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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

RPX CORPORATION
Petitioner

v.

VIRNETX INC.
Patent Owner

Case IPR2014-00176
Patent 7,418,504

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

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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.*

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