

Filed on behalf of: VirnetX Inc.  
By: Joseph E. Palys  
Naveen Modi  
Finnegan, Henderson, Farabow,  
Garrett & Dunner, L.L.P.  
11955 Freedom Drive  
Reston, VA 20190-5675  
Telephone: 571-203-2700  
Facsimile: 202-408-4400  
E-mail: joseph.palys@finnegan.com  
naveen.modi@finnegan.com

UNITED STATES PATENT AND TRADEMARK OFFICE

---

BEFORE THE PATENT TRIAL AND APPEAL BOARD

---

APPLE INC.  
Petitioner

v.

VIRNETX INC.  
Patent Owner

---

Case IPR2014-00237  
Patent 8,504,697

---

**Patent Owner's Preliminary Response  
to Petition for *Inter Partes* Review  
of U.S. Patent No. 8,504,697**

## Table of Contents

I.	Introduction.....	1
II.	The Petition Fails to Meet the Requirements for Instituting an <i>Inter Partes</i> Review.....	2
A.	The Petition Fails to Comply with 35 U.S.C. § 312(a)(3) and 37 C.F.R. § 42.104(b)(4).....	3
B.	The Board Should Not Institute Based on the Petition’s Redundant Grounds.....	7
III.	The Petition’s Claim Constructions Are Flawed and Should Be Rejected .....	12
A.	Overview of the ’697 Patent.....	13
B.	Level of Ordinary Skill in the Art .....	15
C.	“Domain Name” (Claims 1, 14, 16, and 28).....	16
D.	“Secure Communication Link” (Claims 1-3, 11-13, 16-17, and 24-27) .....	17
E.	“Secure Communications Service” (Claims 1, 4-5, 10, 13-14, 16, 18-19, and 28-29) .....	23
F.	“Intercept[ing] . . . a request to look up an internet protocol (IP) address” (Claims 1 and 16) .....	24
G.	“Modulation” (Claims 6, 7, 20, and 21).....	28
IV.	If Trial Is Instituted, VirnetX Requests an 18-Month Schedule .....	29
V.	Conclusion .....	29

## Table of Authorities

	<b>Page(s)</b>
<b>FEDERAL CASES</b>	
<i>In re Bigio</i> , 381 F.3d 1320 (Fed. Cir. 2004) .....	19
<i>EMC Corp. v. Personal Web Techs.</i> , IPR2013-00087 (June 5, 2013) Paper No. 25.....	8
<i>Garmin Int’l, Inc. v. Cuozzo Speed Techs. LLC</i> , IPR2012-00001 (Jan. 9, 2013) Paper No. 15.....	13, 19
<i>Idle Free Sys., Inc. v. Bergstrom, Inc.</i> , IPR2012-00027 (June 11, 2013) Paper No. 26.....	8
<i>InterDigital Comms., LLC v. Int’l Trade Comm’n</i> , 690 F.3d 1318 (Fed. Cir. 2012) .....	22
<i>LaRose Indus., LLC v. Capriola Corp.</i> , IPR2013-00120 (July 22, 2013) Paper No. 20 .....	7, 12
<i>Liberty Mut. Ins. Co. v. Progressive Cas. Ins. Co.</i> , CBM2012-00003 (Oct. 25, 2012) Paper No. 7.....	7, 9, 12
<i>Motorola Solutions, Inc. v. Mobile Scanning Techs., LLC</i> , IPR2013-00093 (Apr. 29, 2013) Paper No. 28.....	13, 19
<i>Phillips v. AWH Corp.</i> , 415 F.3d 1303 (Fed. Cir. 2005) (en banc) .....	13
<i>Tasco, Inc. v. Pagnani</i> , IPR2013-00103 (May 23, 2013) Paper No. 6.....	3
<i>ScentAir Techs., Inc. v. Prolitec, Inc.</i> , IPR2013-00180 (Aug. 26, 2013) Paper No. 18 .....	8
<i>Wenger Mfg., Inc. v. Coating Mach. Sys., Inc.</i> , 239 F.3d 1225 (Fed. Cir. 2001) .....	21, 22
<i>Wowza Media Sys., LLC et al. v. Adobe Sys., Inc.</i> , IPR2013-00054 (July 13, 2013) Paper No. 16 .....	3

<i>Xilinx, Inc. v. Intellectual Ventures I LLC</i> , IPR2013-00112 (June 27, 2013) Paper No. 14.....	19
<i>ZTE Corp. &amp; ZTE (USA) Inc. v. ContentGuard Holdings, Inc.</i> , IPR2013-00134 (June 19, 2013) Paper No. 12.....	19
<i>In re Zletz</i> , 893 F.2d 319 (Fed. Cir. 1989) .....	12

**FEDERAL STATUTES**

35 U.S.C. § 312.....	1, 2, 3, 7
35 U.S.C. § 313.....	1

**FEDERAL REGULATIONS**

37 C.F.R. § 42.100(b) .....	12
37 C.F.R. § 42.100(c).....	29
37 C.F.R. § 42.104(b)(4) .....	2, 3, 7
37 C.F.R. § 42.107 .....	1

## I. Introduction

Patent Owner VirnetX Inc. respectfully submits this Preliminary Response in accordance with 35 U.S.C. § 313 and 37 C.F.R. § 42.107, responding to the Petition for *Inter Partes* Review of VirnetX's U.S. Patent No. 8,504,697 ("the '697 patent") filed by Apple Inc. VirnetX requests that the Board not institute *inter partes* review for several reasons.

First, the Petition proposes rejections that the Examiner considered during prosecution of the '697 patent and over which the Examiner allowed the claims. For example, the Petition proposes rejections based on U.S. Patent No. 6,496,867 to *Beser* and RFC 2543 by *Handley et al.* (*See* Pet. at i-iii.) During prosecution of the '697 patent, however, VirnetX submitted these references through an Information Disclosure Statement and the Examiner considered them. (*See* Ex. 1001 at 2, 5.) The Examiner also considered materials from reexaminations of patents related to the '697 patent, including claim charts for *Beser* and RFC 2543 against the claims of those patents. (*See id.* at 9, 11, 14-16.) Accordingly, Apple asks the Board and VirnetX to divert resources to revisit issues that the Office has already considered.

Second, the Petition fails to comply with several rules and regulations regarding the content of petitions. The Petition either never or rarely cites the asserted prior art references, violating the particularity requirements of 35 U.S.C.

# 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.