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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[1]
Patent No. 6,502,135

Patent Owner's Request for Rehearing Under 37 C.F.R. § 42.71(d)(1) of Institution Decision in IPR2016-00062

[1] Apple Inc., who filed a petition in IPR2016-00062, has been joined as a Petitioner in the instant proceeding.

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I. INTRODUCTION AND PRECISE RELIEF REQUESTED

Patent Owner VirnetX Inc. requests rehearing of the Patent Trial and Appeal Board's Institution Decision entered January 25, 2016 (Paper No. 28 in IPR2015-01046, "Decision"), granting Apple Inc.'s petition and instituting trial in IPR2016-00062 and joining that proceeding with IPR2015-01046.

The patent-at-issue has been subjected to eleven office challenges—*six* of the eleven challenges were either filed directly by Apple or, worse, filed on Apple's behalf by RPX Corporation in an attempt to evade the one-year statutory bar under 35 U.S.C. § 315(b). (Prelim. Resp. in IPR2016-00062 at 4-7.) The Decision discounted VirnetX's argument that Apple's Petition is barred under § 315(b) without any substantive analysis of VirnetX's statutory interpretation. (Decision at 4.) However, as discussed in the Preliminary Response and below, strong dissenting opinions by Members of the Board suggest that VirnetX's statutory interpretation is correct and that joining Apple to IPR2015-01046, despite the one-year bar, is not only improper but also an *ultra vires* action.

Setting aside § 315(b), if there was ever a case where the Board should deny institution under 35 U.S.C. § 325(d), it is this case. Despite the extreme facts, with Apple actively trying to evade the statutory one-year bar, the Decision completely omits any discussion of § 325(d). Previous decisions dictate the Board should have exercised its discretion to deny Apple's Petition. The Decision took the

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