

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

THE MANGROVE PARTNERS MASTER FUND, LTD., APPLE INC., and
BLACK SWAMP IP, LLC,
Petitioner

v.

VIRNETX INC.,
Patent Owner

Case IPR2015-01047¹
Patent 7,490,151

Patent Owner's Request for Director Rehearing

¹ Apple Inc. and Black Swamp IP, LLC, who filed petitions in IPR2016-00063 and IPR2016-00167, respectively, have been joined as a Petitioner in the instant proceeding.

TABLE OF CONTENTS

- I. Background.....1
- II. The Board Erred in Declaring the '151 Patent Claims Unpatentable3
 - A. The Board’s Reliance on a Combination of Different Elements in Kiuchi Is Improper4
 - B. The Board’s Purported Combination Does Not Perform All the Recited Steps of the DNS Module7
 - C. Kiuchi Does Not Disclose the Forwarding of a DNS Request to a DNS Function8
 - D. The Board’s Obviousness Rulings Are Likewise Defective.....11
- III. The Final Written Decision Should Be Vacated Under *Facebook*12
- IV. A Principal Officer Must Consider This Rehearing Request.....13

On August 19, 2021, the Federal Circuit issued an order “allowing VirnetX the opportunity to request Director rehearing.” *VirnetX Inc. v. Mangrove Partners Master Fund, Ltd.*, Nos. 2020-2271, 2020-2272, Dkt. No. 51 at 3 (Fed. Cir. Aug. 19, 2021). Pursuant to that order, VirnetX hereby requests Director rehearing of the Final Written Decision on Remand issued July 14, 2020 (“Remand FWD”).

Claim 13 of U.S. Patent No. 7,490,151, which is representative, recites “a computer readable medium storing a *domain name server (DNS) module* comprised of computer readable instructions that, when executed, cause a data processing device to perform” three steps relating to the establishment of secure computer communications. Ex. 1001 (48:18-29) (emphasis added). Originally, the Board found the claims anticipated by mapping the claim’s DNS module to a name server in the prior-art reference. But the Federal Circuit rejected that finding. On remand, the Board mapped the DNS module to a *combination* of separate elements in the prior-art reference. But that violates the cardinal anticipation rule that the reference must disclose the *same* elements arranged in the *same* way. Moreover, those elements in combination do not even perform the three functions of the claimed DNS module. This and other errors warrant rehearing by a properly appointed Director.

I. Background

The primary reference in this proceeding is Kiuchi (Ex. 1002). In Kiuchi, a user agent requests information residing in an “origin server.” Kiuchi at 64-67. Two

entities are interposed between the user agent and origin server and relay information between them. A “client-side proxy” relays information between a user agent and the Internet, and a “server-side proxy” relays information between the Internet and the origin server. *Id.* at 64. A “C-HTTP name server” facilitates exchange of encryption keys between the client-side and server-side proxy. *Id.* at 64-65.

The Federal Circuit first considered whether Kiuchi could render the ’151 patent claims unpatentable in *VirnetX, Inc. v. Cisco Sys., Inc.*, 767 F.3d 1308 (Fed. Cir. 2014). In affirming a finding that it could not, *Cisco* found evidence that “Kiuchi fails to disclose the requirement that the DNS request be ‘sent by a client.’” *Id.* at 1324. The Board nonetheless found that Kiuchi rendered the challenged ’151 patent claims unpatentable in the original Final Written Decision dated September 9, 2016 (“Original FWD”). But the Federal Circuit vacated the Original FWD. It held “[t]he Board could not have found that the client-side proxy corresponds to the claimed ‘client’ and is also a part of the DNS proxy module, as the claim makes clear that these are separate components.” *VirnetX Inc. v. Mangrove Partners Master Fund, Ltd.*, 778 F. App’x 897, 906 (Fed. Cir. 2019). The court also held “the C-HTTP name server [does not] perform the functions of the claimed DNS proxy module” because “[t]he C-HTTP name server does not forward a DNS request to a DNS function.” *Id.* at 906-07. And the court found that, “[t]o the extent the Board intended to rely on different components in Kiuchi for the disclosure of all the

claimed limitations attributed to the ‘client’ or the ‘secure server,’ its finding of anticipation is not supported by substantial evidence.” *Id.* at 907-08.

On remand, the Board found Kiuchi anticipated the claim. It reasoned that a “combination” of “the client-side proxy and C-HTTP name server, acting together,” in Kiuchi performed the function of the VirnetX’s DNS module. Remand FWD at 11-12, 14. While the Federal Circuit held that Kiuchi’s C-HTTP name server does not forward a received DNS request to a DNS function like VirnetX’s DNS module the Board stated that holding did not preclude it from relying on the “asserted combination.” *Id.* at 12. The Board also concluded that the forwarding claim limitation was met when “the client-side proxy *alone* forwards the DNS request to a DNS function when it determines (in conjunction with the C-HTTP name server) that the request does not correspond to a secure server.” *Id.* (emphasis added).

II. The Board Erred in Declaring the ’151 Patent Claims Unpatentable

Claim 13 recites “a computer readable medium storing a *domain name server (DNS) module* comprised of computer readable instructions that, when executed, cause a data processing device to perform” three steps. Appx210 (48:18-29) (emphasis added). The first step is “determining whether a DNS request sent by a client corresponds to a secure server.” Appx210 (48:22-23). “[W]hen the DNS request does not correspond to a secure server,” the next step is “forwarding the DNS request to a DNS function that returns an IP address of a nonsecure computer.”

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.