

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

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

v.

VIRNETX INC.,
Patent Owner.

Case No. IPR2015-01046¹
U.S. Patent No. 6,502,135

PETITIONERS' REMAND SCHEDULING BRIEF

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

The mandate in *VirnetX Inc. v. The Mangrove Partners Master Fund, Ltd.*, Nos. 2017-1368, -1383 (Fed. Cir. July 8, 2019) issued on August 14, 2019. During a conference call on September 6, 2019, the Board ordered the parties to submit, by September 13, 2019, briefs setting forth their respective proposals regarding conduct of the proceedings on remand, along with proposed scheduling orders. Ex. 1047, 42:10-25, 51:8-25. Petitioners submit the Board should adopt the schedule proposed below, as it will conclude briefing by December 13, 2019, and provide the Board with two months to issue a decision, thereby enabling it to complete the remanded proceedings within six months of the Federal Circuit's mandate.

II. PETITIONERS' PROPOSED REMAND SCHEDULE

A. VirnetX's Motion for Additional Discovery

The Board set the due date for VirnetX's motion for additional discovery as September 27. Petitioners propose that their opposition be due on October 4, and that VirnetX's reply be due on October 11. Petitioners also propose that if the Board authorizes any additional discovery, it be completed by November 8.

Petitioners believe this schedule is appropriate. *First*, VirnetX is (or should be) fully familiar with the additional discovery it is seeking and its supposed relevance to VirnetX's real-party-in-interest theory. VirnetX has also had ample time to prepare for briefing, as the Federal Circuit issued its decision authorizing

VirnetX's desired motion on July 8, 2019, more than two months ago. *Second*, Petitioners do not require more than one week to prepare and file their opposition to VirnetX's motion.² *Third*, as Petitioners indicated on the call with the Board, they are prepared to agree to a reasonable scope of written discovery. The issues in dispute (that potentially require resolution by the Board), thus, are narrow.

Petitioners have repeatedly asked VirnetX to identify the precise nature of the additional discovery being sought and from whom VirnetX seeks it. Petitioners explained to VirnetX that, if the parties could agree on the scope of additional discovery, it would obviate the need for briefing of a motion. Unfortunately, VirnetX has refused to provide Petitioners with the specific discovery requests it is asking the Board to authorize, or to even conclusively identify the parties or non-parties that are the target(s) of its discovery. VirnetX's refusal to meaningfully engage with Petitioners on the scope of additional discovery it is seeking is unreasonable and imposes unnecessary burdens on the Board and on Petitioners.

² In a meet and confer on September 12, VirnetX opposed this date, stating that **Petitioners'** opposition should be due three weeks after VirnetX files its motion. VirnetX were unable to identify a reason—other than VirnetX's own wish to delay this proceeding—for postponing **Petitioners'** opposition due date to two weeks after the date Petitioners indicated they would be prepared to file that brief.

B. Briefing on Remanded Issues

With respect to the substantive issues remanded by the Federal Circuit, the parties appear to agree on the following: (i) the parties will simultaneously file opening briefs, and will simultaneously file responses;³ (ii) the briefs will not exceed 7,500 words;⁴ and (iii) the parties will not introduce new evidence concerning the remanded merits issues. The parties disagree on when briefing should occur or whether an oral hearing is necessary.

Petitioners propose that opening briefs be filed on November 22, 2019, and that responses be filed December 13, 2019. Petitioners submit this schedule reflects the best balance of interests between the parties and the Board. *First*, it will provide the Board with approximately two months following briefing to issue a decision before the Board's six-month target date for completion of remanded proceedings (*i.e.*, February 14, 2020).⁵ *Second*, Petitioners' proposed briefing

³ Petitioners will file a single joint brief and a single joint responsive brief.

⁴ VirnetX indicated it could agree to 7,500 word briefs if they addressed both the patentability and RPI issues.

⁵ "The Board has established a goal to issue decisions on cases remanded ... within six months of the Board's receipt of the Federal Circuit's mandate," Trial Practice Guide Update (July 2019) at 45, and "will consider the time and expense

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