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Paper 42
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 38 ("Req. Reh'g" or "Request"), seeks reversal of the Board's Decision granting institution in IPR2016-00167 and joining IPR2016-00167 with IPR2015-01047. *See* Req. Reh'g 1. The Board denies the requested relief.

II. DISCUSSION

In the Decision dated February 4, 2016, IPR2016-00167, Paper 12 ("Decision"), we granted institution of IPR2016-00167 (filed by Black Swamp IP, LLC) and joined IPR2016-00167 with the instant matter (i.e., IPR2015-01047). Decision 7.

Patent Owner argues that institution of IPR2016-00167 is improper because "the '167 IPR is entirely devoid of any supporting expert testimony" but expert testimony was supposedly submitted in IPR2015-01047. Req. Reh'g 3–4. As previously explained, however, the record reflects that Petitioner has demonstrated a reasonable likelihood of prevailing and Patent Owner fails to demonstrate sufficiently that the absence of expert testimony alone indicates the failure to demonstrate a reasonable likelihood of prevailing in proving unpatentability of a challenged claim. *See, e.g.*, Decision 4.

Patent Owner also argues that institution of trial in IPR2016-00167 is improper because the technology of the '151 patent is "complex," technology that "is complex" requires expert testimony, and Petitioner does not provide expert testimony. Req. Reh'g 5–6. Patent Owner does not demonstrate sufficiently, however, the degree of "complexity" of technology in order to properly classify the technology as "complex" as opposed to

"simple," the degree of the alleged "complexity" of the '151 patent even assuming that the '151 patent is categorized as "complex" at all, the degree of the alleged necessary level of "complexity" to warrant a requirement for expert testimony even if such a requirement exists, and the relative levels of the "complexity" of the '151 patent to the alleged required level of "complexity" to require (supposedly) expert testimony. Without such a showing, the alleged "complexity" of the '151 patent as well as the alleged necessary level of "complexity" for any requirement of expert testimony (and, hence, the need for expert testimony itself) are merely speculative. More importantly, such speculation is insufficient to defeat Petitioner's demonstration of a reasonable likelihood of prevailing.

Patent Owner requests rehearing by an expanded panel that includes the Chief Judge. *Id.* at 8–9. 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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