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Paper 9
Entered: October 15, 2014

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MICROSOFT CORPORATION,
Petitioner,

v.

VIRNETX INC.,
Patent Owner.

Case IPR2014-00610
Patent 7,490,151 B2

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

SIU, *Administrative Patent Judge*.

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

I. INTRODUCTION

A. Background

Microsoft Corporation ("Petitioner") filed a Petition ("Pet.") on April 10, 2014 (Paper 1) requesting *inter partes* review of claims 1, 2, 6–8, and 12–14 of U.S. Patent No. 7,490,151 B2 (iss. Feb. 10, 2009) ("the '151 Patent," Ex. 1001) pursuant to 35 U.S.C. §§ 311–319. VirnetX Inc. ("Patent

Owner") filed a Preliminary Response ("Prelim. Resp.") on July 17, 2014. Paper 7.

We have jurisdiction under 35 U.S.C. § 314, which provides that an inter partes review may not be instituted "unless . . . 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, 2, 6–8, and 12–14.

Petitioner relies on the following prior art:

Takahiro Kiuchi & Shigekoto Kaihara, *C-HTTP -- The Development of a Secure, Closed HTTP-based Network on the Internet*, PROCEEDINGS OF THE SYMPOSIUM ON NETWORK AND DISTRIBUTED SYSTEM SECURITY, IEEE 64–75 (1996) (Ex. 1018, "Kiuchi").

Aventail Corp., *Aventail Connect v3.01/v2.51 Administrator's Guide* 1–194 (1999) (Ex. 1007, "Aventail").

P. Mockapetris, *Domain Names — Concepts and Facilities*, NETWORK WORKING GROUP, REQUEST FOR COMMENTS: 1034 1–55 (1987) (Ex. 1008, "RFC 1034").

E. Rescorla and A. Schiffman, *The Secure HyperText Transfer Protocol*, Enterprise Integration Technologies 1–99 (1996) (Ex. 1010, "RFC 2660").

Petitioner contends that the challenged claims are unpatentable under 35 U.S.C. § 102 and/or § 103 based on the following specific grounds (Pet. 3–4, 15–60):

Reference(s)	Basis	Claims challenged
Kiuchi	§ 102	1, 2, 6–8, and 12–14
Kiuchi and any one of RFC 2660 or RFC 1034	§ 103	1, 2, 6–8, and 12–14
Kiuchi, RFC 1034, and RFC 2660	§ 103	1, 2, 6–8, and 12–14
Aventail	§ 102 or § 103	1, 2, 6–8, and 12–14
Aventail and RFC 2660	§ 103	1, 2, 6–8, and 12–14

B. The Invention

The ’151 Patent describes a system and method for securely communicating over the internet. Ex. 1001, 3:8. A Domain Name Server (“DNS”) provides a look-up function that returns the IP address of a requested computer or host. *Id*. at 36:61–63. A user sends a request to the DNS to look up the IP address associated with a name of a destination host. *Id*. at 37:4–7. The DNS returns the IP address to the client, which is then able to use the IP address to communicate with the host. *Id*. at 37:6–9.

Claim 1 of the ’151 Patent is reproduced below:

> 1. A data processing device, comprising memory storing a domain name server (DNS) proxy module that intercepts DNS requests sent by a client and, for each intercepted DNS request, performs the steps of:
>
> (i) determining whether the intercepted DNS request corresponds to a secure server;
>
> (ii) when the intercepted DNS request does not correspond to a secure server, forwarding the DNS request to a DNS function that returns an IP address of a nonsecure computer, and
>
> (ii) when the intercepted DNS request corresponds to a secure server, automatically initiating an encrypted channel between the client and the secure server.

We note that the '151 Patent is presently the subject of co-pending lawsuits, as follows:

1) Civil Action No. 6:13-cv-00211-LED (E.D. Tex.), filed February 26, 2013;
2) Civil Action No. 6:12-cv-00855-LED (E.D. Tex.), filed November 6, 2012;
3) Civil Action No. 6:10-cv-00417-LED (E.D. Tex.), filed August 11, 2010;
4) Civil Action No. 6:11-cv-00018-LED (E.D. Tex), filed April 27, 2012;
5) Civil Action No. 6:13-cv-00351-LED (E.D. Tex), filed April 22, 2013 ("the 2013 litigation");
6) Civil Action No. 6:10-cv-00094 (E.D. Tex), filed March 17, 2010; and Civil Action No. 6:07-cv-00080 (E.D. Tex), filed February 15, 2007.

See Pet. 1.

The United States Court of Appeals for the Federal Circuit recently affirmed a jury's finding that none of claims 1 and 13 of the '151 Patent are invalid in an appeal of a judgment in a district court case. *See VirnetX, Inc. v. Cisco Systems, Inc.*, No. 2013-1489, 2014 WL 4548722 (Fed. Cir. Sept. 16, 2014).

C. Claim Construction

Consistent with the statute and the legislative history of the Leahy-Smith America Invents Act, Pub. L. 112-29, 125 Stat. 284, 329 (Sept. 16, 2011) ("AIA"), the Board interprets claim terms by applying the broadest reasonable construction in the context of the specification in which the claims reside. 37 C.F.R. § 42.100(b); *see Office Patent Trial Practice Guide*, 77 Fed. Reg. 48,756, 48,766 (Aug. 14, 2012).

Under the broadest reasonable standard, claim terms are given their ordinary and customary meaning as would be understood by one of ordinary skill in the art in the context of the entire disclosure. *In re Translogic Tech., Inc.*, 504 F.3d 1249, 1257 (Fed. Cir. 2007). Any special definition for a claim term must be set forth in the specification with reasonable clarity, deliberateness, and precision. *In re Paulsen*, 30 F.3d 1475, 1480 (Fed. Cir. 1994). In this regard, however, we are careful not to read a particular embodiment appearing in the written description into the claim if the claim language is broader than the embodiment. *In re Van Geuns*, 988 F.2d 1181, 1184 (Fed. Cir. 1993).

In contrast to the broadest reasonable interpretation standard employed by the Board for an unexpired patent, the Federal Circuit employs a narrower claim construction standard when reviewing the construction of a claim applied by the district court. *See* 37 C.F.R. § 42.100 (b) ("A claim in an unexpired patent shall be given its broadest reasonable construction in light of the specification in which it appears."); *cf. In re Rambus, Inc.*, 694 F.3d 42, 46 (Fed. Cir. 2012) (Contrasting the Board's review of expired patents, which is "similar to that of a district court review," with the Board's

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