

Filed on behalf of: VirnetX Inc.

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

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

v.

VIRNETX INC.,
Patent Owner

Case IPR2015-01047¹
Patent No. 7,490,151

Patent Owner's Motion for Additional Discovery

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

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I. Introduction and Precise Relief Requested

Patent Owner VirnetX Inc. (“VirnetX”) respectfully files this motion pursuant to the Board’s authorization during the September 6, 2019 telephone conference (*see* Ex. 1047), and based on the Federal Circuit’s holding that VirnetX should be allowed to file a motion for additional discovery into the relationship between Petitioner The Mangrove Partners Master Fund, Ltd. (“Mangrove”) and RPX Corporation (“RPX”), “an entity that purports to help companies mitigate and manage patent risk and expense by serving as an intermediary through which they can participate more efficiently in the patent market.” *VirnetX Inc. v. Mangrove Partners Master Fund, Ltd.*, No. 2017-1368, 2019 WL 2912776, at *3, 4 (Fed. Cir. July 8, 2019) (internal quotation marks omitted). RPX, which has extensive ties to Mangrove, had previously challenged the very same patents Mangrove challenges here—U.S. Patent Nos. 6,502,135 (“the ’135 patent”) and 7,490,151 (“the ’151 patent”). The Board terminated RPX’s *inter partes* reviews when discovery revealed RPX to be affiliated with time-barred Petitioner Apple Inc. (“Apple”). *Id.*, at *1.

As explained below, the evidence of record more than satisfies VirnetX’s burden of demonstrating why additional discovery is appropriate and needed. As such, VirnetX respectfully requests that the Board authorize the discovery contained in Appendices A-E. *See* 37 C.F.R. §§ 42.51(b)(2), 42.52(a).

II. Background

A. Apple's Initial Attempts to Avoid Section 315(b)'s Time Bar

In 2010, VirnetX sued Apple for infringement of the '135 and '151 patents (among others) in district court. That lawsuit triggered a two-pronged response. In the district court, Apple challenged both patents as invalid in light of *Kiuchi*. *VirnetX, Inc. v. Cisco Sys., Inc.*, 767 F.3d 1308, 1315 (Fed. Cir. 2014). The district court, however, upheld the validity of the patents, and the Federal Circuit affirmed that holding. *Id.* at 1313.

Meanwhile, in June 2013—almost three years after VirnetX's original complaint—Apple filed the first of numerous *inter partes* review challenges to the '135 and '151 patents at the Patent Office: IPR2013-00348, IPR2013-00349, and IPR2013-00354. The Board denied these petitions as time-barred under 35 U.S.C. § 315(b) because Apple had been served with an infringement complaint more than one year earlier. *See Apple Inc. v. VirnetX Inc.*, IPR2013-00348, Paper 14 at 5 (Dec. 13, 2013); *Apple Inc. v. VirnetX Inc.*, IPR2013-00349, Paper 14 at 5 (Dec. 13, 2013); *Apple Inc. v. VirnetX Inc.*, IPR2013-00354, Paper 20 at 5 (Dec. 13, 2013).

B. Apple's Proxy, RPX Corporation, Files IPR Petitions, but the Board Denies Review When Discovery Reveals that Relationship

On November 20, 2013, just before Apple's time-barred petitions were denied, RPX filed three petitions challenging the '135 and '151 patents (IPR2014-00171; IPR2014-00172; and IPR2014-00173), once again relying (in part) on

Kiuchi. RPX is not in the business of technological invention or manufacturing and VirnetX has never asserted its patents against RPX. Instead, RPX purports to provide “patent risk management solutions” for clients by “efficiently remov[ing] threatening patents from the market.” (Ex. 2046 at 1; Ex. 2047 at 8-10; Ex. 2048 at 1.) Ostensibly, RPX was unconnected to Apple. RPX did not include Apple when listing all real parties-in-interest, as required by 35 U.S.C. § 312(a)(2), and Apple represented that it had no pre-filing communications with RPX. But VirnetX later uncovered evidence to the contrary, including metadata demonstrating that Apple’s counsel was involved in the preparation or review of RPX’s filings in those proceedings. *See, e.g., RPX Corp. v. VirnetX Inc.*, IPR2014-00171, Paper 55 at 5-7 (July 14, 2014).

Based on this evidence, the Board concluded that “RPX [was] acting as a proxy” for the time-barred Apple and that RPX had failed to list “all real parties in interest,” in violation of 35 U.S.C. § 312(a)(2). The Board then denied the petitions as time-barred under section 315(b). *See RPX Corp. v. VirnetX Inc.*, IPR2014-00171, Paper 57 at 3, 10 (July 14, 2014); *RPX Corp. v. VirnetX Inc.*, IPR2014-00172, Paper 57 at 3, 10 (July 14, 2014); *RPX Corp. v. VirnetX Inc.*, IPR2014-00173, Paper 56 at 3, 10 (July 14, 2014).

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