Paper No. 7

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.
Petitioner,

v.

VIRNETX, INC. AND SCIENCE APPLICATION INTERNATIONAL CORPORATION,
Patent Owner

Patent No. 6,502,135
Issued: December 31, 2002
Filed: November 29, 1999
Inventors: Victor Larson, *et al.*
Title: Agile Network Protocol For Secure Communications With Assured System Availability

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Inter Partes Review No. IPR2013-00349

PETITIONER'S MOTION FOR JOINDER OF PROCEEDINGS

Pursuant to the authorization granted by the Panel on August 14, 2013 in Paper No. 6, Petitioner Apple Inc. ("Petitioner" or Apple) moves to have the Board join IPR proceedings IPR2013-00348 & -00349 to each other and with IPR proceeding IPR2013-00375 filed by New Bay Capital, LLC ("NBC"), each of which concerns U.S. Patent No. 6,502,135.

I. Relevant Facts

Apple filed petitions seeking *inter partes* review of the '135 patent on June 12, 2013. Each petition challenged the patentability of claims 1-10, 12-15, and 18 based on three references: Aventail, BinGO, and Beser (Exs. 1007-1009). On June 23, 2013, NBC filed its petition challenging the patentability of claims 1, 3, 7, and 8 over two references: Kiuchi and Dalton (Exs. 1002 & 1003 in IPR2013-00375).

The '135 patent is a member of a family of patents owned by VirnetX that includes U.S. Patent Nos. 7,490,151, 7,418,504 and 7,921,211. The specifications of these patents are nearly identical. VirnetX has asserted varying sets of claims of the '135 and other of its patents against Apple and other entities in numerous lawsuits. In August of 2010, VirnetX sued Apple and five other entities (the "2010 Litigation"). VirnetX asserted "at least" claims 1, 3, 7, 8-10, and 12 of the '135 patent against Apple and claims 1-5, 7, 9, 10, 12, and 13 against co-defendant Cisco. After trial, it obtained a judgment of infringement against Apple on, *inter*

alia, claims 1, 3, 7, and 8 of the '135 patent. That action now is on appeal to the Federal Circuit.

On December 31, 2012, VirnetX served a new complaint on Apple asserting infringement of "at least" claims 1, 3, 7, 8-10, and 12 of the '135 patent (the "2012 Litigation"). *See* Ex. 1050 at 5. When VirnetX served this new complaint on Apple, it established a 12 month period for Apple to submit a petition for *inter partes* review of the '135 patent that runs until December 31, 2013. 35 U.S.C. § 315(b); *see* Petition at 1-3. The new complaint led to a civil action, now pending in the Eastern District of Texas, that will go to trial on October 13, 2015.

VirnetX also asserted the '135 patent against Microsoft in separate lawsuits filed in February 2007, March 2010, and April 2013,[1] and against numerous other defendants[2] in actions filed in 2010 and 2011.

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[1] The 2013 complaint broadly alleges infringement of the patent without specifying particular claims, and infringement contentions are not due until September 2013. In its 2007 case against Microsoft, VirnetX contended claims 1-3, 1-10, and 12 were infringed.

[2] Specifically, VirnetX sued Avaya, Inc.; Mitel Networks Corp.; Mitel Networks, Inc.; Siemens Enterprise Commc'ns GmbH & Co. KG; Siemens Enterprise Commc'ns, Inc.; Siemens AG; Siemens Commc'ns, Inc.; and Siemens Corp. in

(Footnote continued)

II. Argument

Apple submits that joinder of the proceedings is fully warranted. *See* IPR2013-00004, Paper 15 at 4; *Dell v. Network-1 Security Solutions, Inc.*, IPR2013-00385, Paper 17 at 2-3. Joinder is proper under the statutory design of *inter partes* review, will simplify and reduce the number of issues before the Board and will enable streamlined proceedings (*i.e.*, one coordinated proceeding instead of three separate proceedings). In addition, the Board can manage the joined proceeding in a way that does not impact scheduling or conduct of the proceedings. *See Motorola Mobility LLC v. Softview, LLC*, IPR2013-00256, Paper 10 at 2-3.

A. Joinder Is Authorized and Appropriate

The Board is authorized to join these proceedings pursuant to 35 U.S.C. § 315(c). *Dell*, IPR2013-00385, Paper 17 at 2-6. In addition, joinder is not precluded by § 315(b), were that provision found to apply to the instant petitions. *Id.* As Apple explained in its petition, § 315(b) does not preclude the submission of its petition or institution of trial on the basis of this petition. *See* Petition at 1-3.

Joinder will further the statutory purpose of the *inter partes* review authority and is justified in this case. It will enable the Board to efficiently review, in a

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Case No. 6:11-cv-00018-LED (E.D. Tex.) and Aastra Techs. Limited; Aastra USA, Inc.; Apple Inc.; Cisco Systems, Inc.; NEC Corp.; and NEC Corporation of America in Case No. 6:10-cv-00417-LED (E.D. Tex.).

single proceeding, the patentability of all the claims in the '135 patent that VirnetX has asserted in multiple actions against multiple defendants, including Apple. The schedule of the joined proceedings is also fully compatible with the schedule of the 2012 Litigation. Because that litigation will not go to trial until October 2015, the Board will have ample time to conduct a trial in the joined proceeding and to issue a final written decision before the trial. The joined proceeding will thus provide an alternative forum to efficiently review the patentability of claims being asserted in district court litigation, will reduce the number of issues the district court must address and will minimize any duplication of effort by the Board and the Court. *See* Comments General Trial Rules, 77 Fed. Reg. at 48663. In other words, the Board will be able to issue a decision on the challenged claims that will have a meaningful impact on the 2012 Litigation without causing delay. *See* H.R. Rpt. 112-98, at 45 (2011) (discussing "time limits during litigation"); 157 Cong. Rec. S1326 (daily ed. Mar. 7, 2011) (statement of Sen. Sessions). Joining these proceedings thus is perfectly consonant with the statutory purpose and design of the *inter partes* review authority.

Joinder of the two proceedings initiated by Apple, which involve the same exhibits and same primary references, also will help secure "the just, speedy, and inexpensive resolution of" the proceedings before the Board. *See LaRose Indus. v. Capriola Corp.*, IPR2013-00121, Paper 11 at 24 (joining proceedings "filed on the

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