IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTICT OF TEXAS TYLER DIVISION

Case No
HIDY TOLLY DEMANDED
JURY TRIAL DEMANDED

COMPLAINT FOR PATENT INFRINGEMENT

This is an action for patent infringement in which Selective Signals, LLC ("Selective" or "Plaintiff") makes the following allegations against Palo Alto Signals, Inc. ("Palo Alto" or "Defendant").

NATURE OF THE ACTION

1. This is a patent infringement action to stop Defendant's infringement of United States Patent No. 8,111,629 ("the '629 Patent") ("the Patent-in-Suit").

PARTIES

- 2. Plaintiff Selective Signals, LLC is a Texas limited liability company with its principal place of business at 211 E. Tyler St., Suite 600-A, Longview, TX 75601.
- 3. On information and belief, Palo Alto Networks, Inc. is a corporation, with its principal place of business at 4401 Great American Pkwy, Santa Clara CA 95054. On information and belief, Palo Alto may be served via its registered agent, Corporation Service Company DBA CSC-Lawyers Incorporating Service Company at 211 E. 7th St., Suite 620, Austin, TX 78701.

JURISDICTION AND VENUE

- 4. The Court has personal jurisdiction over Defendant, including because Defendant has minimum contacts within the State of Texas; Defendant has purposely availed itself of the privileges of conducting business in the State of Texas; Defendant regularly conducts business within the State of Texas; and Selective's cause of action arises directly from Defendant's business contacts and other activities in the State of Texas.
- 5. More specifically, Defendant, directly and/or through its intermediaries, makes, distributes, imports, offers for sale, sells, advertises and/or uses, including the accused products identified herein that practice the claimed method of the Patent-in-Suit in the State of Texas. Defendant has committed patent infringement in the State of Texas and solicits customers in the State of Texas. Defendant has paying customers who are residents of the State of Texas and who purchase and/or use Defendant's infringing products in the State of Texas. Further, Defendant has an interactive website that is accessible from the State of Texas.
- 5. Venue is proper in this district under 28 U.S.C. §§ 1391(c) and 1400(b). On information and belief, Defendant has transacted business in this district, and has committed acts of patent infringement in this district.
- 6. More specifically, Defendant, directly and/or through its intermediaries, makes, distributes, imports, offers for sale, sells, advertises and/or uses, devices including the Accused Systems identified herein, that practice the claimed method of the Patent-in-Suit in the State of Texas. Defendant has committed patent infringement in the State of Texas and solicits customers in the State of Texas. Defendant has paying customers who are residents of the State of Texas and who purchase and/or use Defendant's infringing products in the State of Texas.

COUNT I INFRINGEMENT OF U.S. PATENT NO. 8,111,629

- 7. Plaintiff is the owner by assignment of the '629 Patent entitled "Media Session Identification Method for IP Network" including all rights to recover for past and future acts of infringement. The '629 Patent issued on February 7, 2012. A true and correct copy of the '629 Patent is attached as Exhibit A.
- Infringement by Defendant includes, without limitation, making, distributing, 8. importing, offering for sale, selling, advertising, and/or using, without limitation methods of identifying session type (collectively referred to hereinafter as "Defendant's devices performing the Accused Methods") infringing at least claim 15 of the '629 Patent. Defendant's devices performing the Accused Methods offer significant enhancements for network health and security for homes or businesses. Network security appliances, like Defendant's devices performing the Accused Methods, must analyze ever-increasing amounts of network traffic and do so without noticeably increasing latency. Rather than holding traffic for approval, it must be able to scan a flow of data packets to determine what they're probably doing, even if they are encrypted or piggybacking on other data streams. This is essential for both preventing potentially damaging activity, such as network intrusions, or the spread of a malware infection, and businesses also have the added concern of preventing certain types of programs or network sessions from occurring, either for security purposes or just to ensure their workforce stays productive. Today many network security appliances, including next generation firewalls, utilize methods for identifying session types such as those previously claimed by the '629 Patent.
- 9. Defendant makes and sells products that utilize the method of identifying session type of the '629 Patent. These devices performing the Accused Methods include, for example and without limitation, Defendant's Next Generation Firewalls including the PA-7000 Series,

PA-5000 Series, PA-3000 Series, PA-500 Series and PA-200 Series. A detailed claim chart is attached and incorporated by reference at Exhibit B.

10. Each of Defendant's devices performing the Accused Methods are designed to perform the first step, "obtaining passing packets of respectively unknown sessions and unknown session types." Defendant's devices that perform the Accused Methods obtain passing packets to perform "a full stack, single pass inspection of all traffic across all ports, thus providing complete context of the application, associated content, and user identity as the basis for your security policy decisions." *See*, *e.g.*,

https://www.paloaltonetworks.com/apps/pan/public/downloadResource?pagePath=/content/pan/e

n_US/resources/datasheets/firewall-feature-overview-datasheet at Exhibit B.

11. Defendant's devices that perform the Accused Methods are designed to perform the second step, "obtaining traffic packet characteristics of said passing packets of respectively unknown session types." Defendant's devices that perform the Accused Methods obtain passing packets then determine its characteristics. For App-ID Traffic Classification this is done by analyzing the packets' "Application Signatures," performing "TLS/SSL and SSH Decryption," performing "Application and Protocol Decoding" and/or using "Heuristics." *See, e.g.*,

https://www.paloaltonetworks.com/content/dam/pan/en_US/assets/pdf/tech-briefs/techbrief-app-id.pdf at Exhibit B.

Defendant's devices that perform the Accused Methods are designed to perform the third step, "comparing said obtained packets with each other using respectively obtained traffic packet characteristics." Defendant's devices that perform the Accused Methods compare obtained packets with each other using the characteristics to help determine, for example, the application using App-ID. As an example, to perform "additional heuristic, or behavior analysis to identify certain applications" can "include checks based on such things as the ...session rate."

To measure the session rate, Defendant's devices that perform the Accused Methods must capture and compare multiple packets to determine that they are from the same apparent session and use the frequency (and size) of the data packets to help determine the behavior. *See, e.g.*, https://www.paloaltonetworks.com/content/dam/pan/en_US/assets/pdf/tech-briefs/techbrief-app-id.pdf at Exhibit B.

- 13. Defendant's devices that perform the Accused Methods are designed to perform the fourth step, "grouping together those packets having similar values of said traffic packet characteristics into a presumed session." Defendant's devices that perform the Accused Methods automatically group together packets that have similar values of traffic packet characteristics (i.e., same application, same protocol and same user) to a session. This enables the session to be logged so "you can investigate new or unfamiliar applications to quickly see a description of the application, its behavior characteristics, and who is using it" as well as the implementation of policies based on specific sessions (i.e., "verify all applications under use, and ensure they are only being used by authorized users.") This provides "complete visibility into the business-relevant aspects of your network traffic the application, the content and the user." *See, e.g.*, https://www.paloaltonetworks.com/apps/pan/public/downloadResource?pagePath=/content/pan/e
- 14. Defendant's devices that perform the Accused Methods are designed to perform the fifth step, "analyzing said grouped packets of said presumed session for session characteristics." Defendant's devices that perform the Accused Methods analyze grouped packets of said presumed session to determine session characteristics. For example, "when a user initiates a WebEx session, the initial connection is an encrypted communication. With App-ID, the device sees the traffic and the signatures determine that it is using TLS/SSL. The decryption engine and protocol decoders are then initiated to decrypt the TLS/SSL and detect

that it is HTTP traffic. Once the decoder has the HTTP stream, App-ID can apply contextual signatures and detect that the application in use is WebEx. At this point the session traffic becomes known as WebEx traffic by the firewall. Visibility (e.g., ACC in the user interface) and control of the WebEx traffic via security policy are enabled." *See, e.g.*,

https://www.paloaltonetworks.com/content/dam/pan/en_US/assets/pdf/tech-briefs/techbrief-app-id.pdf at Exhibit B.

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15. Defendant's devices that perform the Accused Methods are designed to perform the final step, "using said session characteristics to identify a session type of said presumed session." Defendant's devices that perform the Accused Methods use the session characteristics to determine a session type. Continuing the example supra, "If the end user were to initiate the WebEx Desktop Sharing feature, this 'mode-shift' from conferencing to remote access would be detected by App-ID. Again, visibility to this specific application function would be provided and policy control over WebEx Desktop Sharing would be possible (distinct from general WebEx use.)" This enables Defendant's devices that perform the Accused Methods to not only provide control over specific applications, but also "enabling some application functions while blocking others" such as "Enable the use of MSN®, but disable the use of MSN-file transfer - or only allow certain file types to be transferred." See, e.g.,

https://www.paloaltonetworks.com/content/dam/pan/en_US/assets/pdf/tech-briefs/techbrief-app-id.pdf at Exhibit B.

- 16. Defendant is thus liable for infringement of the '629 Patent under 35 U.S.C. §271.
- 17. Each of Defendant's aforesaid activities has been without authority and/or license from Selective.

18. Selective is entitled to recover from Defendant the damages sustained by

Selective as a result of Defendant's wrongful acts in an amount subject to proof at trial, which by

law cannot be less than a reasonable royalty, together with interest and costs as fixed by this

court under 35 U.S.C. § 284.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully requests that this Court enter a judgment:

1. In favor of Plaintiff that Defendant has infringed the '629 Patent;

2. Requiring Defendant to pay Plaintiff its damages, costs, expenses, and

prejudgment and post-judgment interest for Defendant's infringement of the '629 Patent as

provided under 35 U.S.C. § 284; and

3. Granting Plaintiff any and all other relief to which Plaintiff may show itself to be

entitled.

DEMAND FOR JURY TRIAL

Plaintiff, under Rule 38 of the Federal Rules of Civil Procedure, requests a trial by jury of

any issues so triable by right.

Dated: January 31, 2017

Respectfully submitted,

<u>/s/ Todd Y. Bran</u>dt

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