Paper No. 33

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner

v.

VIRNETX, INC. AND SCIENCE APPLICATION INTERNATIONAL CORPORATION,
Patent Owner

Case IPR2014-00238
Patent 8,504,697

Before MICHAEL P. TIERNEY, KARL D. EASTHOM, and STEPHEN C. SIU, *Administrative Patent Judges*.

Petitioner's Reply

Table of Contents

The Board correctly found Wesinger to anticipate claims 1-3, 8-11, 14-17, 22-25, and 28-30, and, in view of RFC 2543, to render claims 4-7 and 18-21 obvious. Decision – Institution of *Inter Partes* Review, Paper No. 15 ("Dec.") at 14-22. The Board's determination that the challenged claims are unpatentable is supported by more than substantial evidence and should be maintained.

I. Mr. Fratto's Expertise is Relevant and Substantial

Patent Owner devotes more than 8 pages of its Response to an attack on Mr. Fratto's supposed lack of expertise and bias. Far more telling is Patent Owner's conduct – ***Patent Owner did not ask Mr. Fratto a single substantive question about his declaration testimony at his deposition***. Patent Owner's decision to ***not test*** any of Mr. Fratto's technical opinions shows those opinions are accurate and well-founded. Moreover, Patent Owner did not identify a single inaccuracy in Mr.Fratto's testimony linked to this supposed "bias" and lack of expertise.

Patent Owner's challenge to Mr. Fratto's credentials is baseless. Mr. Fratto has over 15 years of experience in studying, evaluating, testing, and describing networking, networking security and related technologies. Ex. 1003 ¶ 9. In the early 1990s he was writing computer programs as part of an IT consulting business that provided remote office automation. Ex. 1081 at 13:4-14:7. He can write computer programs in several languages including "C, Pascal, Turbo Pascal, PERL, PHP, JAVA, Javascript, [and] a little bit of Python," all of which were self-

taught. Ex. 1081 (Fratto Dep. Tr.) at 13:11-14:19. These subject areas are directly relevant to understanding the state of the art as it relates to the '697 patent, and more than qualify Mr. Fratto as an expert in these proceedings.

Patent Owner claims Mr. Fratto is nonetheless unqualified as he "does not have a master's degree" – it argues that knowledge ***cannot*** be gained through work experience to qualify a witness as an expert. Resp. at 1-5. Patent Owner's expert disagrees – Dr. Monrose testified that someone with substantial work experience in the "things that are really relevant to understanding [] the state of the art" could acquire the ***same*** level of expertise as someone with a master's degree. Ex. 1083 (Monrose Dep. Tr.) at 48:8-49:9; *see id.* at 35:22-36:17, 37:6-11. Patent Owner's theory also ignores Fed. R. Evid. 702 (*i.e.*, a witness may qualify "as an expert by knowledge, skill, experience, training, ***or*** education." (emphasis added)).

Patent Owner's claim of "bias" rests on a handful of tweets by Mr. Fratto reflecting his belief that several of Patent Owner's patents are invalid. Resp. at 5-8. This is hardly an indicia of bias –institution of this trial and other proceedings before the Office substantiates the merits of that belief. The tweets at issue do not even mention VirnetX. At worst, those tweets are consistent with Mr. Fratto's declarations and little more than candid reflections of the fact that the patents at issue in this and related proceedings are invalid. It is also irrelevant that Mr. Fratto has never found a patent valid – under this metric, Dr. Monrose is also fatally

biased because he has never found a patent ***in***valid. *See* Ex. 1083 at 8:7-9. Both critiques are meaningless – each has ***only*** served as an expert in proceedings involving Patent Owner. *Id.*; Ex. 1081 at 46:18-22. Patent Owner's manufactured "bias" theory is simply an effort to distract the Panel from the merits and can be ignored – once again, Patent Owner identifies no error in Mr. Fratto's testimony linked to this supposed bias. Resp. at 6-8.

II. Ground 1: Wesinger Anticipates Claims 1-3, 8-11, 14-17, 22-25 & 28-30

The Board correctly found that Wesinger anticipates claims 1-3, 8-11, 14-17, 22-25, and 28-30. In response, Patent Owner contends two distinctions exist, namely: (i) that because Wesinger performs "separate" DNS resolution and "connection" requests, it does not show the "determining" step of the claims, and (ii) Wesinger does not disclose an "intercepting" step. Neither contention is supported by the record in this proceeding, and each must be rejected.

A. Wesinger Discloses the "Determining" Step of the Claims

Wesinger discloses a scheme in which "virtual hosts" at one or more firewalls are used to create and process requests to establish connections between requesting client devices and remote hosts. Resp. at 31-36; Ex. 1008 at 3:49-61, 7:16-66, 8:63-65, Fig. 1. The firewalls include a "DNS/DDNS" server – a specialized DNS module that interacts with the virtual hosts to resolve names of requested hosts into network addresses and assist in creating connections across

DOCKET ALARM

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts

Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research

With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips

Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS
Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS
Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS
Sync your system to PACER to automate legal marketing.