

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K
CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 18, 2010

VIRNETX HOLDING CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

001-33852

(Commission File Number)

77-0390628

(IRS Employer Identification No.)

5615 Scotts Valley Drive, Suite 110 Scotts Valley, CA

(Address of principal executive offices)

95066

(Zip Code)

(831) 438-8200

(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 8.01. Other Events.

On May 25, 2010 and June 1, 2010, the United States District Court for the Eastern District of Texas, Tyler Division entered two Orders of Dismissal (the "Dismissals") whereby all claims asserted by VirnetX, Inc. (the "Company"), the wholly-owned operating subsidiary of VirnetX Holding Corporation, against Microsoft Corporation ("Microsoft") with respect to the lawsuits filed by the Company against Microsoft were dismissed with prejudice.

On May 18, 2010, Microsoft filed Notices of Non-Participation with the United States Patent and Trademark Office, whereby Microsoft stated that it will not participate further in the *Inter Partes* Reexamination of certain of the Company's patents.

On June 2, 2010, the Company issued a press release announcing the Dismissals and the Notices of Non-Participation described in Item 8.01 hereto. A copy of this press release is attached as Exhibit 99.1 hereto.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

VIRNETX HOLDING CORPORATION

Date: June 2, 2010

By: /s/ Kendall Larsen

Name: Kendall Larsen

Title: Chief Executive Officer

EXHIBIT INDEX

Exhibit Number

Description

99.1

Press Release announcing the Dismissal and Notices of Non-Participation.



VirnetX Granted Claims Dismissal, Microsoft Exits Patent Review

SCOTT VALLEY, Calif., June 2, 2010 – VirnetX Holding Corporation (NYSE Amex: VHC), an Internet security software and technology company, announced today that on May 25, 2010 and June 1, 2010, the United States District Court for the Eastern District of Texas, Tyler Division entered two Orders of Dismissal (the “Dismissals”) whereby all claims asserted by VirnetX, Inc., the wholly-owned operating subsidiary of VirnetX Holding Corporation, against Microsoft Corporation (“Microsoft”) with respect to the lawsuits filed by the Company against Microsoft were dismissed with prejudice.

VirnetX Holding Corporation also reports that on May 18, 2010, Microsoft filed Notices of Non-Participation with the United States Patent and Trademark Office, whereby Microsoft stated that it will not participate further in the *Inter Partes* Reexamination proceedings of certain of VirnetX’s patents.

“We are pleased to put this matter behind us with the successful resolution of our litigation with Microsoft and their withdrawal from participating in the reexamination of our patents,” said Kendall Larsen, VirnetX President and CEO. “We welcome Microsoft as our first licensee”.

About VirnetX

VirnetX Holding Corporation, an Internet security software and technology company, is engaged in commercializing its patent portfolio, by developing a licensing program as well as developing software products designed to create a secure environment for real-time communication applications such as instant messaging, VoIP, smart phones, eReaders and video conferencing. The Company’s patent portfolio includes over 48 U.S. and international patents and pending applications that were recently declared as essential for 4G security specifications and provide the foundation for the Company’s unique GABRIEL Connection Technology. For more information, please visit www.virnetx.com.

Contact

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