

Paper No. _____
Filed: January 15, 2015

Filed on behalf of Microsoft Corporation and VirnetX, Inc.
UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MICROSOFT CORPORATION and APPLE INC.
Petitioners

v.

VIRNETX, INC.
Patent Owner

Case IPR2014-00404
U.S. Patent No. 7,987,274¹

**UNOPPOSED MOTION TO TERMINATE PROCEEDING WITH
RESPECT TO MICROSOFT CORPORATION**

¹ Case IPR2014-00484 has been joined with this case.

Precise Relief Requested

Pursuant to 35 U.S.C. § 317(a), Petitioner Microsoft Corporation (“Microsoft” or “Petitioner”) and Patent Owner VirnetX, Inc. (“Patent Owner” or “VirnetX”) jointly request that this *inter partes* review proceeding (“this Review”) involving U.S. Patent No. 7,987,274 (“the ’274 patent”) be terminated with respect to Microsoft based on a settlement between Petitioner Microsoft and Patent Owner (“the Parties”). Microsoft and VirnetX conferred with Petitioner Apple Inc. and Apple does not oppose termination with respect to Microsoft.

II. Reasons for Granting the Motion

Generally, the Board expects that a proceeding will terminate after the filing of a settlement agreement. *See, e.g.*, Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,768 (Aug. 14, 2012). The Board authorized the filing of the instant motion in email dated January 13, 2015. IPR2013-00428, Paper No. 56 provides guidance as to the content of a motion to terminate. There, the Board indicates that a joint motion, such as this one, should (1) include a brief explanation as to why termination is appropriate; (2) identify all parties in any related litigation involving the patents at issue; (3) identify any related proceedings currently before the Office, and (4) discuss specifically the current status of each such related litigation or proceeding with respect to each party to the litigation or proceeding. *Id.* at 2. This motion satisfies each of the above requirements and is

accompanied by a copy of the settlement agreement between Microsoft and VirnetX, as required by 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(b).

(1) Brief Explanation of Why Termination is Appropriate

With respect to Microsoft, termination is appropriate because a final written decision has not been reached in this Review. Indeed, Petitioner filed its petition for *inter partes* review on February 4, 2014. The Board instituted this proceeding on July 31, 2014. Patent Owner filed a Patent Owner's Response on November 3, 2014, but Petitioner has not filed its Reply, which is not due until February 2, 2015.

Termination of this proceeding with respect to Microsoft is appropriate because, if this Motion is granted, Microsoft will not be participating as a party in this proceeding going forward, and the Board has not decided the merits of the proceeding. The Parties have settled their dispute and executed a settlement agreement to terminate this proceeding as to Microsoft, as well as the Parties' related district court litigation regarding the '274 patent: *VirnetX, Inc. and Science Applications International Corporation v. Microsoft Corporation*, Case No. 6:13-cv-00351 (E.D. Tex.). The Parties expect that this district court litigation will be dismissed per the parties' settlement agreement. For all these reasons, the Parties respectfully request termination of this proceeding with respect to Microsoft.

(2) All parties in any pending related litigation involving the patents at issue

Patent Owner is not involved in any other pending related litigations involving the '274 patent.

(3) Related proceedings currently before the Office

Aside from this *inter partes* review proceeding, the '274 patent is also the subject of the following proceeding(s) currently before the Office:

Related Proceeding(s)	Requester/Petitioner	Status
IPR2014-00403	Microsoft Corporation	A joint motion to terminate this proceeding with respect to Microsoft has been filed.
IPR2014-00483	Apple Inc.	Joined with IPR2014-00403. Petitioner's Reply is due February 2, 2015.
IPR2014-00484	Apple Inc.	Joined with IPR2014-00404. Petitioner's Reply is due February 2, 2015.

(4) Current status of each such related litigation or proceeding with respect to each party to the litigation or proceeding

Above, a status field indicates the status of each such related litigation or proceeding with respect to each party to the litigation or proceeding.

III. Settlement Agreement

Pursuant to 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(b), the Parties' settlement agreement is in writing, and a true and correct copy is being filed concurrently herewith as Exhibit 2044.² The Parties are also filing concurrently herewith a joint request under 35 U.S.C. § 317(b) and 37 C.F.R. § 42.74(c) to treat the settlement agreement as business confidential information and keep it separate from the files of the involved patent.

Respectfully submitted,

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Dated: January 15, 2015

² The settlement agreement is being filed electronically via the Patent Review Processing System (PRPS) with access to the "Parties and Board Only."

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