Paper No. _____
Filed: December 19, 2014

Joint Motion to Terminate Proceeding
IPR2014-00610
U.S. Patent No. 7,490,151

Filed on behalf of Microsoft Corporation and VirnetX, Inc.

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MICROSOFT CORPORATION
Petitioner

v.

VIRNETX, INC.
Patent Owner

Case IPR2014-00610
U.S. Patent No. 7,490,151

JOINT MOTION TO TERMINATE PROCEEDING

I. 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. 7,490,151 ("the '151 patent") be terminated based on a settlement between Petitioner and Patent Owner ("the Parties").

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 a conference call between the parties on December 19, 2014. 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 Parties' settlement agreement, 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

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 April 10, 2014. The Board instituted this proceeding on October 15, 2014. Patent Owner has not filed a Patent Owner's Response, and one is not due until March 15, 2015.

Termination of this proceeding 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 well as the Parties' related district court litigation regarding the '151 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.

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

Patent Owner, but not Petitioner, is also involved in several other pending related litigations involving the '151 patent. These related litigations, and their current status with respect to the litigating parties, are as follows:

Related Case(s)	Defendants	Status
VirnetX Inc. and Science Applications International Corporation v. Cisco Systems, et al., Case No. 6:10-cv-00417 (E.D. Tex.)	Cisco Systems, Inc., Apple Inc., Aastra USA, Inc., Aastra Technologies Ltd., NEC Corp., and NEC Corp. of America[1]	The district court entered judgment in favor of VirnetX against Apple. On September 16, 2014, the Federal Circuit affirmed-in-part, reversed-in-part, vacated-in-part, and remanded for further proceedings in the district court (No. 2013-1489). The Federal Circuit denied VirnetX's petition for rehearing on December 16, 2014.

[1] NEC and Aastra have entered into a license agreement with VirnetX and have been dismissed from this case. The Cisco portion of this case has concluded with a final judgment. The only remaining defendant in this case is Apple.

Related Case(s)	Defendants	Status
VirnetX Inc. and Science Applications International Corporation v. Apple Inc., Case No. 6:11-cv-00563 (E.D. Tex.)	Apple Inc.	Consolidated with *VirnetX Inc. and Science Applications International Corporation v. Apple Inc.*, Case No. 6:12-cv-00855 (E.D. Tex.).
VirnetX Inc. and Science Applications International Corporation v. Apple Inc., Case No. 6:12-cv-00855 (E.D. Tex.)	Apple Inc.	Trial currently scheduled for October 13, 2015.
VirnetX Inc. and Science Applications International Corporation v. Apple Inc., Case No. 6:13-cv-00211 (E.D. Tex.)	Apple Inc.	The district court severed VirnetX's request for an ongoing royalty rate in Case No. 6:10-cv-00417 and granted an ongoing royalty. Apple appealed to the Federal Circuit (No. 2014-1395), which stayed the appeal pending a mandate in Appeal No. 2013-1489.

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