Paper No. 34

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MICROSOFT CORP. and APPLE INC.,
Petitioner

v.

VIRNETX, INC.,
Patent Owner

Case IPR2014-00404
Patent 7,987,274

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

Petitioner's Reply

Table of Contents

TABLE OF AUTHORITIES

Page(s)

CASES

The Board correctly found claims 1-4, 7, 8, 10, 12, 15 and 17 anticipated by Kiuchi (Ex. 1004) and obvious based on Kiuchi in view of Bhatti (Ex. 1010). The Board also correctly found Kiuchi in view of Lindblad (Ex. 1009) with or without Bhatti, would have rendered claim 5 obvious. Decision, Paper No. 13 ("Dec.") at 12-19. The Board's determinations that the challenged claims are unpatentable are supported by more than substantial evidence and should be maintained.

I. Claim Construction

A. The Broadest Reasonable Interpretation Applies

Patent Owner challenges the Board's determinations as being based on an improper use of the broadest reasonable interpretation standard (BRI), because its ability to amend the claims was "severely restricted." Patent Owner Response, Paper No. 26 (Resp.) at 2-3. But Patent Owner never sought to amend its claims, and the Federal Circuit has recently rejected that precise theory as a reason for the Board to not employ BRI in IPR proceedings. *In re Cuozzo Speed Techs., LLC*, 2015 WL 44866, *7 (Fed. Cir. Feb. 4, 2015). Patent Owner also contends the Board erred by not employing constructions adopted by a district court in related litigation, but those constructions rest on a different claim construction standard and are not binding on nor are entitled to deference by the Board. *See In re Swanson*, 540 F.3d 1368, 1377-78 ("considering an issue at the district court is not equivalent to the PTO having had the opportunity to consider it"). Patent Owner's

attack on the Board's use of the BRI standard is a transparent attempt to import ***unclaimed*** limitations into its claims, and must be rejected.

B. The Reexamination Prosecution Histories and Specification Do Not Contain the Alleged Disclaimers of Claim Scope

Patent Owner contends it has made prosecution disclaimers that limit the scope of its claims. Resp. at 10-12, 16-18. What these arguments reveal is that the claims, based on their ***actual*** language, squarely encompass what is disclosed in or rendered obvious by the prior art. Moreover, even if they were relevant under the BRI (which they are not), Patent Owner's actions plainly do not satisfy the requirements for an effective disclaimer.

First, the putative disclaimers are all based on statements made during reexamination proceedings—some of which are still pending—and none was accompanied by a claim amendment. Under *Tempo Lighting Inc. v. Tivoli, LLC*, 742 F.3d 973 (Fed. Cir. 2014), which Patent Owner cites, this means these putative prosecution disclaimers have no legal effect. In *Tempo*, the Federal Circuit confirmed "the PTO is under ***no obligation*** to accept a claim construction proffered as a prosecution history disclaimer." *Id.* at 978. It then affirmed the Board's finding of a disclaimer, but only because the disclaimer was based on statements made at the examiner's request and in ***conjunction with claim amendments*** during the ***original examination*** of the patent. *Id.* at 977. *Tempo* thus confirms the Board has no obligation to recognize a putative prosecution

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.