

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

NEURENT MEDICAL INC. & NEURENT MEDICAL LTD.

Petitioners,

v.

THE FOUNDRY, LLC,
Patent Owner.

Case No. IPR2024-00281

U.S. Patent No. 11,679,077

**PETITIONERS' OPPOSED MOTION TO WITHDRAW PETITION
THROUGH DISMISSAL WITHOUT PREJUDICE**

Neurent Medical Inc. and Neurent Medical Ltd. (collectively, “Neurent” or “Petitioners”) respectfully request withdrawal of the above-captioned Petition for *inter partes* review challenging the patentability of claims 1-8 and 11 of U.S. Patent No. 11,679,077 (the “’077 patent”) without prejudice and with leave to refile. This Motion was authorized by the Board on February 23, 2024 via email to the parties.

The ’077 patent issued on June 20, 2023 and purports to claim priority to July 22, 2005. *See* Ex.1001-USP077, Cover. Neurent’s Petition asserts multiple grounds of unpatentability, some grounds based on the earliest claimed priority and others based on a post-AIA priority date. The filing date of this IPR, January 18, 2024, is within nine months from the issue date of the ’077 patent. Despite identifying this issue to Patent Owner, Patent Owner has not informed Petitioners whether it will argue the claims of the ’077 patent are not yet eligible for *inter partes* review under 35 U.S.C. §311(c). However, any potential dispute about the timing of the filing can be removed by terminating this IPR and refiling the Petition after the nine month period expires on March 21, 2024. The relief requested has been granted in similar circumstances. *See, e.g., SharkNinja, Inc. v. Dyson Technology Ltd.*, IPR2023-01323, Paper 7, 2-3 (P.T.A.B. Nov. 28, 2023).

Patent Owner opposes this Motion not based on the merits of Petitioners’ request for authorization to withdraw and refile but because Petitioners have not

agreed to adjust deadlines in other, separately filed proceedings. On the merits of the issue presented, Patent Owner notably has not identified any case which supports denying this Motion. Patent Owner's separate demand that the present Motion should be denied unless Petitioners seek extensions of the deadlines for Patent Owner's Preliminary Responses in *separate* proceedings involving different patents in the same family has no basis in fact or law. Such adjustment, even if it had proper basis, would unfairly delay those separate proceedings including in ways that Patent Owner may seek to leverage in separate district court proceedings. The Patent Owner should not be permitted to benefit from the gamesmanship it created by (1) improperly claiming a priority date that the '077 patent is not entitled to, (2) asserting the '077 patent against Petitioners shortly after issuance, and then (3) refusing to state whether it will argue the claims of the '077 patent are not yet eligible for *inter partes* review under 35 U.S.C. §311(c). Termination of the Petition without prejudice is appropriate.

I. Withdrawal Of The Petition Without Prejudice Is Warranted

Petitioners filed the above-captioned Petition for *inter partes* review on January 18, 2024. The '077 patent issued on June 20, 2023 and purports to claim priority to July 22, 2005. *See* Ex.1001-USP077, Cover. The Petition asserts grounds of invalidity based on the earliest claimed priority application. The Petition also

asserts additional grounds of unpatentability based on a priority date of October 22, 2019, which was the first time the subject matter in the challenged claims arguably appeared in any priority application. *See, e.g.*, Petition (Paper 3), 18-25. To the Petitioners' knowledge, this is the first petition filed within nine-months of the issuance of a patent that presents grounds based on both a pre-AIA priority and post AIA priority. Despite identifying this issue to Patent Owner, to date, the Patent Owner has not yet taken a position on whether the Petition is premature.

The Board has broad discretion to dismiss petitions "to promote efficiency and unnecessary costs," and petitioners may withdraw a petition prior to an institution decision. *Unified Patents, LLC v. Motion Offense, LLC*, IPR2020-00705, Paper 14, 2-3 (P.T.A.B. Sep. 23, 2020); *VMware, Inc. v. Cirba IP, Inc.*, IPR2021-01210, IPR2021-01211, Paper 16, 1-2 (P.T.A.B. Dec. 28, 2021) (granting motion to withdraw prior to institution "to promote efficiency and minimize unnecessary costs"); *Facebook, Inc. v. EveryMD.com LLC*, IPR2018-00050, Paper 19, 4-5 (P.T.A.B. Oct. 9, 2018) (explaining the Board has "broad authority to dismiss [a] Petition").

Here, Patent Owner has not filed its Patent Owner Preliminary Response, and the Board has not issued an institution decision. Petitioners do not yet know whether Patent Owner will argue the challenged claims should get the benefit of the claimed

priority date or argue the challenged claims are not yet eligible for *inter partes* review under 35 U.S.C. §311(c). Any potential dispute about the timing of the filing date can be removed by terminating this IPR, which at this early stage would promote efficiency and minimize unnecessary costs.

Moreover, Petitioners intend to refile their Petition challenging the patentability of claims 1-8 and 11 of '077 patent as early as March 21, 2024—9 months after the '077 patent issued—when such claims indisputably become eligible for *inter partes* review. Petitioners' refiled IPR will contain the same grounds and arguments. The refiled petition will still be within the one year from service of the related district court action filed by Patent Owner.

The Board has granted a request to withdraw a petition through dismissal without prejudice in similar circumstances. *See, e.g., SharkNinja*, IPR2023-01323, Paper 7, 2-3 (granting motion to withdraw a petition through dismissal without prejudice because the challenged claims were not yet eligible for *inter partes* review and allowing the petitioner to refile its petition once the claims were eligible). The Board should do the same here to avoid any dispute that the challenged claims of the '077 patent are ineligible for *inter partes* review.

II. Patent Owner’s “Opposition” To This Motion Is Unfounded

In pre-motion correspondence, Patent Owner informed Petitioners that it opposes this Motion not on its merits, but because Petitioners will not agree to Patent Owner’s separate demands for schedule adjustments in other proceedings, and in particular, Patent Owner’s demand that Petitioners agree Patent Owner may have as many as five months to submit preliminary responses in separate proceedings. This request has no legitimate basis.

As an initial matter, during the meet and confer process, the Patent Owner identified no case in which a Motion to Terminate in these circumstances was denied or any basis why the Board should deny the request. For the reasons above, Petitioners’ Motion should be granted.

Instead, the sole basis for Patent Owner identified for “opposing” Petitioners’ Motion was that Petitioners did not agree to a “compromise” that involved Petitioners seeking extensions of Patent Owner’s deadlines for Patent Owner Preliminary Responses in *separate* proceedings, IPR2024-00279¹ and IPR2024-

¹ IPR2024-00279 challenges certain claims of U.S. Patent No. 10,610,675, which is the grandparent of the ’077 patent. *See* Ex.1001-USP077, Cover.

00280,² so that they are due on the same date as Patent Owner's Preliminary Response in the at-issue IPR2024-00281. Whether considered as an independent request for an extension in IPR2024-00279 and IPR2024-00280, or a condition of granting Petitioners' Motion, Patent Owner's request should be denied. As further detailed below, Patent Owner provides no authority or other basis to support its request to delay other, separate IPRs. This request is unjustified and prejudices Petitioners, as Patent Owner is effectively seeking a two-month delay of deadlines of other IPRs, giving them five months to prepare preliminary responses to petitions they have had since January. And there is no prejudice to the Patent Owner to have the IPR petition terminated and refiled after March 21 while other IPRs proceed on their own timeline.³

First, Patent Owner's request is without basis in the rules or precedent. Patent Owner has not identified, and Petitioners are not aware of, any precedential decision

² IPR2024-00280 challenges certain claims of U.S. Patent No. 10,894,011, which is the parent of the '077 patent. *See* Ex.1001-USP077, Cover.

³ Pursuant to the Board's February 23, 2024 email authorizing this Motion, Petitioners confirm that the parties do not have any agreements concerning the timing of the preliminary responses in other IPR proceedings.

or provision of the Board’s rules or Consolidated Trial Practice Guide that would require the Preliminary Response deadlines for IPRs of *different* patents filed on different dates be the same as another IPR, even if the challenged patents are in the same family. The schedule in each IPR is governed by applicable rules, which allow patent owners to submit preliminary responses within three months of receiving a notice of filing date according to a petition and require the Board to issue its institution decision within three months of receiving the preliminary response. *See* 35 U.S.C. §§313, 314(b); 37 C.F.R. §42.107(a)-(b).

Second, Patent Owner’s requested alteration of the schedule in separate IPRs would prejudice Petitioners. Patent Owner’s “condition” for opposing this Motion would unnecessarily *delay* IPR2024-00279 and IPR2024-00280. This delay would amount to an improper strategic advantage in those IPR proceedings and in the ongoing litigation between the parties, where Patent Owner asserts the patents challenged in IPR2024-00279, IPR2024-00280, and IPR2024-00281.

For example, Patent Owner may seek to use the requested delay of its Preliminary Responses in connection with arguments that the Board should exercise its discretion and deny instituting the IPRs under *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15, 8 (P.T.A.B. May 13, 2020) (precedential). *Fintiv* asks the Board to consider, *inter alia*, the “investment in the parallel proceeding by the court and

the parties.” *Id.* Although the parallel District Court proceedings are at a very early stage and a schedule has not yet been entered, by requesting to extend the deadline for the Preliminary Responses, Patent Owner improperly seeks to maximize the time the district court litigation will have proceeded. This would prejudice Petitioners, who filed the separate IPRs approximately six months after Patent Owner brought suit in district court, in an effort to efficiently confirm the unpatentability of the challenged claims before the parties make unnecessary investment in the parallel litigation.

Third, Patent Owner will suffer no prejudice if the separate IPR proceedings advance on the schedule contemplated by the rules. Patent Owner’s Preliminary responses in those separate proceedings are due three months after the petitions were afforded a filing date (April 24, 2024). There is no prejudice to Patent Owner to having to respond to those petitions on that standard timeline, as contemplated by the Board’s applicable regulations. *See* 35 U.S.C. §§313, 314(b); 37 C.F.R. §42.107(a)-(b). In the present proceeding, if anything, Patent Owner will obtain an ***advantage*** in view of the Motion. The Petition in this proceeding (IPR2024-00281) was filed on January 18, 2024 and, as explained, Petitioners merely seek leave to withdraw and then refile the same grounds on or after March 21, 2024. As a result,

Patent Owner will have more time (two or more additional months) to respond to the petition in this proceeding than contemplated by the Board's regulations.

Patent Owner's invocation of purported "efficiency" and preservation of resources do not require the extensions it seeks. The Board routinely analyzes patents in the same family under different proceeding schedules. *See, e.g.*, IPR2023-01326 and IPR2023-00829 (IPRs against patents in the same family having different Preliminary Response deadlines). Further, while there are some similarities between the three IPR Petitions, they are not identical. As one example, there are claim elements in the '077 patent that are not present in the other challenged patents, and the petition in IPR2024-00281 therefore relies on U.S. Patent 5,562,720 ("Stern") as prior art, which is not part of the grounds asserted in IPR2024-00279 or IPR2024-00280. *See* Petition, IPR2024-00281 at 7, 27-28.

Though not required, to the extent Patent Owner wants the proceedings to track on the same timeline, because the Petition at issue was filed on January 18, 2024, and will be refiled in substantively the same form, Patent Owner has both the information and time needed to file its Preliminary Response for the refiled petition of IPR2024-00281 on April 24, 2024, should Patent Owner wish for its Preliminary Responses in the three IPRs to be filed on the same day.

The priority date issue that led to this Motion arises because of ***Patent Owner's*** conduct. Patent Owner filed the challenged '077 patent as a continuation on January 19, 2021—many years after the earliest application in the alleged priority chain—and Patent Owner improperly claimed a priority date that the '077 patent is not entitled to. *See* Petition (Paper 3), Section IX. The '077 patent issued on June 20, 2023, and, less than a month later—on July 11, 2023—Patent Owner asserted the '077 patent against Petitioners in the district court litigation. *See* Ex.1001-USP077, Cover; Ex.1035-Complaint. On January 18, 2024, Petitioners promptly filed IPR petitions on the asserted patents, including the '077 patent. Although Petitioners seek to refile the IPR2024-00281 Petition due to a potential formality, Petitioners have a right to seek timely resolution of the separate IPRs, which should not be subject to a delay created by Patent Owner's improper continuation strategy for the '077 patent.

Petitioners therefore respectfully request that their Motion to withdraw and refile be granted and that Patent Owner's separate request that it be granted an extension of its deadlines for the Preliminary Responses in separate proceedings (IPR2024-0027 and IPR2024-00280) be denied.

III. Conclusion

Petitioners respectfully request termination of the Petition through dismissal of the Petition without prejudice to refile the petition after the nine month period from issuance has passed. Plaintiffs will refile their Petition challenging the patentability of claims 1-8 and 11 of '077 patent as early as March 21, 2024, when the claims indisputably become eligible for *inter partes* review.

Respectfully submitted,

By: /David L. Cavanaugh/
David L. Cavanaugh
Registration No. 36,476

Counsel for Petitioners

CERTIFICATE OF SERVICE

Pursuant to an agreement between Petitioners and Patent Owner, I hereby certify that, on February 28, 2024, I caused a true and correct copy of the following materials:

- Petitioners' Motion to Withdraw Petition Through Dismissal Without Prejudice

to be served on Patent Owner via electronic mail to:

Kathleen A. Daley, kathleen.daley@finnegan.com;

Jason Stach, jason.stach@finnegan.com;

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