

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

BLACK SWAMP IP, LLC,
Petitioner,

v.

VIRNETX INC.,
Patent Owner.

Case IPR2016-00693
Patent 7,418,504 B2

Before MICHAEL P. TIERNEY, *Vice Chief Administrative Patent Judge*,
and KARL D. EASTHOM and STEPHEN C. SIU, *Administrative Patent
Judges*.

SIU, *Administrative Patent Judge*.

FINAL WRITTEN DECISION
35 U.S.C. § 318(a) and C.F.R. § 42.73

Black Swamp IP, LLC (“Petitioner”) requested *inter partes* review of claims 1, 2, 5, 6, 15, 16, 27, 33, 36, 37, 39, 40, 51, 57, and 60 of U.S. Patent No. 7,418,504 B2 (“the ’504 patent”). Pet. 1. We issued a Decision to institute an *inter partes* review (Paper 8, “Inst. Dec.”) of claims 1, 2, 5, 6, 15, 16, 27, 33, 36, 37, 39, 40, 51, 57, and 60 of the ’504 patent under 35 U.S.C. § 102 as anticipated by Kiuchi.¹ Inst. Dec. 2, 9.

After institution of trial, VirnetX Inc. (“Patent Owner”) filed a Patent Owner’s Response (Paper 10, “PO Resp.”), to which Petitioner replied (Paper 12, “Pet. Reply”). In response, Petitioner filed “Patent Owner’s Identification of New Issues in Petitioner’s Reply Brief” (Paper 13, “PO Identification”). Oral argument was not requested by any of the involved parties.

We have jurisdiction under 35 U.S.C. § 318(a). After considering the evidence and arguments of both parties, and for the reasons set forth below, we determine that Petitioner met its burden of showing, by a preponderance of the evidence, that claims 1, 2, 5, 6, 15, 16, 27, 33, 36, 37, 39, 40, 51, 57, and 60 of the ’504 patent are unpatentable.

RELATED MATTERS

The ’504 patent is the subject of the following civil actions: (i) Civ. Act. No. 6:13-cv-00211-LED (E.D. Tex.); (ii) Civ. Act. No. 6:12-cv-00855-LED (E.D. Tex.); and (iii) Civ. Act. No. 6:10-cv-00417-LED (E.D. Tex.); Civ. Act. No. 6:11-cv-00018 (E.D. Tex.); Civ. Act. No. 6:13-cv-00351 (E.D.

¹ Takahiro Kiuchi and Shigekoto Kaihara, C-HTTP – *The Development of a Secure, Closed HTTP-Based Network on the Internet*, PROCEEDINGS OF THE SYMPOSIUM ON NETWORK AND DISTRIBUTED SYSTEM SECURITY, IEEE 64-75 (1996) (Ex. 1005, “Kiuchi”).

Tex.); Civ. Act. No. 6:13-mc-00037 (E.D. Tex.); and Civ. Act. No. 9:13-mc-80769 (E.D. Fla). Pet. 2.

The '504 patent is also the subject of Reexamination Control Nos. 95/001,788 and 95/001,851. Pet. 2.

THE '504 PATENT (EX. 1001)

The '504 Patent discloses a system and method for communicating over the internet. Ex. 1001 3:14-15.

ILLUSTRATIVE CLAIM(S)

Independent claim 1 is representative of the claimed subject matter. Claim 1 is reproduced below:

1. A system for providing a domain name service for establishing a secure communication link, the system comprising:
 - a domain name service system configured to be connected to a communication network, to store a plurality of domain names and corresponding network addresses, to receive a query for a network address, and to comprise an indication that the domain name service system supports establishing a secure communication link.

OVERVIEW OF PRIOR ART

Kiuchi (Exhibit 1005)

Kiuchi discloses closed networks (closed HTTP (Hypertext Transfer Protocol)-based network (C-HTTP)) of related institutions on the Internet. Ex. 1005, 64. A client and client-side-proxy “asks the C-HTTP name server whether it can communicate with the [specified] host.” *Id.* at 65. If “the query is legitimate” and if “the requested server-side proxy is registered in the closed network and is permitted to accept the connection,” the “C-HTTP

name server sends the [requested] IP address.” *Id.* After confirmation by the C-HTTP name server “that the specified server-side proxy is an appropriate closed network member, a client-side proxy sends a request for connection to the server-side proxy, which is encrypted.” *Id.*

The server-side proxy “accepts [the] request for connection from [the] client-side proxy” (*id.* at 65) and, after the C-HTTP name server determines that “the client-side proxy is an appropriate member of the closed network,” that “the query is legitimate,” and that “the client-side proxy is permitted to access . . . the server-side proxy,” the “C-HTTP name server sends the IP address [of the client-side proxy].” *Id.* at 66. Upon receipt of the IP address, the server-side proxy “authenticates the client-side proxy” and sends a connection ID to the client-side proxy. After the client-side proxy “accepts and checks” the connection ID, “the connection is established,” after which time the client-side proxy forwards “requests from the user agent in encrypted form using C-HTTP format.” *Id.*

ANALYSIS

Petitioner explains that Kiuchi discloses a “C-HTTP name server [that] operate[s] as a domain name service system [and] is connected to the Internet (which is a communication network).” Pet. 20 (citing Ex. 1005, 64–65). According to Petitioner, “Kiuchi discloses that the C-HTTP name server stores IP addresses and corresponding hostnames” because Kiuchi discloses that “each proxy will register an IP address and a hostname . . . with the C-HTTP name server . . . [that] correspond to one another [such that] the IP address is a network address and the hostname is a domain name.” Pet. 20–21 (citing Ex. 1005, 65).

Petitioner also argues that Kiuchi discloses that a “client-side proxy asks the C-HTTP name server whether it can communicate with the host specified in a given URL,” “and, if so, [the C-HTTP name server] provides an IP address (i.e., a network address) to the client-proxy.” Pet. 21, 22 (citing Ex. 1005, 65). In other words, according to Petitioner, Kiuchi discloses that the domain name service system of Kiuchi (i.e., the C-HTTP name server) receives a query for a network address (i.e., a client-side proxy “asks” the server for a network address, or an “IP address”).

Petitioner also states that “the C-HTTP name server [of Kiuchi] facilitates the establishment and operation of a secure communication link between the client-side proxy and the server-side proxy” and that “[t]he establishment and operation of a secure communication link in Kiuchi . . . is in and of itself ‘an indication that the domain name service system supports establishing a secure communication link.’” Pet. 23.

Claim 1 – Indication

Claim 1 recites “an indication that the domain name service system supports establishing a secure communication link.” As indicated above, Petitioner argues that “Kiuchi’s C-HTTP name server . . . determines if a query from the client-proxy is legitimate [and, if so,] . . . the C-HTTP name server provides an IP address . . . of the server-side proxy to the client-side proxy.” Pet. 22 (citing Ex. 1005 65). Also as discussed above, Petitioner also argues that “[t]he establishment . . . of a secure communication link in Kiuchi . . . is in and of itself ‘an indication . . .’” Pet. 23.

Claim 1 recites “a domain name service system for establishing a secure communication link” and that the domain name service system is

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