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Paper 6
Date: 14 August, 2013

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.
NEW BAY CAPITAL, LLC
Petitioners

v.

VIRNETX, INC.
Patent Owner

Cases IPR2013-00348, -00349, -00375 (Patent 6,502,135 B1) (SCM)
IPR2013-00354, -00376 (Patent 7,490,151 B2)
IPR2013-00377, -00393, -00394 (Patent 7,418,504 B2)
IPR2013-00378, -00397, -00398 (Patent 7,921,211 B2)[1]

Before SALLY C. MEDLEY, MICHAEL P. TIERNEY, KARL D. EASTHOM, and STEPHEN C. SIU, *Administrative Patent Judges.*

MEDLEY, *Administrative Patent Judge.*

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[1] This order addresses a similar issue in the eleven cases. Therefore, we exercise discretion to issue one order to be filed in each case. The parties, however, are not authorized to use this style of heading in subsequent papers. Apple, Inc. is the petitioner in the -00348, -00349, -00354, -00393, -00394, -00397, and -00398 cases. New Bay Capital, LLC is the petitioner in the -00375, -00376, -00377, and -00378 cases. VirnetX, Inc. is the patent owner in the eleven cases.

ORDER
Conduct of the Proceeding
37 C.F.R. § 42.5

On August 5, 2013, the following individuals participated in a conference call:

(1) Mr. Jeffrey Kushan and Mr. Joseph Micallef, counsel for Apple Inc. ("Apple");

(2) Mr. Robert Asher and Mr. Jeffrey Klayman, counsel for New Bay Capital, LLC ("New Bay");

(3) Mr. Joseph Palys and Mr. Naveen Modi, counsel for VirnetX Inc. ("VirnetX"); and

(4) Sally Medley, Michael Tierney, Karl Easthom, and Stephen Siu, Administrative Patent Judges.[2]

The purpose of the conference call was for VirnetX to seek Board authorization to file a motion to dismiss each of the petitions filed by Apple in IPR2013-00348, -00349, -00354, -00393, -00394, -00397, and -00398 as untimely under 35 U.S.C. § 315(b). Prior to the conference call, Board personnel notified the parties to be prepared to discuss potential joinder of cases and the related pending reexaminations.

Motion to Dismiss

VirnetX is of the opinion that Apple's petitions are untimely under 35 U.S.C. § 315(b). As such, VirnetX requests authorization to file a motion to dismiss each Apple petition. The request was denied for the following reasons.

A patent owner is provided an opportunity to file a preliminary response to a

[2] A court reporter was present.

petition. 35 U.S.C. § 313; 37 C.F.R. § 42.107. A preliminary response may include reasons why no *inter partes* review should be instituted. 35 U.S.C. § 313. VirnetX is provided an opportunity to file a preliminary response and may address the 35 U.S.C. § 315(b) issue in that context, and, therefore, separate briefing in the form of a motion to dismiss is not necessary.

Motion for Joinder

As explained during the conference call, the timeliness limitation of 35 U.S.C. § 315(b) does not apply to a request for joinder. 35 U.S.C. § 315(b). The statutory provision for joinder is as follows:

> (c) JOINDER.—If the Director institutes an inter partes review, the Director, in his or her discretion, may join as a party to that inter partes review any person who properly files a petition under section 311 that the Director, after receiving a preliminary response under section 313 or the expiration of the time for filing such a response, determines warrants the institution of an inter partes review under section 314.

Based on the discussion concerning joinder, Apple requested leave to file a motion(s) for joinder. Counsel for VirnetX indicated that Apple could not file a motion for joinder, because they should have done so when Apple filed its petitions, citing 37 C.F.R. § 42.122(b) and § 42.101(b). Counsel for New Bay indicated that we could not consider a motion for joinder, because no *inter partes* review has been instituted.

We agree with New Bay that Apple cannot be joined to any New Bay proceeding unless a determination is made to institute an *inter partes* review. However, it is within the Board's discretion to obtain briefing from the parties regarding joinder prior to determining whether it will institute any *inter partes* review. Accordingly, we exercise our discretion to obtain briefing on the issue of

joinder at this juncture in the proceedings. Counsel for New Bay did not assert that taking such action would be an abuse of the Board's discretion.

We have considered VirnetX's argument that Apple cannot file a motion for joinder because it is too late; that Apple should have filed a motion for joinder when it filed its petitions. The Board does not agree that the rules are as restrictive as VirnetX perceives them to be. The pertinent provision of 37 C.F.R. § 42.122(b) concerning a request for joinder, provides that the time period set forth in § 42.101(b) does not apply when the petition is accompanied by a request for joinder. The rule does not specify that the accompaniment must take place simultaneously. In other words, we disagree that the rule requires the petition and the motion for joinder to be filed simultaneously in order to be considered under every circumstance. And even if the rule is so restrictive, which we find that it is not, the rule does not cover necessarily the present situation. At least with respect to some of the petitions Apple filed, it could not have filed a motion for joinder simultaneously with the filing of its petition, because New Bay had yet to file a petition. *See* 37 C.F.R. § 42.5(a). Moreover, the statutory provision for joinder provides that joinder is within the discretion of the Director. 35 U.S.C. § 315(c). Authorizing Apple to file motions for joinder after filing its petitions is within the discretion provided to the Director to determine if joinder is appropriate.

Accordingly, Apple is authorized to file a motion for joinder, e.g., to join Apple as a party to the appropriate New Bay case of IPR2013-00375, -00376, -00377, and -00378. Each motion for joinder should explain why joinder is appropriate, identify any claims or grounds raised in the corresponding Apple petition for consideration with respect to the motion for joinder, and explain what impact joinder would have on the scheduling of events. VirnetX and New Bay are authorized to file an opposition.

Inter Parte Reexamination Proceedings

A discussion was had regarding the related *inter partes* reexamination proceedings of the four involved patents. Based on the discussion, the panel determined that it was not necessary to stay any of the reexaminations. Nor will the Board merge those proceedings with any of the eleven proceedings before us. As discussed, Apple shall provide a brief update regarding a status change of any of the reexamination proceedings.

Order

It is

ORDERED that Apple is authorized to file a motion for joinder with a corresponding New Bay case in each of IPR2013-00348, -00349, -00354, -00393, -00394, -00397, and -00398 by August 21, 2013 in accordance with the above;

FURTHER ORDERED that each motion is limited to ten pages;

FURTHER ORDERED that New Bay[3] and VirnetX are authorized to file oppositions by August 28, 2013;

FURTHER ORDERED that each opposition is limited to ten pages;

FURTHER ORDERED that Apple shall, within two weeks of this order, and two weeks thereafter (if there is something to report), file with the Board a status update of the co-pending reexamination proceedings.

[3] New Bay is not a party to IPR2013-00348, -00349, -00354, -00393, -00394, -00397, and -00398. Accordingly, New Bay shall file any opposition to any Apple motion for joinder in the respective New Bay cases IPR2013-00375, -00376, -00377, and -00378.

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