

Filed on behalf of: VirnetX Inc.

By:

Joseph E. Palys
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
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 IPR2014-00558
Patent 6,502,135

**Patent Owner's Preliminary Response
to Petition for *Inter Partes* Review
of U.S. Patent No. 6,502,135**

Table of Contents

I.	Introduction.....	1
II.	The Petition Fails to Meet the Requirements for Instituting an <i>Inter Partes</i> Review	3
A.	The Petition Is Barred Under 35 U.S.C. § 315(b).....	3
1.	Procedural History Relevant to § 315(b)	3
2.	Service of the 2007 and 2010 Complaints Bar Microsoft’s Petition under § 315(b).....	7
3.	Dismissal of the 2007 and 2010 Litigations Does Not Nullify Service for Purposes of § 315(b).....	8
a)	The Relevant Aspects of the 2007 and 2010 Litigations Were Dismissed With Prejudice and Left the Parties in Different Relative Legal Positions.....	9
b)	Nullifying Service of the 2007 and 2010 Complaints Under the Circumstances Would Render § 315(b) Irrelevant in Many Cases.....	11
B.	The Two Documents Dubbed “ <i>Aventail</i> ” Cannot Anticipate Any Claim	14
C.	The Petition Fails to Present Any Cognizable Obviousness Position Based on the <i>Aventail</i> Documents	15
D.	The Petition Fails to Comply with 35 U.S.C. §§ 312(a)(3)-(4) and 37 C.F.R. § 42.104(b).....	17
E.	The Petition’s Anticipation and Obviousness Arguments for Claim 10 Are Facially Inconsistent.....	21
F.	Microsoft’s Petition Should Be Denied Under 35 U.S.C. § 325(d)	24
G.	The Board Should Not Institute Based on the Petition’s Redundant Grounds.....	26

- III. The Petition’s Claim Constructions Are Flawed and Should Be Rejected29
 - A. Overview of the ’135 Patent.....29
 - B. Level of Ordinary Skill in the Art30
 - C. “Virtual Private Network (VPN)” (Claims 1, 4-6, 10-12, and 18).....32
 - D. “DNS Proxy Server” (Claims 8 and 10)37
 - E. “Client Computer” (Claims 1-7, 9-13, and 17-18).....37
- IV. If Trial Is Instituted, VirnetX Requests an 18-Month Schedule40
- V. Conclusion41

TABLE OF AUTHORITIES

	Page(s)
Cases	
<i>Amkor Tech., Inc. v. Tessera, Inc.</i> , IPR2013-00242, Paper No. 98 (Aug. 26, 2013)	9
<i>Apple Inc. v. Evolutionary Intelligence, LLC</i> , IPR2014-00079, Paper No. 8 (Apr. 25, 2014).....	18
<i>Apple Inc. v. Int’l Trade Comm’n</i> , 725 F.3d 1356 (Fed. Cir. 2013)	14, 15
<i>Apple Inc. v. VirnetX Inc.</i> , IPR2013-00348, Paper No. 14 (Dec. 13, 2013), Paper No. 18 (Feb. 12, 2014)	7, 8
<i>Atrium Med. Corp. v. Davol Inc.</i> , IPR2013-00186, Paper No. 34 (Oct. 23, 2013)	19
<i>In re Bigio</i> , 381 F.3d 1320 (Fed. Cir. 2004)	35
<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).....	19
<i>Dominion Dealer Solutions, LLC v. Autoalert, Inc.</i> , IPR2013-00220, Paper No. 13 (Oct. 10, 2013)	16
<i>EMC Corp. v. Personal Web Techs., LLC</i> , IPR2013-00087, Paper No. 25 (June 5, 2013).....	27, 29
<i>Garmin Int’l, Inc. v. Cuozzo Speed Techs. LLC</i> , IPR2012-00001, Paper No. 15 (Jan. 9, 2013).....	36
<i>Google Inc. et al. v. Everymd.com LLC</i> , IPR2014-00347, Paper No. 9 (May 22, 2014).....	18, 21

<i>Graham v. John Deere Co. of Kansas City</i> , 383 U.S. 1 (1966).....	15, 16, 17
<i>Idle Free Sys., Inc. v. Bergstrom, Inc.</i> , IPR2012-00027, Paper No. 26 (June 11, 2013).....	27
<i>Intelligent Bio-Systems, Inc. v. Illumina Cambridge Ltd.</i> , IPR2013-00324, Paper No. 19 (Nov. 21, 2013).....	25
<i>Kyocera Wireless Corp. v. Int’l Trade Comm’n</i> , 545 F.3d 1340 (Fed. Cir. 2008).....	15
<i>Liberty Mut. Ins. Co. v. Progressive Cas. Ins. Co.</i> , CBM2012-00003, Paper No. 7 (Oct. 25, 2012).....	27, 28
<i>Macauto U.S.A. v. BOS GmbH & KG</i> , IPR2012-00004, Paper No. 18 (Jan. 24, 2013).....	11
<i>Motorola Solutions, Inc. v. Mobile Scanning Techs., LLC</i> , IPR2013-00093, Paper No. 28 (Apr. 29, 2013).....	36
<i>Oracle Corp. v. Click-to-Call Techs. LP</i> , IPR2013-00312, Paper No. 40 (Dec. 18, 2013).....	11
<i>Samsung Elecs., Co. v. Fractus, S.A.</i> , IPR2014-00008, Paper No. 22 (Feb. 26, 2014).....	7, 8
<i>ScentAir Techs., Inc. v. Prolitec, Inc.</i> , IPR2013-00180, Paper No. 18 (Aug. 26, 2013).....	28, 29
<i>Synopsys, Inc. v. Mentor Graphics Corp.</i> , IPR2012-00041, Paper No. 16 (Feb. 22, 2013).....	19
<i>Tasco, Inc. v. Pagnani</i> , IPR2013-00103, Paper No. 6 (May 23, 2013).....	18
<i>Universal Remote Control, Inc. v. Universal Elecs., Inc.</i> , IPR2013-00152, Paper No. 8 (Aug. 19, 2013).....	23, 24
<i>Universal Remote Control, Inc. v. Universal Elecs., Inc.</i> , IPR2013-00168, Paper No. 9 (Aug. 26, 2013).....	<i>passim</i>

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.