

Filed on behalf of: VirnetX Inc.

By:

Joseph E. Palys

Paul Hastings LLP

875 15th Street NW

Washington, DC 20005

Telephone: (202) 551-1996

Facsimile: (202) 551-0496

E-mail: josephpalys@paulhastings.com

Naveen Modi

Paul Hastings LLP

875 15th Street NW

Washington, DC 20005

Telephone: (202) 551-1990

Facsimile: (202) 551-0490

E-mail: naveenmodi@paulhastings.com

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

**Patent Owner's Preliminary Response
to Petition for *Inter Partes* Review
of U.S. Patent No. 7,490,151**

Table of Contents

- I. Introduction.....1
- II. The Petition Fails to Meet the Requirements for Instituting an *Inter Partes* Review2
 - A. The Petition Fails to Comply with 37 C.F.R. § 42.6(a)(2)(ii)2
 - B. The Petition Fails to Comply with 35 U.S.C. §§ 312(a)(3)-(4) and 37 C.F.R. § 42.104(b).....3
 - C. Microsoft’s Petition Should Be Denied Under 35 U.S.C. § 325(d)9
 - D. The Board Should Not Institute Based on the Petition’s Redundant Grounds.....11
 - E. The Two Documents Dubbed “*Aventail*” Cannot Anticipate Any Claim14
 - F. The Petition Fails to Present Any Cognizable Obviousness Position Based on the *Aventail* Documents16
- III. The Petition’s Claim Constructions Are Flawed and Should Be Rejected17
 - A. Overview of the ’151 Patent.....18
 - B. Level of Ordinary Skill in the Art19
 - C. “Domain Name” (Not a Separate Claim Term)21
 - D. “DNS Request” (Claims 1, 7, and 13).....22
 - E. “Secure Server” (Claims 1, 2, 6-8, and 12-14)23
 - F. “Automatically Initiating/Creating an Encrypted/Secure Channel” (Claims 1, 6, 7, 12, and 13).....24
 - G. “Client” (Claims 1, 2, 6-8, and 12-14)25
 - H. “Between [A] and [B]” (Claims 1, 2, 6-8, and 12-14)29

IV. If Trial Is Instituted, VirnetX Requests an 18-Month Schedule29

V. Conclusion30

TABLE OF AUTHORITIES

	Page(s)
Federal Cases	
<i>Apple Inc. v. Evolutionary Intelligence, LLC</i> , IPR2014-00079, Paper No. 8 (Apr. 25, 2014).....	4
<i>Apple Inc. v. Int’l Trade Comm’n</i> , 725 F.3d 1356 (Fed. Cir. 2013)	14, 15
<i>Atrium Med. Corp. v. Davol Inc.</i> , IPR2013-00186, Paper No. 34 (Oct. 23, 2013)	4
<i>Boku, Inc. v. Xilidev, Inc.</i> , CBM2014-00140, Paper No. 4 (June 12, 2014)	2, 3
<i>CallCopy, Inc. v. Verint Ams., Inc.</i> , IPR2013-00486, Paper No. 11 (Feb. 5, 2014).....	16
<i>CaptionCall, LLC v. Ultratec, Inc.</i> , IPR2013-00549, Paper No. 20 (Apr. 28, 2014).....	5
<i>Chef Am., Inc. v. Lamb-Weston, Inc.</i> , 358 F.3d 1371 (Fed. Cir. 2004)	28
<i>Dominion Dealer Solutions, LLC v. Autoalert, Inc.</i> , IPR2013-00220, Paper No. 13 (Oct. 10, 2013)	17
<i>EMC Corp. v. Personal Web Techs., LLC</i> , IPR2013-00087, Paper No. 25 (June 5, 2013).....	12, 14
<i>Google Inc. et al. v. Everymd.com LLC</i> , IPR2014-00347, Paper No. 9 (May 22, 2014).....	4, 8
<i>Graham v. John Deere Co. of Kansas City</i> , 383 U.S. 1 (1966).....	16, 17
<i>Idle Free Sys., Inc. v. Bergstrom, Inc.</i> , IPR2012-00027, Paper No. 26 (June 11, 2013).....	12

Intelligent Bio-Systems, Inc. v. Illumina Cambridge Ltd.,
IPR2013-00324, Paper No. 19 (Nov. 21, 2013)10

Kyocera Wireless Corp. v. Int’l Trade Comm’n,
545 F.3d 1340 (Fed. Cir. 2008)15

Liberty Mut. Ins. Co. v. Progressive Cas. Ins. Co.,
CBM2012-00003, Paper No. 7 (Oct. 25, 2012).....12, 13

Medtronic, Inc. v. Robert Bosch Healthcare Sys., Inc.,
IPR2014-00436, Paper No. 17 (June 19, 2014).....10

Prism Pharma Co., Ltd., v. Choongwae Pharma Corp.,
IPR2014-00315, Paper No. 14 (July 8, 2014)9

ScentAir Techs., Inc. v. Prolitec, Inc., Case
IPR2013-00180, Paper No. 18 (Aug. 26, 2013)12

Synopsys, Inc. v. Mentor Graphics Corp.,
IPR2012-00041, Paper No. 16 (Feb. 22, 2013)5

Tasco, Inc. v. Pagnani,
IPR2013-00103, Paper No. 6 (May 23, 2013).....4

Wowza Media Sys., LLC et al. v. Adobe Sys., Inc.,
IPR2013-00054, Paper No. 16 (July 13, 2013)4

Federal Statutes

35 U.S.C. § 103(a)16, 17

35 U.S.C. § 311(b)15

35 U.S.C. § 312(a)(3).....1, 3, 4, 8

35 U.S.C. § 312(a)(4).....3, 4, 8

35 U.S.C. § 3131

35 U.S.C. § 316(a)(1).....30

35 U.S.C. § 325(d)1, 2, 9, 11

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.