

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE OFFICE OF THE UNDER SECRETARY OF COMMERCE
FOR INTELLECTUAL PROPERTY AND DIRECTOR OF THE
UNITED STATES PATENT AND TRADEMARK OFFICE

PADAGIS US LLC,
Petitioner,

v.

NEURELIS, INC.,
Patent Owner.

IPR2025-00464 (Patent 8,895,546 B2)
IPR2025-00465 (Patent 11,241,414 B2)
IPR2025-00466 (Patent 11,793,786 B2)

Before COKE MORGAN STEWART, *Acting Under Secretary of
Commerce for Intellectual Property and Acting Director of the United States
Patent and Trademark Office.*

DECISION
Referring the Petitions to the Board

IPR2025-00464 (Patent 8,895,546 B2)
IPR2025-00465 (Patent 11,241,414 B2)
IPR2025-00466 (Patent 11,793,786 B2)

Neurelis, Inc. (“Patent Owner”) filed a request for discretionary denial (Paper 9, “DD Req.”) in the above-captioned cases, and Padagis US LLC (“Petitioner”) filed an opposition (Paper 10, “DD Opp.”).¹

After considering the parties’ arguments and the record, and in view of all relevant considerations, discretionary denial of institution is not appropriate in these proceedings. This determination is based on the totality of the evidence and arguments the parties have presented.

Some factors weigh in favor of discretionary denial. For example, the projected final written decision due date in the Board proceeding is September 17, 2026. DD Req. 15. The district court’s scheduled trial date is February 9, 2026. *Id.* Therefore, it is unlikely that a final written decision in this proceeding will issue before the district court trial occurs.

Other factors, however, counsel against discretionary denial. In particular, these proceedings raise similar issues to those previously adjudicated in IPR2019-00451, involving related U.S. Patent No. 9,763,876 (“the ’876 patent”). *See* Paper 10, 16–19. In the final written decision in IPR2019-00451, the Board determined the challenged claims are unpatentable, and the Court of Appeals for the Federal Circuit affirmed the Board’s unpatentability decision. *See* Ex. 1040; Ex. 1068. As part of that decision, the Board determined the challenged claims were not entitled to the priority date of provisional application 61/040,558 (“the ’558 provisional application”). *See* Ex. 1040, 13–23. The challenged claims in IPR2019-

¹ Citations are to papers in IPR2025-00464 unless otherwise noted. The parties filed similar papers in IPR2025-00465 and IPR2025-00466.

IPR2025-00464 (Patent 8,895,546 B2)
IPR2025-00465 (Patent 11,241,414 B2)
IPR2025-00466 (Patent 11,793,786 B2)

00451 are directed to similar subject matter as the challenged claims in these proceedings and also claim priority to the same '558 provisional application.

Despite this, during the later prosecution of the patents challenged in IPR2025-00465 and IPR2025-00466, the patent examiner determined that the claims were entitled to the priority date of the '558 provisional application because the claims were different. DD Req. 32. Petitioner, however, provides a persuasive comparison of the claims challenged in the present proceedings and those involved in IPR2019-00451 that demonstrates significant overlap in claimed subject matter. *See, e.g.*, DD Opp. 6.

Accordingly, the patent examiner's conclusion directly contradicts the Board's determination and raises concerns of material error such that review of the challenged patents is an appropriate use of Office resources. *See Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH*, IPR2019-01469, Paper 6 at 8 (PTAB Feb. 13, 2020) (precedential).

Ordinarily, a scheduled district court trial date that precedes the date projected for a Board final written decision weighs in favor of exercising discretion to deny the Petition. Here, however, the Petitioner appears to show a material error by the Office, and it is an appropriate use of Office resources to review the potential error. In addition, Petitioner presents evidence suggesting a stay may be granted if an IPR is instituted. DD Opp. 9–10.

Furthermore, the challenged patents in IPR2025-00465 and IPR2025-00466 have not been in force for a significant period of time (issued in 2022 and 2023, respectively), and the patent challenged in IPR2025-00464 is part of the same family, thus raising the same priority issue. Accordingly, Patent Owner has not developed strong settled expectations that favor discretionary

IPR2025-00464 (Patent 8,895,546 B2)
IPR2025-00465 (Patent 11,241,414 B2)
IPR2025-00466 (Patent 11,793,786 B2)

denial as to the first two patents, and it is an efficient use of Board resources to address the related patent, especially because the same issue of claiming priority to the '558 provisional application applies to the patent challenged in IPR2025-00464. *See* DD Opp. 10, 16–19. For all of the foregoing reasons, discretionary denial is not appropriate in these proceedings.

Although certain arguments are highlighted above, the determination not to exercise discretion to deny institution is based on a holistic assessment of all of the evidence and arguments presented. Accordingly, the Petitions are referred to the Board to handle the cases in the normal course, including by issuing a decision on institution addressing the merits and other non-discretionary considerations, as appropriate.

In consideration of the foregoing, it is:

ORDERED that Patent Owner's request for discretionary denial is *denied*;

FURTHER ORDERED that the Petitions are referred to the Board;
and

FURTHER ORDERED that neither party shall file a request for rehearing or Director Review of this decision until the Board issues a decision on institution.

IPR2025-00464 (Patent 8,895,546 B2)
IPR2025-00465 (Patent 11,241,414 B2)
IPR2025-00466 (Patent 11,793,786 B2)

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