

No. 2016-119

**UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT**

IN RE: VIRNETX INC.,

Petitioner.

On Petition for a Writ of Mandamus to the United States Patent and Trademark Office, Patent Trial and Appeal Board in Nos. IPR2015-01046 & IPR2015-01047

**RESPONDENT APPLE INC.'S OPPOSITION
TO PETITION FOR A WRIT OF MANDAMUS**

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CERTIFICATE OF INTEREST

Counsel for Respondent Apple Inc. certifies the following:

1. The full name of every party or *amicus* represented by us is:
Apple Inc.
2. The names of the real party in interest represented by us is:
Not applicable.
3. All parent corporations and any publicly held companies that own 10 percent or more of the stock of the party or *amicus curiae* represented by me are:
None.
4. The names of all law firms and the partners or associates that appeared for the party or *amicus* now represented by me in the trial court or agency or are expected to appear in this court are:

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INTRODUCTION

The petition for mandamus filed by VirnetX Inc. is a meritless attempt to stall ongoing, properly-instituted *inter partes* review (“IPR”) proceedings before the Patent Trial and Appeal Board (the “Board”). VirnetX seeks to avoid or delay entry of final administrative decisions invalidating its patent claims—claims which underlie a large portion of the recent \$625 million verdict against Apple in the Eastern District of Texas. VirnetX clearly hopes that its petition, by interrupting the Board’s proceedings, will increase the chances of the jury verdict reaching this Court before the Board’s final written decision—a fact made plain by VirnetX’s failure to make the necessary showing for issuance of a writ of mandamus.

VirnetX’s petition fails at the outset because this Court has conclusively stated that mandamus review is not available for an *interlocutory* challenge to the Board’s decision whether to institute an IPR proceeding. In a line of cases VirnetX barely mentions, this Court has held that there is no “clear and indisputable right to this court’s immediate review of a decision to institute an *inter partes* review, as would be needed for mandamus relief.” *In re Procter & Gamble Co.*, 749 F.3d 1376, 1376 (Fed. Cir. 2014). Moreover, even if mandamus review of the Board’s decision were appropriate, VirnetX could not show a clear and indisputable error in the Board’s decision to institute proceedings on Apple’s petition and to grant Apple’s motion for joinder. This Court has already ruled that 35 U.S.C. § 315(c)

allows “an otherwise time-barred party [to] nonetheless participate in an *inter partes* review proceeding if another party files a proper petition.” *Achates Reference Publ’g, Inc. v. Apple Inc.*, 803 F.3d 652, 657 (Fed. Cir. 2015).

VirnetX’s petition independently fails because VirnetX has not established that it lacks adequate alternative means of obtaining the relief it seeks. Assuming that judicial review of the Board’s institution and joinder decision is available at all, VirnetX could obtain such review following a final written decision of the Board. VirnetX thus has failed to establish irreparable harm warranting immediate review of the institution and joinder decision.

VirnetX’s petition should be denied.

BACKGROUND

A. Related Proceedings

VirnetX’s current petition is best understood in light of the long history of proceedings involving the patents at issue. On August 11, 2010, VirnetX filed a complaint in the United States District Court for the Eastern District of Texas, alleging that Apple infringed certain patents assigned to VirnetX, including U.S. Patent Nos. 6,502,135 and 7,490,151 (the “’135 and ’151 patents”). *VirnetX Inc. v. Cisco Sys., Inc.*, No. 6:10-cv-00417, Dkt. 1 (E.D. Tex. Aug. 11, 2010). In November 2012, a jury found that Apple had infringed the patents and awarded VirnetX over \$368 million. On appeal in 2014, this Court affirmed in part and

reversed in part, vacated the jury's damages award, and remanded for further proceedings. *VirnetX, Inc. v. Cisco Sys., Inc.*, 767 F.3d 1308, 1313, 1334 (Fed. Cir. 2014). The district court, over Apple's objection, consolidated the remand proceeding with a separate litigation also involving the '135 and '151 patents that VirnetX had brought against different Apple products and features. On February 3, 2016, a new jury awarded VirnetX over \$625 million for infringement of the '135, '151, and two other patents. *VirnetX Inc. v. Apple Inc.*, No. 6:12-cv-00855, Dkt. 425 (E.D. Tex. Feb. 3, 2016). The case is currently in post-trial briefing before the district court.

In July 2011, more than a year before the first jury verdict, more than four years before the second jury verdict, and even before enactment of the America Invents Act allowing for *inter partes* review, Apple filed requests for *inter partes* reexamination of the '135 and '151 patents. *See* Control Nos. 95/001,682, 95/001,697. Despite the PTO's continued rejection of each and every claim asserted in the Texas litigation as unpatentable, these reexamination proceedings have been waylaid by VirnetX and remain pending. VirnetX has delayed the proceedings by filing 35 administrative petitions, taking advantage of the PTO's practice of suspending action while an administrative petition is pending. These petitions have sought to suspend or terminate the reexaminations, waive page limitations, request reconsideration of previous petition denials, and even request

reconsideration of decisions denying reconsideration. VirnetX has also asked to extend *every* deadline set by the PTO for VirnetX to take action in *every* reexamination proceeding requested by Apple, regardless of the circumstances.¹

B. Mangrove’s *Inter Partes* Review Petitions

On April 14, 2015, the Mangrove Partners Master Fund, Ltd. (“Mangrove”) filed petitions for *inter partes* review against the ’135 and ’151 patents. Exs. 1-2 (“the Mangrove IPRs”).² Mangrove is an “investment advisor registered with the Securities and Exchange Commission,” and is not related in any way to Apple. Pet. Ex. 21 (Mangrove brochure). The Board determined that Mangrove had established a reasonable likelihood that the challenged claims were unpatentable as anticipated or obvious, and rejected each of VirnetX’s arguments against institution, including arguments that Mangrove had failed to name other alleged

¹ VirnetX’s depiction of certain previous IPR petitions against the ’135 and ’151 patents is both misleading and irrelevant. For example, when Apple filed its first petitions, it was not clear that those petitions would be deemed untimely; the Board had not yet interpreted § 315(b)’s time bar as applying to infringement complaints served before enactment of the America Invents Act. VirnetX also suggests that “Apple had its proxy,” RPX Corporation, file petitions (Pet. 2), but what the Board actually found was that Apple was a real-party-in-interest due only to a contractual relationship with RPX, not that Apple had anything to do with RPX’s filing of the petitions. Most importantly, however, the prior IPR petitions that VirnetX identifies are simply irrelevant to the question whether the Board properly instituted Apple’s instant IPR petitions and joined Apple to the Mangrove proceedings.

² “Ex.” refers to the exhibits to this opposition. “Pet. Ex.” refers to the exhibits to VirnetX’s petition.

real-parties-in-interest and that the petitions constituted an abuse of process. Pet. Ex. 17 at 2, 7-11; Pet. Ex. 18 at 2, 7-12. The Board accordingly instituted review on all petitioned grounds on October 7, 2015. Pet. Exs. 17-18. On October 21, 2015, VirnetX moved for rehearing by an expanded panel. Exs. 3-4. That motion was denied on November 13, 2015. Exs. 5-6.

C. Apple's *Inter Partes* Review Petitions And Requests For Joinder

On October 26, 2015, shortly after the Board had instituted the Mangrove proceedings, Apple filed IPR petitions challenging the '135 and '151 patents, and requested that the Board join Apple to the Mangrove proceedings. Pet. Exs. 41-44. Apple filed its petitions within one month of the Board's institution of the Mangrove IPRs, as required for joinder under 37 C.F.R. § 42.122(b). Apple's petitions presented the same grounds of unpatentability as the Mangrove petitions, which the Board had found raised a reasonable likelihood of unpatentability. Pet. Ex. 41 at 5-6; Pet. Ex. 42 at 5-6; Pet. Ex. 43 at 39; Pet. Ex. 44 at 54. Apple's petitions also included the same exhibits filed by Mangrove, plus additional exhibits confirming that certain prior art references were publicly available before the earliest effective filing date of the challenged claims. Pet. Ex. 41 at 5-6; Pet. Ex. 42 at 5-6; Pet. Ex. 43 at 39; Pet. Ex. 44 at 54.

While Apple's petitions and joinder motions were pending before the Board, VirnetX requested an extension of the deadline for filing its Patent Owner

Response in each IPR. The Board granted that request, moving the due date from January 8 to February 8, 2016. Exs. 15-16.

On January 25, 2016, the Board instituted trial on Apple's petitions and granted Apple's requests to join the proceedings to the Mangrove IPRs. Pet. Ex. 1 at 6-8; Pet. Ex. 2 at 7-8. The Board found that Apple's petitions "assert[] the same grounds as those on which [the Board] instituted review" in the Mangrove proceedings, and explained that "the issue of whether" prior art references were "publicly available before the earliest effective filing date of the challenged claims was previously raised by [VirnetX]" and thus "cannot be an 'additional issue' raised subsequently by" Apple. Pet. Ex. 1 at 2, 5; Pet. Ex. 2 at 2, 5. The Board ordered that "the grounds on which [trial] was instituted are unchanged and no other grounds are included in the joined proceeding[s]." Pet. Ex. 1 at 6-7; Pet. Ex. 2 at 7. Mangrove and Apple were instructed to "collectively designate attorneys" for depositions and oral hearings. Pet. Ex. 1 at 7; Pet. Ex. 2 at 7-8. The Board also ordered that Apple would be bound by any discovery agreements between VirnetX and Mangrove and that Apple "shall not seek any discovery beyond that sought by" Mangrove. Pet. Ex. 1 at 7; Pet. Ex. 2 at 7.

VirnetX moved for rehearing of the Board's institution and joinder decisions by an expanded panel. Pet. Exs. 51-52.³ It then sought to delay the IPR proceeding by again asking for an extension of the due date to file its Patent Owner Response in each IPR. The Board accommodated that request, extending the due date for the Patent Owner Responses, this time to March 8, 2016.

On February 25, 2016, VirnetX asked the Board for leave to file a motion to stay that deadline pending the Board's resolution of VirnetX's motions for rehearing. Pet. Ex. 53. VirnetX also informed the Board that, if the Board denied a stay or denied the requests for rehearing, VirnetX intended to petition this Court for a writ of mandamus and request that the Board stay proceedings pending resolution of that mandamus petition. *Id.* The next day, the Board denied VirnetX's pending motions for rehearing, explaining that VirnetX's arguments were "unpersuasive to demonstrate that [the Board] misapprehended or overlooked

³ On November 6, 2015, Black Swamp IP, LLC ("Black Swamp"), a "member-run LLC" with no relation to Apple, also filed an IPR petition against the '151 patent, and requested joinder to the Mangrove proceeding against the '151 patent. Exs. 7-8. The Board instituted trial on that petition and joined the proceeding to the Mangrove IPR on February 4, 2016. Ex. 9. VirnetX filed a request for rehearing by an expanded panel of the Board, which was denied on February 26, 2016. Ex. 10.

any points.” Pet. Ex. 54 at 3-4; Pet. Ex. 55 at 3. On March 1, 2016, the Board denied VirnetX’s request for leave to move for a stay. Pet. Ex. 56.⁴

On March 4, 2016, shortly before VirnetX’s Patent Owner Responses were due, VirnetX filed the instant petition for a writ of mandamus and moved this Court to stay the Board proceedings pending this Court’s ruling on that petition. Dkt. 2; Dkt. 3. On March 7, 2016, this Court temporarily stayed the Board’s proceedings and directed Apple, Mangrove, and the Director of the Patent and Trademark Office to respond to the petition and motion. Dkt. 4.

ARGUMENT

“The remedy of mandamus is a drastic one, to be invoked only in extraordinary situations.” *In re Dominion Dealer Solutions, LLC*, 749 F.3d 1379, 1381 (Fed. Cir. 2014). Accordingly, the writ may issue only if the petitioner carries its burden of showing both “a ‘clear and indisputable’ right to relief” and that it “lack[s] adequate alternative means to obtain the relief” it seeks.” *Id.*; *In re Princo Corp.*, 478 F.3d 1345, 1353 (Fed. Cir. 2007). Even if these “first two prerequisites have been met, the issuing court, in the exercise of its discretion, must be satisfied that the writ is appropriate under the circumstances.” *Cheney v. U.S. Dist. Ct. for Dist. of Columbia*, 542 U.S. 367, 381 (2004). Because VirnetX

⁴ The Board also denied VirnetX’s request to increase the length of its Patent Owner Responses by 20 pages, “in light of the substantial similarity of issues of the individual Petitioners.” Pet. Ex. 56.

has failed to establish a clear and indisputable right to relief or that it lacks adequate alternative means of obtaining relief, VirnetX's petition should be denied.

I. VIRNETX CANNOT SHOW A “CLEAR AND INDISPUTABLE” RIGHT TO INTERLOCUTORY RELIEF FROM THE BOARD’S DECISION TO INSTITUTE IPR PROCEEDINGS ON APPLE’S PETITIONS AND TO JOIN THEM TO THE MANGROVE PROCEEDINGS

VirnetX's petition fails at the outset because this Court has made clear that there is no “clear and indisputable” right to interlocutory review on mandamus of decisions to institute IPR proceedings. Furthermore, even if the immediate review VirnetX seeks were available, VirnetX has not shown any clear and indisputable error in the Board's decision to institute proceedings on Apple's IPRs and join them to the Mangrove proceedings.

A. There Is No “Clear And Indisputable” Right To Interlocutory Review Of A Decision To Institute

VirnetX's petition is directly foreclosed by this Court's precedent. There is no “clear and indisputable right to this court's immediate review of a decision to institute an *inter partes* review, as would be needed for mandamus relief.” *Procter & Gamble*, 749 F.3d at 1376. VirnetX barely mentions this Court's case law severely limiting judicial review of decisions instituting IPR proceedings. It fails entirely to address the Court's precedent foreclosing *interlocutory* review of such decisions, including on petitions for mandamus.

In *Procter & Gamble*, this Court explained that “chapter 31 generally, section 314(d) particularly, and our jurisdictional statute require[] that we may not hear an appeal from the Director’s decision to institute an *inter partes* review. Nor is there a clear and indisputable right to this court’s immediate review of a decision to institute an *inter partes* review, as would be needed for mandamus relief.” 749 F.3d at 1378-1379. Subsequent panels of this Court have recognized that *Procter & Gamble* conclusively decided this issue. *See, e.g., Achates*, 803 F.3d at 655-656 (“This court has rejected the availability of mandamus and APA relief for interlocutory review of the Director’s initiation decisions in IPR and CBMR because of the absence of any final written decision of the Board for this court to review, and because of the restriction in § 314(d).”); *In re Cuozzo Speed Techs., LLC*, 793 F.3d 1268, 1274 (Fed. Cir. 2015) (“[I]n *In re Procter & Gamble Co.*, we held that mandamus was not available to provide immediate review of a decision to institute IPR.”); *In re Bd. of Trs. of Univ. of Ill.*, 564 F. App’x 1021, 1021 (Fed. Cir. 2014) (denying petition for writ of mandamus directing PTO to withdraw its order instituting IPR because “[o]ur analysis in [*Procter & Gamble*] controls this case”); *In re Versata Dev. Grp., Inc.*, 564 F. App’x 1025, 1025-1026 (Fed. Cir. 2014) (denying petition for writ of mandamus directing PTO to withdraw its orders instituting post-grant review because “[t]he principles in *Procter & Gamble* control this case”; “as in *inter partes* review, a writ of mandamus is not a proper vehicle

for challenging the institution of post-grant review”); *see also In re MCM Portfolio, LLC*, 554 F. App’x 944 (Fed. Cir. 2014) (denying immediate mandamus review of decision to institute IPR). Thus, even though this Court has not foreclosed the possibility that mandamus may be available “to review institution of IPR *after a final decision*,” *Cuozzo*, 793 F.3d at 1275 (emphasis added), it has conclusively foreclosed the possibility of *immediate* review of such a decision.⁵

VirnetX attempts to confine the holding of *Procter & Gamble* by arguing that the Court “refused to grant mandamus ... after finding that the movant could demonstrate no ‘irremediable interim harm.’” Pet. 27. But this Court’s opinion was clear that the lack of irremediable harm was an *independent* reason why mandamus was inappropriate, in addition to the primary holding that there is no “clear and indisputable right to this court’s immediate review of a decision to institute an *inter partes* review, as would be needed for mandamus relief.” 749 F.3d at 1378-1379; *see Woods v. Interstate Realty Co.*, 337 U.S. 535, 537 (1949) (“[W]here a decision rests on two or more grounds, none can be relegated to the category of obiter dictum.”).⁶ Indeed, this Court subsequently understood *Procter*

⁵ Several panels of this Court have similarly issued unpublished decisions denying mandamus petitions directed to other interlocutory Board rulings in IPR proceedings. *See, e.g., In re Telefonaktiebolaget LM Ericsson*, 564 F. App’x 585 (Fed. Cir. 2014); *In re Redline Detection, LLC*, 547 F. App’x 994 (Fed. Cir. 2013).

⁶ As discussed below (pp. 21-26), VirnetX also fails to show irreparable harm in any event.

& Gamble to establish a general rule that “mandamus was not available to provide immediate review of a decision to institute IPR.” *Cuozzo*, 793 F.3d at 1274.

VirnetX attempts to avoid this Court’s precedent foreclosing immediate review of the PTO’s decision to institute IPR by directing its mandamus petition to the Board’s joinder decision. Pet. 26. But the joinder of Apple to Mangrove’s IPR proceedings cannot be decoupled from the decision to institute IPR on Apple’s petitions. Pet. Ex. 1 at 6 (ordering that Apple’s IPR proceeding “is *instituted and joined* with” Mangrove’s (emphasis added)); Pet. Ex. 2 at 7 (same). VirnetX cites no case considering those orders independently. In fact, VirnetX’s mandamus petition relies on the time bar of 35 U.S.C. § 315(b) (Pet. 13-14), which by its own terms precludes only the *institution* of IPRs, not their joinder. The Board’s interlocutory decision to institute IPR and to join the proceedings is no more reviewable on an immediate mandamus petition than any other decision to institute would be. *Cf. Achates*, 803 F.3d at 657 (discussing the relationship between the § 315(b) time-bar on institution and joinder under § 315(c)).

VirnetX also argues that “mandamus is appropriate where a governmental entity has acted outside its statutory authority.” Pet. 26. Even if *ultra vires* agency action were enough to overcome the statutory prohibition on review of interlocutory decisions of the Board, *Procter & Gamble*, 749 F.3d at 1378-1379, the Court’s precedent forecloses this argument, too. As this Court explained in

Achates, “compliance with the [§ 315(b)] time-bar does not itself give the Board the power to invalidate a patent,” and is thus not jurisdictional. 803 F.3d at 658. Rather, “like other ‘[f]iling deadlines,’ the IPR time bar here is merely a ‘rule[] that seek[s] to promote the orderly progress of litigation by requiring that the parties take certain procedural steps at certain specified times.’” *Id.* (quoting *Henderson ex rel. Henderson v. Shinseki*, 562 U.S. 428, 435 (2011)). There is no question, therefore, that the Board has acted within its authority. Indeed, VirnetX’s claimed error is one of statutory interpretation on the part of the Board (Pet. 13-26), and this Court held in *Achates* that “statutory interpretation disputes fall outside this exception [to the bar on judicial review] for *ultra vires* agency action.” 803 F.3d at 658.

This Court’s precedent is clear that there is no right to interlocutory review of the Board’s decision to institute IPR proceedings. Accordingly, VirnetX cannot show a clear and indisputable right to mandamus relief.⁷

⁷ The questions presented in *Cuozzo Speed Technologies, LLC v. Lee*, 136 S. Ct. 890 (2016) (granting certiorari to *In re Cuozzo Speed Techs., LLC*, 793 F.3d 1268 (Fed. Cir. 2015)), do not address *interlocutory* review in IPR cases, and even the petitioner there agrees that “when the Board institutes IPR, [35 U.S.C. §] 314(d) prevents interlocutory review, including via mandamus petitions.” Pet. Br. 52, *Cuozzo* (filed Feb. 22, 2016).

B. VirnetX Has Not Shown Any Clear And Indisputable Error In The Board's Decision

Even if interlocutory mandamus review of the institution and joinder decision were available (and it is not), VirnetX independently fails to show a clear and indisputable error in the Board's decision to join Apple's IPRs to Mangrove's.

1. This Court's Precedent And The Plain Language Of The Statute Support The Board's Application Of The Joinder Provision

The Board's application of the joinder and time bar provisions is consistent with how this Court has construed those provisions. VirnetX's petition does not even cite the governing precedent: in *Achates*, this Court ruled that 35 U.S.C. § 315(c) permits "an otherwise time-barred party [to] nonetheless participate in an *inter partes* review proceeding if another party files a proper petition." 803 F.3d at 657. The Court explained that "the [§] 315(b) time bar does not impact the Board's authority to invalidate a patent claim," and it expressly does not apply to requests for joinder made under § 315(c). *Id.*

This Court's explanation of these provisions in *Achates* accords with the plain language of the statute:

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, real party in interest, or privy of 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).***

315 U.S.C. § 315(b) (emphasis added). The second sentence of the subsection creates an express exception to the rule stated in the first sentence. As the Board explained, “if a party filing a time-barred petition requests joinder, the one-year time bar ‘shall not apply.’” Pet. Ex. 1 at 4. Because the plain language of the statute supports the Board’s interpretation, VirnetX cannot show error, much less a clear and indisputable right to relief. *See Sebelius v. Cloer*, 133 S. Ct. 1886, 1895 (2013) (“Our ‘inquiry ceases [in a statutory construction case] if the statutory language is unambiguous and the statutory scheme is coherent and consistent.’” (alteration in original)).

The Board’s application of the joinder and time bar provisions is also consistent with the purposes of the America Invents Act. The Act resulted from efforts to “establish a more efficient and streamlined patent system that will improve patent quality and limit unnecessary and counterproductive litigation costs.” 157 Cong. Rec. S1349 (daily ed. Mar. 8, 2011) (statement of Sen. Leahy); *see also* H.R. Rep. No. 112-98, pt. 1, at 48 (June 1, 2011) (post-grant review proceedings are intended to “provid[e] quick and cost effective alternatives to litigation”). This goal is best served through a broad construction of the joinder provision; once a proceeding is instituted, the joinder of relevant parties and the gathering of all relevant information will ensure both the consolidation and efficiency of administrative proceedings and that patent claims are properly tested

as Congress intended. Furthermore, and as shown in more detail below (pp. 22-25), the Board's application of the joinder exception is consistent with the purpose of the § 315(b) time bar: if patent claims are already being reviewed, a patent owner suffers no undue "harassment" or "serial challenge[]" (Pet. 23-24) from the joinder of another petitioner to that same review proceeding.

2. VirnetX's Proposed Construction Conflicts With The Plain Language And Purpose Of The Statute

The first sentence of § 315(b) bars the PTO from instituting an IPR on a petition filed by a party that has been served with a complaint alleging infringement of the patent more than one year before the filing of the petition. 35 U.S.C. § 315(b). The second sentence of the provision creates an exception to that rule. *Id.* VirnetX's construction of the statute, however, would render the second sentence of § 315(b) superfluous, by reading that sentence to create an exception for something not contained in the rule in the first place.

VirnetX contends that the second sentence of § 315(b) merely "exempts" a *request for joinder* from the one-year time limitation in the first sentence of § 315(b), and that the related IPR petition must still be filed within the one-year grace period. Pet. 15. But nothing in the first sentence suggests that there is any time limit on a request for joinder. *See* 35 U.S.C. § 315(b) ("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.” (emphasis added)).⁸ In order for the provision to make any sense, the second sentence of § 315(b)—“The time limitation set forth in the preceding sentence shall not apply to a request for joinder”—must create an exception to what is otherwise prohibited in the first sentence, namely, the “institut[ion]” of IPR proceedings by an otherwise time-barred party. 35 U.S.C. § 315(b); *see FDA v. Brown & Williamson Tobacco Corp.*, 529 U.S. 120, 133 (2000) (“It is a ‘fundamental canon of statutory construction that the words of a statute must be read in their context and with a view to their place in the overall statutory scheme.’”).⁹

VirnetX places great weight on the language of § 315(c), which states that “the Director ... may join as a party to [an instituted] inter partes review any

⁸ In fact, the time limit on a request for joinder is codified elsewhere. *See* 35 U.S.C. § 316(a)(12) (directing PTO to implement regulation setting time period for requesting joinder); 37 C.F.R. § 42.122(b) (“Any request for joinder must be filed, as a motion under § 42.22, no later than one month after the institution date of any inter partes review for which joinder is requested.”). Apple’s joinder request undisputedly complied with that provision, as the Board found. Pet. Ex. 1 at 3; Pet. Ex. 2 at 3-4.

⁹ VirnetX argues that “the Board treated the terms ‘petition’ and ‘request for joinder’ as interchangeable.” Pet. 15. As subsection (c) makes clear, however, a request for joinder consists of (or at least includes) a “petition.” *See* 35 U.S.C. § 315(b) (referring to “a request for joinder under subsection (c)”); *id.* § 315(c) (“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 ... determines warrants the institution of an inter partes review under section 314.”). Thus, the statute *requires* treating these terms similarly in this context.

person who properly files a petition under section 311.” 35 U.S.C. § 315(c).

According to VirnetX, the legislative history indicates that, when Congress used the term “properly files,” it meant to incorporate the timing requirements for filing a petition. Pet. 20-22. But § 315(c) specifically states that a joinder request may be granted for “any person who properly files a petition *under section 311*,” 35 U.S.C. § 315(c) (emphasis added), which sets out the general rules for who may file an IPR petition and when.¹⁰ Apple’s IPR petitions undisputedly met every requirement stated in § 311. Cf. Pet. Ex. 1 at 2-3; Pet. Ex. 2 at 2-3. The bar on instituting a proceeding on a petition filed more than one year after the petitioner is served with an infringement complaint—the timing requirement that VirnetX claims Apple ran afoul of—is not contained in § 311, but in § 315(b). Thus, even

¹⁰ 35 U.S.C. § 311 provides:

(a) In general.--Subject to the provisions of this chapter, a person who is not the owner of a patent may file with the Office a petition to institute an inter partes review of the patent. The Director shall establish, by regulation, fees to be paid by the person requesting the review, in such amounts as the Director determines to be reasonable, considering the aggregate costs of the review.

(b) Scope.--A petitioner in an inter partes review may request to cancel as unpatentable 1 or more claims of a patent only on a ground that could be raised under section 102 or 103 and only on the basis of prior art consisting of patents or printed publications.

(c) Filing deadline.--A petition for inter partes review shall be filed after the later of either--

- (1) the date that is 9 months after the grant of a patent; or
- (2) if a post-grant review is instituted under chapter 32, the date of the termination of such post-grant review.

if § 315(c) incorporates the timing requirements of § 311, it does not incorporate the one-year limitation of § 315(b).¹¹

VirnetX argues that § 311 “in turn, requires compliance with the other provisions of Title 35, Chapter 31.” Pet. 23; *see* 35 U.S.C. § 311(a) (“Subject to the provisions of this chapter, a person who is not the owner of a patent may file with the Office a petition to institute an inter partes review of the patent.”). But this does not mean that the “properly files” language of § 315(c) was intended to refer to all of the requirements of Chapter 31, and it certainly was not intended to refer to those timing requirements containing an express exception for requests for joinder. *Cf. Graham Cty. Soil & Water Conservation Dist. v. United States ex rel. Wilson*, 545 U.S. 409, 417-418 (2005) (interpreting a limitations provision’s reference to 31 U.S.C. § 3730 to refer only to causes of action arising under § 3730(a) and (b), but not § 3730(h)). If Congress had intended a joinder request to comply with *all* of the provisions of the chapter, it could have stated that simply, by drafting § 315(c) to read: “the Director ... may join as a party ... any person who properly files a petition under ~~section 311~~ the provisions of this chapter.” *Cf. Whitman v. American Trucking Ass’ns, Inc.*, 531 U.S. 457, 468 (2001) (Congress

¹¹ VirnetX relies heavily on Senator Kyl’s individual statement indicating that the term “properly files” is meant to encompass timing requirements. Pet. 20-22. But none of that legislative history comes close to suggesting that the language was meant to encompass the timing requirements *of § 315(b)* as opposed to the timing requirements of § 311.

“does not, one might say, hide elephants in mouseholes.”). It would make no sense for Congress instead to accomplish such a result through the use of a cross-reference within a cross-reference.

3. Even If The Statute Were Ambiguous, The Board’s Interpretation Would Be Entitled To Deference

The Board’s order joining Apple to Mangrove’s IPR proceedings is also consistent with the PTO’s regulations. Those regulations provide that “the one year time limit ‘shall not apply when the petition is accompanied by a request for joinder.’” Pet. Ex. 1 at 4 (quoting 37 C.F.R. § 42.122(b)). Because Congress authorized the PTO to prescribe regulations, the validity of the PTO’s regulation is analyzed under the deferential *Chevron* framework. *Cuozzo*, 793 F.3d at 1279; see 35 U.S.C. § 316(a) (“The Director shall prescribe regulations ... (4) establishing and governing inter partes review under this chapter ... [and] (12) setting a time period for requesting joinder under section 315(c)[.]”).

Under *Chevron*, the Court asks “whether Congress has directly spoken to the precise question at issue.” *Chevron U.S.A., Inc. v. Natural Res. Def. Council, Inc.*, 467 U.S. 837, 842 (1984). Apple submits that Congress has directly spoken to this issue, and the Board’s decision below is consistent with Congress’s direction. But even if VirnetX’s arguments sufficed to render the statute ambiguous, the PTO’s regulation would be binding so long as it “‘is based on a permissible construction of the statutory language at issue.’” *Cuozzo*, 793 F.3d at 1279. For the reasons

explained above, the regulation—and thus the Board’s joinder decision in this case—is, at least, a permissible construction of the statute, and therefore binding.

* * *

VirnetX cannot establish that it has a clear and indisputable right to immediate review of the Board’s decision to institute and to join Apple’s IPRs to the Mangrove IPR proceedings, nor can VirnetX establish a clear and indisputable error in that decision. Accordingly, VirnetX’s petition should be denied.

II. VIRNETX HAS NOT SHOWN THAT IT CANNOT OBTAIN THE RELIEF IT SEEKS AFTER A FINAL WRITTEN DECISION

VirnetX’s petition for mandamus separately fails to establish the second prerequisite for mandamus relief. To obtain such relief, “the party seeking issuance of the writ [must] have no other adequate means to attain the relief he desires,”—a condition designed to ensure that the writ will not be used as a substitute for the regular appeals process.” *Cheney*, 542 U.S. at 380-381 (citation omitted). VirnetX has not adequately explained why immediate review of the Board’s joinder order is necessary, or why an appeal or petition for mandamus from the Board’s final written decisions would not provide the relief it seeks (assuming, without conceding, that the Board’s institution and joinder decisions are reviewable at all). *See Cuozzo*, 793 F.3d at 1274-1275 (leaving open whether mandamus review is available to review institution decisions after final written decision).

“[T]his is not one of the rare situations in which irreparable interim harm can justify mandamus, which is unavailable simply to relieve [VirnetX] of the burden of going through the *inter partes* review.” *Procter & Gamble*, 749 F.3d at 1379. In *Procter & Gamble*, this Court held that the burden of going through *inter partes* review did not constitute sufficient irreparable interim harm to justify reviewing an institution decision on mandamus. Here, any burden caused by waiting to review the Board’s joinder decision until after a final written decision is much less harmful. VirnetX does not argue that the IPRs should be terminated in their entirety or that the Board may not continue the IPR proceedings on Mangrove’s petitions. Rather, VirnetX argues that it will suffer prejudice if Apple is permitted to *participate* in those proceedings, and that such prejudice is irreparable. VirnetX’s claim is meritless.¹²

When it granted Apple’s motion for joinder, the Board took care to ensure that Apple’s participation would not impose any undue burden or unfair prejudice on VirnetX. The Board made clear that “the grounds on which [trial] was

¹² VirnetX has not cited a single case permitting mandamus review of a decision granting joinder of a party. *In re EMC Corp.*, 677 F.3d 1351 (Fed. Cir. 2012), and *In re Nintendo Co.*, 544 F. App’x 934 (Fed. Cir. 2013), involved review of district court orders refusing to *sever* parties or claims where that denial affected the courts’ consideration of motions to *transfer venue*, a context in which it is well established that mandamus review is available. *EMC*, 677 F.3d at 1354. No transfer of venue is at issue here, of course; even on VirnetX’s theory, the Board still has authority to proceed with the IPRs.

instituted are unchanged” by Apple’s joinder, and that “no other grounds are included in the joined proceeding.” Pet. Ex. 1 at 6-7; Pet. Ex. 2 at 7. The Board bound Apple to “any discovery agreements, including deposition arrangements, between [VirnetX] and [Mangrove]” and precluded Apple from “seek[ing] any discovery beyond that sought by [Mangrove].” Pet. Ex. 1 at 6; Pet. Ex. 2 at 6. As the Board explained, VirnetX is “not ... required to provide any additional discovery or deposition time as a result of joinder.” Pet. Ex. 1 at 6; Pet. Ex. 2 at 6. The Board also maintained the existing schedule, ordered Mangrove and Apple to consolidate their filings and participation at any oral hearings, and authorized limited additional briefing by Apple in only narrow circumstances. Pet. Ex. 1 at 5-7; Pet. Ex. 2 at 6-8.

The Board thus took extensive measures to ensure that no added burden would result from Apple’s joinder. VirnetX’s claims that Apple’s participation will cause irreparable harm to VirnetX have no merit.

First, VirnetX argues that it has been prejudiced by “new issues and evidence introduced by Apple.” Pet. 29. But the Board found that Apple’s joinder did not introduce any new issues into the proceedings (Pet. Ex. 1 at 4-5; Pet. Ex. 2 at 4-5) and there is no prohibition on introducing new evidence after an IPR proceeding is instituted. Mangrove could have introduced the additional evidence supporting the public availability of prior art references at any time, and it is only

to VirnetX's benefit to receive the evidence sooner. If the evidence were somehow inadmissible, VirnetX could move to exclude it under 37 C.F.R. § 42.64. VirnetX does not suggest that the evidence is inadmissible, however. Its true objection is that it does not like what the evidence establishes. But not everything that increases the likelihood of an adverse decision is "prejudice" in the relevant sense of that word, let alone irreparable harm warranting use of the extraordinary writ of mandamus. *Cf. United States v. Lopez*, 649 F.3d 1222, 1234 (11th Cir. 2011) ("[I]t is well settled that defendants are not entitled to severance merely because they may have a better chance of acquittal in separate trials.' Anything that increases the likelihood of a conviction 'prejudices' the defendant in the ordinary sense of the word, but in severance law 'prejudice' is not used in the ordinary sense of the word." (citation omitted)).

Second, VirnetX complains that it is "systematically disadvantaged" because the Board refused to allow it to file an overlength Patent Owner Response to three petitions, "each presenting unique issues," instead of two. Pet. 29. Again, VirnetX is wrong. It need only respond to one petition in each IPR, because the Board joined Apple and Black Swamp to the Mangrove proceedings, and no new issues are raised in the joined proceedings that were not raised in the Mangrove proceedings. Moreover, VirnetX's objection to the Board's subsequent procedural orders cannot warrant mandamus review of a prior joinder order. Procedural

matters governing IPR proceedings—including the decision whether to grant more pages—rest within the Board’s sound discretion. The failure to grant extra pages certainly does not constitute irreparable prejudice. Pet. Ex.1 at 6-7; Pet. Ex. 2 at 7. Cf. *In re Telefonaktiebolaget LM Ericsson*, 564 F. App’x 585 (Fed. Cir. 2014) (denying mandamus relief to compel discovery); *In re Redline Detection, LLC*, 547 F. App’x 994 (Fed. Cir. 2013) (denying request for mandamus ordering the Board to accept certain documents into the record).

VirnetX also asserts that it will be prejudiced by Mangrove’s ability to “utilize arguments and positions of other petitioners that may not be public knowledge to avoid an adverse decision.” Pet. 28. VirnetX does not identify any such “non-public knowledge” or explain how it might affect the proceedings. Nor does the suggestion that Mangrove and Apple might make the proceeding more efficient by “pool[ing] resources” show prejudice warranting immediate review. Pet. 28-29. VirnetX does not argue that Mangrove’s counsel would not capably assert any available arguments independently or that the resources Mangrove could devote to the proceedings are limited in any relevant way. And to the extent Apple’s counsel improves the arguments made by Mangrove’s counsel, that only serves the public interest in ensuring that only valid patents remain outstanding.

If the prospect of proceeding through an erroneously-instituted *inter partes* review does not justify mandamus, *Procter & Gamble*, 749 F.3d at 1379, then

certainly the prospect of proceeding through a properly-instituted *inter partes* review with an additional participant does not justify such relief. VirnetX's failure to show that it "lack[s] adequate alternative means to obtain the relief" it seeks," *Dominion Dealers*, 749 F.3d at 1381, independently requires denial of its petition.

CONCLUSION

The petition for a writ of mandamus should be denied.

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March 14, 2016

CERTIFICATE OF SERVICE

I hereby certify that, on this 14th day of March, 2016, I filed the foregoing Respondent Apple Inc.'s Opposition to Petition for a Writ of Mandamus with the Clerk of the United States Court of Appeals for the Federal Circuit via the CM/ECF system, which will send notice of such filing to all registered CM/ECF users.

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