

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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THE MANGROVE PARTNERS MASTER FUND, LTD., and  
APPLE INC.,  
Petitioner,

v.

VIRNETX INC.,  
Patent Owner.

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Case IPR2015-01046<sup>1</sup>  
Patent 6,502,135 B1

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Before MICHAEL P. TIERNEY, 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*

The Mangrove Partners Master Fund, Ltd. and Apple Inc.  
(collectively, “Petitioner”) requested *inter partes* review of claims 1, 3, 4, 7,  
8, 10, and 12 of U.S. Patent No. 6,502,135 B1 (“the ’135 patent”). We

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<sup>1</sup> Apple Inc., which filed a petition in IPR2016-00062, has been joined as a  
Petitioner in the instant proceeding.

issued a Decision to institute an *inter partes* review (Paper 11, “Inst. Dec.”) of the ’135 patent on the following grounds:

- 1) Claims 1, 3, 4, 7, 8, 10, and 12 under 35 U.S.C. § 102 as anticipated by Kiuchi<sup>2</sup>
- 2) Claim 8 under 35 U.S.C. § 103(a) as unpatentable over Kiuchi and RFC 1034.<sup>3</sup>

Inst. Dec. 2, 12.

After institution of trial, VirnetX Inc. (“Patent Owner”) filed a Patent Owner’s Response (Paper 44, “PO Resp.”), to which Petitioner replied (Paper 51, “Petitioner’s Consolidated Reply Brief” or “Pet. Reply” – see also Paper 50, non-redacted version). Apple Inc. also filed a Separate Reply (Paper 53, “Pet. Separate Reply”). Patent Owner filed a Motion to Exclude, to which Petitioner filed an Opposition to Patent Owner’s Motion to Exclude, to which Patent Owner filed a Reply to Petitioner’s Opposition of Motion to Exclude. Papers 59, 61, 62. Patent Owner and Petitioner also filed a Motion to Seal. Papers 43, 52. Oral argument was conducted on June 30, 2016. A transcript of that argument has been made of record. Paper 70, “Tr.”; see also Paper 69.

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

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<sup>2</sup> 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. 1002, “Kiuchi”).

<sup>3</sup> P. Mockapetris, *Domain names – Concepts and Facilities*, Network Working Group, Request for Comments: 1034 (1987) (Ex. 1005, “RFC 1034”).

of the evidence, that claims 1, 3, 4, 7, 8, 10, and 12 of the '135 patent are unpatentable.

#### RELATED MATTERS

The '135 patent is the subject of the following civil actions: (i) Civ. Act. No. 6:13-cv-00211-LED (E.D. Tex.), filed February 26, 2013; (ii) Civ. Act. No. 6:12-cv-00855-LED (E.D. Tex.), filed November 6, 2012; and (iii) Civ. Act. No. 6:10-cv-00417-LED (E.D. Tex.), filed August 11, 2010. Pet. 1.

The '135 patent is also the subject of Reexamination Control Nos. 95/001,679, 95/001,682, and 95/001,269. Pet. 2.

#### THE '135 PATENT (EX. 1001)

The '135 Patent discloses a system and method for communicating over the internet and the automatic creation of a virtual private network (VPN) in response to a domain-name server look-up function. Ex. 1001, 2:66–67, 37:19–21.

#### ILLUSTRATIVE CLAIM(S)

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

1. A method of transparently creating a virtual private network (VPN) between a client computer and a target computer, comprising the steps of:

(1) generating from the client computer a Domain Name Service (DNS) request that requests an IP address corresponding to a domain name associated with the target computer;

(2) determining whether the DNS request transmitted in step (1) is requesting access to a secure web site; and

(3) in response to determining that the DNS request in step (2) is requesting access to a secure target web site, automatically initiating the VPN between the client computer and the target computer.

## OVERVIEW OF PRIOR ART

### *Kiuchi (Exhibit 1002)*

Kiuchi discloses closed networks (i.e., closed HTTP (Hypertext Transfer Protocol)-based network (C-HTTP)) of related institutions on the Internet. Ex. 1002, 64. A client and client-side-proxy “asks the C-HTTP name server whether it can communicate with the [specified] host” and, 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.” Ex. 1002, 65. 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” (Ex. 1002, 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].” Ex. 1002, 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.” Ex. 1002, 66.

*RFC 1034 (Exhibit 1005)*

RFC 1034 discloses that a “name server may be presented with a query” and that the name server may either “pursue[] the query for the client at another server” (recursive approach) or “refer[] the client to another server and lets the client pursue the query” (iterative approach). Ex. 1005, 4.

ANALYSIS

Regarding claim 1, for example, Petitioner explains that Kiuchi discloses “a method of transparently creating a virtual private network (VPN) between a client computer and a target computer.” Pet. 26–27, Ex. 1003, 18–20, 30, 31; Ex. 1002, 64, 65, 69. Kiuchi also discloses “(1) generating from the client computer a Domain Name Service (DNS) request that requests an IP address corresponding to a domain name associated with the target computer (Pet. 27, Ex. 1002 65; Ex. 1003 20–24), (2) determining whether the DNS request transmitted in step (1) is requesting access to a secure web site (Pet 27–28; Ex. 1002 65; Ex. 1003 22–26), and (3) in response to determining that the DNS request in step (2) is requesting access to a secure target web site automatically initiating the VPN between the client computer and the target computer.” Ex. 1005 28–29; Ex. 1002 65–66; Ex. 1003 23, 24, 26–31.

DNS Request

Patent Owner argues that Kiuchi fails to disclose a “DNS request,” as recited in claim 1. PO Resp. 20. Claim 1 recites a DNS request “that requests an IP address corresponding to a domain name associated with the target computer and determining whether the DNS request is requesting

access to a secure web site.” Hence, a “DNS request,” as recited in claim 1, is a request for an IP address corresponding to a domain name associated with a target computer and is capable of potentially requesting access to a secure web site. As Petitioner explains, Kiuchi discloses a request from a user agent and from the client-side proxy to “a C-HTTP name server asking to resolve the hostname in the request into an IP address” and that the C-HTTP name server “evaluates the request to determine if the hostname specifies a destination that is part of the closed network.” If “the hostname specifies a secure destination and the connection is permitted [the C-HTTP name server] returns an IP address associated with the secure hostname.” Pet. 27–28 (citing Ex. 1002, 65). Hence, we determine the “request” of Kiuchi and the “request,” as recited in claim 1, both request an IP address corresponding to a domain name and both are capable of potentially requesting access to a secure web site.

Patent Owner argues that the “request” of Kiuchi differs from the claimed “DNS request” because “Kiuchi explains that the C-HTTP name service is used ‘instead of DNS.’” PO Resp. 20. As Patent Owner points out, Kiuchi discloses that “[i]n a C-HTTP-based network” a “C-HTTP-based secure, encrypted name and certification service is used” “instead of DNS.” Ex. 1002, 64, Abstract. However, other than what is tantamount to a mere difference in nomenclature, Patent Owner does not point out specific differences between the “request” of Kiuchi and the “request” as claimed. As discussed above, Kiuchi discloses a “request” that requests an IP address corresponding to a domain name that is capable of potentially requesting access to a secure web site, which appears to be the same as the request as claimed, with the only apparent difference being the use of the descriptor

“DNS” recited in claim 1. Furthermore, Patent Owner has argued in related proceedings that its claimed “secure domain name” “cannot be resolved by a *conventional domain name service*.” *See, e.g., Apple Inc. v. Virnetx Inc.*, IPR2015-00870, slip. op. at 22 (PTAB Jan. 25, 2016) (Paper 23) (citing related reexamination proceedings advancing the argument) (emphasis added). This further obscures what Patent Owner intends to cover by the term “DNS.”

In addition, we credit testimony of Dr. Fabian Monroe that the claim term “domain name service request” “does not limit it to . . . specific RFCs” and Dr. Monroe’s observation of the lack of “any analysis as to [a domain name service request] being limited or not thereof to a specific RFC.” Ex. 1036, 104:21-22, 105:18-19; *see also* Ex. 1036, 106:15-16 (“I haven’t provided any analysis that [a request as claimed] must comply with any RFC”). During oral argument, in response to a questions asking what a DNS requires, Patent Owner declined to define it, generally contending that whatever it is, Kiuchi does not disclose it. *See* Tr. 70:6–12 (“I think one of ordinary skill in the art would know that. But clearly when a reference specifically tells you it is not using DNS, you don’t even have to go down that road,” *id.* 71:8–9 (processing the DNS request in Patent Owner’s invention “might not be conventional”), *id.* 71:1–74:24, 84:4–24 (“It is still a DNS request . . . whether you want to call it conventional - - non-conventional or whatever.”). Hence, we disagree with Patent Owner’s implied contention that renaming a request that requests an IP address corresponding to a domain name that is capable of requesting access to a secure web site from “DNS request” to “C-HTTP-based . . . service . . . instead of DNS” (as disclosed by Kiuchi and as recited in claim 1) alone is

sufficient to create a patentable difference between the seemingly identical requests.

Patent Owner also argues that Kiuchi’s “request” differs from the claimed “request” because Kiuchi discloses “that the . . . DNS lookup is generated only if an error condition occurs in which C-HTTP connectivity fails.” PO Resp. 20–21. However, claim 1 does not appear to recite any specific steps to be performed with respect to an error condition or whether connectivity fails (or not) in conjunction with the (non-recited) error condition.

Target Computer (and IP Address corresponding to a domain name)

Patent Owner argues that “Kiuchi’s C-HTTP name server does not return the IP address of the URL in the request, which identifies Kiuchi’s origin server, but instead returns a server-side proxy’s IP address.” PO Resp. 23 (citing Ex. 2047 95:9–14). We agree with Patent Owner that Kiuchi discloses returning the IP address of the requested server-side proxy. However, we conclude that Petitioner has met its burden by a preponderance of the evidence for demonstrating the lack of sufficient differences between Kiuchi and the disputed claim limitation. For example, both Kiuchi and claim 1 provide for a request that requests an IP address (i.e., of a server-side proxy, in Kiuchi) corresponding to a domain name (i.e., the URL provided in the request, in Kiuchi) associated with the target computer (i.e., associated with the origin server in Kiuchi).

Patent Owner argues that the domain name in the request (corresponding to the IP address of the “server-side proxy” of Kiuchi) is not “associated with” the “origin server” (i.e., target computer) of Kiuchi (*see,*



*e.g.*, Patent Owner’s Sur-Reply, Paper 67, 13-14). We disagree with Patent Owner’s contention. As Kiuchi discloses, the domain name in the request corresponds to the IP address of the server-side proxy of Kiuchi. One of skill in the art would have understood that the domain name that corresponds to the IP address of the server-side proxy would be “associated with” the origin server of Kiuchi at least because the requested server-side proxy itself is “associated with” the origin server. For example, the “server-side proxy communicates with an origin server inside the firewall” and “forwards requests to the origin server.” In addition, according to Kiuchi, “[i]t is possible to map any of the virtual directories on the server-side proxy to any of the directories in one or more origin servers inside the firewall.” Ex. 1002, 66. One of skill in the art would have understood that if there were no “association” between the two components, then communication, transfer of requests, or mutual mapping of directories between the two components would not be possible, the two components having no association with each other. Thus, the domain name corresponding to the IP address of the server-side proxy (that is “associated with” the origin server) is itself “associated with” the origin server (or “target computer”).

### Client Computer

Patent Owner argues that the “client computer,” as recited in claim 1, is a “user’s computer” and that “Kiuchi’s client-side proxy is not a user’s computer” because “Kiuchi does not disclose any user associated with the client-side proxy.” PO Resp. 24–25.

As an initial matter and as discussed above, Petitioner argues that “Kiuchi describes a method . . . that allows a user agent . . . to access private

web pages” and that the “user agent makes an HTTP request to connect to a host that is specified within a URL,” which “[t]he client-side proxy receives . . . and [the client-side proxy then] sends a request to a C-HTTP name server.” Pet. 26–27. In other words, Petitioner equates Kiuchi’s “user agent” with the claimed “client computer” because Petitioner argues that the “user agent” is allowed access to private web pages and the “user agent makes [a] . . . request to connect to a host.” We agree with Petitioner. Nor does Patent Owner provide sufficient arguments to persuasively refute Petitioner’s showing that Kiuchi’s “user agent” constitutes a “client computer,” even under Patent Owner’s proposed definition of a “client computer” as being “associated with” a user. Indeed, it appears that Patent Owner agrees that Kiuchi’s “user agent” is the same as the claimed “client computer.”<sup>4</sup>

Patent Owner also argues that Petitioner equates the “client-side proxy” of Kiuchi (and not the “user agent”) with the claimed “client computer.” *See, e.g.*, PO Resp. 24–25. Assuming Patent Owner to be correct that Petitioner’s position is that the “client-side proxy” (and not the “user agent”) of Kiuchi is a “client computer” as claimed, and assuming that a “client computer” must be “associated with” a user, we are not persuaded by Patent Owner that Kiuchi fails to disclose this feature. For example, Kiuchi discloses that users within an institution (e.g., “hospitals and related institutions” – Ex. 1002, 64) are provided with access to “information [that is] shared among” institutions in which a “client-side proxy” receives a request for access from a user agent. One of skill in the art would have

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<sup>4</sup> For example, Patent Owner points out that “Kiuchi discloses a communication system [including] a ‘client,’ also referred to as a ‘user agent’.” PO Resp. Br. 25.

understood that in order for a user or “user agent” in an “institution” to provide a request to access information, the “user agent” (itself being “associated with” a user) would be “associated with” the “client-side proxy” to which the user agent sends a request. Otherwise, the user would be unable to send a request to the client-side proxy, the client-side proxy not being associated with the user in the first place. Patent Owner does not demonstrate sufficient differences between a “client-side proxy” of Kiuchi that is “associated with” a user (and receives a request from the associated user via the user agent) and the claimed “client computer” that Patent Owner argues must also be somehow “associated with” a user.

Still operating under the presumption that Patent Owner is correct that Petitioner equates the client-side proxy of Kiuchi (and not the user agent) with the claimed “client computer,” Patent Owner argues that Kiuchi’s “client-side proxy” is distinct from the claimed “client computer” because, according to Patent Owner, Kiuchi provides “separate references to the ‘client’ and ‘client-side proxy.’” PO Resp. 25. We are not persuaded by Patent Owner’s argument, at least because, even assuming that Kiuchi refers to a “client” and “client-side proxy” separately as Patent Owner contends, Patent Owner does not point out sufficient differences between the “client-side proxy” of Kiuchi and a “client computer,” as recited in claim 1, for at least the previously stated reasons.

Patent Owner argues that the Federal Circuit “found evidence that the ‘client’ of Kiuchi is actually a web browser, a component that is distinguishable from the client-side proxy.” PO Resp. 26 (citing *VirnetX, Inc. v. Cisco Systems, Inc.*, 767 F.3d 1308, 1324 (Fed. Cir. 2014)). Presumably, Patent Owner argues that the “client-side proxy” cannot be

equated with the “client computer,” as recited in claim 1, because the Federal Circuit held that the “web browser” of Kiuchi must be equated with the claimed “client computer” (and, presumably, Kiuchi’s client-side proxy may not be equated with the claimed “client computer”). We are not persuaded by Patent Owner’s implied argument.

First, the Federal Circuit held that “the district court did not err in denying [Defendant’s] JMOL motion with respect to invalidity,” because “there was evidence that the ‘client’ of Kiuchi is actually a web browser.” *Cisco*, 767 F.3d at 1324. We disagree with Patent Owner’s implied argument that the Federal Circuit held that 1) Kiuchi’s “web browser” must be equated with the claimed “client computer,” 2) Kiuchi’s “client-side proxy” must not be equated with the claimed “client computer,” and 3) Kiuchi’s “web browser” (which is supposedly mandated by the Federal Circuit to be exclusively equated with the claimed “client computer”) differs materially from the claimed “client computer” such that Kiuchi fails to disclose a “client computer.” Rather, the Federal Circuit actually held that there was sufficient “evidence” that Kiuchi discloses a web browser as a “client” such that the district court did not err in denying defendant’s JMOL motion. *See id.* This holding does not address whether Kiuchi’s client-side proxy (which Patent Owner asserts Petitioner equates with the claimed “client computer”) is the same as or is different from (and, if so, in what way) the claimed “client computer.”

Second, as Patent Owner points out, the district court and the Federal Circuit do not construe claim terms under a broadest reasonable interpretation standard as we do. Patent Owner argues that despite the differing standards of claim construction, the Federal Circuit “has

emphasized that the Board nevertheless has an ‘obligation to acknowledge that interpretation’ and ‘to assess whether it is consistent with the broadest reasonable construction of the term.’ PO Resp. 26–27 (citing *Power Integrations, Inc. v. Lee*, 797 F.3d 1318, 1326 (Fed. Cir 2015)). We acknowledge the district court’s construction as being slightly narrower than our construction and as involving different evidence, arguments, and standards of proof. See *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2142–2146 (2016).

Third, as previously discussed, Patent Owner contends that the Federal Circuit “found evidence that the ‘client’ of Kiuchi is actually a web browser, a component that is distinguishable from the client-side proxy.” Hence, the Federal Circuit states that the district court was presented with evidence that Kiuchi discloses a web browser that is a client and is not the same as the client-side proxy of Kiuchi. In other words, the Federal Circuit makes no comment on claim construction at all (under any standard, much less a broadest reasonable standard) since the “web browser” and the “client-side proxy” are both terms disclosed by Kiuchi and neither term is recited in claim 1, for example.

### VPN

Claim 1 recites “automatically initiating the VPN between the client computer and the target computer.” Patent Owner argues that Kiuchi fails to disclose a VPN because Kiuchi discloses a “point-to-point connection that exists only between the two proxies, and thus is not a network.” PO Resp. 30. Hence, Patent Owner argues that Kiuchi fails to disclose a “network.”

We are not persuaded by Patent Owner’s argument for at least the reasons set forth by Petitioner. Consol. Pet. Reply 12–13.

For example, Kiuchi discloses the use of a C-HTTP name server (and client-side and server-side proxies) in “networks among hospitals and related institutions.” Ex. 1002, 64. At least in view of this explicit disclosure of “networks,” we are not persuaded by Patent Owner that Kiuchi fails to disclose a “network” even assuming we were to adopt Patent Owner’s proposed definition of a “network” as requiring more than two devices.

Patent Owner argues that Kiuchi fails to disclose a Virtual Private Network (VPN) because “a VPN necessarily requires a . . . ‘direct communication’” and Kiuchi discloses that “the C-HTTP proxy servers preclude the user agent and origin server (the true client and target) from directly communicating with one another.” PO Resp. 29, 31.

Claim 1 recites “initiating the VPN between the client computer and the target computer” but does not recite or otherwise require a “direct communication” between the client computer and the target computer. Hence, we need not consider whether or not Kiuchi discloses a “direct communication” between any specific devices.

Patent Owner argues that one of skill in the art would have understood that a VPN must include “direct communication” under a broadest reasonable interpretation of the claim term “VPN” in light of the Specification because the Specification discloses this requirement (and should be imported into the claims). PO Resp. 7–8 (citing Ex. 1001, 38:30–33; 39:22–25; 40:30–35; 41:23–27; 7:40–49; 31:62–32:3; 36:25–28; Figs. 2, 24, 26, 28, 29, 33). We note that the cited portions of the Specification disclose various examples of “a virtual private network [] created between

user computer . . . and secure target site” (*see, e.g., id.* at 38:30–33) but none of the examples appear to disclose that a VPN must have a “direct communication” between any specific components. We further note that the cited portions of the Specification disclose that the examples provided are “representative configuration[s] only and is not intended to be limiting.” *See, e.g., id.* at 31:66–67. Thus, even assuming that the Specification discloses that a VPN must contain a “direct communication” (Patent Owner does not demonstrate persuasively that the Specification provides this disclosure, however), Patent Owner does not explain sufficiently why this feature alleged to be disclosed in selected examples in the Specification, that is “not intended to be limiting,” should be imported into the claim.

Patent Owner argues that “[i]n litigation, Patent [O]wner’s adversaries have repeatedly recognized that [a link that traverses various network devices such as Internet Service Providers, firewalls, and routers] is a ‘direct’ communication.” PO Resp. 8 (citing Ex. 2035, 42:16–21, 44:13–45:12). Patent Owner does not assert or demonstrate sufficiently, however, that “Patent Owner’s adversaries,” during litigation (or at any other time), have “repeatedly recognized” that one of skill in the art would have understood a VPN to require a “direct communication” between two specific devices within the network under a broadest reasonable interpretation in light of the Specification. Indeed, Patent Owner does not assert or demonstrate adequately that “Patent Owner’s adversaries” made any statement regarding the broadest reasonable interpretation of the term “VPN” with respect to a “direct communication” at all.

Patent Owner argues that “Patent Owner . . . disclaimed any virtual private networks and virtual private network communication links that are

not direct” and that “Patent Owner’s adversaries acknowledged that disclaimer is clear and unambiguous.” PO Resp. 8 (citing Ex. 2036, 7; Ex. 2045, 6–9); PO Resp. 9 (citing Ex. 2030, 5). Patent Owner asserts that a “disclaimer . . . informs the patent’s scope and should be given effect” even though, under *Tempo Lighting*,<sup>5</sup> such a disclaimer “generally only binds the patent owner.” PO Resp. 10, 11. Hence, the evidence of record indicates (1) the lack of a requirement of a “direct communication” in a VPN as recited in the claims, (2) the lack of the requirement of a “direct communication” in a VPN as disclosed in the Specification, (3) the lack of disclosure of what a “direct communication” would entail even if disclosed in the Specification, (4) the explicit disclosure in the Specification that examples provided in the disclosure are non-limiting, and (5) the fact that any Patent Owner disclaimers (assuming there are any) are binding on the patent owner only. We weigh all of the evidence of record collectively and, as previously indicated, we determine that Petitioner met its burden of demonstrating, by a preponderance of the evidence, unpatentability of claim 1 with respect to this issue. We also determine that Patent Owner’s generalized argument that an alleged disclaimer by Patent Owner somehow “informs the patent’s scope” in some way is not sufficiently persuasive in refuting Petitioner’s showing. In other words, we find that the collective evidence outweighs Patent Owner’s argument.

Patent Owner argues that “the Federal Circuit noted that a virtual private network requires direct communication” and that “the Federal Circuit explained that a VPN, as claimed, [must] include[] direct communication [between a client computer and a target computer].” PO Resp. 12, 31. We

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<sup>5</sup> *Tempo Lighting, Inc. v. Tivoli, LLC*, 742 F.3d 973 (Fed. Cir. 2014).



note, however, that the Federal Circuit does not appear to have held that a VPN must include a “direct communication,” much less that such a construction would apply under a broadest reasonable standard. Rather, the Federal Circuit merely stated that “the jury heard evidence that Kiuchi’s proxy servers at least do not teach ‘direct communication’” in the context of finding that “the district court did not err in denying [Defendant’s] JMOL motion with respect to invalidity.” *Cisco*, 767 F.3d at 1323–24. In addition, as the Federal Circuit indicates, the parties during litigation “must establish invalidity by clear and convincing evidence,” which differs from the standard applied at the PTO (i.e., preponderance of the evidence). *Id.* at 1323.

Hence, the issue discussed by the Federal Circuit was not whether or not a VPN must include a “direct communication” between a client computer and target computer under a broadest reasonable standard or whether or not Kiuchi discloses such a feature under a preponderance of the evidence standard. *Cisco* does not involve an appeal about the claim construction of VPN—no party disputed whether or not a VPN required a direct connection, so that this agreed-upon feature reasonably could have amounted to a litigation tactic by the parties for different reasons. Rather, the issue discussed by the Federal Circuit was whether or not there was sufficient evidence justifying the district court’s denial of Defendant’s motion for judgment as a matter of law with respect to invalidity using the clear and convincing standard (the Federal Circuit held that sufficient evidence was, in fact, presented justifying a holding that the district court did not err in denying Defendant’s JMOL motion). *Id.* at 1323-24.

Furthermore, Patent Owner's briefs do not explain clearly how to interpret "direct."

As such, we do not see, and Patent Owner does not point out, the relevance of the cited matter to the issue before us, that is: (1) whether or not one of skill in the art would have understood, under the broadest reasonable interpretation standard in light of the specification, that a VPN must include a "direct communication"; (2) what such a "direct communication" would (and would not) encompass; and (3) whether or not Kiuchi discloses such a "direct communication" under a preponderance of the evidence standard.

We are not persuaded by Patent Owner's arguments. On this record, Petitioner has met its burden of demonstrating by at least a preponderance of the evidence that claim 1 is unpatentable.

#### Claim 4

Patent Owner argues that Kiuchi only discloses "checking whether" a client computer "is registered in the network" but fails to disclose determining whether a client computer is "authorized" to establish a VPN with the target computer, as recited in claim 4, because "whether the server-side proxy [of Kiuchi] is permitted to connect says nothing as to the client computer's authorization." PO Resp. 35. However, as previously indicated, based on our review of Petitioner's arguments, we determine that Petitioner met its burden of demonstrating, by a preponderance of the evidence, unpatentability of claim 4 with respect to this issue and Patent Owner's arguments are not persuasive in refuting Petitioner's showing by demonstrating sufficiently a difference between determining if a user or device is "permitted" to connect (as disclosed by Kiuchi) and determining if

the user or device is “authorized” to connect. One of skill in the art would have understood that a user or device that is determined to be “permitted to connect” also would be determined to be “authorized” to do so. Otherwise, the user or device would not be permitted to connect (not being “authorized” to do so), which would be contrary to the determination that the user or device is “permitted to connect.” *See, e.g.*, Pet 30–31 (citing Ex. 1003, 22–25; Ex. 1002, 64–65). Petitioner has met its burden of demonstrating by at least a preponderance of the evidence that claim 4 is unpatentable.

### Claim 7

Claim 7 recites a gatekeeper computer that allocates VPN resources. Patent Owner argues that Kiuchi discloses a “server-side proxy” that corresponds to a “target computer,” as claimed, and cannot, therefore, also correspond to the claimed “gatekeeper,” as alleged by Petitioner. PO Resp. 36. However, based on our review of Petitioner’s arguments, we determine that Petitioner met its burden of demonstrating, by a preponderance of the evidence, unpatentability of claim 7 and Patent Owner’s arguments are not persuasive in refuting Petitioner’s showing. For example, as previously discussed, Petitioner equates the “origin server” of Kiuchi with the claimed “target computer.”<sup>6</sup> Patent Owner also acknowledged, adopted, and provided argument pertaining to this claim mapping.<sup>7</sup> As such, on this

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<sup>6</sup> E.g., in discussing the claim limitation of “initiating the VPN between the client computer and the target computer,” Petitioner states that “[d]ata is securely transmitted between the user agent and origin server.” Pet. 29.

<sup>7</sup> Patent Owner states that “the user’s requests are not provided for direction to the server-side proxy, but to the origin server” and that “a proxy server is distinct from the target computer.” PO Resp. 28. Patent Owner also states

record, Petitioner has met its burden of demonstrating by at least a preponderance of the evidence that claim 7 is unpatentable.

### Claim 10

Patent Owner argues that Petitioner states “that Kiuchi’s client-side proxy and C-HTTP name server correspond to the claimed ‘DNS proxy server’” (PO Resp. 32) but that Kiuchi fails to disclose that the DNS proxy server (or combination of Kiuchi’s client-side proxy and C-HTTP name server) generates a request to create the VPN between the client computer and the secure target computer, as recited in claim 10, because, according to Patent Owner, the request from the client side proxy “for connection to the server-side proxy” “cannot correspond to the claimed ‘request to create the VPN.’” PO Resp. 33. However, as previously indicated, based on our review of Petitioner’s arguments, we determine that Petitioner met its burden of demonstrating, by a preponderance of the evidence, unpatentability of claim 10 and Patent Owner’s arguments are not persuasive in refuting Petitioner’s showing. In addition, Petitioner’s additional arguments pertaining to this issue further persuade us that Petitioner met its burden of demonstrating, by a preponderance of the evidence, unpatentability of claim 10. Pet. 33–34; Pet. Reply 17. For example, assuming Patent Owner is correct that Petitioner asserts that the combination of Kiuchi’s client-side proxy and C-HTTP name server correspond to the claimed “DNS proxy server,” as Petitioner explains, Kiuchi discloses that the client-side proxy (within the combination of the client-side proxy and C-HTTP name server)

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that “Petitioners . . . allege that Kiuchi’s origin server corresponds to the claimed ‘target computer.’” PO Resp. Br. 37.

“sends a request for connection to the server-side proxy,” and subsequently, a “connection is established.” Ex. 1002, 65–66; *see also* Pet. 34. We are not persuaded of any substantive difference between this feature and the claimed feature of “the DNS proxy server generates a request to create the VPN between the client computer and the secure target computer.” In both cases, a request is made by a “DNS proxy server” (or combination of client-side proxy and C-HTTP name server of Kiuchi) for a secure connection.

Patent Owner argues that Kiuchi fails to disclose that the DNS proxy server “returns the IP address for the requested domain name if it is determined that access to a non-secure web site has been requested,” as recited in claim 10, because, according to Patent Owner, “Kiuchi does not disclose that the client-side proxy returns the IP address to the user agent.” (PO Resp. 34). We note that claim 10 recites that a DNS name server “returns the IP address for the requested domain name.” Patent Owner does not assert or demonstrate sufficiently that claim 10 also recites that the DNS name server must also “return the IP address for the requested domain name to the user agent.” Indeed, claim 10 does not appear to require any specific destination for returning the IP address at all.

As such, on this record, Petitioner has met its burden of demonstrating by at least a preponderance of the evidence that claim 10 is unpatentable.

#### Obviousness – Claim 8

Patent Owner argues that “Petitioners do not allege that RFC 1034 makes up for any of the deficiencies of Kiuchi” and therefore, according to Patent Owner, “claim 8 should be confirmed.” PO Resp. 37–38. However, based on our review of Petitioner’s arguments, we determine that Petitioner

met its burden of demonstrating, by a preponderance of the evidence, unpatentability of claim 8 and Patent Owner's arguments are not persuasive in refuting Petitioner's showing. For example, Patent Owner does not assert or demonstrate sufficiently that the combination of Kiuchi and RFC 1034 fails to disclose or suggest each limitation of claim 8. On this record, Petitioner has met its burden of demonstrating by at least a preponderance of the evidence that claim 8 is unpatentable.

#### Obviousness – Printed Publication

Patent Owner asserts that “Petitioners have not established by a preponderance of the evidence that RFC 1034 qualifies as a ‘printed publication.’” PO Resp. 41. The determination of whether a given reference qualifies as a prior art “printed publication” involves a case-by-case inquiry into the facts and circumstances surrounding the reference's disclosure to members of the public. *In re Klopfenstein*, 380 F.3d 1345, 1350 (Fed. Cir. 2004). On its face, RFC 1034 is a dated “Request for Comments” from the “Network Working Group,” discussing generally known methods for responding to a query from a client. Ex. 1005, 4. Moreover, RFC 1034 explicitly states that “[d]istribution of this memo is unlimited.” Ex. 1005, 1. These indicia suggest that it is more likely than not that the document was made available to the public (over the Internet).

To bolster its showing, Petitioner provides evidence suggesting that RFC 1034 would have been accessible to the interested public. For example, Petitioner provides testimony of Dr. Roch Guerin who explains that “RFC documents are published on a specific date, which starts a period for others to provide comments on the document” and the “publication date

of each RFC is contained in the RFC, . . . in the top right corner of the first page of the document [which is] the date it was released for public distribution on the Internet.” Ex. 1003, 44.

Petitioner also relies on evidence describing the general practice of publishing documents “as part of the “Request for Comments’ (RFC) document series” in which “RFCs can be obtained from a number of Internet hosts using anonymous FTP, gopher, World Wide Web, and other Internet document-retrieval systems.” Pet. Reply 21 (citing Ex. 1003, 41–47; Ex. 1010, 6). Exhibit 1010 further corroborates the testimony of Dr. Guerin and the indicia of availability on the face of RFC 1034.

Patent Owner characterizes Petitioner’s showing as providing “naked assertions.” PO Resp. 42. Patent Owner contends that “Dr. Guerin refers to RFC 2026 [but that RFC 2026 is] irrelevant in determining whether RFC 1034 qualifies as a printed publication” (PO Resp. 42) and challenges other evidence as too general and lacking a sufficient foundation. *See* PO Resp. 42, 44.

The parties agree that Exhibit 1010, RFC 2026, reflects “generally accepted practices” for RFC documents and states that “any interested person can obtain RFCs from a number of Internet hosts.” *See* Ex. 1010, 6. Patent Owner characterizes this evidence of “generally accepted practices” as being published “*nine years after* the alleged publication date of RFC 1034” (PO Resp. 42) and, therefore, irrelevant to the publication of RFC 1034. Patent Owner does not demonstrate persuasively, however, how the publication date of RFC 2026, which describes general practices of publishing documents in the RFC series, fails to relate to the public availability of RFC 1034, RFC 1034 being a document within the RFC

series. On the contrary, RFC 2026 confirms the statement in RFC 1034 that “[d]istribution of [RFC 1034] is unlimited.” Ex. 1005, 1. Accordingly, we are not persuaded by Patent Owner’s arguments. Instead, we agree with Petitioner that RFC 1034 is a prior art printed publication.

Petitioner’s Declarant’s (Dr. Roch Guerin) testimony

Petitioner filed a Declaration of Dr. Roch Guerin. Ex. 1003. Patent Owner argues that Petitioner’s Declarant’s testimony should “be given little, if any, weight” because, according to Patent Owner, “Dr. Guerin failed to consider, let alone opine on, how any of the claim features are disclosed in asserted references.” PO Resp. 38. Patent Owner’s arguments are moot in view of the fact that we did not rely on Dr. Guerin’s testimony in determining whether “claim features are disclosed in asserted references.” In any event, Dr. Guerin’s testimony is helpful in the other respects to which he testified and entitled to due weight.

Alleged previous challenges

Patent Owner argues that “[t]he ’135 patent has been challenged eleven times in inter partes proceedings before the Office” and, therefore, “this proceeding is barred by 35 U.S.C. §§ 312(a)(2) and 315(b) – (c).” PO Resp. 45–46. Under 35 U.S.C. §§ 312(a)(2), a “petition . . . may be considered only if . . . the petition identifies all real parties in interest.” Under 35 U.S.C. §§ 315(b) and (c), an “inter partes review may not be instituted if the petition . . . is filed more than one year after the date on which the petitioner . . . is served with a complaint” and that the Director “may join as a party . . . any person.” Neither of the cited statutes appears to



state that a petition may not be instituted or otherwise considered if the patent being challenged has been previously challenged. Thus, even assuming Patent Owner's contention to be correct that the '135 patent has been challenged previously, we are not persuaded by Patent Owner's argument that this alleged fact provides sufficient cause to terminate the present proceedings.

To the extent that Patent Owner argues that the present proceedings should be terminated pursuant to 35 U.S.C. § 325(d), this argument was previously raised and addressed. Prelim. Resp. 17–20; Inst. Dec. 10–11. We remain unpersuaded by Patent Owner's argument for the reasons stated in the Decision.

#### Real Parties in Interest

Patent Owner argues that The Mangrove Partners Master Fund, Ltd. failed to name all real parties in interest. PO Resp. 46–52, 56–57. In support of this allegation, Patent Owner re-iterates arguments that were previously raised and addressed in the record. Prelim. Resp. 1–13; Inst. Dec. 7–8; Patent Owner's Request for Rehearing Under 37 C.F.R. § 42.71(d)(1) filed October 21, 2015, Paper 13, 3–7; Decision on Request for Rehearing, dated November 13, 2015, Paper 19, 2–9. We remain unpersuaded by Patent Owner's arguments.

For example, Patent Owner argues that “The Mangrove Partners Hedge Fund is ‘the investment manager’ for” unnamed funds and that “[a]ll of the funds have a ‘shared investment objective . . . [to] compound their net worth while minimizing the chances of a permanent loss of capital.” PO Resp. 47 (citing Ex. 2001 4). As previously discussed,

[w]e are not persuaded by Patent Owner’s arguments because Patent Owner does not explain sufficiently how any of these statements, even if assumed to be true, demonstrate or even suggest that any of the cited additional entities “exercised control over a party’s participation in” the preparation or filing of the Petition. Indeed, the fact that other funds have a common objective . . . does not . . . relate to whether or not the other funds exercised control over any aspect of the filing of the present Petition or not.

Paper 19, 4.

Patent Owner also argues that “the Mangrove Partner’s Hedge Fund has ‘*complete discretion*’ regarding the investment of” the unnamed funds and ‘has repeatedly demonstrated that, in practice, it exercises total control over Petitioner Mangrove.’ PO Resp. 47, 48. As we previously explained,

even assuming that the Mangrove Partners Hedge Fund has “complete discretion” regarding investment objectives of the Funds, as Patent Owner contends, Patent Owner does not demonstrate that the Mangrove Partners Hedge Fund also has “complete discretion” over the preparation or filing of the Petition to the extent of exercising control over the preparation or filing of the Petition.

Paper 19, 4-5.

Patent Owner argues that unnamed entities “fund all of the activities of Petitioner Mangrove . . . , receive management and investment fees from investors, and are co-owners of Petitioner Mangrove.” PO Resp. 49. As we previously explained, Patent Owner’s “contention, even if assumed to be true, is insufficient to demonstrate that any of [the unnamed entities] played any role in the preparation or filing of the petition (i.e., controlled the preparation or filing of the Petition),” and “Patent Owner has not demonstrated sufficiently that [the unnamed entities], in fact, fund[] *all* of

the activities of the Petitioner, *including* the preparation or filing of the present Petition to the extent of exercising control over the preparation or filing of the present Petition.” Paper 19, 7-8.

Patent Owner argues that “Mangrove Capital . . . is an ‘affiliate’ of the Mangrove Partners Hedge Fund and ‘serves as the general partner of the US Feeder.’” PO Resp. 49. Patent Owner further argues that “Mangrove Capital is allocated 20% of the annual increase in the net worth of an Investor’s interest in a Fund” and that “[a]ny persons acting on behalf of Mangrove Capital are subject to the supervision and control of [the named Petitioner] in connection with any investment advisory activities.” *Id.* Even assuming to be correct Patent Owner’s contention that any persons acting on behalf of Mangrove Capital are subject to the supervision and control of the named Petitioner in connection with any investment advisory activities, we are still not persuaded by Patent Owner. For example, Patent Owner does not assert or demonstrate persuasively that “Mangrove Capital” exercised control over the preparation or filing of the present Petition.

Patent Owner argues that “investors would have each provided substantial funding for the Petitioner” and that “undisclosed investors that provided substantial funding for the Petitioner . . . are RPIs.” PO Resp. 51. As we previously explained,

Patent Owner does not demonstrate persuasively that any specific investor provided [funds] to exercise control over the preparation or filing of the Petition (or that any specific investor was even aware of the Petition) or that any of the alleged [funds] was, in fact, used to exercise control over the preparation or filing of the Petition on behalf of any specific investor.

Paper 19, 9.

Patent Owner argues that “the fiduciary relationship between the unnamed investors and the Mangrove Partners Hedge Fund . . . further compels a finding that the investors are RPIs.” PO Resp. 51. As we previously stated,

[e]ven assuming that the Mangrove Partners Hedge Fund seeks to increase profits for its investors under a “fiduciary duty,” as Patent Owner alleges, Patent Owner does not demonstrate persuasively that the Mangrove Partners Hedge Fund also exercised control over any aspect of the preparation or filing of the present Petition. Indeed, it is assumed that many funds in existence would also seek to increase profits for its investors but are not real-parties-in-interest in the present matter (i.e., “exercised control” over the preparation or filing of the Petition) merely by virtue of the fact that these funds seek to increase profits.

Paper 19, 5.

#### RPX Corporation as Real Party in Interest

Patent Owner now argues that “RPX Corporation . . . is an RPI to the Petition filed by Mangrove” and the failure to name RPX Corporation as a real party in interest should bar the proceeding. PO Resp. 52–54, 56–57. In particular, Patent Owner argues that the Mangrove entities “are RPX’s fifth largest shareholder,” “owned ‘approximately 5.0% of the shares outstanding’ for RPX,” had “recently met with management for RPX,” “received 211,736 shares of RPX stock, then valued at over \$3.5 million,” subsequently “received still more shares, with its ownership increasing to 513,137 shares of RPX stock,” and are represented by “James Bailey [who] represent[ed] RPX in [related matters].” *Id.* at 52–54. Patent Owner also argues that “Mr. [James] Bailey is not counsel in any other PTAB

proceedings.” *Id.* at 54. Hence, Patent Owner argues that RPX Corporation constitutes a real party in interest in the instant proceeding because the named real party in interest (i.e., Mangrove) owns shares of stock of RPX Corporation and/or Mangrove is represented by counsel who previously represented RPX. We are not persuaded by Patent Owner’s argument at least because Patent Owner provides insufficient evidence supporting the implied contention that the alleged fact that a fund owns stock in a company and/or retains the services of an attorney who previously represented the company in a different matter would implicate that company as a real party in interest in any *inter partes* review proceedings filed by the fund.

35 U.S.C. § 315(b)

Patent Owner argues that Apple Inc. is “time-barred from this proceeding” because, according to Patent Owner, Apple Inc. failed to “‘properly file[] a petition’ within the one-year deadline specified in section 315(b).” PO Resp. 58. Patent Owner further argues that “the term ‘properly filed’ was meant to encompass the timing requirement of section 315(b), and that section 315(b)’s timing exemption was not intended to alter that requirement.” *Id.* at 58–59. The argument was previously presented and previously addressed in IPR2016-00062 prior to consolidation with this case. IPR2016-00062, Prelim. Resp. 1–3 (Paper 10); IPR2016-00062 Inst. Dec. 3–4, Paper 14; Patent Owner’s Request for Rehearing Under 37 C.F.R. § 42.71(d)(1) of Institution Decision in IPR2016-00062, dated February 8, 2016, Paper 35, 6–12; Decision on Request for Rehearing, dated February 26, 2016, Paper 38, 2. We remain unpersuaded by Patent Owner’s arguments for the reasons stated in the Decisions cited above.

Alleged improper argument(s) in the Reply Brief

Patent Owner argues that Petitioner presented various improper arguments in the Petitioner's Consolidated Reply Brief and in the Separate Reply filed by Apple Inc. Paper 55. Patent Owner argues that Petitioner provided in Petitioner's Consolidated Reply Brief (i.e., Papers 50, 51)<sup>8</sup> a new argument mapping the claimed DNS request to a "request for connection to the server-side proxy." Paper 55, 2 (citing Papers 50, 51 at 10). In the Petition, Petitioner argues that Kiuchi discloses that "the client-side proxy . . . sends a request to a C-HTTP name server." Pet 27–28. Thus, contrary to Patent Owner's contention, this argument was previously raised by Petitioner in the Petition. Also, see further discussion above.

Patent Owner also argues that Petitioner presented a new argument in Petitioner's Consolidated Reply Brief regarding "the 'collective[]' actions of the client-side proxy and C-HTTP name server for the claimed 'determining.'" Paper 55, 2. Petitioner argued in the Petition that "the C-HTTP name server and client-side proxy each determine whether the user agent is requesting to connect to a secure destination." Pet. 28. Thus, contrary to Patent Owner's contention, Petitioner presented an argument in the Petition (and prior to the filing of Patent Owner's Response) that the client-side proxy and the C-HTTP name server perform the "determining" step (i.e., determining whether the DNS request transmitted in step (1) is requesting access to a secure web site). We also note that, in Patent Owner's Response (Paper 49), Patent Owner argues that Petitioner states "that

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<sup>8</sup> As previously noted, Petitioner filed a redacted version of Petitioner's Consolidated Reply Brief (Paper 51) and a corresponding non-redacted version (Paper 50).

Kiuchi's client-side proxy and C-HTTP name server correspond to the claimed 'DNS proxy server'." PO Resp. Br. 32 (citing Pet. 34). Patent Owner does not explain sufficiently how Petitioner's argument is presented for the first time in the Petitioner's Consolidated Reply Brief (Papers 50, 51) when Patent Owner addresses this argument in Patent Owner's Response (Paper 49), which was filed prior to the filing of Petitioner's Consolidated Reply Brief.

Patent Owner argues that Petitioner provided new arguments in Petitioner's Consolidated Reply Brief mapping Kiuchi's client-side proxy to the claimed "client computer." Paper 55, 3 (citing Papers 50, 51, 18). We note that Patent Owner has provided arguments responsive to Petitioner's claim mapping of Kiuchi's client-side proxy to the claimed "client computer." For example, Patent Owner argues in Patent Owner's Response that "Kiuchi's client-side proxy is not a user's [client's] computer" because, according to Patent Owner, "Kiuchi does not disclose any user associated with the client-side proxy." PO Resp. Br. 24–25. Patent Owner does not explain sufficiently how this argument was allegedly presented for the first time in Petitioner's Consolidated Reply Brief when Patent Owner already responded to this argument in Patent Owner's Response, which was filed prior to Petitioner's Consolidated Reply Brief.

Patent Owner argues that Petitioner provided new arguments in Petitioner's Consolidated Reply Brief including arguments that the claimed "DNS request" corresponds to "'C-HTTP requests' to the server-side proxy, arguments "relying on Kiuchi's appendices," arguments relying on RFC 1945 (Exhibit 1014), and Apple's "numerous accusations against Patent Owner." Paper 55, 2–3 (citing Paper 51, 6–7, 10; Ex. 1002, 66). Patent

Owner's arguments are moot in view of the fact that we did not rely on these cited portions of Petitioner's Consolidated Reply Brief or the cited portion of the Separate Reply filed by Apple Inc.

### MOTION TO EXCLUDE

Patent Owner filed a Motion to Exclude in which Patent Owner requests that Exhibits 1005, 1010, 1014, 1020, 1025, 1029, 1031–1033, 1037, and 1039–1049 be excluded from the record. Paper 59.

#### Exhibits 1005 and 1010

Patent Owner argues that Exhibits 1005 and 1010 “lack relevance.” Paper 59, 7. Exhibit 1005 is RFC 1034, a reference cited by Petitioner in a proposed ground of unpatentability of claim 8. Exhibit 1010 corresponds to RFC 2026, a document that Petitioner relies upon to demonstrate the general practice of publication of documents in the RFC series (in response to Patent Owner's argument regarding the public availability of RFC 1034). In view of Petitioner's reliance on Exhibit 1005 as prior art in a proposed ground of unpatentability and reliance on Exhibit 1010 in response to the issue of public availability of RFC 1034 (as raised by Patent Owner), we disagree with Patent Owner that these documents lack relevance. Patent Owner's motion to exclude is denied with respect to Exhibits 1005 and 1010.

#### Exhibits 1014, 1020, 1025, 1029, 1031–1033, 1037, and 1039–1049

Patent Owner moves to exclude Exhibits 1014, 1020, 1025, 1029, 1031–1033, 1037, and 1039–1049. We either did not rely on the disputed exhibits (i.e., Exhibits 1014, 1020, 1025, 1029, 1031–1033, 1037, and 1039–



1044), the disputed exhibits are not part of the record (Exhibits 1045 and 1047–1049) or are a demonstrative exhibit (Exhibit 1046) and, therefore, we did not rely on the exhibits. Patent Owner’s motion to exclude with respect to Exhibits 1014, 1020, 1025, 1029, 1031–1033, 1037, and 1039–1049 is dismissed as moot.

#### MOTION TO SEAL

Patent Owner filed a Motion to Seal Exhibits 2049, 2061, and 2062, as well as portions of Patent Owner’s Response. Petitioner has not filed an opposition to the Motion to Seal.

There is a strong public policy in favor of making information filed in an *inter partes* review open to the public, especially because the proceeding determines the patentability of claims in an issued patent and, therefore, affects the rights of the public. Under 35 U.S.C. § 316(a)(1) and 37 C.F.R. § 42.17, the default rule is that all papers filed in an *inter partes* review are open and available for access by the public; however, a party may file a concurrent motion to seal and the information at issue is sealed pending the outcome of the motion. It is only “confidential information” that is protected from disclosure. 35 U.S.C. § 316(a)(7); *see* Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,760 (Aug. 14, 2012). The standard for granting a motion to seal is “good cause.” 37 C.F.R. § 42.54(a). The party moving to seal bears the burden of proof in showing entitlement to the requested relief, and must explain why the information sought to be sealed constitutes confidential information. 37 C.F.R. § 42.20(c). As set forth in the Trial Practice Guide (77 Fed. Reg. at 48,761), there is an expectation that information will be made public if identified in this Final Written Decision.

We have reviewed Exhibits 2049, 2061, 2062, and the unredacted versions of Patent Owner's Response. We conclude that they contain confidential business information. None of the content of those documents that is asserted as constituting confidential business information has been identified in this Final Written Decision in reaching a determination in this proceeding with respect to the claims of the '135 patent. We are persuaded that good cause exists to have those documents remain under seal.

The record will be maintained undisturbed pending the outcome of any appeal taken from this decision. At the conclusion of any appeal proceeding, or if no appeal is taken, the documents will be made public. *See* Trial Practice Guide, 77 Fed. Reg. at 48,760–61. Further, either party may file a motion to expunge the sealed documents from the record pursuant to 37 C.F.R. § 42.56. Any such motion will be decided after the conclusion of any appeal proceeding or the expiration of the time period for appealing.

### CONCLUSION

Petitioner has shown by a preponderance of the evidence that claims 1, 3, 4, 7, 8, 10, and 12 are unpatentable under 35 U.S.C. § 102 as anticipated by Kiuchi and claim 8 is unpatentable under 35 U.S.C. § 103(a) over Kiuchi and RFC 1034.

### ORDERS

After due consideration of the record before us, it is:

ORDERED that claims 1, 3, 4, 7, 8, 10, and 12 of the '135 patent are held unpatentable;

FURTHER ORDERED that Patent Owner's Motion to Exclude with respect to Exhibits 1005 and 1010 is *denied*;

FURTHER ORDERED that Patent Owner's Motion to Exclude with respect to Exhibits 1014, 1020, 1025, 1029, 1031–1033, 1037, and 1039–1049 is *dismissed*;

FURTHER ORDERED that Patent Owner's Motion to Seal (Paper 43) is *granted*; and

FURTHER ORDERED that, because this is a Final Written Decision, the parties to the proceeding seeking judicial review of the decision must comply with the notice and service requirements of 37 C.F.R. § 90.2.

IPR2015-01046  
Patent 6,502,135 B1

PETITIONER:

Abraham Kasdan  
WIGGIN AND DANA LLP  
akasdan@wiggins.com

James T. Bailey  
jtb@jtbailey.com

Jeffrey P. Kushan  
Thomas A. Broughan, III  
Scott M. Border  
SIDLEY AUSTIN LLP  
IPRNotices@sidley.com  
tbroughan@sidley.com  
sborder@sidley.com

PATENT OWNER:

Joseph E. Palys  
Naveen Modi  
Daniel Zeilberger  
Chetan Bansal  
PAUL HASTINGS LLP  
josephpalys@paulhastings.com  
naveenmodi@paulhastings.com  
danielzeilberger@paulhastings.com  
chetanbansal@paulhastings.com