

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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MICROSOFT CORP.,  
Petitioner,

v.

VIRNETX INC.,  
Patent Owner.

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Case IPR2014-00403  
Patent 7,987,274 B2

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

EASTHOM, *Administrative Patent Judge.*

DECISION  
Institution of *Inter Partes* Review  
37 C.F.R. § 42.108

## I. BACKGROUND

### *A. Introduction*

Petitioner, Microsoft Corp., filed a revised Petition requesting *inter partes* review of claims 1–5, 7, 8, 10, 12, 13, 15, 17, and 18 of U.S. Patent No. 7,987,274 B2 (“the ’274 Patent,” Ex. 1001) pursuant to 35 U.S.C. §§ 311–319. Paper 4 (“Pet.”). Patent Owner, VirnetX, Inc., filed a Preliminary Response. Paper 9 (“Prelim. Resp.”).

We have jurisdiction under 35 U.S.C. § 314. The standard for instituting *inter partes* review is set forth in 35 U.S.C. § 314 (a):

**THRESHOLD.**—The Director may not authorize an *inter partes* review to be instituted unless the Director determines that the information presented in the petition filed under section 311 and any response filed under section 313 shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.

We determine, based on the record, that Petitioner has demonstrated, under 35 U.S.C. § 314(a), that there is a reasonable likelihood of unpatentability with respect to all of the challenged claims, claims 1–5, 7, 8, 10, 12, 13, 15, 17, and 18.

Petitioner relies on the following prior art references:

U.S. Patent No. 6,557,037 B1 (Apr. 29, 2003) (“Provino”) (Ex. 1003);

U.S. Patent No. 6,151,628 (Nov. 21, 2000) (“Xu”) (Ex. 1007); and

Dave Kosiur, *Building and Managing Virtual Private Networks* (Sept. 1, 1998) (“Kosiur”) (Ex. 1006).

Pet. ii.

Petitioner contends that the challenged claims are unpatentable under 35 U.S.C. §§ 102 and 103 based on the following grounds.

Reference(s)	Basis	Claims challenged
Provino	§ 102(e)	1, 7, 8, 10, 12, 13, 15, and 17
Provino and Kosiur	§ 103(a)	2–5
Provino and Xu	§ 103(a)	18

See Pet. 4.

### *B. The '274 Patent*

The '274 Patent discloses secure networks. To provide a secure network, the '274 Patent system modifies conventional Domain Name Servers, which the '274 Patent describes as follows:

Conventional Domain Name Servers (DNSs) provide a look-up function that returns the IP [Internet Protocol] address of a requested computer or host. For example, when a computer user types in the web name “Yahoo.com,” the user’s web browser transmits a request to a DNS, which converts the name into a four-part IP address that is returned to the user’s browser and then used by the browser to contact the destination web site.

Ex. 1001, 38:54–60.

The '274 Patent describes providing a top-level secure domain name:

In one embodiment, software module 3309 automatically replaces the top-level domain name for server 3304 within browser 3406 with a secure top-level domain name for server computer 3304 . . . .

Because the secure top-level domain name is a non-standard domain name, a query to a standard domain name service (DNS) will return a message indicating that the universal resource locator (URL) is unknown. According to the invention, software module 3409 contains the URL for querying a secure domain name service (SDNS) for obtaining the URL for a secure top-level domain name. . . .

....

SDNS 3313 contains a cross-reference database of secure domain names and corresponding secure network addresses. That is, for each secure domain name, SDNS 3313 stores a computer network address corresponding to the secure domain name. . . . Returning to FIG. 34, in step 3410, SDNS 3313 returns a secure URL to software module 3309 . . . .

....

At step 3411, software module 3309 accesses secure server 3320 through VPN communication link 3321 . . . .

*Id.* at 46:31–47:67.

In addition to providing a secure domain name, the '274 Patent describes creating a secure communication link in the form of a virtual private network (“VPN”) link. One preferable “VPN communication link can be based on a technique of inserting a source and destination IP address pair into each data packet that is selected according to a pseudo-random sequence.” *Id.* at 46:64–67. The '274 Patent refers to this technique and similar techniques as “information hopping technique[s].” *Id.* at 47:13–14.

The '274 Patent states that “[f]urther communication . . . occurs via the VPN, e.g., using a ‘hopping’ regime as discussed above.” *Id.* at 48:4–6. The '274 Patent states that by clicking a “‘go secure’ hyperlink[,] [t]he user does not need to enter any user identification information, passwords or encryption keys for establishing a secure communication link.” *Id.* at 46:22–25. A secure icon indicates a “secure VPN communication link.” *Id.* at 48:1–4.

According to Patent Owner, the claims are directed to some of the embodiments represented by Figure 33 (see Prelim. Resp. 11), reproduced below:

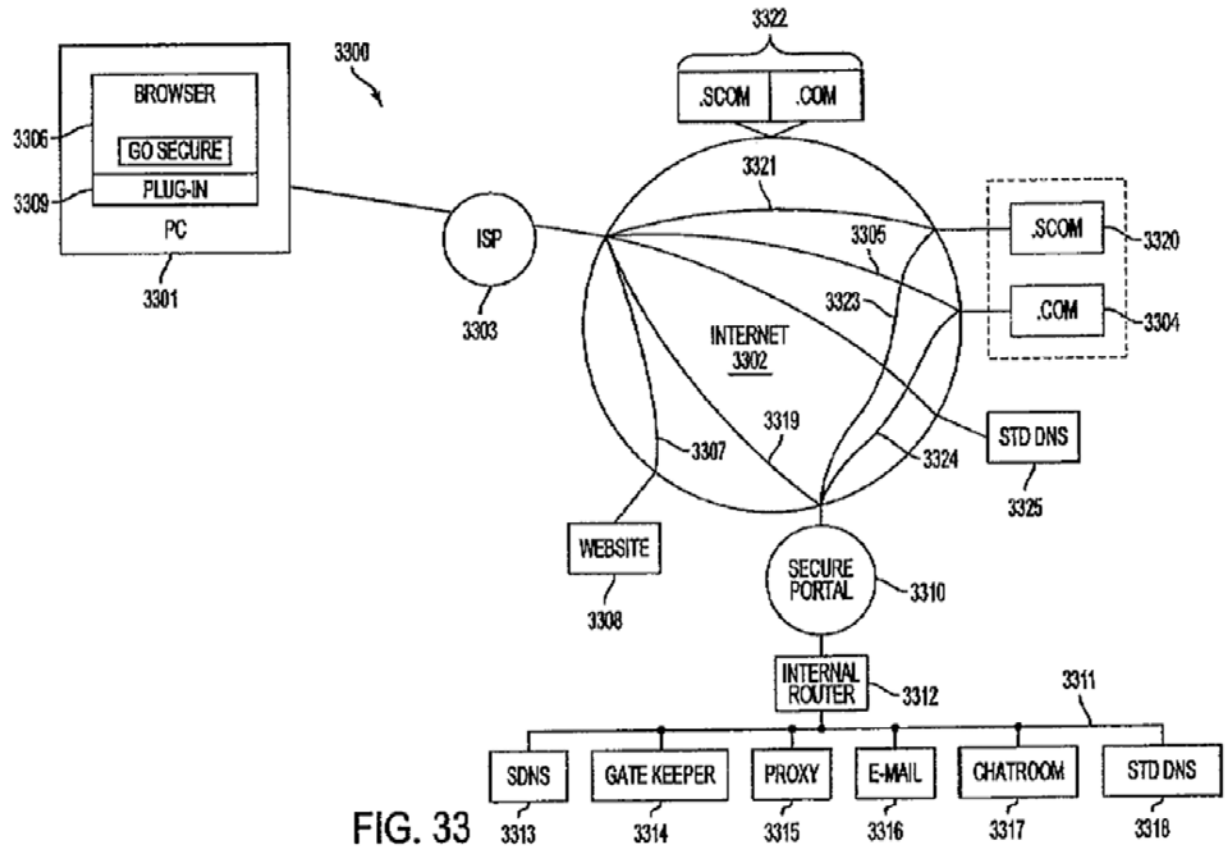


Figure 33 depicts an embodiment in which computer 3301 connects to secure server 3320 over Internet 3302, via the network that includes secure portal 3310.

Claim 1, the sole independent claim, follows:

1. A method of accessing a secure network address, comprising:
  - sending a query message from a first network device to a secure domain service, the query message requesting from the secure domain service a secure network address for a second network device;

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