

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.
Petitioner,

v.

VIRNETX, INC. AND SCIENCE APPLICATION INTERNATIONAL
CORPORATION,
Patent Owner

Patent No. 8,051,181

Issued: November 1, 2011

Filed: February 27, 2007

Inventors: Victor Larson, *et al.*

Title: Method for establishing secure communication link between computers of
virtual private network

Inter Partes Review No. IPR2014-00486

PETITIONER'S REPLY IN SUPPORT OF ITS MOTION FOR JOINDER

I. ARGUMENT

In its opposition, Patent Owner improperly argues the Board lacks the statutory authority to join petitions for *inter partes* review (IPR) filed by different parties and concerning different patents. *See* Opp. at 5-6. The plain language of 35 U.S.C. § 315(c) refutes that theory. *See* Paper No. 3 (“Mot.”) at 8-9. As Petitioner explained, the statute uses **different** language to define the Board’s authority to join IPRs relative to that which governs joinder of post-grant reviews – only the latter (§ 325(c)) restricts joinder to petitions “filed against the same patent.” Because Congress chose to cast the joinder authority differently in these closely analogous situations, the only reasonable statutory interpretation of § 315(c) is that it does not bar joinder of petitions involving different patents. *See Keene Corp. v. United States*, 508 U.S. 200, 208 (1993) (“where Congress includes particular language in one section of a statute but omits it in another . . . , it is generally presumed that Congress acts intentionally and purposely in the disparate inclusion or exclusion.”). And while Patent Owner cites Senator Kyl’s observations on one example of joinder (Opp. at 5), that observation plainly does not limit the Board’s statutory authority to join *inter partes* review proceedings, as even Patent Owner concedes. *Id.* (referring to the Kyl scenario as “exemplary”).

In this case, the merits compel joinder because Patent Owner cannot dispute that the claims in each of the ‘181 and ‘274 patents are unpatentable over claims in

the other. A finding by the Board that the claims in either of the ‘181 or ‘274 patents are unpatentable thus compels finding the claims in the other patent unpatentable over the same prior art.

Contrary to Patent Owner’s assertions (Opp. at 7-8), Petitioner is not claiming this conclusion results simply from the filing of terminal disclaimers in each of the ‘181 and ‘274 patents.¹ Instead, as Petitioner explained and Patent Owner did not dispute, the file histories (*see, e.g.*, Ex. 1028 at 632; Ex. 1026 at 815) show that Patent Owner ***acquiesced during prosecution*** to the Office’s findings that claims in each of the ‘181 and ‘274 patents were unpatentable over claims in the other. Mot. at 3-7, 9-11. Specifically, in response to the rejections, Patent Owner did not identify a single reason why any rejected claim was not obvious over claims in the other patent, but simply argued that ***the terminal disclaimers overcame*** the double patenting rejections. Patent Owner’s own conduct during examination of each of the ‘181 and ‘274 patents has created the unique relationship between these sets of patent claims that justifies joinder. *See, e.g., Ex Parte Janice Au-Young et al.*, APL 2003-1817, 2004 WL 4978993 (B.P.A.I. Aug. 31, 2004) (“Appellants have acquiesced in the merits of these

¹ Patent Owner accuses Petitioner of “misleading” the Board about Patent Owner’s position on double patenting of the ‘181 and ‘274 patent claims (Opp. at 7), but cites nothing from its file wrappers to support this contention.

rejections by offering to file appropriate terminal disclaimers”); *Ex Parte Abdul Gaffar et al.*, 1995-4903, 1995 WL 1774381 (B.P.A.I. Jan. 1, 1995) (same).

In its opposition, Patent Owner does not seriously dispute that the claims of the ‘181 and ‘274 patents are patentably indistinct. It fails to identify any unique patentability issues associated with one but not the other set of patent claims. Instead, Patent Owner mechanically tallies the number of grounds, claims, and pages of expert reports in Petitioner’s proceedings relative to those in the Microsoft petitions. Patent Owner’s alleged “burden” concerns are entirely speculative and easily addressed.

First, this is not a case where the Board has already instituted trial, so adding new grounds would not prejudice the Board’s ability to complete the proceedings within a year of institution. The Board’s decision in IPR2013-00319 (Paper 18) cited by Patent Owner is thus inapposite – the primary concern motivating the Board’s decision there was the impact on an *established* trial schedule. Because these proceedings are at a very early stage – before Patent Owner has even filed its preliminary responses – there is no prejudice.

Second, Patent Owner mischaracterizes the volume of additional work implicated by joinder, simplistically describing it as a “wholesale” expansion in the number claims and grounds that have to be addressed. But this ignores both the substance and legal relationship of the claims in the two patents. For example, if

the Board finds the ‘274 claims unpatentable over certain prior art, that same prior art necessarily will render the *broad*er ‘181 patent claims unpatentable (and Patent Owner is barred from arguing otherwise). In its opposition, Patent Owner avoids discussing the merits of its patents, and for good reason – there are no distinctions of patentable significance between the two sets of claims. Notably, Patent Owner presents *no response* to Petitioner’s showings of the similarity of the independent and dependent claims of the ‘181 and ‘274 patents. *See* Mot. at 6-8 (¶¶ 18-20).

Third, the Board has latitude to structure the joined proceedings to mitigate any burdens on it or the parties. For example, in addition to the proposals in Apple’s Motion, the Board could establish two proceedings, one involving IPR2014-00403, -00483 and -00485, and the other involving IPR2014-00404, -00484 and -00486. That would result in two trials, each focused on two primary references.² Even if all six proceedings are joined together, the volume of issues to be addressed is unexceptional relative to other IPRs. Patent Owner’s page limit concerns are similarly unsupported – it may file a 60-page preliminary response to each petition (thereby resolving its alleged “claim construction” concerns), and can request additional pages for its oppositions if it has a legitimate justification.

² Patent Owner claims the six petitions raise grounds based on more than four primary references. This is simply incorrect. *See* Paper No. 3 at 12. References used to support obviousness grounds are secondary references.

Patent Owner's remaining arguments are irrelevant to joinder. **First**, it argues Apple will not be prejudiced if joinder is denied because the '181 patent is undergoing *inter partes* reexamination. Opp. at 11-12. Patent Owner, however, is doing everything in its power to delay that proceeding to prevent its conclusion before trial. Indeed, Petitioner is turning to the IPR system for the reason it was designed - as an antidote to the *inter partes* reexamination system's susceptibility to these types of delay tactics. **Second**, it argues Apple's '181 petitions are barred under § 315(b). This ignores the explicit exemption in § 315(b) for petitions filed with a joinder motion. These arguments also ignore the Board's broad discretion under § 315(d) to conduct multiple proceedings as it sees fit. **Finally**, Patent Owner argues Apple is precluded from joining its '181 petitions to its own '274 petitions, claiming that allowing this would subvert § 315(b). Patent Owner cites no authority for this proposition, and the real travesty would be to allow Patent Owner to shield its **broad** '181 claims after its '274 claims are held unpatentable. No public policy justifies shielding these unpatentable claims from challenge.

II. Conclusion

The factors relevant to joinder strongly support joining IPR2014-00485 and -00486 to IPR2014-00483 and -00484 and IPR2014-00403 and -00404, and consolidating the schedule of these six proceedings. Petitioner requests its joinder motion be granted.

Dated: May 12, 2014

Respectfully Submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on this 12th day of May 2014, a copy of this Petitioner's Reply in Support of Its Motion for Joinder, has been served in its entirety by e-mail on the following counsel of record for patent owner:

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