

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

THE MANGROVE PARTNERS MASTER FUND, LTD. and APPLE INC.,
Petitioner,

v.

VIRNETX INC.,
Patent Owner.

Case IPR2015-01046
Patent 6,502,135 B1

THE MANGROVE PARTNERS MASTER FUND, LTD., APPLE INC.,
and BLACK SWAMP IP, LLC,
Petitioner,

v.

VIRNETX INC.,
Patent Owner.

Case IPR2015-01047
Patent 7,490,151 B2

Before MICHAEL P. TIERNEY, *Vice Chief Administrative Patent Judge*,
KARL D. EASTHOM and JASON W. MELVIN, *Administrative Patent Judges*.

EASTHOM, *Administrative Patent Judge*.

ORDER
Trial Hearing
37 C.F.R. § 42.70

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IPR2015-01047, Patent 7,490,151 B2

In IPR2015-01046 (“’46IPR”), the Mangrove Partners Master Fund, Ltd. and Apple Inc. (collectively “Petitioner”) requested *inter partes* review of claims 1, 3, 4, 7, 8, 10, and 12 of U.S. Patent No. 6,502,135 B1 (“the ’135 patent”).¹ The Board instituted reviews, conducted trials, and issued a Final Written Decision, holding claims 1, 2, 6–8, and 12–14 of the ’135 patent unpatentable. *See* ’46 IPR, Paper 71.

In IPR2015-01047 (the “’47IPR”), the Mangrove Partners Master Fund, Ltd., Apple Inc., and Black Swamp IP, LLC (collectively “Petitioner”) requested *inter partes* review of claims 1, 2, 6–8, and 12–14 of U.S. Patent No. 7,490,151 B2 (“the ’151 patent”).² The Board instituted reviews, conducted trials, and issued a Final Written Decision, holding claims 1, 2, 6–8, and 12–14 of the ’151 patent unpatentable. *See* ’47IPR, Paper 80.

VirnetX Inc. (“Patent Owner”) appealed the Final Written Decision in each case. Pursuant to the appeal, the United States Court of Appeals for the Federal Circuit issued a decision vacating each Final Written Decision and remanding to consider an issue on the merits of unpatentability and to allow Patent Owner to file a motion for additional discovery to support its real party in interest contentions. *See VirnetX Inc. v. The Mangrove Partners Master Fund, Ltd., Apple Inc.*, No 2017-1368, *VirnetX Inc. v. The Mangrove Partners Master Fund, Ltd., Apple Inc., Black Swamp*, No. 2017-1383, 2019 WL 2912776 (Fed. Cir. July 8, 2019) (the “Remand”).

¹ Apple Inc. filed a petition in IPR2016-00062, and the Board joined it as a Petitioner in IPR2015-01046.

² Apple Inc. and Black Swamp IP, LLC respectively filed a petition in IPR2016-00063 and IPR2016-00167, and the Board joined each as a Petitioner in IPR2015-01047.

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Pursuant to the Remand, during a teleconference, the Board instructed the parties to file a proposed briefing and discovery schedule and each party subsequently filed a respective schedule in each case. *See* '46IPR, Paper 78; '46IPR, Paper 79; '46IPR, Ex. 1047 (transcript of teleconference); '47IPR, Paper 87; '47IPR, Paper 88; '47IPR Ex. 1047 (same transcript). After reviewing the parties' proposed schedules, the Board set an Oral Hearing date to occur at 10 AM Eastern Time at the U.S. Patent & Trademark Office in Alexandria, Virginia on January 24, 2020. *See* '46IPR, Paper 80; '47IPR, Paper 89.

Accordingly, the Oral Hearing will commence at 10 AM Eastern Time, on January 24, 2020 at the USPTO Headquarters, Ninth Floor of Madison Building East, 600 Dulany Street, Alexandria, Virginia. Each side will receive 60 minutes of total presentation time (including any rebuttal).

Petitioner bears the ultimate burden on the real party in interest and unpatentability issues. Therefore, Petitioner will open the Oral Hearing by presenting its case regarding the noted issues. Patent Owner then will respond to Petitioner's presentation. Petitioner may reserve rebuttal time (of no more than half their total presentation time) to reply to Patent Owner's arguments. Patent Owner may reserve sur-rebuttal time (of no more than half its total presentation time) to respond to Petitioner's rebuttal. *See Trial Practice Guide Update*, 20 (Aug. 2018), available at <https://go.usa.gov/xU7GP>.

Each presenter must identify clearly and specifically each demonstrative exhibit (e.g., by slide or screen number) referenced during the Oral Hearing to ensure the clarity and accuracy of the reporter's transcript. A hard copy of the demonstratives, if used, should be provided to the court

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reporter at the Oral Hearing. Also, at the Oral Hearing, Petitioner and Patent Owner “may rely upon evidence that has been previously submitted in the proceeding and may only present argument relied upon in the papers previously submitted.” *Office Patent Trial Practice Guide*, 77 Fed. Reg. 48,756, 48,768 (Aug. 14, 2012). “No new evidence or arguments may be presented at the oral argument.” *Id.*

Under 37 C.F.R. § 42.70(b), demonstrative exhibits must have been served on the opposing party or parties seven (7) business days prior to the Oral Hearing. Demonstrative exhibits at the Oral Hearing constitute aids to argument rather than evidence.

The Board expects that Petitioner and Patent Owner will have met and conferred in good faith to resolve any objections to demonstrative exhibits prior to the Oral Hearing. During the Oral Hearing, Petitioner and Patent Owner shall object, if at all, to demonstrative exhibits only during its respective argument (i.e., without interrupting the opposing presenter) and shall confine such objections to egregious violations prejudicial to the administration of justice. Petitioner and Patent Owner must file any demonstrative exhibits in the records at least one (1) business day prior to the Oral Hearing.

The Board normally expects lead counsel for each side to be present in person at the Oral Hearing.³ However, any counsel of record, present in person, may present argument.

Any special requests for audio-visual equipment should be directed to PTABHearings@uspto.gov. A party also may indicate any special requests

³ The panel excuses counsel for Black Swamp IP, LLC from the Oral Hearing based on counsel’s email of January 21, 2020.

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related to appearing at an in-person oral hearing, such as a request to accommodate physical needs that limit mobility or visual or hearing impairments, and indicate how the PTAB may accommodate the special request. Any special requests must be presented in a separate communication as soon as possible.

So ORDERED.

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