

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE, INC.
Petitioner,

v.

VIRNETX INC.
Patent Owner.

Case IPR2014-00237 (Patent 8,504,697)
Case IPR2014-00238 (Patent 8,504,697)¹

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

TIERNEY, *Administrative Patent Judge.*

ORDER²
Conduct of the Proceedings
37 C.F.R. § 42.5

¹ This decision addresses an issue that is identical in each case. We, therefore, exercise our discretion to issue one Order to be filed in each case. Unless otherwise authorized, the parties, however, are not authorized to use this style heading for any subsequent papers.

² This Order is identical in substance to Order (Paper 25), which was entered in RPX proceeding IPR2014-00171. This Order is entered into the Apple proceedings given the nature of the issues discussed herein.

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A conference call was held on February 7, 2014, involving Administrative Patent Judges Tierney, Siu and Easthom and representatives from Apple, RPX and VirnetX. The purpose of the calls was to discuss VirnetX's request for discovery regarding the identification of real party in interest and privies. A court reporter was present on the call.

Background

In June and July 2013, Apple filed a series of petitions challenging VirnetX patents 6,502,135, 7,490,151, 7,418,504, and 7,921,211. See IPR2013-00354, IPR2013-00348, IPR2013-00349, IPR2013-00393, IPR2013-00394, IPR2013-00397, and IPR2013-00398. These patents were also challenged in a series of petitions filed by New Bay Capital. See IPR2013-00375, IPR2013-00376, IPR2013-00377 and IPR2013-00378. New Bay Capital later requested that its proceedings be terminated and the Board terminated the proceedings on November 12, 2013.

On November 20, 2013, RPX filed its involved petitions challenging VirnetX's '135, '151, '504 and '211 patents. The content of the petitions substantially overlaps those filed by Apple and New Bay Capital.

On December 6, 2013, Apple filed two petitions challenging VirnetX's 8,504,697 patent. See IPR2014-000237 and IPR2014-00238. The '697 patent claims priority benefit of a series of applications, including the applications which issued as the '135, '504 and '211 patents.

The Board denied Apple's petitions challenging the '135, '151, '504 and '211 patents on December 17, 2013.

Discovery

VirnetX raised concerns regarding the proper identification of the real parties in interest in the RPX petitions. Specifically, VirnetX contends that there exists a real party in interest issue and/or privity relationship between RPX and Apple that impacts the RPX proceedings. VirnetX requests additional discovery to further investigate the relationship between RPX and Apple as VirnetX believes that the issue may be case dispositive. In light of the information provided during the conference calls, the Board authorized VirnetX to file a motion for additional discovery and RPX and Apple to file oppositions thereto.

As stated during the February 7, 2014 conference call, the Board reviewed the motion and oppositions with respect to several factors including: questions as to whether payments were made to RPX by another group in exchange for the filing of the inter partes review requests, and whether another entity was directing or controlling the filing and content of the inter partes review petitions. Based upon the specific facts of this proceeding, the Board determined that VirnetX has demonstrated that it is in the interests of justice that at least some discovery be permitted on the issue of control of the proceeding. To aid the Board in determining the scope of discovery to be permitted, the Board authorized the parties to file briefs by no later than February 11, 2014. The parties are authorized to file up to five pages each of briefing as to the extent of discovery that should be permitted on the issue of control with the understanding that a joint request filed by the three parties is not page limited.

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