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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 Request for Rehearing
Under 37 C.F.R. § 42.71(d)(1) of Institution Decision in IPR2016-00167**

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. requests rehearing of the Patent Trial and Appeal Board's Institution Decision entered February 4, 2016 (Paper No. 12 in IPR2016-00167, "Decision"), granting Black Swamp LLC's petition and instituting trial in IPR2016-00167 ("the '167 IPR") and joining that proceeding with IPR2015-01047 ("the '1047 IPR").

The Decision found institution to be proper "[i]n view of the identity of each of the challenges in [the '167 IPR] Petition to at least one challenge presented in the petition in [the '1047 IPR]." (Decision at 3.) The Decision "institute[ed] an *inter partes* review in [the '167 IPR] on the same grounds as those on which [the Board] instituted *inter partes* review in [the '1047 IPR]." (*Id.* at 4.) The Decision thus did not include any independent analysis of the petition in the '167 IPR, instead relying on the analysis conducted when instituting the '1047 IPR. (*See id.* at 3-4.) As explained in more detail below, however, the Board relied on expert testimony submitted with the '1047 IPR, whereas no such expert testimony was submitted with the '167 IPR petition. Given that the Board relied on expert testimony in the '1047 IPR, the Decision does not establish Black Swamp to have met its burden of demonstrating a reasonable likelihood of prevailing in proving unpatentability of the challenged claims. As such, institution was improper.

VirnetX requests rehearing by an expanded panel that includes the Chief

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