

**IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA**

NATERA, INC.,

Plaintiff,

v.

NEOGENOMICS LABORATORIES,
INC.,

Defendant.

C.A. No. 1:23-CV-629

PARTIES' JOINT INTERIM STATUS REPORT

Plaintiff Natera, Inc. (“Natera”) and Defendant NeoGenomics Laboratories, Inc. (“NeoGenomics”) respectfully submit this Joint Interim Status Report pursuant to the Court’s operative Scheduling Order that addresses the following pending matters: (1) whether the trigger date for the remainder of the case schedule remains as March 3, 2025, (2) progress of discovery to date, and (3) whether the parties are able to proceed with the proposed schedule. Doc. 330 (citing Doc. 326 at 3 n.4); Doc. 345, ¶5.

I. Trigger Date

The proposed case schedule is triggered by the earlier of NeoGenomics’ Notice of CLIA validation on March 3, 2025 on a version of RaDaR 1.1 that NeoGenomics represents is a version it intends to commercialize or \$1 million in recognized revenue of RaDaR 1.1 sales (“Notice”). Docs. 326 at 3 n.4; 330 at 5; 345. The Scheduling Order anticipates that by March 3, 2025, NeoGenomics would provide the Notice. Docs. 326 at 3; 330 at 5; 345. At present, NeoGenomics continues to expect that it will provide the

Notice by this date. Thus, the parties are able to proceed with the case schedule and the trial date set for October 13-17, 2025, subject to the Court's availability. Doc. 330 at 8.

II. Progress of Discovery

A. *Letters of Request - Dr. Jamal-Hanjani Deposition*

Natera's Position

On December 31, 2024, the Court issued Letters of Request for deposition testimony from Dr. Swanton and Dr. Jamal-Hanjani.¹ *See Docs.* 363, 363-2. On January 21, 2025, Dr. Jamal-Hanjani agreed to a voluntary deposition. NeoGenomics has produced its communications with Dr. Jamal-Hanjani through January 31, 2025 and agreed to supplement its production on a rolling basis.

Based on the communications between NeoGenomics and Dr. Jamal-Hanjani and the University College of London (UCL), Natera requested NeoGenomics' confirmation about (1) whether NeoGenomics' counsel is representing Dr. Jamal-Hanjani, (2) to what extent NeoGenomics intends to compensate Dr. Jamal-Hanjani, (3) whether Dr. Jamal-Hanjani would be willing to appear for a deposition in the United States or remotely, and (4) whether certain rules would govern the deposition, including that the scope of examination would be limited to no more than the Letter of Request and whether the parties would split time on the record evenly. *See Ex. 1* at 2-3 (T. Srinivasan e-mail dated 02/04/25). NeoGenomics responded that the scope of the deposition "is not limited in any

¹ Prior to the Court's issuance of Letters of Request, NeoGenomics withdrew its request for documents from these witnesses. Doc. 359 at 10, fn.5

way by the Letter of Request issued by the Court” because “Dr. Jamal-Hanjani is giving a deposition voluntarily” and that it does not agree to both parties having an equal amount of time to examine Dr. Jamal-Hanjani. *Id.* at 1-2 (C. Provine e-mail dated 02/05/25). In view of NeoGenomics’ response and its position *infra*, the parties have not yet scheduled a date for Dr. Jamal-Hanjani’s deposition. Natera hopes these issues, including the equal division of time to examine Dr. Jamal-Hanjani, will be resolved informally and that seeking relief from the Court will not be necessary. Natera intends to notice Dr. Jamal-Hanjani’s deposition to ensure both parties are provided with an equal opportunity to examine the witness. Nevertheless, Natera anticipates that discovery from Dr. Jamal-Hanjani should be completed in the coming months and no later than the summer of 2025 and, thus, should not delay the scheduled trial date.

NeoGenomics’ Position

NeoGenomics similarly anticipates that Dr. Jamal-Hanjani’s deposition will be completed in the coming weeks and should not delay the scheduled trial date. NeoGenomics does not believe there is any need to involve the Court at this time in the details of the parties’ discussions about the logistical details of that deposition. Even so, NeoGenomics responds to each of Natera’s points as follows:

NeoGenomics’ counsel does not represent Dr. Jamal-Hanjani. As NeoGenomics has explained to Natera, to secure Dr. Jamal-Hanjani’s appearance, NeoGenomics is willing to compensate her solely for her time at her request as permitted by applicable law and ethics rules. *See, e.g.*, 18 U.S.C. § 201(d) (authorizing compensating witnesses for

“the reasonable cost of travel and subsistence incurred and the reasonable value of time lost in attendance”); ABA Model Rules of Prof’l Conduct R. 3.4(b) (allowing a fact witness to be provided reasonable compensation for time lost providing a deposition); ABA Comm. on Ethics & Prof’l Responsibility, Formal Op. 96-402 (1996) (“ABA Ethics Op. 96-402”) (explaining that ABA Model Rule 3.4(b) permits reasonable compensation for a witness’s time so long as it is not conditioned on the substance of the witness’s testimony); N.C. Rules of Prof’l Conduct R. 3.4(b) (reciting substantially rule as ABA Model Rule 3.4(b)); *Prasad v. MML Investors Servs.*, No. 04 Civ. 380 (RWS), 2004 WL 1151735 at *6 (S.D.N.Y. May 24, 2004) (“A witness may be compensated for the time spent preparing to testify or otherwise consulting on a litigation matter in addition to the time spent providing testimony in a deposition or trial.”); *Klorczyk v. Sears*, No. 3:13-cv-257 (JAM), 2017 WL 3272237 at *2 (D. Conn. Aug. 1, 2017) (“Being compensated for [time spent preparing to testify and testifying] is not improper as long as the lawyer makes it clear to the witness ‘that the payment is not being made for the substance or efficacy of the witness's testimony, and is being made solely for the purpose of compensating the witness for the time the witness has lost.’”) (quoting ABA Ethics Op. 96-402). NeoGenomics has produced all communications with Dr. Jamal-Hanjani and will continue to do so.

Because NeoGenomics does not control Dr. Jamal-Hanjani, it cannot compel her to travel to the United States for a deposition for which she has voluntarily agreed to appear. NeoGenomics similarly cannot compel her to appear remotely, and, as NeoGenomics has explained to Natera, it has offered to host the deposition at Morrison & Foerster’s London

office. NeoGenomics has confirmed that the Federal Rules of Civil Procedure will govern the conduct of the deposition. As Dr. Jamal-Hanjani has agreed to willingly appear and is not being compelled by the English courts to do so, NeoGenomics has not agreed to limit the scope of the topics for examination in advance. Similarly, although NeoGenomics has indicated to Natera that it will endeavor to leave time for Natera to question Dr. Jamal-Hanjani, as the noticing party who bears the burden to prove improper inventorship, NeoGenomics cannot agree in advance to reserve half of the time permitted under the Rules for Natera. Natera's request for half of the deposition time is particularly unwarranted because Natera's view is that Dr. Jamal-Hanjani testimony is "Irrelevant," "Unnecessary," and "Cumulative of Natera Inventors' Testimony." Dkt. 354, at 15-18.

Finally, NeoGenomics notes that it has cooperated with Natera and sought Natera's availability for Dr. Jamal-Hanjani's deposition. To date, Natera has not provided its availability. Even so, NeoGenomics expects that the parties will cooperate to complete Dr. Jamal-Hanjani's deposition in the next month.

B. *Letters of Request - Dr. Swanton Deposition*

The parties have corresponded regarding NeoGenomics' request for Dr. Swanton's deposition. *See generally* Ex. 2. To date, Dr. Swanton has not voluntarily agreed to a deposition, and the request for his deposition will be decided by the English Court. Ex. 2 at 1 (T. Srinivasan e-mail dated 02/06/25). The parties anticipate that discovery from Dr. Swanton should be completed in the coming months and no later than the summer of 2025 and, thus, should not delay the scheduled trial date.

C. *Written Discovery*

The parties are engaged in discovery and are working towards the substantial completion deadline of March 7, 2025.

D. *Depositions*

Natera's Position

During the previous phase of fact discovery, the parties disputed the total number of depositions across party witnesses, non-party witnesses, and expert witnesses. Doc. 281. The Court issued a ruling authorizing up to 10 depositions per side with certain restrictions thereupon. Doc. 282. The parties subsequently stipulated to further limits, which was adopted by the Court as follows (Doc. 289):

1. Each Party may take six (6) Rule 30(b)(1) fact witness depositions;
2. Each Party may take one (1) Rule 30(b)(6) deposition, counted collectively as one deposition across all designated witnesses, but which in total for all designated witnesses shall not exceed 16 hours; and
3. Each Party may take a deposition of each expert witness ultimately designated by the opposing party during expert discovery.

For the current fact discovery period, Natera has proposed the same limits regarding the number of depositions and requested NeoGenomics' confirmation of this proposal. Ex. 3 at 1 (T. Srinivasan e-mail dated 02/05/25).

NeoGenomics argues below that fact discovery should be limited to one Rule 30(b)(6) deposition and three depositions outside of Rule 30(b)(6), inclusive of Rule 30(b)(1) party as well as non-party witnesses. NeoGenomics' proposal, however, is entirely one-sided. It overlooks the fact that NeoGenomics should have identified—but chose not to identify—Drs. Swanton and Jamal-Hanjani during the earlier discovery period, counting their depositions towards the earlier discovery limits. It also fails to account for the fact that while the '454 Patent and '596 Patent share the same specification, priority date, and inventors, such that NeoGenomics does not require extensive new discovery relating to invalidity in this phase, NeoGenomics' RaDaR 1.1 is an *entirely new product* that is still undergoing active development and validation. Natera is entitled to take sufficient deposition discovery regarding this new product, which is neither duplicative nor cumulative of the prior discovery on RaDaR 1.0.

NeoGenomics offers no sound rationale for tying the number of depositions only to the overlap between the '454 and '596 Patents' disclosures and on that basis attempting to limit the scope of discovery, given NeoGenomics' belated disclosure and only very recent document production regarding RaDaR 1.1—all of which was not available in the prior phase of the case. Natera is entitled to depose Drs. Swanton and Jamal-Hanjani as well as NeoGenomics employees with knowledge about its brand new RaDaR 1.1 assay and/or any other witnesses with discoverable information. Any proposal that preempts Natera's right to take the full scope of discovery in this proceeding—as NeoGenomics proffers—is prejudicial.

NeoGenomics' Position

NeoGenomics believes that fewer depositions are necessary given the extensive fact discovery and depositions that have already occurred and the overlap in factual issues, particularly between the newly asserted '596 patent and the previously asserted '454 patent which share the same specification. NeoGenomics accordingly proposes a limit of three (3) Rule 30(b)(1) fact witness depositions, including non-parties. NeoGenomics agrees that each party should be permitted to take one (1) Rule 30(b)(6) deposition, counted collectively as one deposition across all designated witnesses, for no more than sixteen (16) hours across all designated witnesses. To avoid inefficiencies, however, NeoGenomics believes the parties should supplement their respective 30(b)(6) testimony as necessary rather than serve new 30(b)(6) notices. Finally, NeoGenomics agrees that the parties should be permitted to depose each expert witness who is ultimately designated by the opposing party and serves a report during expert discovery.

NeoGenomics' proposal accounts for the extensive discovery conducted in the earlier phase on claims involving largely the same subject matter and allows for each party to obtain any supplemental Rule 30(b)(6) testimony necessary to address the new RaDaR 1.1 test—which NeoGenomics notes was subject to extensive deposition examination during the first phase of the case. Nor is NeoGenomics' proposal one sided. Two of the three Rule 30(b)(1) depositions NeoGenomics proposes are already accounted for—Drs. Jamal-Hanjani and Swanton. And as explained in NeoGenomics' briefing on its motion for issuance of letters of request, Natera's addition of the '596 patent raises new issues

because “[a]lthough the asserted patents share the same specification, unlike the ’454 Patent, the claims of the ’596 patent list the exact same variants used in the TRACERx study conceived of and led by Drs. Swanton and Jamal-Hanjani.” Doc. 358 at 11. Natera has not indicated why it needs six additional fact witness depositions on top of the sixteen hours of Rule 30(b)(6) deposition testimony. Nor has it provided any indication of who it might notice apart from Dr. Jamal-Hanjani. It is thus premature to open the discovery floodgates to nearly the same depositions limits as were present in the first phase of the case with less than two months remaining in the discovery period. Moreover, either party could request additional depositions assuming good cause existed.

III. Proceeding with the Proposed District Court Case Schedule

Natera’s Position

On January 15, 2025, NeoGenomics filed a petition for *Inter Partes* Review (“IPR”) of U.S. Patent No. 11,319,596 (“the ’596 Patent”) (IPR2025-00455). Doc. 378-2. A filing date has not yet been accorded, but the parties anticipate the Patent Owner Preliminary Response will be due in April 2025, and an institution decision is expected by late July 2025. As explained *infra*, to the extent NeoGenomics intends to delay or move for a partial stay of the District Court proceedings as it has previewed in its IPR petition, Natera opposes any such request. The parties should thus proceed with the case schedule and the trial date set for October 13-17, 2025 subject to the Court’s availability. Doc. 330 at 8.

In its IPR petition, NeoGenomics makes a series of representations that contradict its position before this Court and to Natera about the importance of the October 2025 trial

date. NeoGenomics argues that an IPR should be instituted because, *inter alia*, “Patent Owner first asserted the ’596 patent on December 10, 2024” and “these data indicate a median time-to-trial date in **June 2027**—nearly a year after the FWD deadline.” Doc. 378-2 at 60 (emphasis added). It further asserts that “[t]he North Carolina’s action’s current schedule is **not to the contrary**.” *Id.* at 61 (emphasis added). NeoGenomics arrives at this misleading conclusion by ignoring completely this Court’s schedule setting trial this October 2025. Doc. 330 at 8. NeoGenomics instead cites “median time-to-trial” statistics for this District and assumes for its argument that the ’596 Patent’s introduction into the case is akin to filing a new suit.

While NeoGenomics acknowledges that “the Court has granted Petitioner’s motion for foreign discovery” under the Hague Convention,² it then erroneously states that “the parties’ dispute about scheduling illustrates that there is **no guarantee of trial before the Board issues any final written decision**.” Doc. 378-2 at 61. NeoGenomics appears to treat the trial date as nothing more than a suggested placeholder, but there are only two limited circumstances that would warrant extending trial beyond October 13-17, 2025, which NeoGenomics itself previously explained to this Court: (1) to account for delay in NeoGenomics’ CLIA validation for RaDaR 1.1 or (2) to accommodate the Court’s availability. Sept. 12, 2024 Hr’g Tr. at 25:5-12.

² On December 31, 2024, the Court issued Letters of Request for depositions of Dr. Jamal-Hanjani and Dr. Swanton. *See Docs.* 363, 363-2.

NeoGenomics fails to mention that not only did it stipulate to a schedule with an October 13-17, 2025 trial date, it repeatedly made representations to Natera and this Court about the importance of preserving this date and how it was one of the most critical factors of the parties' settlement discussions. *See* Doc 320 at 3, Doc. 326 at 6, Doc. 341 at 2, 7-8, 9. At the September 12, 2024 Status Conference, NeoGenomics explained that while the date of CLIA validation triggered the rest of the case schedule, "[i]f it happens to slip [after March], all of those following dates will slip *by the same amount of time*, because that's how the schedule has been negotiated." Sept. 12, 2024 Hr'g Tr. at 25:8-11. NeoGenomics' position in Section I *supra* confirms that it continues to expect CLIA validation for RaDaR 1.1 will be completed by March 4, 2025, consistent with the scheduled trigger date.

NeoGenomics' IPR petition also raises the possibility of a partial stay of the District Court proceedings for the first time, Doc. 378-2 at 60, which contradicts its prior emphasis on maintaining a trial date within 6-8 months of CLIA validation on RaDaR 1.1 even after adding the '596 Patent to the case. Natera opposes any stay of the ongoing litigation, which is inconsistent with the Court's preference for expeditious adjudication of the pending dispute between the parties.

NeoGenomics' Position

NeoGenomics intends to abide by the current case schedule and does not intend to request a continuance of the trial date. As Natera acknowledges, NeoGenomics considered the parties' proposed case schedule to be a material term of their partial settlement of Natera's claims against RaDaR 1.0 and the '035 patent. And, as mentioned in Section I,

NeoGenomics continues to expect that it will make the Notice triggering the remaining dates in the case schedule by March 3, 2025. Natera faults NeoGenomics for citing the statistics in this District concerning the median time to trial in its IPR petition. But NeoGenomics' citation of those statistics merely follows the USPTO's written guidance on how to address the PTAB's nonexclusive factors (the "*Fintiv* factors") for determining whether to institute an IPR when there is parallel district court litigation. Doc. 378-2 at 60-61(citing June 21, 2022 Memorandum by USPTO Director Katherine K. Vidal). That guidance encourages comparison of the statutory deadline for any final decision of the PTAB against the "median time-to-trial for civil actions. . . in which the parallel litigation resides." *Id.* NeoGenomics is ready to proceed on the current case schedule.

Respectfully submitted this 7th day of February, 2025.

/s/ Robert C. Van Arnam

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**Special Appearance under Local Civil Rule
83.1(d)*

CERTIFICATE OF SERVICE

I hereby certify that I caused the foregoing document to be served via electronic mail on all counsel of record for Defendant.

Dated: February 7, 2025

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