Paper No. _____
Filed: January 4, 2016

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

THE MANGROVE PARTNERS MASTER FUND, LTD.,
Petitioner

v.

VIRNETX INC.
Patent Owner

Case IPR2015-01047
Patent No. 7,490,151

Patent Owner's Request for Rehearing Under 37 C.F.R. § 42.71(d)(1)

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I. INTRODUCTION AND PRECISE RELIEF REQUESTED

Patent Owner VirnetX Inc. requests rehearing of the Patent Trial and Appeal Board's Decision entered December 21, 2015 ("Decision"), denying Patent Owner's Motion For Additional Discovery filed December 9, 2015 (Paper No. 22, "Motion"). The Decision denied the Motion because Patent Owner allegedly did not provide sufficient evidence to demonstrate "more than a mere possibility that something useful will be discovered" with respect to various issues. (*See, e.g.*, Decision at 2, 4, 5.) The Decision should be reversed for at least two reasons. First, the Decision overlooked several important points of law as to a real-party-in-interest ("RPI") determination in finding the Motion to be speculative. Indeed, certain facts that the Decision found to be so speculative as to not even warrant discovery have been found to be *determinative* of RPI issues by other panels. Second, the Decision overlooked several important facts and arguments.

Patent Owner requests rehearing by an expanded panel that includes the Chief Judge in deciding this request. Standard Operating Procedure 1, Rev. 14, Section III.D ("When a judge, a merits panel, or an interlocutory panel . . . receives a suggestion for an expanded panel, the judge, merits panel, or interlocutory panel shall notify the Chief Judge, Deputy Chief Judge, and the Vice Chief Judges of the suggestion, in writing."). An expanded panel that includes the Chief Judge is

necessary to secure and maintain uniformity given the large discrepancy in considering RPI issues between the Decision and numerous other panel decisions.

II. LEGAL STANDARD

"A party dissatisfied with a decision may file a request for rehearing." 37 C.F.R. § 42.71(d). "The request must specifically identify all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed in a motion, an opposition, or a reply." *Id*.

III. STATEMENT OF REASONS FOR RELIEF REQUESTED

A. The Decision Overlooked the Requirements of an RPI Inquiry

In *Garmin Int'l, Inc. v. Cuozzo Speed Techs. LLC*, IPR2012-00001, Paper No. 26 at 6 (Mar. 5, 2013), the Board explained that "[t]he mere possibility of finding something useful, and mere allegation that something useful will be found, are insufficient to demonstrate that the requested discovery is necessary in the interest of justice." It stated that "[t]he party requesting discovery should already be in possession of evidence *tending to show beyond speculation* that in fact something useful will be uncovered." *Garmin*, IPR2012-00001, Paper No. 26 at 6 (emphasis added). Thus, in the Motion, Patent Owner was only required to present evidence that can serve "as the foundation for taking Patent Owner's belief out of the realm of mere speculation." *Unified Patents, Inc. v. Clouding IP, LLC*, IPR2013-00586, Paper No. 12 at 3 (Apr. 22, 2014). Since the Motion was directed to improperly omitted RPIs in particular, the evidence presented in the Motion only

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