

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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BLACK SWAMP IP, LLC  
Petitioner

v.

VIRNETX INC.  
Patent Owner

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Case IPR2016-00693  
Patent Number: 7,418,504

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**PETITIONER'S REPLY TO PATENT OWNER'S RESPONSE**

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Case IPR2016-00693  
U.S. Patent No. 7,418,504  
Our Ref. 213.7001-00IPR

## EXHIBITS

- Exhibit 1001 U.S. Patent No. 7,418,504.
- Exhibit 1002 Institution Decision dated October 15, 2014 in IPR2014-00612, IPR2014-00613, and IPR2014-00614 requested by Microsoft Corp. (“Microsoft Institution Decision”).
- Exhibit 1003 Right of Appeal Notice in *Inter Partes* Reexam. 95/001,788.
- Exhibit 1004 Right of Appeal Notice in *Inter Partes* Reexam. 95/001,851.
- Exhibit 1005 Takahiro Kiuchi and Shigekoto Kaihara, “C-HTTP – The Development of a Secure, Closed HTTP-based Network on the Internet,” published by IEEE in the Proceedings of SNDSS 1996 (“Kiuchi”).
- Exhibit 1006 Patent Owner’s Preliminary Response in IPR2013-00393.
- Exhibit 1007 Patent Owner’s Preliminary Response in IPR2013-00394.
- Exhibit 1008 Selected Portions of Webster’s Third New International Dictionary (1971).

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## **I. INTRODUCTION.**

The present proceeding involves claims 1, 2, 5, 6, 15, 16, 27, 33, 36, 37, 39, 40, 51, 57, and 60 (including independent claims 1, 36, and 60) of U.S. Patent No. 7,418,504 (“’504 patent”). The present proceeding was instituted by the Board in an Institution Decision dated September 9, 2016 (“Institution Decision”) in accordance with a Petition for *Inter Partes* Review of U.S. Patent No. 7,418,504 filed February 29, 2016 (“Petition”).

Petitioner submits the following in response to the Patent Owner’s Response dated November 28, 2016 (“Patent Owner’s Response”). As discussed below, (1) the Patent Owner’s stated requirement for expert testimony is unfounded; (2) Petitioner’s claim construction from the Petition should be adopted; and (3) the Board should maintain the anticipation rejection under 35 U.S.C. § 102(b) based on Kiuchi (Ex. 1005).

## **II. NO REQUIREMENT FOR EXPERT TESTIMONY.**

Petitioner submits that the Patent Owner’s position regarding the absolute need for expert testimony to bolster Petitioner’s anticipation position is unfounded. The Patent Owner posits that the absence of expert testimony is somehow

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