

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

AZURITY PHARMACEUTICALS, INC.,
Petitioner,

v.

EXELIXIS, INC.,
Patent Owner.

Case IPR2025-00427
U.S. Patent No. 12,128,039

**PATENT OWNER'S REPLY TO PETITIONER'S OPPOSITION TO
PATENT OWNER'S DISCRETIONARY DENIAL BRIEF**

As authorized (Ex. 3101), Patent Owner (“PO”) replies on specific issues pertinent to discretionary denial.

Petitioner’s Sotera Stipulation: Petitioner filed its *Sotera* stipulation (Ex. 1067) the same day as filing its Opposition brief (Paper 9), despite the Board’s guidance that any stipulation should be filed in time so that PO is able to address it in its Discretionary Denial Brief (“DDB”). *See* Ex. 2020, 4 (¶14); Paper 8, 12 (“As of the filing of this brief, Petitioner has not provided any stipulation”). Regardless, the stipulation does not undermine PO’s argument for discretionary denial. *See* Paper 8, 12-13. ***First***, the stipulation would not prevent Petitioner from pursuing invalidity grounds other than those that could have been brought in an IPR, including invalidity grounds that rely on the same patents and printed publications as the Petition (*see* Ex. 1067, 2). *See Ingenico Inc. v. IOENGINE, LLC*, 136 F.4th 1354, 1366 (Fed. Cir. 2025) (“IPR estoppel does not preclude a petitioner from relying on the same patents and printed publications as evidence in asserting a ground that could not be raised during the IPR[.]”). ***Second***, Petitioner’s stipulation would not eliminate the likelihood of parallel, duplicative challenges to U.S. Patent No. 12,128,039 (“’039 patent”). Petitioner itself asserts, “There is no reason for any party to request, let alone for the district court to grant, a stay for an *inter partes* review addressing only 1 or 2 of the six asserted patents.” Paper 9, 5.

Decision Denying Institution Of IPR2025-00210: As PO argued in its DDB, institution is not warranted because the Petition presents art and arguments substantially the same as those considered by the Office during prosecution of the '039 patent and related patents. Paper 8, 25-41. The Office again considered and rejected substantially the same art and arguments as in the Petition when it issued the decision denying institution (*Azurity Pharms., Inc. v. Exelixis, Inc.*, IPR2025-00210, Paper 11 (P.T.A.B. Jun. 4, 2025); “DDI”) of IPR2025-00210, Petitioner’s challenge to related U.S. Patent No. 11,298,349 (“’349 patent”), the claims of which ***recite a less stringent purity limitation*** than the challenged '039 patent claims. *See Tietex Int’l, Ltd. v. Precision Fabrics Grp., Inc.*, IPR2015-01671, Paper 7 at 9 (P.T.A.B. Feb. 11, 2016) (“[W]e are not persuaded that Patent Owner should be forced to expend resources defending the [challenged] claims ... when it has already successfully defended substantially similar claims in [a related] patent against essentially the same arguments raised with respect to the same prior art[.]”).

First, Petitioner’s failed petition challenging the '349 patent (“’349 patent petition”) asserted the same Brown-Kubo combination as Ground I here; indeed, significant portions of Ground I are copied nearly verbatim. *Compare* '349 Pet. 30-59, *with* Pet. 12-38. Thus, the rationale of the DDI applies equally to the current Petition. ***Second***, the failed '349 patent petition included substantially

similar arguments to those made here in Ground II, arguing obviousness over Brown in view of regulatory guidance allegedly requiring identification and removal of genotoxic impurities in pharmaceuticals. *See, e.g.*, DDI, 24-25 (“Petitioner identifies no teaching in the prior art providing any reason to reduce levels of 6,7-dimethoxy-quinoline-4-ol specifically”; “there is no indication in Brown, Kubo, or Remington that amounts as low as 200 ppm of impurities would be necessary for use in patient populations. And Petitioner provides no persuasive evidence or explanation of the Guidance for Industry Genotoxic and Carcinogenic Impurities in Drug Substances and Products: Recommended Approaches that suggests otherwise. *See* Ex. 1037.”). Substantially the same arguments concerning regulatory guidance underpin Ground II here, albeit in the context of Robinson. *Compare* ’349 Pet. 57-59, *with* Pet. 52-54. While the ’349 patent petition did not expressly rely on Robinson and its exemplification of purification by chromatography, the ’349 patent petition relied on substantially the same regulatory guidance described in Robinson. *Compare* Ex. 1039, Abstract, 947-948, 950-959, *with* Ex. 1037, 1-13, Ex. 1038, 1-7; *see also* Paper 8, 33-34. Petitioner fails to disclose the substantial similarities between Ground II and the regulatory guidance arguments in the ’349 patent petition, simply asserting with no explanation that Ground II is “novel.” Paper 9, 18 n.7. It is not.

Thus, the Office considered and rejected substantially the same art and

arguments that form the basis of Petitioner’s obviousness challenges in its DDI in IPR2025-00210, and that decision reinforces that institution should be denied under Section 314(a) and/or 325(d).

Petitioner Initiated Co-Pending Litigation: Petitioner incorrectly suggests that PO controlled the timing and “delay[ed]” filing co-pending district court litigation. *See* Paper 9, 7, 12. To the contrary, the Hatch-Waxman litigation process is initiated by a paragraph IV notice letter, which ***Petitioner*** elected to defer sending until March 5, 2025 (*see* Ex. 2018, 1), well after filing its petitions. The timing of co-pending litigation was not PO’s choice, but Petitioner’s.

Robinson Was At Issue In The MSN Litigation: Petitioner wrongly argues Robinson was not “at issue in the MSN litigation.” Paper 9, 19. Robinson was a trial exhibit and the subject of expert testimony relied on in the court’s opinion. *See, e.g.*, Ex. 2019 (DTX-328); Ex. 2001, 264:14-18 (identifying DTX-328 as “Robinson”); Ex. 2002, 367:5-14; Ex. 1026, 45 (¶4), 53. Like Petitioner, MSN and its experts argued Robinson would have led a POSA to identify genotoxic impurities and reduce them, via disclosed techniques, to low ppm levels in material made via Brown. Ex. 2001, 264:14-266:19 (Dr. Lepore testifying “Robinson describes ... [regulatory] guidelines ... requir[ing] the control of genotoxic impurities ... [to] low PPM levels”), 301:8-303:23 (“FDA guidance[] referenced in ... Robinson” provided methods for identifying genotoxic impurities and their

acceptable limits), 310:8-311:3 (“the literature abounds with examples” and “just one example from Robinson” shows using recrystallization to reduce an impurity in API); Ex. 2002, 383:16-384:21 (Dr. Donovan agreeing “Robinson describe[s] limiting impurities in drug products”); *see also* Paper 8, 18 (citing same); Ex. 2002, 356:17-357:10; Ex. 2003, 793:8-15.

Although MSN spotlighted crystallization rather than chromatography from the list of potentially useful purification techniques in Robinson, this same reference and its suggested techniques for controlling impurities were “at issue” in the MSN litigation. The court’s opinion cites testimony regarding Robinson for its findings about regulatory guidance on how to “identify” and “deal with” genotoxic impurities (Ex. 1026, 45 (¶4, citing Ex. 2001, 301:8-10 (identifying trial exhibit DTX-91 (Ex. 2021), which is the same FDA guidance document as Petitioner’s Ex. 1037, as “FDA guidance[] that was referenced in the Robinson article”), 302:4-8, 303:5-15), 53 (citing testimony about FDA guidance and Robinson, summarizing that “the FDA guidance applies to starting materials and that the guidance states impurities often come from starting materials and need to be controlled”)) and the alleged motivation “to minimize [6,7-dimethoxyquinoline-4-ol] after the Brown process” (Ex. 1026, 46 (¶11, citing Ex. 2001, 310:11-311:3)).

Based on the foregoing and the reasons stated in PO’s DDB, PO respectfully submits that institution should be denied under 35 U.S.C. § 314(a) and/or § 325(d).

/Emily R. Whelan/
Emily R. Whelan (Reg. No. 50,391)

PATENT OWNER'S UPDATED EXHIBIT LIST

Exhibit No.	Description
2001	Trial Tr. Vol. 1, Oct. 23, 2023, <i>Exelixis, Inc. v. MSN Labs. Private Ltd., et al.</i> , No. 22-228-RGA (D. Del.)
2002	Trial Tr. Vol. 2, Oct. 24, 2023, <i>Exelixis, Inc. v. MSN Labs. Private Ltd., et al.</i> , No. 22-228-RGA (D. Del.)
2003	Trial Tr. Vol. 3, Oct. 25, 2023, <i>Exelixis, Inc. v. MSN Labs. Private Ltd., et al.</i> , No. 22-228-RGA (D. Del.)
2004	Trial Tr. Vol. 4, Oct. 26, 2023, <i>Exelixis, Inc. v. MSN Labs. Private Ltd., et al.</i> , No. 22-228-RGA (D. Del.)
2005	<i>Reserved</i>
2006	<i>Reserved</i>
2007	<i>Reserved</i>
2008	File History (Partial) for U.S. Patent Application No. 15/348,716
2009	<i>Reserved</i>
2010	<i>Reserved</i>
2011	<i>Reserved</i>
2012	File History (Partial) for U.S. Patent Application No. 17/170,275
2013	File History (Partial) for U.S. Patent Application No. 18/436,836
2014	Defendants' Opening Post-Trial Brief on Invalidity, Dec. 12, 2023, <i>Exelixis, Inc. v. MSN Labs. Private Ltd., et al.</i> , No. 22-228-RGA (D. Del.)
2015	<i>Reserved</i>

Exhibit No.	Description
2016	Complaint, <i>Exelixis, Inc. v. Azurity Pharms., Inc. et al.</i> , No. 25-cv-00478 (D. Del. Apr. 18, 2025), D.I. 1
2017	First Amended Complaint, <i>Exelixis, Inc. v. Azurity Pharms., Inc. et al.</i> , No. 25-cv-00478 (D. Del. Apr. 24, 2025), D.I. 7
2018	Letter from Azurity Pharms., Inc. to Exelixis, Inc. Re: Notice of Paragraph IV Certification (Mar. 5, 2025), Letter and Enclosure Annexure C
2019	Defendants' Trial Exhibit DTX-328, <i>Exelixis, Inc. v. MSN Labs. Private Ltd., et al.</i> , No. 22-228-RGA (D. Del.)
2020	FAQs for Interim Processes for PTAB Workload Management, https://www.uspto.gov/patents/ptab/faqs/interim-processes-workload-management (accessed Jun. 13, 2025)
2021	Defendants' Trial Exhibit DTX-91, <i>Exelixis, Inc. v. MSN Labs. Private Ltd., et al.</i> , No. 22-228-RGA (D. Del.)

CERTIFICATE OF SERVICE

I hereby certify that on June 16, 2025, I caused a true and correct copy of the following materials:

- Patent Owner's Reply to Petitioner's Opposition to Patent Owner's Discretionary Denial Brief
- Patent Owner's Updated Exhibit List
- Exhibits 2019-2021

to be served via e-mail, as consented to by Petitioner, on the following attorneys of record:

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