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Paper 120
Entered: July 14, 2020

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
Patent 6,502,135 B1

THE MANGROVE PARTNERS MASTER FUND, LTD., APPLE INC.,
and BLACK SWAMP IP, LLC,
Petitioner,
v.
VIRNETX INC.,
Patent Owner.
Case IPR2015-01047
Patent 7,490,151 B2

Before SCOTT R. BOALICK, *Chief Administrative Patent Judge*.

BOALICK, *Chief Administrative Patent Judge*.

ORDER
Lifting General Order

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On May 1, 2020, the Chief Judge issued a General Order regarding treatment of certain cases under *Arthrex, Inc. v. Smith & Nephew, Inc.*, 941 F.3d 1320 (Fed. Cir. 2019). Paper 106.[1] The General Order states that it applies to the above-captioned cases and that the Board will hold the cases in administrative abeyance pending Supreme Court action. *Id.* Following Petitioner's request, the Board authorized briefing on whether to withdraw application of the General Order to these proceedings. Paper 107.

Petitioner argues that these proceedings should not be subject to the General Order, which states that it applies to "cases remanded by the Federal Circuit under *Arthrex*," because they were remanded over three months before that case was decided. Paper 108, 3. Petitioner argues additionally that because Patent Owner did not raise an Appointments Clause challenge before the Federal Circuit, the Board may not consider that issue within the scope of the Federal Circuit's mandate. *Id.* at 4. Moreover, Petitioner reasons that Patent Owner has forfeited such a challenge by failing to raise it on appeal at the Federal Circuit. *Id.* (citing *Customedia Techs., LLC v. Dish Network Corp.*, 941 F.3d 1173, 1174 (Fed. Cir. 2019) ("[Appellant] did not raise any semblance of an Appointments Clause challenge in its opening briefs . . . . Consequently, we must treat that argument as forfeited in these appeals.")). Petitioner argues that the Board's rehearing rules do not permit Patent Owner to raise an issue for the first time in a motion seeking rehearing. *Id.* at 5. Furthermore, the Board should reject Patent Owner's challenge because, according to Petitioner, *Arthrex* is "limited to . . . final written decisions." *Id.* (quoting *Customedia*, 941 F.3d at 1340). Finally,

[1] Citations are to the record of IPR2015-01046; similar papers appear in the record of IPR2015-01047.

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Petitioner argues that the delay imposed by the General Order would unfairly prejudice Petitioner. *Id.* at 6.

Patent Owner argues that the General Order properly applies to these proceedings because Patent Owner's *Arthrex* challenge was properly raised. According to Patent Owner, *Arthrex* applies to all agency actions. Paper 109, 4-5. Patent Owner argues further that Petitioner waived its arguments, by failing to challenge Patent Owner's *Arthrex* assertion when Petitioner opposed Patent Owner's motion for rehearing. *Id.* at 5. Patent Owner argues that *Customedia*'s waiver holding does not prevent Patent Owner's *Arthrex* argument here, because Patent Owner prevailed on other grounds in the appeal. *Id.* at 5–6. Finally, Patent Owner argues that removing this case from the General Order would unfairly prejudice Patent Owner, by relying on harm to a joined party alone. *Id.* at 6.

Petitioner's position is more persuasive. Patent Owner did not raise an Appointments Clause challenge in its appeal, and has therefore waived any such challenge in these proceedings. *See Customedia*, 941 F.3d 1174. Moreover, even if we were to consider Patent Owner to have preserved such a challenge, *Arthrex* does not apply to interlocutory orders such as the discovery order against which Patent Owner has asserted its *Arthrex* challenge. *See Arthrex*, 941 F.3d at 1340 ("Thus, we see the impact of this case as limited to those cases where final written decisions were issued and where litigants present an Appointments Clause challenge on appeal."); *Caterpillar Paving Prods. Inc. v. Wirtgen Am., Inc.*, 957 F.3d 1342, 1342–43 (Fed. Cir. 2020) (noting that *Arthrex* applies only to final written decisions issued before *Arthrex*). Thus, these proceedings do not implicate the conditions for applying the General Order.

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Accordingly, it is hereby ORDERED that these proceedings are no longer subject to the General Order and may proceed on their merits.

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