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Paper 41
Date: February 26, 2016

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

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

v.

VIRNETX INC.,
Patent Owner.

Case IPR2015-01047[1]
Patent 7,490,151 B2

Before MICHAEL P. TIERNEY, KARL D. EASTHOM, and STEPHEN C. SIU, *Administrative Patent Judges.*

SIU, *Administrative Patent Judge*.

DECISION
Request for Rehearing
37 C.F.R. § 42.71(d)

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[1] Apple Inc. and Black Swamp IP, LLC, which filed petitions in IPR2016-00063 and IPR2016-00167, respectively, have been joined as Petitioners in the instant proceeding.

I. BACKGROUND

VirnetX Inc. ("Patent Owner"), in its Request for Rehearing, Paper 36 ("Req. Reh'g" or "Request"), seeks reversal of the Board's Decision granting institution in IPR2016-00063 and joining IPR2016-00063 with IPR2015-01047. *See* Req. Reh'g 1. The Board denies the requested relief.

II. DISCUSSION

In the Decision dated January 25, 2016, Paper 29 ("Decision"), we granted institution of IPR2016-00063 (filed by Apple Inc.) and joined IPR2016-00063 with the instant matter (i.e., IPR2015-01047). Decision 7.

Patent Owner argues that we incorrectly granted institution of IPR2016-00062 under 35 U.S.C. § 315(b). *See, e.g.*, Req. Reh'g 6–10. Contrary to Patent Owner's contention, our granting of institution of IPR2016-00063 is in accordance with 35 U.S.C. § 315(b) for at least the reasons previously discussed. Decision 4. Patent Owner reiterates that an alternative interpretation of 35 U.S.C. § 315(b) should be adopted to permit denial of institution of IPR2016-00063. *See, e.g.*, Req. Reh'g 6–10. In support of this contention, Patent Owner continues to cite the dissent in *Target Corp. v. Destination Maternity Corp.*, Case IPR2014-00508, dissent slip op. at 18 (PTAB Feb. 12, 2015) (Fitzpatrick, Bisk, & Weatherly, A.P.JJ., dissenting) (Paper 28) but does not explain why a dissent in this cited matter should compel us to adopt an alternate interpretation of 35 U.S.C. § 315(b). We therefore continue not to do so.

Patent Owner argues that "Apple's past conduct and the numerous challenges to the '151 patent nonetheless compel that the Petition be denied under § 325(d)." Req. Reh'g 10. According to 35 U.S.C. § 325(d), "the

Director may take into account whether, and reject the petition or request, because the same or substantially the same prior art or arguments previously were presented to the Office." Having carefully considered Patent Owner's arguments (Req. Reh'g 10–12), we decline to exercise our discretion to reject the petition or request because the same or substantially the same prior art or arguments previously were presented (allegedly) to the Office, even assuming that the same or substantially the same prior art or arguments were, in fact, previously presented to the Office.

Patent Owner requests rehearing by an expanded panel that includes the Chief Judge. *Id.* at 12–14. Discretion to expand a panel rests with the Chief Judge, who, on behalf of the Director, may act to expand a panel on a suggestion from a judge or panel. *AOL Inc. v. Coho Sicensing LLC,* Case IPR2014-00771, slip op. at 2 (PTAB Mar. 24, 2015)(Paper 12)(informative). Patent Owner's suggestion was considered by the Acting Chief Administrative Patent Judge, who declined to expand the panel.

We have considered Patent Owner's arguments in the Request but find them unpersuasive to demonstrate that we misapprehended or overlooked any points.

III. CONCLUSION

Based on the foregoing discussion, Patent Owner's Request is granted to the extent that the Board has reconsidered its Decision, but Patent Owner's requested relief for a reversal of the Decision is denied because Patent Owner has not shown that the Decision overlooks or misapprehends a material point.

IV. ORDER

For the reasons given, it is

ORDERED that the Request for Rehearing is denied.

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