Paper No. 2

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.

Petitioner,

v.

VIRNETX INC.,

Patent Owner.

Patent No. 6,502,135
Issued: Dec. 31, 2002
Filed: Feb. 15, 2000
Inventors: Edmund C. Munger, *et al.*
Title: AGILE NETWORK PROTOCOL FOR SECURE COMMUNICATIONS WITH ASSURED SYSTEM AVAILABILITY

Inter Partes Review No. IPR2016-00062

PETITIONER'S MOTION FOR JOINDER

I. INTRODUCTION

Petitioner Apple Inc. ("Apple") moves to join its concurrently filed petition for *inter partes* review involving U.S. Patent No. 6,502,135 (the '135 patent) with the *inter partes* review requested by the Mangrove Partners Master Fund, Ltd. ("Mangrove") against the same patent, *The Mangrove Partners Master Fund, Ltd., v. VirnetX Inc.*, IPR2015-01046 (the Mangrove IPR). The Board instituted trial in that proceeding on October 7, 2015. Apple seeks to join as a party to the Mangrove IPR, and thus, has presented patentability challenges that are substantively the same as those presented by Mangrove. As explained in § III.C below, the sole difference is that, with this petition, Apple is submitting several additional exhibits that supplement the information in the Mangrove IPR record that shows that RFC 1034 is prior art to the '135 patent.

The Apple petition is timely filed under 35 U.S.C. § 315(c), as it is filed within one month of the date that the Mangrove IPR was instituted. *See* IPR2015-01046, Paper 11 at 1, 12. As the statute provides and the Board has explained, the one-year filing window specified in § 315(b) and § 42.101(b) "shall not apply to a request for joinder under subsection (c)." 35 U.S.C. § 315(b); *Dell Inc. v. Network-1 Security Solutions, Inc.*, IPR2013-00385, Paper 17 at 4-5 (granting joinder beyond the one-year window); *Microsoft Corp. v. Proxyconn, Inc.*, IPR2013-00109, Paper 15 at 4-5 (same); 37 C.F.R. § 42.122(b) (the "time period

set forth in §42.101(b) shall not apply when the petition is accompanied by a request for joinder.").

Joinder is appropriate because of the substantial similarity between the Apple petition and the Mangrove IPR. The Apple petition relies on the ***same grounds*** as those instituted by the Board in the Mangrove IPR. Other factors relevant to joinder favor granting this motion, including that: (i) the same schedule for various proceedings can be adopted, (ii) Apple is not advancing any new expert testimony, and thus, discovery will not be impacted by joinder, and (iii) joinder will not materially affect the range of issues needing to be addressed by the Board and by the parties in the joined proceedings. *See Kyocera Corp. v. Softview LLC*, IPR2013-00004, Paper No. 15 at 4 (Apr. 24, 2013). Moreover, Apple is involved in other proceedings involving the '135 patent and other patents in the '135 patent family that involve some of the same art at issue here, and has an interest in ensuring the Board does not resolve an issue in this proceeding that would impact those other proceedings. Because these factors support joining these proceedings, Apple requests the Board to grant this motion for joinder.

II. RELEVANT FACTS

The '135 patent is a member of a family of patents owned by VirnetX. *See* Apple Pet. at § I.C.2. The specifications of these patents are nearly identical.

VirnetX has asserted varying sets of claims of the '135 patent and other of its patents against Apple and other entities in numerous lawsuits.

In August of 2010, VirnetX sued Apple and five other entities (the "2010 Litigation"). VirnetX asserted "at least" claims 1, 3, 7, 8, 9, 10, and 12 of the '135 patent against Apple. After trial, VirnetX obtained a judgment of infringement against Apple on, *inter alia*, claims 1, 3, 7, and 8 of the '135 patent. On December 31, 2012, VirnetX served a new complaint on Apple asserting infringement of "at least" claims 1, 3, 7, 8, 9, 10, and 12 of the '135 patent, and leading to a civil action now pending in the Eastern District of Texas (the "2012 Litigation"). On September 16, 2014, the 2010 Litigation judgment was reversed-in-part by a Federal Circuit panel and remanded for a new trial on damages. *See VirnetX, Inc. v. Cisco Systems, Inc.*, 767 F.3d 1308, 1313-14 (Fed. Cir. 2014). Both the remanded 2010 Litigation and the 2012 Litigation are scheduled for a consolidated trial in January of 2016.

III. ARGUMENT

Joinder with the Mangrove IPR is justified because each factor identified by the Board as supporting joinder is met. For example, the Board has explained that a motion for joinder should: (1) explain the reasons why joinder is appropriate; (2) identify any new grounds of unpatentability asserted in the petition; (3) explain what impact (if any) joinder would have on the trial schedule for the existing

review; and (4) address specifically how briefing and discovery may be simplified. *Kyocera Corp. v. Softview LLC*, IPR2013-00004, Paper 15 at 4 (representative order). Each of these factors is addressed below, and, when considered together, strongly support granting this motion for joinder.

A. Joinder Is Appropriate

Joinder between the instant petition and the Mangrove IPR is appropriate because they involve the same patent, the same art, the same expert declaration, and the same arguments and legal rationales. Apple's proposed grounds of invalidity are ***identical*** to Mangrove's.

Permitting joinder will not prejudice Mangrove or VirnetX. Apple raises no issues that are not already before the Board, and consequently, joinder would not affect the timing of the Mangrove IPR nor the content of any of VirnetX's responses. Moreover, Apple is amenable to coordinating with Mangrove and, as such, neither Mangrove nor VirnetX will suffer any additional costs or burdens in preparing motions and arguments.

The denial of joinder, however, will prejudice Apple. Absent joinder, the petition would be untimely under § 315(b) and Apple would be unable to participate in the *inter partes* review proceeding related to the '135 patent. Apple is involved in other proceedings involving the '135 patent and other patents in the '135 patent family that involve some of the same art at issue here. Specifically,

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