RECORD OF ORAL HEARING

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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APPLE INC.,

Petitioner,

vs.

VIRNETX INC.,

Patent Owner.

- - - - - -

Case IPR2015-01009 and IPR2015-01010
Patent 8,843,643 B2
Technology Center 2400
Oral Hearing Held: Tuesday, July 19, 2016

Before: KARL D. EASTHOM, ROBERT J. WEINSCHENK, and BETH Z. SHAW, Administrative Patent Judges.

The above-entitled matter came on for hearing on Tuesday, July 19, 2016, at 10:00 a.m., Hearing Room B, taken at the U.S. Patent and Trademark Office, 600 Dulany Street, Alexandria, Virginia.

REPORTED BY: RAYMOND G. BRYNTESON, RMR, CRR, RDR

APPEARANCES:

ON BEHALF OF THE PETITIONER:

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ON BEHALF OF THE PATENT OWNER:

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1	P R O C E E D I N G S
2	(10:00 a.m.)
3	JUDGE WEINSCHENK: This is a hearing for
4	IPR2015-01009 and IPR2015-01010, Apple Inc. vs. VirnetX
5	Inc.
6	Let's start with appearances. Who do we have for
7	Petitioner?
8	MR. BORDER: Your Honor, Scott Border for
9	Petitioner Apple. With me are Jeff Kushan, lead counsel, and
10	Tom Broughan, backup counsel.
11	JUDGE WEINSCHENK: Good morning. And who
12	do we have for Patent Owner?
13	MR. ZEILBERGER: Good morning, Your Honor.
14	Daniel Zeilberger here on behalf of Patent Owner, along with
15	lead counsel, Joseph Palys, and Naveen Modi.
16	JUDGE WEINSCHENK: Good morning. So as you
17	know from our order, each side will have 45 minutes to
18	present their case. I will start with Petitioner and then follow
19	up with Patent Owner.
20	Petitioner, you may begin when you are ready.
21	Just let us know how much time you would like to reserve for
22	rebuttal, if any.
23	MR. BORDER: Yes, Your Honor, I would like to
24	-- may I approach?
25	JUDGE WEINSCHENK: Sure. Thank you.

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1   MR. BORDER: I will use about 25 minutes and

2   leave about 20 minutes for rebuttal, Your Honor.

3   JUDGE WEINSCHENK: 20 minutes for rebuttal?

4   MR. BORDER: Yes, Your Honor.

5   Good afternoon, Your Honors, and may it please

6   the Board. We are here to discuss two proceedings involving

7   the same '643 patent to VirnetX, IPR2015-01009.

8   One primary reference at issue, that's the Windows

9   Resource Kit, Exhibit 1005. We have two secondary

10   references involved in this proceeding. That's the IE5

11   Resource Kit, Exhibit 1006, and the Elgamal patent, which is

12   Exhibit 1007.

13   We will also be discussing IPR2015-01010. Those

14   involve the references Yeager, which is Exhibit 1008, and the

15   IE5 Resource Kit, again, which is Exhibit 1006. There is

16   one -- two claims involving RFC 1034. I will discuss those

17   proceedings shortly.

18   Let's go to slide 3, please. On this slide is the first

19   claim of the '643 patent and it is exemplary. It describes a

20   method of creating an encrypted communication link between a

21   first and second device. The method is comprised of two main

22   steps and four sub-steps.

23   First, there is enabling at the first device a secure

24   communication mode. Second, you establish based on a

25   determination that the secure communication mode has been

4

1   enabled, the encrypted communication link. And then there

2   are four sub-steps that comprise the establishing step. Those

3   include constructing a domain name, sending a query using the

4   domain name, receiving a network address, and then finally

5   initiating the establishment of the encrypted communication

6   link using encrypted communication link resources.

7   Let's go to slide 5. Now, the '643 patent is

8   generally directed to a method and apparatus of creating a

9   secure -- excuse me, the '643 patent is generally directed to

10   secure communication techniques. It describes several

11   examples of enabling a secure communication mode.

12   What I have included here is, in Exhibit 1001,

13   which is the '643 patent at column 50, lines 9 through 19, and

14   it explains that one way to enable a secure communication

15   mode is by clicking on a "go secure" hyperlink.

16   And it further explains that when doing this the

17   user does not need to enter any user identification information,

18   any passwords or encryption keys.

19   And if we can go to slide 6 there is another

20   description on an alternative way of entering a communication

21   mode. In this one the user simply enters a command into the

22   computer. In either case there is no entering of information

23   such as passwords, identification information or -- excuse me,

24   or passwords. And I note this is at column 49, lines 26 to 53

25   of the '643 patent.

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