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Paper No. 18
Date Entered: September 16, 2014

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,
v.

VIRNETX, INC.,
Patent Owner.

Case IPR2014-00486
Patent 8,051,181 B2

Before TONI R. SCHEINER, MICHAEL P. TIERNEY, and KARL D. EASTHOM, *Administrative Patent Judges*.

SCHEINER, *Administrative Patent Judge*.

DECISION

Denying Petitioner's Motion for Joinder
and Denying Institution of *Inter Partes* Review
37 C.F.R. §§ 42.108, 42.122

I. INTRODUCTION

Petitioner, Apple Inc. ("Apple"), filed a Petition (Paper 1, "Pet.") on March 10, 2014, requesting *inter partes* review of claims 1-29 of U.S. Patent No. 8,051,181 B2 ("the '181 patent") under 35 U.S.C. §§ 311-319. Concurrently, Apple filed a Motion for Joinder (Paper 3, "Mot.") requesting consideration of the Petition with its petitions in Cases IPR2014-00483 and IPR2014-00484 (challenging U.S. Patent No. 7,987,274 ("the '274 patent")), and petitions in Cases IPR2014-00403 and IPR2014-00404, filed by Microsoft Corporation (also challenging the '274 patent).[1] Specifically, Apple "moves to join any proceedings based on these petitions in a single proceeding." Mot. 1.

Patent Owner, VirnetX Inc. ("VirnetX") filed an opposition to Petitioner's Motion (Paper 6, "Opp."), and a Preliminary Response (Paper 15, "Prelim. Resp."). Apple filed a Reply in support of its Motion (Paper 9, "Pet. Reply").

For the reasons that follow, Apple's Motion for Joinder is denied, the Petition for *inter partes* review is denied as untimely, and no trial is instituted.

A. Related Proceedings

The '181 patent was asserted against Apple in *VirnetX Inc. v. Apple Inc.*, No. 11-cv-00563-LED (E.D. Tex.). Pet. 2; Paper 5, 8. The '181 patent also is the subject of *inter partes* reexamination Control No. 95/001,949. Pet. 2. In addition, Apple filed a separate Petition requesting *inter partes* review of claims 1–29 of the '181 patent—IPR2014-00485.

[1] *Inter partes* reviews were instituted in Cases IPR2014-00403 and IPR2014-00404 on July 31, 2014.

B. The '181 Patent

The '181 patent is directed to "a method for establishing a secure communication link between a first computer and a second computer over a computer network, such as the Internet." Ex. 1025, 6:37–39.

C. Illustrative Claim

Claims 1, 2, 24, 26, 28, and 29 of the challenged claims are independent. Claim 2 of the '181 patent is illustrative, and is reproduced below:

> 2. A method of using a first device to communicate with a second device having a secure name, the method comprising:
>
> from the first device, sending a message to a secure name service, the message requesting a network address associated with the secure name of the second device;
>
> at the first device, receiving a message containing the network address associated with the secure name of the second device; and
>
> from the first device, sending a message to the network address associated with the secure name of the second device using a secure communication link.

Ex. 1025, 55:42–52.

D. The Prior Art

Apple relies on the following prior art:

Beser et al. US 6,496,867 B1 Dec. 17, 2002 (Ex. 1031).

Takahiro Kiuchi and Shigekoto Kaihara, *C-HTTP – The Development of a Secure, Closed HTTP-based Network on the Internet*, Proceedings of the Symposium on Network and Distributed System Security, IEEE, 1996 ("Kiuchi") (Ex. 1004).

S. Kent et al., *Security Architecture for the Internet Protocol*, Network Working Group, Request For Comments: 2401 1–66 (Nov. 1998) ("RFC 2401") (Ex. 1032).

M. Handley et al., *SIP: Session Initiation Protocol*, Network Working Group, Request For Comments: 2543 1–153 (Mar. 1999) ("RFC 2543") (Ex. 1033).

E. The Asserted Grounds of Unpatentability

Apple asserts the challenged claims are unpatentable based on the following grounds. Pet. 13–59.

Basis	Reference(s)	Claims Challenged
§ 102	Beser	1–29
§ 103	Beser and RFC 2401	1–29
§ 103	Beser and Kiuchi	3, 4, 23
§ 103	Beser and RFC 2543	22, 24, 27
§ 102	Kiuchi	1–6, 8, 9, 13–19, 21–29

II. ANALYSIS

A. Timeliness of the Petition

Section 315(b) of Title 35 of the United States Code is as follows:

(b) PATENT OWNER'S ACTION.—An inter partes review may not be instituted if the petition requesting the proceeding is filed more than 1 year after the date on which the petitioner . . . is served with a complaint alleging infringement of the patent. The time limitation set forth in the preceding sentence shall not apply to a request for joinder under subsection (c).

Apple acknowledges it was served with a complaint for infringement of the '181 patent on November 1, 2011—more than one year before the present Petition was filed. Pet. 1; Mot. 2. Nevertheless, Apple argues that its Petition is timely and the one-year time bar does not apply because the Petition was accompanied by a motion to join the instant proceeding with the previously instituted proceedings involving the '274 patent—which petitions were filed within the one year time limit. Pet. 1; Mot. 2.

In other words, Apple's Petition challenging the '181 patent would be untimely under § 315(b), absent joinder with a proceeding challenging the '274 patent. *See Samsung Elecs. Co. v. Va. Innovation Scis., Inc.*, Case IPR2014-00557, slip op. at 15 (PTAB June 13, 2014) (Paper 10) ("Petitioner was served with a complaint asserting infringement of the '398 Patent more than one year before filing this Petition. Thus, absent joinder of this proceeding with IPR2013-000571, the Petition would be barred." (footnote omitted)).

B. Joinder

The statutory provision governing joinder of *inter partes* review proceedings is 35 U.S.C. § 315(c), which reads as follows:

> (c) JOINDER.—If the Director institutes an inter partes review, the Director, in his or her discretion, may join as a party to that inter partes review any person who properly files a petition under section 311 that the Director, after receiving a preliminary response under section 313 or the expiration of the time for filing such a response, determines warrants the institution of an inter partes review under section 314.

Apple argues that joinder is warranted because the '181 and '274 patents are "very closely related" and "raise a set of overlapping issues that are most efficiently addressed in one *inter partes* proceeding." Mot. 1. Essentially, Apple

argues that independent "claim 2 of the '181 patent and claim 1 of the '274 patent . . . recite highly similar steps" (*id.* at 6), and that VirnetX "conceded the '181 and '274 patent claims are not patentably distinct" (*id.* at 9), as evidenced by reciprocal terminal disclaimers filed in the '181 and '274 patents in response to non-statutory obviousness-type double patenting rejections (*id.* at 10). Apple argues that "[t]he '274 and '181 patents also have a nearly identical disclosure . . . and their claims have the same effective filing date" so "there will be no distinct issues of applicability of the prior art to the claims in the '274 and '181 patents, and consistent interpretations will be used for the claim terms" (*id.* at 11).

Apple further argues that "[t]he petitions against the '181 patent . . . rely on the same four primary references" relied on in the petitions against the '274 patent. Mot. 13. Apple argues the -00485, -00486, -00483, -00484, -00403, and -00404 petitions "present substantially overlapping grounds" (*id.*), as shown in the following table:

IPR2014	**-00403**	**-00404**	**-00483**	**-00484**	**-00485**	**-00486**
Patent	**'274**	**'274**	**'274**	**'274**	**'181**	**'181**
Provino (Ex. 1003)	1-5, 7, 8, 10, 12, 13, 15, 17, 18		1-5, 7, 8, 10, 12, 13, 15, 17, 18			1-29
Kiuchi (Ex. 1004)		1-5, 7, 8, 10, 12, 15, 17		1-5, 7, 8, 10, 12, 15, 17	1-6, 8-9, 13-19, 21-29	
Beser (Ex. 1031)				1-5, 7, 8, 10, 12, 13, 15, 17, 18	1-29	
RFC 2543 (Ex. 1033)			1-5, 7, 8, 10, 12, 13, 15, 17, 18			1-29

Mot. 12.

Apple acknowledges that the claims of the two patents differ in scope—i.e., the claims in the '181 patent are broader than the claims in the '274 patent. Pet. Reply 4. Apple also acknowledges "as [the '181] patent has different claims, different explanations are provided as to why the '181 claims are unpatentable over those four references." Mot. 13. However, in mitigation of this, Apple argues "if the Board finds the '274 claims unpatentable over certain prior art, that same prior art necessarily will render the *broader* '181 patent claims unpatentable" (Pet. Reply 4).

VirnetX argues that "terminal disclaimers are not an admission that claims are patentably indistinct" (Opp. 7), and it "never 'conceded' that the claims of the '181 and '274 patents are patentably indistinct'" (*id.* at 8). Moreover, VirnetX points out that joining Apple's -00483, -00484, -00485, and -00486 petitions with Microsoft's -00403 and -00404 petitions would "add[] to Microsoft's proceedings . . . six additional prior art references [not shown in the table above], nineteen new grounds of unpatentability, three new declarations totaling over 660 pages, and one declarant." *Id.* at 1. VirnetX also argues that "Apple's twenty-nine additional claims involve new claim terms and claim construction issues . . . not raised in Microsoft's petitions" (*id.* at 8), and the "unpatentability analyses required to address all of the new references and grounds of rejection introduced by Apple will have a significant impact on the proceeding" (*id.* at 9).

We have considered Apple's arguments in support of joinder and VirnetX's arguments in opposition, and are not persuaded that joinder of proceedings involving claims of differing scope in two distinct patents is warranted or justified on the facts presented. As discussed above, joinder of two or more proceedings for *inter partes* review is discretionary. *See* 35 U.S.C. § 315(c). We decline to exercise that discretion to join these proceedings.

III. CONCLUSION

We deny the Motion for Joinder and, therefore, deny the Petition because it was not filed within the time limit imposed by 35 U.S.C. § 315(b).

IV. ORDER

In consideration of the foregoing, it is ORDERED that Petitioner's motion for joinder is *denied*; and

FURTHER ORDERED that the Petition challenging the patentability of claims 1–29 of U.S. Patent No. 8,051,181 is *denied* and no trial is instituted.

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