

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 IPR2015-01047¹
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)

¹ Apple Inc. and Black Swamp IP, LLC, who 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 27 (“Req. Reh’g” or “Request”), seeks reversal of the Board’s Decision to deny Patent Owner’s Motion for Additional Discovery, filed December 9, 2015, Paper 22 (“Motion”). *See* Req. Reh’g 1. The Board grants the requested relief in part.

II. DISCUSSION

In the Decision dated December 21, 2015, Paper 26 (“Decision”), we explained that “Patent Owner has not met its burden in showing additional discovery is in the interests of justice as required under 37 C.F.R. § 42.51(b)(2).” Decision 5; *see also id.* at 1–5. Patent Owner now argues that “[s]ince the Motion was directed to improperly omitted RPIs in particular, the evidence presented in the Motion only needed to show beyond speculation that something useful would be uncovered as to RPI issues. The Motion certainly met this standard.” Req. Reh’g 2–3.

We have considered Patent Owner’s arguments in the Request but, with the exception noted below, find them unpersuasive to demonstrate that we misapprehended or overlooked any points. For example, we disagree with Patent Owner that “[t]he Motion certainly met this standard [of showing beyond speculation that something useful would be uncovered as to RPI issues]” for at least the reasons previously detailed in the Decision. *See* Decision 1–5.

However, Patent Owner argues that “Ward Dietrich is Chief Operating Officer of the Mangrove Partners Master Fund” and “has no public role in petitioner” (Motion 3 (citing Ex. 2002 at 2)) and that “Ward

Dietrich held himself out as an ‘authorized person’ to sign the Power of Attorney on behalf of Petitioner” (Req. Reh’g 6 (quoting Motion 3)). Petitioner does not appear to refute this contention. Patent Owner further requests “[c]ommunications and documents or things . . . including assistance with identification of prior art, filing, funding, compensation, and/or preparation of any papers related to the Mangrove IPRs” and the identification of “persons and entities . . . involved in the preparation and filing of the petitions” and “persons and entities . . . who controlled or had the ability to control the preparation and filing of the petitions in the Mangrove IPRs.” Ex. 2034, 3; Ex. 2035, 3. In view of Ward Dietrich’s alleged role as an officer of Mangrove Partners and the named Petitioner, we grant Patent Owner’s motion for additional discovery for the limited purpose of providing communications and/or agreements pertaining to Ward Dietrich’s involvement in the preparation and filing of the Petition and/or control or ability to control the preparation and filing of the Petition.

Patent Owner requests an “expanded panel that includes the Chief Judge” because, according to Patent Owner, an expanded panel “is necessary to secure and maintain uniformity” and to “clarify the standard for additional discovery.” Req. Reh’g 1–2, 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.

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III. ORDER

For the reasons given, it is

ORDERED that Patent Owner's Motion for Additional Discovery is granted as to discovery of communications and/or agreements pertaining to Ward Dietrich's involvement in the preparation and filing of the Petition and/or control or ability to control the preparation and filing of the Petition; and

FURTHER ORDERED that Patent Owner's Motion for Additional Discovery is denied as to discovery of other materials requested.

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