 6, 2020) (granting motion to stay based in part because the court "struggle[d] to imagine any 'undue prejudice'" from a stay when non-moving party did not practice the asserted patents); *Evolutionary Intel. LLC v. Yelp Inc.*, No. C-13-03587-DMR, 2013 WL 6672451 (N.D. Cal. Dec. 18, 2013), at *8 ("If the parties are not competitors (meaning that the plaintiff does not market any products or services covered by the claims of the patents-in-suit and does not seek a preliminary injunction), the plaintiff does not risk irreparable harm by the defendant's continued use of the accused technology and can be fully restored to the *status quo ante* with monetary relief.").

B. Factor 2: No Scheduled Trial Date

There is no trial date in the district court case. This factor weighs heavily against denial. Even if the Northern District of California Court schedules a trial date, it will be long after the Board's expected Final Written Decision ("FWD") date. EX1013 (time-to-trial average for N. D. Cal. of 34.5 months). PO admits that Judge

Gilliam's average time to trial is about 35 months. Request at 6. Moreover, as PO acknowledges, Judge Gilliam also has a propensity to stay cases pending IPR (*id.* at 5), which further confirms that any trial date would be after a FWD. *See, e.g., Google LLC v. Brodti Inc.*, No. IPR2025-00472, Paper 19 at 2 (P.T.A.B. June 25, 2025) (weight towards referral when no trial date is scheduled and median time to trial statistics suggest trial would begin significantly after the projected FWD).

C. Factor 3: Little Investment in the Litigation

Factor 3 weighs against discretionary denial because the district court proceedings are still in their early stages. Investment in the related proceedings has been minimal, as there is no scheduling order. Per *Fintiv*, "[i]f, at the time of the institution decision, the district court has not issued orders related to the patent at issue in the petition, this fact weighs against exercising discretion to deny institution" *Apple Inc. v. Fintiv, Inc.*, No. IPR2020-00019, Paper 11 at 10 (P.T.A.B. Mar. 20, 2020).

Here, the Court has not yet issued any decisions related to the '426 patent. Petitioner's motion to dismiss PO's second amended complaint remains pending. The Court's *Markman* hearing is not until February 6, 2026.

As PO readily acknowledges in its Request, the work done in the litigation has been primarily limited to the exchange of contentions under the local patent

rules, and some initial fact discovery. Request at 7. Aside from the deposition of PO's *Markman* expert, no other depositions have occurred. There is no schedule for the close of fact discovery, expert discovery, or for trial.

D. Factor 4: Petitioner's Broad *Sotera* Plus Stipulation

Petitioner has filed a broad *Sotera* Plus stipulation, and therefore this factor weighs against denial and addresses any concerns raised by PO regarding redundancy risks or divergent results. *See* Request at 7-8; March 24, 2025 Boalick Memo ("[A] timely-filed *Sotera* stipulation . . . is highly relevant"); *see, also, e.g., Tesla*, Paper 9 at 2 (finding that Tesla's broad *Sotera* Plus stipulation "counsel[s] against discretionary denial"). Especially because there is no trial date in the Northern District of California, there is no risk of overlapping issues. Moreover, none of the references relied on in the Petition were found by, cited by, or relied on by the Examiner during the original prosecution of the patent.

E. Factor 5: Overlapping Parties

Factor 5 does not outweigh the other factors.

F. Factor 6: The Merits of the Petition Are Strong

PO's arguments on the merits would be better suited for review during the merits consideration of the Director's review of the petition, not during discretionary denial. Regardless, PO's arguments are wrong, as explained further below.

First, PO argues that Grounds 1 and 2 are unclear because Petitioner

combined the narrative analysis for §102 and §103. This is wrong. The title of the grounds lays out precisely which claims and limitations Petitioner contends are anticipated and which are rendered obvious: "Claims 1-4, 6-11, 13 are anticipated by Hinton and Claims 1-13 are rendered obvious by Hinton alone." Petition, 12. Put simply, Petitioner's position is that only claims 5 and 12 are not anticipated by Hinton under §102.

PO complains that, for some of the limitations (e.g., 1[b]), Petitioner sets forth an obviousness position in addition to its anticipation position. But the Petition fully sets forth the basis for both grounds, each of which stands on its own. *See* Petition, 17. And, it is common for petitioners to argue obviousness in the alternative of anticipation because all arguments must be made in the petition and petitioners do not have the benefit of understanding which limitations the patent owner will challenge. Combining the analysis for readability and brevity is common and multiple recently instituted petitions have done so. *See* IPR2025-01179, Paper 1 (Grounds 1A and 1B); IPR2025-01264, Paper 1 (Grounds 1 and 2).

And, contrary to PO's unsupported assertion, Petitioner explicitly mapped each limitation of the claim to disclosures in the prior art reference to show anticipation. *E.g.*, Petition, 15 ("Hinton discloses that the Enterprise A POC/TP (*i.e., the machine on which the method is performed*) receives an authentication

request from the user (*i.e., the principal*) to access some resource hosted in the Enterprise B domain."); 17 ("Hinton discloses that the POC/TP of Enterprise A (*i.e., the machine*) authenticates the user (*i.e., the principal*) to access the Enterprise A domain by 'validat[ing] the user's presented authentication credentials.'). Indeed, PO only identifies two limitations that allegedly rely upon expert testimony (1[f] and 1[d]), which is incorrect as addressed below.

PO's allegation that the Petition lacks any articulation of the differences between the claimed invention and the prior art (second *Graham* factor) is also demonstrably false. Request, 11-12. The Petition explains precisely what limitations would be obvious and the potential difference between the claims and the prior art. *E.g.*, Petition, 17 ("[I]t would have been obvious to a POSITA to ***authenticate the user before generating the federation token.***"); 19 ("[I]t would have been obvious to a POSITA that the token could ***serve as both a new authentication request and a new authentication response.***"); 20 ("[I]t would have been obvious to a POSITA that the POC of Enterprise B could continue to ***serve as a proxy for access to the resources of Enterprise B.***").

Second, PO insists that the Petition relies upon a POSITA's knowledge instead of prior art disclosure for limitations 1[f] and 1[d]. Not so. For 1[f], the Petition explicitly refers back to the disclosure in Hinton from 1[e], which cites

multiple paragraphs and a figure from Hinton. Petition, 22 ("*As in Claim 1[e]*), Hinton discloses and/or renders obvious that the POC/TP of Enterprise B (identity service) acts as a proxy for access sessions to its resources."). The Petition then elaborates on why a POSITA would have found that those parts of Hinton disclose and/or render obvious the additional limitations of 1[f].

And PO's complaint for 1[d] mischaracterizes Petitioner's mapping of Hinton's disclosures to the claim limitations in both 1[c] and 1[d]. For limitation 1[c], Petitioner explained that the token disclosed in Hinton "would be sent *as part of an authentication message* for the POC/TP of Enterprise B," not the authentication message itself as contended by PO. Petition, 18. For 1[d], Petitioner explained that the token itself would have been either the new authentication request and new authentication response or the new authentication response, depending upon the format of the message. Petition, 19. Thus, the Petition does not rely upon general knowledge of a POSITA to fill in any allegedly missing limitations. Instead, Petitioner explained that formatting messages between servers on the internet would have been well-within the general knowledge of a POSITA, which is a permissible use in the July Memorandum. July Memorandum, 1 ("General knowledge may still be used in an IPR to support a motivation to combine or *to demonstrate the knowledge of a person having ordinary skill in the art.*").

G. PO's "Additional Consideration"

PO argues that Ground 3 of the Petition fails because Burch only qualifies for prior art under §102(e) and is used in a §103 combination. Ground 3 was only used for limitation 1[i] "to the extent Patent Owner argues that this limitation requires determining whether or not to use multifactor authentication by the identity service." And, based upon the claim construction exchanges by the parties in the corresponding litigation, Petitioner understands that PO is not making such an argument and is instead advocating for the plain and ordinary meaning of this limitation. EX1014, EX1015.

Petitioner thus formally withdraws Ground 3 from its Petition and respectfully submits that Ground 3 should not be used as a reason to deny the Petition as to Grounds 1 and 2.

VI. CONCLUSION

For the above reasons, Petitioner respectfully requests that the Director refrain from exercising his discretion to deny this petition and instead consider the merits.

Respectfully submitted,

Dated: January 9, 2026

/s/ Andrew D. Gish
Andrew D. Gish (Reg. # 67,562)

ATTORNEY FOR PETITIONER

CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6, I hereby certify that on January 9, 2026 the foregoing document was served via email on the following counsel of record:

Babak Tehranchi (Reg. No. 55,937)
BTehranchi@perkinscoie.com

Kyle Canavera (Reg. No. 72,167)
KCanavera@perkinscoie.com

Thomas Millikan (Reg. No. 72,316)
TMillikan@perkinscoie.com

Ashlee Sherman (*Pro Hac Vice*)
ASherman@perkinscoie.com

Fareid A. Asphahani
asphahani-ptab@perkinscoie.com

Dated: January 9, 2026

/s/ Andrew D. Gish
Andrew D. Gish (Reg. # 67,562)

ATTORNEY FOR PETITIONER