Paper No. 2

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.

Petitioner,

v.

VIRNETX, INC. AND SCIENCE APPLICATION INTERNATIONAL CORPORATION,

VirnetX

Patent No. 7,490,151
Issued: Feb. 10, 2009
Filed: Sep. 30, 2002
Inventors: Edmund C. Munger, *et al.*
Title: ESTABLISHMENT OF A SECURE COMMUNICATIONS LINK BASED DOMAIN NAME (DNS) REQUEST

Inter Partes Review No. IPR2015-00187

PETITIONER'S MOTION FOR JOINDER

I. INTRODUCTION

Apple Inc. ("Apple") moves to join its concurrently filed petitions for *inter partes* review involving U.S. Patent No. 7,490,151 (the '151 patent) with the *inter partes* review requested by Microsoft Corp. ("Microsoft") against the '151 patent, *Microsoft Corp. v. VirnetX Inc.*, IPR2014-00610 (the Microsoft IPR). The Board instituted trial in that proceeding on October 15, 2014.

The Apple petition is timely filed under 35 U.S.C. § 315(c), as it is filed within one month of the date that the Microsoft IPR was instituted. *See e.g.*, IPR2014-00610, Paper 9 at 1, 16. As the statute provides and the Board has explained, the one-year filing window specified in § 315(b) and Rule 42.101(b) "shall not apply to a request for joinder under subsection (c)." 35 U.S.C. § 315(b); *Dell Inc. v. Network-1 Security Solutions, Inc.*, IPR2013-00385, Paper 17 at 4-5 (granting joinder beyond the one-year window); *Microsoft Corp. v. Proxyconn, Inc.*, IPR2013-00109, Paper 15 at 4-5 (same); Rule 42.122(b) (the "time period set forth in §42.101(b) shall not apply when the petition is accompanied by a request for joinder.").

Joinder is appropriate because of the substantial similarity between the Apple petition and the Microsoft IPR. The Apple petition relies on the ***same*** grounds as those instituted by the Board in the Microsoft IPR. Other factors relevant to joinder favor granting this motion, including that: (i) the same schedule

for various proceedings can be adopted, (ii) Apple is not advancing any new expert testimony, and thus, discovery will not be impacted by joinder, and (iii) joinder will not materially affect the range of issues needing to be addressed by the Board and by the parties in the joined proceedings. *See Kyocera Corp. v. Softview LLC*, IPR2013-00004, Paper No. 15 at 4 (Apr. 24, 2013). Because all these factors support joining these proceedings, Apple requests the Board to grant this motion for joinder.

II. RELEVANT FACTS

The ’151 patent is a member of a family of patents owned by VirnetX that includes U.S. Patent Nos. 6,502,135, 7,418,504, and 7,921,211. The specifications of these patents are nearly identical. VirnetX has asserted varying sets of claims of the ’151 and other of its patents against Apple and other entities in numerous lawsuits. In August of 2010, VirnetX sued Apple and five other entities (the “2010 Litigation”). VirnetX asserted “at least” claims 1, 6, 7, 12, and 13 of the ’151 patent against Apple and claims 1, 6, 7, 12, and 13 against co-defendant Cisco. After trial, VirnetX obtained a judgment of infringement against Apple on, *inter alia*, claims 1 and 13 of the ’151 patent. In September 2014, this judgment was reversed-in-part by a Federal Circuit panel, and VirnetX presently has a pending request for rehearing en banc. *See VirnetX, Inc. v. Cisco Systems, Inc.*, No. 2013-1489, 2014 WL 4548722 (Fed. Cir. Sept. 16, 2014).

On December 31, 2012, VirnetX served a new complaint on Apple asserting infringement of "at least" claims 1, 6, 7, 12, and 13 of the '151 patent (the "2012 Litigation"). The new complaint led to a civil action, now pending in the Eastern District of Texas, that will go to trial on October 13, 2015.

III. ARGUMENT

Joinder with the Microsoft IPR is justified because each factor identified by the Board as supporting joinder is met. For example, the Board has explained that a motion for joinder should: (1) explain the reasons why joinder is appropriate; (2) identify any new grounds of unpatentability asserted in the petition; (3) explain what impact (if any) joinder would have on the trial schedule for the existing review; and (4) address specifically how briefing and discovery may be simplified. *Kyocera Corp. v. Softview LLC*, IPR2013-00004, Paper 15 at 4 (representative order). Each of these factors is addressed below, and, when considered together, strongly support granting this motion for joinder.

A. Joinder Is Appropriate

Joinder between the instant petition and the Microsoft IPR is appropriate because they involve the same patent, the same art, the same expert declaration, and the same arguments and legal rationales. Apple's proposed grounds of invalidity are ***identical*** to Microsoft's.

Granting joinder would also simplify litigation issues between the parties. A

final written decision from the Board would simplify issues that need to be resolved during the October 2015 trial. Granting the present joinder motion will therefore further the statutory purpose of the *inter partes* review system by ensuring the "just, speedy, and inexpensive resolution" of a disagreement between parties over patent validity. *See* Office Patent Trail Guide, 77 Fed. Reg. 48756, 48758 (Aug. 14, 2012).

Permitting joinder will not prejudice Microsoft. Apple raises no issues that are not already before the Board, such that joinder would not affect the timing of the Microsoft IPR or the content of VirnetX's response. Moreover, Apple is amendable to coordinating with Microsoft and, as such, Microsoft will not suffer any additional costs or burdens in preparing motions and arguments.

VirnetX also will suffer no prejudice from joinder. VirnetX has filed multiple actions against multiple parties over several years, each changing in scope and the particular claims of the '151 patent being asserted. Joinder will allow for the effective resolution of the validity of all the '151 claims that VirnetX has asserted against various parties. Thus, joinder will reduce the complexity of concurrent litigation by reducing the number of issues in those proceedings.

The denial of joinder, however, will prejudice Apple. Absent joinder, the petition would be untimely under § 315(b) and Apple would be unable to participate in the *inter partes* review proceeding related to the '151 patent. Apple

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