

Paper No. _____
Filed: March 26, 2014

Filed on behalf of: VirnetX Inc.
By: Joseph E. Palys
Naveen Modi
Finnegan, Henderson, Farabow,
Garrett & Dunner, L.L.P.
11955 Freedom Drive
Reston, VA 20190-5675
Telephone: 571-203-2700
Facsimile: 202-408-4400
E-mail: joseph.palys@finnegan.com
naveen.modi@finnegan.com

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

RPX CORPORATION
Petitioner

v.

VIRNETX INC.
Patent Owner

Case IPR2014-00172
Patent 6,502,135

Patent Owner's Request for Rehearing Under 37 C.F.R. § 42.71(d)

TABLE OF CONTENTS

- I. STATEMENT OF THE PRECISE RELIEF REQUESTED 1
- II. LEGAL STANDARD 1
- III. STATEMENT OF REASONS FOR RELIEF REQUESTED 2
 - A. Board Precedent Requires Denial of the Petition for Failing to Meet the Substantive Requirements of 37 C.F.R. § 42.104(b) 2
 - B. The Petition Remains Defective..... 5
 - C. The Order Prejudices VirnetX..... 7
 - D. VirnetX Requests an Expanded Panel on Rehearing 8
- IV. CONCLUSION..... 9

TABLE OF AUTHORITIES

Cases

<i>Atrium Med. Corp. v. Davol Inc.</i> , IPR2013-00186, Paper 34 (Oct. 23, 2013)	3, 6
<i>CLIO USA, Inc. v. The Procter and Gamble Co.</i> , IPR2013-00450, Paper 19 (Feb. 4, 2014)	2
<i>Heart Failure Techs., LLC v. Cardiokinetix, Inc.</i> , IPR2013-00183, Paper 12 (July 31, 2013)	6
<i>Liberty Mutual Ins. Co. v. Progressive Casualty Ins. Co.</i> , CBM2012-00003, Paper 7 (Oct. 25, 2012)	8
<i>Synopsys, Inc. v. Mentor Graphics Corp.</i> , IPR2012-00041, Paper 16 (Feb. 22, 2013)	3, 6
<i>Tasco, Inc. v. Pagnani</i> , IPR2013-00103, Paper 6 (May 23, 2013)	2-3
<i>Wowza Media Sys., LLC et al. v. Adobe Sys., Inc.</i> , IPR2013-00054, Paper 16 (July 13, 2013)	2-4, 7

Statutes

35 U.S.C. § 312(a)	4
--------------------------	---

Regulations

37 C.F.R. § 42.24(a)	5, 7
37 C.F.R. § 42.71(c)	2
37 C.F.R. § 42.71(d)	1
37 C.F.R. § 42.104(b)	passim
37 C.F.R. § 42.106(a)	4

I. STATEMENT OF THE PRECISE RELIEF REQUESTED

Patent Owner VirnetX Inc. (“VirnetX”) requests rehearing of the Patent Trial and Appeal Board’s (“Board”) Order entered March 17, 2014 (“Order”). Specifically, VirnetX requests rehearing of the decision¹ that “RPX must file, as an exhibit, a modified version of the original Petition, which has specific citations to the prior art that the declarant refers to in the declaration at the appropriate places in the Petition.” (Order at 4.) As discussed below, the Board should not allow RPX to fix its defective Petition. It should be denied.

II. LEGAL STANDARD

“A party dissatisfied with a decision may file a request for rehearing, without prior authorization from the Board.” 37 C.F.R. § 42.71(d). “The request must specifically identify all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed in a motion, an opposition, or a reply.” *Id.* A request for rehearing must be filed within 14 days of a non-final decision. 37 C.F.R. § 42.71(d)(1).

When asked to review a decision on a petition, a panel looks for an abuse of

¹ The Board also ordered the parties to further brief the real-party-in-interest and privity issues. (Order at 2-4.) VirnetX does not seek rehearing of that aspect of the Order.

discretion. 37 C.F.R. § 42.71(c). “An abuse of discretion occurs when a ‘decision was based on an erroneous conclusion of law or clearly erroneous factual findings, or . . . a clear error of judgment.’” *CLIO USA, Inc. v. The Procter and Gamble Co.*, IPR2013-00450, Paper 19 at 2 (Feb. 4, 2014) (quoted source omitted).

III. STATEMENT OF REASONS FOR RELIEF REQUESTED

VirnetX requests rehearing for three reasons. First, the Order departs from Board precedent requiring denial of a petition when it does not meet 37 C.F.R. § 42.104(b)’s substantive requirements. Second, despite RPX’s alleged compliance with the Order, the Petition’s substantive defects remain, and other defects have arisen. Third, the Order prejudices VirnetX. Because the Petition is substantively defective—not merely procedurally flawed—the Board should deny the Petition as it has done in other cases.

A. Board Precedent Requires Denial of the Petition for Failing to Meet the Substantive Requirements of 37 C.F.R. § 42.104(b)

Petitions that contravene the substantive requirements of 37 C.F.R. § 42.104(b) are denied, not subject to correction midstream. The Board has explained that “failure to point out where each element is found in the prior art is a deficiency in the substantive requirements of the petition,” which warrants denial under § 42.104(b)(4). *Wowza Media Sys., LLC et al. v. Adobe Sys., Inc.*, IPR2013-00054, Paper 16 at 3 (July 13, 2013) (emphasis added); *see also Tasco, Inc. v.*

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.