

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

RPX CORPORATION
Petitioner

v.

VIRNETX INC.
Patent Owner

Case IPR2014-00171 (Patent 6,502,135)
Case IPR2014-00172 (Patent 6,502,135)
Case IPR2014-00173 (Patent 7,490,151)
Case IPR2014-00174 (Patent 7,921,211)
Case IPR2014-00175 (Patent 7,921,211)
Case IPR2014-00176 (Patent 7,418,504)
Case IPR2014-00177 (Patent 7,418,504)

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

EASTHOM, *Administrative Patent Judge*

DECISION¹
Denial of *Inter Partes* Review
37 C.F.R. § 42.108

¹The Board exercises discretion to issue one identical Decision in each case using this caption style. Unless otherwise authorized, the parties are not permitted to use this style.

IPR2014-00171 (Patent 6,502,135); IPR2014-00172 (Patent 6,502,135); IPR2014-00173 (Patent 7,490,151); IPR2014-00174 (Patent 7,921,211); IPR2014-00175 (Patent 7,921,211); IPR2014-00176 (Patent 7,418,504); IPR2014-00177 (Patent 7,418,504)

I. INTRODUCTION²

Petitioner, RPX Corporation (“RPX”), filed Petitions in the above-listed cases. Patent Owner, Virnetx Inc. (“Virnetx”), submitted Preliminary Responses. Because the dispositive issues are similar, we treat IPR2014-00171 (“the ’171 proceeding”) as representative of the seven proceedings, which involve four Virnetx patents: U.S. Patent No. 6,502,135; U.S. Patent No. 7,490,151; U.S. Patent No. 7,921,211; and U.S. Patent No. 7,418,504 (“the Virnetx Patents”).

The seven proceedings involving the Virnetx Patents, challenged under 35 U.S.C. §§ 311–319, are summarized in the following table:

| Proceeding | Claims | Virnetx Patents |
|---------------|--|-----------------|
| IPR2014-00171 | 1–10, 12–15, and 18 | 6,502,135 |
| IPR2014-00172 | 1–10, 12–15, and 18 | 6,502,135 |
| IPR2014-00173 | 1–16 | 7,490,151 |
| IPR2014-00174 | 1, 2, 5, 6, 8, 14, 17, 19, 20, 23, 27–30, 33, 34, 36, 47, 51, and 60 | 7,921,211 |
| IPR2014-00175 | 1, 3, 15–18, 20–26, 31, 32, 35, 36, 37, 47, 51, and 60 | 7,921,211 |
| IPR2014-00176 | 1, 2, 5, 6, 8, 14, 16, 17, 19, 20, 21, 23, 27–30, 33, 34, 36, 47, 51, and 60 | 7,418,504 |
| IPR2014-00177 | 1, 2, 3, 5, 15–18, 20–27, 31, 32, 35, 36, 47, 51, and 60 | 7,418,504 |

As the table reflects, in the ’171 proceeding, RPX filed a Petition requesting *inter partes* review of claims 1–10, 12–15, and 18 of U.S. Patent

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After receiving the Decision, the parties jointly may request a redacted version of the Decision. After consideration of the joint request, or, if no request is filed, the Board will issue a subsequent public Decision.

IPR2014-00171 (Patent 6,502,135); IPR2014-00172 (Patent 6,502,135); IPR2014-00173 (Patent 7,490,151); IPR2014-00174 (Patent 7,921,211); IPR2014-00175 (Patent 7,921,211); IPR2014-00176 (Patent 7,418,504); IPR2014-00177 (Patent 7,418,504)

No. 6,502,135 (“the ’135 Patent”). *See* Paper 1 (“Pet.”).³ Virnetx submitted a Preliminary Response under 37 C.F.R. § 42.107(b). Paper 35 (“Prelim. Resp.”).

We have jurisdiction under 35 U.S.C. § 314. We determine that Apple Inc. (“Apple”) is a real-party-in interest.⁴ We deny the Petitions because the Petitions are time-barred. Contrary to the requirements of 35 U.S.C. § 315(b), the Petitions were “filed more than 1 year after the date on which the . . . real party in interest[, Apple,] . . . [wa]s served with a complaint alleging infringement of the patent.” Therefore, according to 35 U.S.C. § 315(b), “[a]n inter partes review may not be instituted.”

For an analysis of the time bar issue pursuant to 35 U.S.C. § 315(b), we refer to, and incorporate by reference, the Board’s previous decisions holding that earlier petitions filed by Apple, a real party-in-interest in those proceedings challenging the Virnetx Patents, were time-barred.⁵ As Apple is a real party-in-interest in the instant proceedings, the Petitions are time-

³ Record citations refer to the representative ’171 proceeding.

⁴ The Petitions do not list Apple, as 35 U.S.C. § 312(a)(2) requires: “A petition filed under section 311 may be considered only if . . . the petition identifies all real parties in interest.”

⁵ *See Apple Inc. v. Virnetx, Inc.*, IPR2013-00348 (PTAB Dec. 13, 2014) (denying *Inter Partes* Review of U.S. Patent No. 6,502,135), *reh’g denied*, (PTAB Feb. 12, 2014); IPR2013-00349 (same, Patent 7,490,151); IPR2013-00354 (same, Patent 7,490,151); IPR2013-00393 (same, Patent 7,418,504); IPR2013-00394 (same, Patent 7,418,504); IPR2013-00397 (same, Patent 7,921,211); IPR2013-00398 (same, Patent 7,921,211). In the latter four cases, the decisions were entered on December 18, 2013, although the rehearing decisions were entered on the same date in all the cases, February 12, 2014.

IPR2014-00171 (Patent 6,502,135); IPR2014-00172 (Patent 6,502,135); IPR2014-00173 (Patent 7,490,151); IPR2014-00174 (Patent 7,921,211); IPR2014-00175 (Patent 7,921,211); IPR2014-00176 (Patent 7,418,504); IPR2014-00177 (Patent 7,418,504)

barred for the same reasons as previously held. *See* Prelim. Resp. 3–4 (discussing time-bar).

II. BACKGROUND

At issue here is whether RPX, notwithstanding its relationship with its client Apple, may obtain *inter partes* review of the Virnetx Patents. Virnetx asserts, and RPX does not dispute, that RPX filed *inter partes* review (“IPR”) requests against the Virnetx Patents pursuant to a newly created program in which Apple, as RPX’s client, in October 2013, paid RPX a sum of \$500,000, among other things, to file IPR reviews. *See* Prelim. Resp. 3–4; Ex. 2049 (Premium Services Overview); Ex. 2055 (signed “Addendum” agreement between Apple and RPX, Oct. 22, 2013).

In addition to RPX and Apple, another petitioner also filed a series of *inter partes* review petitions against the Virnetx Patents, which Apple attempted to join. Those proceedings were styled as *New Bay Capital v. Virnetx* (“the New Bay proceedings”): IPR2013-00375; IPR2013-00376; IPR2013-00377; and IPR2013-00378. Pursuant to New Bay’s request, the Board terminated the New Bay proceedings, and according to Virnetx, “end[ed] Apple’s hopes of joining New Bay’s petitions.” *See* Prelim. Resp. 4; Ex. 2036 (discussing Apple’s motion for joinder in New Bay cases); Ex. 2037 (New Bay email to office requesting to file motion to terminate); Exs. 2039–42 (judgments terminating the New Bay proceedings).

Prior and subsequent to the New Bay proceedings, RPX and Apple had discussed a general proposal “to challenge patents of questionable quality through post-grant proceedings at the U.S. Patent and Trademark

IPR2014-00171 (Patent 6,502,135); IPR2014-00172 (Patent 6,502,135); IPR2014-00173 (Patent 7,490,151); IPR2014-00174 (Patent 7,921,211); IPR2014-00175 (Patent 7,921,211); IPR2014-00176 (Patent 7,418,504); IPR2014-00177 (Patent 7,418,504)

Office.” Ex. 2043, 15. According to RPX, the following “Topic” of discussion between Apple and RPX occurred on August 8, 2013:

Apple informed RPX that Apple had been approached by New Bay Capital (“NBC”) and that NBC had asked Apple to compensate NBC for NBC to continue pursuing its IPRs [now terminated] against VirnetX. Apple informed RPX that it was not interested in NBC’s offer. Apple inquired [of RPX] about the status of the previously-socialized RPX program to perform prior art searches and challenge patents of questionable quality.

Ex. 2043, 15 (“August 8th discussion”).

Subsequent to the August 8th discussion about the Virnetx Patents, Apple and RPX signed the “Addendum” agreement, pursuant to which Apple paid RPX \$500,000, among other things, to “fil[e] with the United States Patent and Trademark Office (‘USPTO’) requests for reexamination, or petitions for post grant, covered business method, or inter partes review with respect to patents of questionable quality.” Ex. 2055, 2 (Addendum agreement). The Addendum agreement lists other generic activities that RPX might perform. *See id.* (“analyzing data . . . [about] patent assertions by non-practicing entities,” “[e]ducating the general public,” “[c]onducting prior art searches to assist with challenges against potentially invalid patents,” and “[c]reating mechanisms to increase transparency in the patent market.”) The addendum states that RPX would have “complete control” over the listed activities. *Id.*

Apple and RPX executed the Addendum agreement on October 22, 2013. *Id.* at 3. On the same day, Apple expressed a concern that RPX “would not use all of the funds that Apple contributed to the program focused on patent quality.” Ex. 2043, 16. One day prior, RPX obtained

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