

Filed on behalf of: Soleno Therapeutics, Inc.

Entered: June 22, 2026

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APOTEX INC.,
Petitioner,

v.

SOLENO THERAPEUTICS, INC.,
Patent Owner.

PGR2026-00034
Patent 12,419,895

PATENT OWNER'S BRIEF ON DISCRETIONARY DENIAL

TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	BACKGROUND	4
III.	DENIAL IS WARRANTED UNDER 35 U.S.C. § 325(d).....	5
	A. <i>Advanced Bionics</i> Step 1 (<i>Becton</i> Factors (a), (b), and (d)): Substantially the Same Art and Arguments Were Previously Presented	5
	B. <i>Advanced Bionics</i> Step 2 (<i>Becton</i> Factors (c), (e), (f)): <i>Apotex</i> Has Failed To Identify Any Material Error.....	6
IV.	DENIAL IS WARRANTED TO PROTECT SOLENO'S SETTLED EXPECTATIONS	9
	A. The Patented Inventions in the '895 Patent Were Disclosed Ten Years Ago.....	10
	B. Solenio and Neurocrine Have Strong Settled Expectations.....	11
V.	DENIAL IS WARRANTED BECAUSE THE PETITION IS NOT A TRUE ALTERNATIVE TO DISTRICT COURT LITIGATION	14
VI.	DENIAL IS WARRANTED BECAUSE THE MERITS ARE PARTICULARLY WEAK.....	17
VII.	DENIAL IS WARRANTED IN LIGHT OF THE PUBLIC INTEREST	18
VIII.	CONCLUSION.....	20

TABLE OF AUTHORITIES**Page(s)****CASES**

<i>Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH,</i> IPR2019-01469, Paper 6 (P.T.A.B. Feb. 13, 2020).....	5
<i>Amgen Inc. v. Bristol-Myers Squibb Co.,</i> IPR2025-00601, Paper 9 (P.T.A.B. July 24, 2025).....	10, 11
<i>Ascentcare Dental Prods., Inc. v. Solmetex, LLC,</i> PGR2025-00058, Paper 10 (P.T.A.B. Oct. 17, 2025)	7
<i>Becton, Dickinson & Co. v. B. Braun Melsungen AG,</i> IPR2017-01586, Paper 8 (P.T.A.B. Dec. 15, 2017)	5
<i>Cultec, Inc. v. StormTech LLC,</i> IPR2017-00777, Paper 7 (P.T.A.B. Aug. 22, 2017).....	7
<i>Dabico Airport Sols. Inc. v. AXA Power ApS,</i> IPR2025-00408, Paper 21 (P.T.A.B. June 18, 2025)	9
<i>Ecto World, LLC v. RAI Strategic Holdings, Inc.,</i> IPR2024-01280, Paper 13 (P.T.A.B. May 19, 2025)	6
<i>Empower Clinic Servs., L.L.C. v. Eli Lilly & Co.,</i> IPR2025-01024, Paper 15 (P.T.A.B. Oct. 10, 2025).....	11
<i>Magnolia Med. Techs., Inc. v. Kurin, Inc.,</i> IPR2026-00097, Paper 17 (P.T.A.B. May 14, 2026)	14, 16, 18
<i>Xerox Corp. v. Bytemark, Inc.,</i> IPR2022-00624, Paper 9 (P.T.A.B. Aug. 24, 2022).....	17

STATUTES

21 U.S.C.	
§ 355-2(a)(10)	14
§ 355(j)(2)(A)(vii)(I)-(IV)	15
35 U.S.C.	
§ 271(e)(2)(A)	15
§ 325(d)	5, 7, 9

REGULATIONS

37 C.F.R. § 42.4(a)	5
---------------------------	---

EXHIBIT LIST

Exhibit	Description
2001	U.S. Patent No. 9,757,384 B2 (“384 patent”)
2002	File History for U.S. Patent No. 9,757,384 B2 (“384 patent FH”)
2003	U.S. Patent 12,419,895 B1 Family Tree, as shown in Family Tree generated for U.S. Patent No. 9,757,384 B2 (“895 patent family tree”)
2004	U.S. Patent Application Publication No. US 2016/0136178 A1 (“178 Publ.”)
2005	Declaration of Ramesh Tharuvai
2006	Soleno Therapeutics, Inc. SEC Form 10-K (year ended 2017) (Apr. 2, 2018)
2007	News Release, GlobeNewswire, <i>Soleno Therapeutics Provides Corporate Update and Reports Fourth Quarter and Full-Year 2018 Financial Results</i> (Mar. 18, 2019, 08:00 ET), https://www.globenewswire.com/news-release/2019/03/18/1756259/0/en/Soleno-Therapeutics-Provides-Corporate-Update-and-Reports-Fourth-Quarter-and-Full-Year-2018-Financial-Results.html
2008	News Release, GlobeNewswire, <i>Soleno Therapeutics Provides Corporate Update and Reports Fourth Quarter and Full-Year 2019 Financial Results</i> (Mar. 4, 2020, 16:05 ET), https://www.globenewswire.com/news-release/2020/03/04/1995381/0/en/Soleno-Therapeutics-Provides-Corporate-Update-and-Reports-Fourth-Quarter-and-Full-Year-2019-Financial-Results.html
2009	News Release, GlobeNewswire, <i>Soleno Therapeutics Provides Corporate Update and Reports Fourth Quarter and Full-Year 2020 Financial Results</i> (Mar. 3, 2021, 16:01 ET), https://www.globenewswire.com/news-release/2021/03/03/2186600/0/en/Soleno-Therapeutics-Provides-Corporate-Update-and-Reports-Fourth-Quarter-and-Full-Year-2020-Financial-Results.html

Exhibit	Description
2010	News Release, GlobeNewswire, <i>Soleno Therapeutics Provides Corporate Update and Reports Fourth Quarter and Full-Year 2021 Financial Results</i> (Mar. 31, 2022, 16:05 ET), https://www.globenewswire.com/en/news-release/2022/03/31/2414341/0/en/Soleno-Therapeutics-Provides-Corporate-Update-and-Reports-Fourth-Quarter-and-Full-Year-2021-Financial-Results.html
2011	News Release, GlobeNewswire, <i>Soleno Therapeutics Provides Corporate Update and Reports Fourth Quarter and Full-Year 2022 Financial Results</i> (Mar. 21, 2023, 16:05 ET), https://www.globenewswire.com/news-release/2023/03/21/2631823/0/en/Soleno-Therapeutics-Provides-Corporate-Update-and-Reports-Fourth-Quarter-and-Full-Year-2022-Financial-Results.html
2012	News Release, GlobeNewswire, <i>Soleno Therapeutics Provides Corporate Update and Reports Fourth Quarter and Full-Year 2023 Financial Results</i> (Mar. 6, 2024, 16:05 ET), https://www.globenewswire.com/news-release/2024/03/06/2841776/0/en/Soleno-Therapeutics-Provides-Corporate-Update-and-Reports-Fourth-Quarter-and-Full-Year-2023-Financial-Results.html
2013	News Release, GlobeNewswire, <i>Soleno Therapeutics Provides Corporate Update and Reports Fourth Quarter and Full-Year 2024 Financial Results</i> (Feb. 27, 2025, 16:05 ET), https://www.globenewswire.com/news-release/2025/02/27/3034309/0/en/Soleno-Therapeutics-Provides-Corporate-Update-and-Reports-Fourth-Quarter-and-Full-Year-2024-Financial-Results.html
2014	Press Release, BioSpace, <i>Soleno Therapeutics Provides Update on U.S. Launch of VYKAT(TM) XR and Reports First Quarter 2025 Financial Results</i> (May 8, 2025), https://www.biospace.com/press-releases/soleno-therapeutics-provides-update-on-u-s-launch-of-vykattm-xr-and-reports-first-quarter-2025-financial-results
2015	Apotex, <i>A Force for Accessible Medicine</i> , https://www.apotex.com/global/portfolio/generics (last visited June 10, 2026)

Exhibit	Description
2016	Apotex, <i>What We've Created</i> , https://careers.apotex.com/content/What-We-Have-Created/?locale=en_US (last visited June 10, 2026)
2017	FDA, <i>Orange Book: Approved Drug Products with Therapeutic Equivalence Evaluations</i> , https://www.accessdata.fda.gov/scripts/cder/ob/patent_info.cfm?Product_No=001&Appl_No=216665&Appl_type=N (last visited June 10, 2026)
2018	FDA, <i>Search Orphan Drug Designations and Approvals</i> (Trade Name: Vykat XR), https://www.accessdata.fda.gov/scripts/opdlisting/oopd/detailedIndex.cfm?cfgridkey=428214 (last visited June 12, 2026)
2019	NIH, Nat'l Lib. of Med., Nat'l Ctr. for Biotechnology Info., ClinicalTrials.gov, <i>An Open-Label Study of Diazoxide Choline in Patients With Genetic Obesities</i> (Solenio Therapeutics, Inc., ClinicalTrials.gov ID NCT05532020) (last updated Sept. 8, 2022), https://clinicaltrials.gov/study/NCT05532020?spons=Solenio%20Therapeutics,%20Inc.&viewType=Card&rank=3
2020	NIH, Nat'l Lib. of Med., Nat'l Ctr. for Biotechnology Info., ClinicalTrials.gov, <i>A Study of Diazoxide Choline in Patients With Prader-Willi Syndrome</i> (Solenio Therapeutics, Inc., ClinicalTrials.gov ID NCT03440814) (last updated Sept. 21, 2023), https://clinicaltrials.gov/study/NCT03440814?spons=Solenio%20Therapeutics,%20Inc.&viewType=Card&rank=7
2021	NIH, Nat'l Lib. of Med., Nat'l Ctr. for Biotechnology Info., ClinicalTrials.gov, <i>Open-Label Extension Study of DCCR in PWS Followed by Double-Blind, Placebo-Controlled, Randomized Withdrawal Period</i> (Solenio Therapeutics, Inc., ClinicalTrials.gov ID NCT03714373) (last updated Apr. 19, 2024), https://clinicaltrials.gov/study/NCT03714373?spons=Solenio%20Therapeutics,%20Inc.&viewType=Card&rank=6

Exhibit	Description
2022	NIH, Nat'l Lib. of Med., Nat'l Ctr. for Biotechnology Info., ClinicalTrials.gov, <i>PWS Outcomes Assessment Study</i> (Solenio Therapeutics, Inc., ClinicalTrials.gov ID NCT04102839) (last updated Nov. 4, 2024), https://clinicaltrials.gov/study/NCT04102839?spons=Solenio%20Therapeutics,%20Inc.&viewType=Card&rank=4
2023	NIH, Nat'l Lib. of Med., Nat'l Ctr. for Biotechnology Info., ClinicalTrials.gov, <i>Open-Label Extension Study of DCCR in Patients With Prader-Willi Syndrome</i> (Solenio Therapeutics, Inc., ClinicalTrials.gov ID NCT05701774) (last updated Apr. 2, 2025), https://clinicaltrials.gov/study/NCT05701774?spons=Solenio%20Therapeutics,%20Inc.&viewType=Card&rank=2
2024	NIH, Nat'l Lib. of Med., Nat'l Ctr. for Biotechnology Info., ClinicalTrials.gov, <i>Observational Study of VYKAT™ XR in Patients With Prader-Willi Syndrome</i> (Solenio Therapeutics, Inc., ClinicalTrials.gov ID NCT07450664) (last updated May 19, 2026), https://clinicaltrials.gov/study/NCT07450664?spons=Solenio%20Therapeutics,%20Inc.&viewType=Card&rank=1
2025	Anne Fricke, <i>PWS Breaking News! FDA Approves First-Ever Treatment for Hyperphagia in PWS</i> , PWSA BLOG (Mar. 26, 2025), https://www.pwsausa.org/pws-breaking-news-fda-approves-first-ever-treatment-for-hyperphagia-in-pws/
2026	Anne Fricke, <i>With New Treatment Comes Renewed Hope</i> , PWSA BLOG (Mar. 27, 2025), https://www.pwsausa.org/with-new-treatment-comes-renewed-hope/
2027	Claire Sibonney, <i>A Revolutionary Drug for Extreme Hunger Offers Clues to Obesity's Complexity</i> , KKF HEALTH NEWS (June 16, 2025), https://kffhealthnews.org/news/prader-willi-syndrome-extreme-hunger-obesity-research-new-drug-vykat-xr/

Exhibit	Description
2028	Neurocrine Biosciences, <i>Neurocrine to Acquire Soleno, Expanding Its Endocrinology and Rare Disease Portfolio</i> (Apr. 6, 2026), https://neurocrine.gcs-web.com/news-releases/news-release-details/neurocrine-acquire-soleno-therapeutics-expanding-its
2029	USPTO, <i>FAQs for Interim Processes for PTAB Workload Management</i> , https://www.uspto.gov/patents/ptab/faqs/interim-processes-workload-management (last visited June 10, 2026)
2030	Memorandum from the Under Sec'y of Com. for Intell. Prop. & Dir. of the USPTO to All P.T.A.B. Users (Mar. 11, 2026), https://www.uspto.gov/sites/default/files/documents/Additional_Discretionary_Institution_Considerations_US_Manufacturing_and_Small_Business_Use_of_AIA_Proceedings.pdf ("3/11/2026 Dir. Mem.")
2031	Comparison of Apotex's Petition (Paper 1), with Apotex's Expert Declaration (Ex. 1005), <i>Apotex Inc. v. Soleno Therapeutics, Inc.</i> , PGR2026-00034 (P.T.A.B. Apr. 21, 2026)
2032	Email from Omar Jabri to Jesse Shumaker Re: Vykate XR Orange Book Patent - Petition for Post Grant Review (May 15, 2026)
2033	Letter from J. Janusz, Katten, to Anish Bhatnagar, M.D., Chairman & CEO and Jesse Schumaker, Gen. Counsel, Soleno Therapeutics, Inc., Re: CREATES Act Request – VYKATE XR® (Jan. 6, 2026)
2034	Letter from J. Janusz, Katten, to Anish Bhatnagar, M.D., Chairman & CEO and Jesse Schumaker, Gen. Counsel, Soleno Therapeutics, Inc., Re: CREATES Act Request – VYKATE XR® (Feb. 12, 2026)

I. INTRODUCTION

Patent Owner Soleno Therapeutics, Inc. (“Soleno” or “Patent Owner”) is a U.S. company that dedicated years of research, millions of dollars, and considerable commercial risk to develop a groundbreaking treatment for Prader-Willi Syndrome (“PWS”), a rare, life-threatening condition. Soleno’s investment culminated in VykateTM XR, the first and only FDA-approved treatment for hyperphagia in PWS, a drug product that Soleno manufactures—and has always manufactured—domestically. In contrast, Petitioner Apotex Inc. (“Apotex” or “Petitioner”) is a foreign-based company that invested nothing in this rare-disease research and now seeks to conscript the Board into undermining Soleno’s investment. Apotex’s Petition should be denied for at least the following five reasons.

First, Apotex asks the Board to second-guess the Examiner’s allowance based on the same prior art and arguments already disclosed to and considered by the Examiner during prosecution. The Petition’s three grounds rely on just three references—Cowen, Cotter, and Miller. Apotex admits that all three were before the Examiner during prosecution and identifies no material error in the Examiner’s analysis. The Board should not waste resources reassessing the same art and arguments that the Examiner already correctly considered.

Second, denial is warranted to protect Soleno’s, and real-party-in-interest Neurocrine Biosciences, Inc.’s (“Neurocrine’s”), settled expectations that have

crystallized around a mature patent family. U.S. Patent No. 12,419,895 (“’895 patent”) is terminally disclaimed against Soleno’s U.S. Patent No. 9,757,384 (“’384 patent”) and expires—along with two other Soleno patents in the same family—on November 12, 2035. The ’384 patent issued on September 12, 2017, nearly nine years ago. Apotex could have mounted an AIA challenge against any of those co-expiring family members years ago, when the art and arguments it now presents were equally available. It chose not to. Having elected to sit on its hands, Apotex should not be permitted a belated attack, styled as a PGR, on a patent that adds no additional term to a family the Office thoroughly examined and allowed repeatedly over the course of a decade.

Third, denial is warranted because the Petition is not a true alternative to district court litigation, notwithstanding Apotex’s *Sotera* stipulation. Apotex is a generic drug maker who filed this PGR petition because it wants to make and sell a generic version of VykatTM XR. But, to do so, Apotex must deal with all the patents listed in the Orange Book for VykatTM XR, not just the ’895 patent. Even if the Board institutes trial, future Hatch-Waxman litigation over VykatTM XR will necessarily involve at least the three additional Orange Book-listed patents in the same family as the ’895 patent that this PGR cannot reach. Those three patents share the same specification, overlapping claim limitations, common priority applications, and terminal disclaimers. As a result, institution here would not meaningfully

narrow the parties' dispute or lead to any faster resolution of the inevitable district court litigation. It would instead force Soleno to relitigate patent validity at substantial additional cost and unnecessarily burden the Office.

Fourth, denial is warranted because the merits are particularly weak, as Soleno's forthcoming Preliminary Response ("POPR") will demonstrate. Rather than pointing to express disclosures in the prior art, Apotex relies extensively on expert testimony to fill gaps that the references themselves cannot bridge. This is not the kind of compelling challenge that merits institution.

Finally, denial is warranted in light of the public interest. Soleno's decade-long effort to bring VykatTM XR to patients with PWS represents precisely the type of rare-disease innovation that the patent system exists to incentivize. Allowing a foreign-based patent challenger to weaponize the Board against a U.S. innovator will chill future investment in orphan-drug development—investment that benefits some of the most vulnerable patients in the healthcare system. Moreover, institution would not accelerate patient access to any generic alternative because VykatTM XR carries regulatory exclusivity until March 2032, and Apotex cannot lawfully enter the market before that date regardless of this proceeding's outcome.

At bottom, institution would expend scarce resources on a duplicative challenge grounded in art the Examiner already considered, while delivering no public benefit and imposing real harm on a U.S. company and the patients it serves.

II. BACKGROUND

The '895 patent recites a method of treating hyperphagia in a subject with PWS. Ex. 1001 ('895 patent), cl. 1, 17:43-44. PWS is a rare and complex genetic disorder characterized by, among other features, an impaired ability to regulate appetite, chronic and severe hunger, hyperphagia, food-seeking behavior, and behavioral and metabolic complications. *Id.* 19:29-20:25. PWS patients may feel that they are starving even when they are not; they may eat any food in the line of sight, get up at night to eat, dig through trash for food, steal food, consume frozen food, pet food, or spoiled food, and even consume non-food items; they may also become angry or throw tantrums if denied food. *Id.* 20:14-25.

The '895 patent and three other patents in its continuity chain are listed in the Orange Book for Vykat™ XR, the first and only FDA-approved treatment for hyperphagia in adults and pediatric patients four (4) years of age and older with PWS. Ex. 2017. Vykat™ XR is a diazoxide choline controlled-release oral tablet ("DCCR") that provides sustained drug exposure with once-daily dosing. By targeting hyperphagia, Vykat™ XR is directed to a long-felt, unmet clinical need that is central to PWS patients. Ex. 2025; Ex. 2026; Ex. 2027.

The '895 patent is part of a continuity chain dating back to an initial 2015 filing. In that application, Soleno disclosed methods, dosing regimens, and pharmaceutical formulations for administration of potassium ATP (K_{ATP}) channel

openers for treatment of diseases or conditions involving K_{ATP} channels, including PWS. That application matured into the '384 patent, which issued in September 2017. Ex. 2001 ('384 patent); Ex. 2003 ('895 patent family tree).

III. DENIAL IS WARRANTED UNDER 35 U.S.C. § 325(d)

Institution denial is warranted because Apotex's challenge is based on "substantially the same prior art or arguments" previously presented to the Office. 35 U.S.C. § 325(d); *see also* 37 C.F.R. § 42.4(a). Under § 325(d), the Board follows the *Advanced Bionics* two-part test, first assessing whether the art and arguments are substantially the same as those already presented to the Office and, if so, determining if the Office erred in a manner material to patentability. *See Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH*, IPR2019-01469, Paper 6 at 8 (P.T.A.B. Feb. 13, 2020) (precedential); *see also Becton, Dickinson & Co. v. B. Braun Melsungen AG*, IPR2017-01586, Paper 8 at 17-18 (P.T.A.B. Dec. 15, 2017) (precedential as to section III.C.5, first paragraph) (setting forth non-exclusive factors (a)-(f) to consider in § 325(d) analysis).

A. *Advanced Bionics* Step 1 (*Becton* Factors (a), (b), and (d)): Substantially the Same Art and Arguments Were Previously Presented

The Director should deny institution because all of the references in each of the Petition's three unpatentability grounds were considered by the Examiner or are cumulative of art that was before the Examiner during prosecution. Apotex uses this

duplicative art to raise essentially the same obviousness arguments properly rejected by the Examiner during prosecution. The Petition's three grounds apply three references: Cowen, Cotter, and Miller. Apotex admits that the same or substantially the same prior art references were disclosed to the Examiner during prosecution. *See* Pet. 16, 18, 20. Cowen (Ex. 1009) is listed on the face of the '895 patent. Cotter (Ex. 1008) is the foreign counterpart to U.S. Patent Application Publication No. 2014/0364367 (Ex. 1016), which is listed on the face of the '895 patent and was cited by the Examiner. Miller (Ex. 1017) is cited four times in the '895 patent specification ('895 patent, 19:40-42, 19:60-61, 20:14-25) and is incorporated by reference in the '895 patent (*id.* 69:6-11).

B. *Advanced Bionics* Step 2 (*Becton* Factors (c), (e), (f)): Apotex Has Failed To Identify Any Material Error

Apotex likewise has not met—and cannot meet—its burden under *Advanced Bionics* step 2 to show that the Examiner materially erred in allowing the claims. *Ecto World, LLC v. RAI Strategic Holdings, Inc.*, IPR2024-01280, Paper 13 at 4-7 (P.T.A.B. May 19, 2025) (precedential as to section A).

First, Apotex does not even allege Examiner error. Rather than identify any specific mistake in the Examiner's analysis, Apotex re-aggregates the same references the Examiner already considered and properly rejected, layering on assertions about the general knowledge of a skilled artisan to fill in claim-critical gaps. Apotex's complete silence regarding Office error weighs strongly against

institution. *See Ascentcare Dental Prods., Inc. v. Solmetex, LLC*, PGR2025-00058, Paper 10 at 3 (P.T.A.B. Oct. 17, 2025) (“Petitioner merely disagrees with the Examiner’s treatment of the art without showing material error.... Under these circumstances, discretionary denial is appropriate.”) (citation omitted).

Second, the Examiner did not materially err. The Board’s analysis under § 325(d) properly encompasses prior art and arguments evaluated not only during prosecution of the challenged patent itself, but also during prosecution of related patents. *See, e.g., Cultec, Inc. v. StormTech LLC*, IPR2017-00777, Paper 7 at 9, 11 (P.T.A.B. Aug. 22, 2017) (informative). Here, the Examiner properly evaluated and rejected substantially the same art and arguments Apotex raises in its Petition during prosecution of the ’895 patent’s parent, the ’384 patent.

Cotter. During prosecution of the ’384 patent, the Examiner initially rejected the claims as obvious over the U.S. equivalent of Cotter. Ex. 2002, 238. Soleno overcame that rejection by explaining, among other reasons, that Cotter does not teach administering K_{ATP} channel openers according to the claimed dosage regimens. For example, it did not teach treating the claimed patient population by administering K_{ATP} channel openers alone—as opposed to in combination with other drugs—for the claimed duration. *Id.* 262-263. Apotex’s reliance on Cotter likewise fails for similar reasons, as Soleno’s POPR will demonstrate.

Cowen. The prosecution history of the '384 patent further confirms that the Examiner fully considered the very Cowen reference on which Apotex's Petition relies and properly allowed the claims. After the Examiner initially allowed the '384 patent's claims, Soleno affirmatively filed a Request for Continued Examination (*see* Ex. 2002, 1449), accompanied by an IDS to ensure the Examiner's complete consideration of information material to patentability. That IDS cited, among other references, the Petition's Cowen reference (*see id.* 1456). More importantly, it also cited a Written Opinion of the International Searching Authority, which had independently identified and distinguished the U.S. counterpart to Cowen—U.S. Patent Application Publication No. 2009/0062264—on multiple occasions.

The Written Opinion cited disclosures similar to those on which Apotex's Petition now relies and acknowledged that "Cowen ... discloses a method of treating a subject with [PWS]" by "administering to said subject an effective amount of KATP channel opener," but the International Searching Authority nonetheless distinguished Cowen, explaining that it "does not disclose a method of reducing one or more aggressive behaviors in a subject having [PWS] ..., the method comprising administering to said subject for at least 10 weeks an effective amount of a KATP channel opener, wherein administration reduces one or more aggressive behaviors in the subject." *Id.* 1404; *see also id.* 1405 (same). The same distinction applies here. As Soleno's POPR will demonstrate, Cowen likewise does not disclose a

method of treating PWS comprising administering diazoxide choline according to the claimed dosing regimen, wherein said administration reduces hyperphagia and food related behaviors.

Miller. While the Examiner did not expressly issue a rejection based on Miller, he considered the same art and arguments Apotex now advances. Apotex relies on Miller solely for additional details regarding the “food related behaviors” limitation. Pet. 73-74. But Miller does not add any argument or teaching not already allegedly encompassed by Apotex's reliance on Cowen and Cotter. *See id.* 26-28, 55-56. None of Cowen, Cotter, or Miller teaches or renders obvious treating food related behaviors in patients with PWS. At best, Apotex's challenge amounts to a general disagreement with the Examiner's conclusions. The Director should deny institution under § 325(d).

IV. DENIAL IS WARRANTED TO PROTECT SOLENO'S SETTLED EXPECTATIONS

The Director should also decline to institute because it would disturb Soleno's settled expectations. *Dabico Airport Sols. Inc. v. AXA Power ApS*, IPR2025-00408, Paper 21 at 3 (P.T.A.B. June 18, 2025) (informative). Although the Director routinely finds “strong settled expectations for Patent Owner” when the challenged patents were in force for at least six years, there is no bright-line rule. Strong settled expectations in recently issued patents can be established when “an extraordinary amount of investment, time, and resources dedicated to research, development,

trials, and regulatory approval” exist. *E.g., Amgen Inc. v. Bristol-Myers Squibb Co.*, IPR2025-00601, Paper 9 at 3 (P.T.A.B. July 24, 2025) (informative). Here, Soleno has extensively relied on its established rights related to the claimed invention and Neurocrine relied on this same IP protection in investing billions to acquire Soleno.

A. The Patented Inventions in the '895 Patent Were Disclosed Ten Years Ago

Although the '895 patent itself was granted in 2025, the specification was published ten years ago in May 2016. Ex. 2004. The first patent in the family, the '384 patent, issued nearly nine years ago in September 2017. From that point forward, the public was put on notice and could reasonably assess a stable and predictable claim trajectory directed to methods of administering diazoxide choline to subjects with PWS to treat hyperphagia and one or more food related behaviors.

Indeed, the claims of the '384 and '895 patents are so closely aligned that the '895 patent—along with every other patent in the family—is terminally disclaimed against the '384 patent. While the claims contain different limitations, the shared specification of the '384 and '895 patents disclosed the invention claimed in the '895 patent ten years before the patent issued. *See* '384 patent, 3:66-4:3 (“Provided herein are pharmaceutical formulations of K_{ATP} channel openers and their use ... for treatment of various diseases and conditions, including Prader-Willi Syndrome (PWS)”), 4:36-38 (“invention methods also reduce the hyperphagia of a subject”), 13:26-37 (“In a preferred embodiment, administration is no more than ... once per

24 hours.”), 19:44-54 (listing food related behaviors in PWS patients), 64:61-65:8 (results from clinical study in PWS patients that “food related behavior deteriorate[s]” with DCCR).

B. Soleno and Neurocrine Have Strong Settled Expectations

Soleno's extraordinary investment of time and resources in research and development and in obtaining regulatory approval, and Neurocrine's substantial investment acquiring Soleno, establish settled expectations. *See Amgen*, IPR2025-00601, Paper 9 at 2.

Soleno's expectations are particularly strong here, for three reasons. *First*, Soleno “has made, and continues to make, substantial investments of time, money, and resources” developing and commercializing Vykat™ XR. *See Empower Clinic Servs., L.L.C. v. Eli Lilly & Co.*, IPR2025-01024, Paper 15 at 2 (P.T.A.B. Oct. 10, 2025). Over more than nine years, Soleno dedicated personnel, capital, and manufacturing capacity to develop Vykat™ XR, and it did so in reliance on the patent estate that began with the '384 patent and continued with the '895 patent.

Soleno's clinical investment alone reflects the extent of that reliance. Since 2018, it has sponsored six clinical studies evaluating safety and efficacy of DCCR and Vykat™ XR for treatment of PWS—ranging from a one-arm Phase 2 study (Ex. 2019), to several interventional Phase 3 studies (Ex. 2020; Ex. 2021; Ex. 2023), to a longitudinal study of caregivers of PWS patients (Ex. 2022). That clinical

commitment has continued even after FDA approval: in 2025, Soleno launched a prospective observational study on real-world safety and outcomes for Vykat™ XR-treated patients. Ex. 2024. Across these studies, Soleno advanced once-daily, extended-release diazoxide choline in a PWS population consistent with the patent family's disclosures, reinforcing its reliance on the patents.

Beyond clinical work, Soleno has also invested heavily in research, development, personnel, manufacturing in the United States, and regulatory activities, incurring at least \$65.4 million in identifiable program costs tied to DCCR/Vykat™ XR. Ex. 2007, 3 (\$4.1M in 2018); Ex. 2008, 3 (\$9.1M in 2019); Ex. 2009, 3 (\$6.9M in 2020); Ex. 2010; Ex. 2011; Ex. 2012, 2 (\$9.9M in 2023); Ex. 2013, 3 (\$21.9M in 2024); Ex. 2014, 3 (\$13.5M in 2025). This sustained investment—from early-stage development through pre-launch build-out—confirms Soleno's settled expectations in the patent family.

Second, Soleno reinforced its reliance on patent protection through public announcements. Apotex has known, or should have known, of the relevant patent family for years. For example, in its 2018 year-end financial results, Soleno announced “the further strengthening of our DCCR patent portfolio” with “[m]ultiple new patents issued” covering various uses of DCCR in PWS patients. Ex. 2007, 1, 2. Soleno regularly claimed that it “conceived of and established extensive patent protection on the therapeutic use of diazoxide and DCCR in patients

with PWS” when reporting annual financial results. *Id.* 4 (2018); Ex. 2010, 4 (2021); Ex. 2011, 4 (2022); Ex. 2012, 3-4 (2023); Ex. 2013, 4 (2024). These repeated, public-facing disclosures put the market—and competitors—on clear notice that Soleno was relying on and investing in this patent family.

Soleno also widely publicized its research and manufacturing investments, announcing its progress at least as early as 2018. In its 10-K filing with the U.S. Securities and Exchange Commission, Soleno disclosed that “[o]ur current research and development efforts are primarily focused on advancing our lead candidate, DCCR tablets for the treatment of PWS, into late-stage clinical development,” as well as its “patent portfolio surrounding DCCR,” which “include[s] protection of: ... Methods to treat various diseases including a number of aspects of PWS and other rare diseases with DCCR.” Ex. 2006, 4, 9. Importantly, Soleno emphasized that “[w]e are significantly dependent upon the success of DCCR, our sole therapeutic product candidate. We invest a significant portion of our efforts and financial resources in the development of DCCR for the treatment of PWS.” *Id.* 19 (explaining its future growth prospects depend on DCCR’s success).

Third, Soleno and Neurocrine both relied on Soleno’s patent portfolio, and specifically on the ’895 patent, in the recent acquisition, establishing settled expectations. Neurocrine acquired Soleno for \$2.9 billion, in part because “VYKAT XR is well positioned as the foundational first-line therapy for PWS and is supported

by a strong intellectual property estate that is expected to extend into the mid-2040s, providing a durable platform for long-term value creation.” Ex. 2028, 2.

V. DENIAL IS WARRANTED BECAUSE THE PETITION IS NOT A TRUE ALTERNATIVE TO DISTRICT COURT LITIGATION

The Director consistently declines to institute trial when, as here, an AIA challenge would not function as an alternative to litigation. *Magnolia Med. Techs., Inc. v. Kurin, Inc.*, IPR2026-00097, Paper 17 at 3-4 (P.T.A.B. May 14, 2026) (precedential) (“Congress intended AIA reviews to narrow disputes—not create another forum where litigation can be expanded.”). Here, the Petition will not meaningfully narrow the parties’ dispute. Instead, institution will unnecessarily expand the parties’ dispute—the same prior art and arguments will be re-litigated in forthcoming Hatch-Waxman litigation.

Although district court litigation on the ’895 patent (and its related patents) has not yet begun, it is imminent. Apotex has indicated that it intends to market a generic version of Soleno’s VykatTM XR product. Ex. 2032, 2 (“Apotex would be open to discussing the terms of a license under the ’895 patent to further our goal of bringing affordable generic options to patients.”). In early 2026, Apotex filed two requests under the CREATES Act, 21 U.S.C. § 355-2(a)(10), seeking access to VykatTM XR samples for testing and regulatory work necessary to support its generic approval pathway. Ex. 2033; Ex. 2034. That intent aligns with Apotex’s business model, which highlights “an extensive portfolio of high-quality generic medicines”

and touts “more than 300 generic pharmaceuticals.” Ex. 2015; Ex. 2016.

To market a generic version of Vykat™ XR, Apotex must seek FDA approval by filing an abbreviated new drug application (“ANDA”) and make a patent certification for each Orange Book-listed patent, certifying that the patent is invalid, unenforceable, or not infringed.¹ *See* 21 U.S.C. § 355(j)(2)(A)(vii)(I)-(IV). Here, Apotex will need to certify as to each of the Orange Book-listed patents protecting Vykat™ XR, including the '895 patent. Filing such a certification is an act of infringement that permits Soleno to sue, triggering a Hatch-Waxman litigation.² *See* 35 U.S.C. § 271(e)(2)(A).

Apotex's PGR will not avoid or meaningfully simplify that litigation; it will merely add a parallel AIA challenge. Apotex's *Sotera* stipulation does not change that reality. The '895 patent is one of four Orange Book-listed patents in the same family, with the same specification, that are co-terminally disclaimed against the

¹ While Apotex could theoretically attempt to avoid certain patents by carving out portions of the label, i.e., file a skinny label, it has made no commitment to do so, and its *Sotera* stipulation does not extend beyond the '895 patent.

² Because Apotex's certification is an act of infringement that can lead to the Hatch-Waxman lawsuit, Apotex has control of when litigation begins and can delay until after the Director's decision on institution.

same patent. While Apotex agreed that it would “not pursue the same grounds” or any grounds that “could have reasonably been raised” in the Petition in district court, it made no such stipulation regarding the three other closely related patents that will also be included in that litigation. Pet. 7. The district court will therefore likely confront similar arguments about related claims and overlapping prior art. This proceeding is an “*addition* to, not an *alternative* to, the litigation.” *Magnolia*, IPR2026-00097, Paper 17 at 4 (original emphasis).

Institution would invite piecemeal, strategically sequenced attacks rather than efficiently resolving the dispute. That fragmentation would burden the Board and Soleno, create a risk for inconsistent outcomes, and hand Apotex an improper tactical advantage by allowing it multiple bites at the apple. That is, Apotex's PGR is intended to have the Board first review its unpatentability arguments relative to the '895 patent; when those arguments inevitably fail, Apotex can pivot its arguments for the '895 patent and its family members in the district court. Soleno would be forced to defend overlapping invalidity arguments again and again. That duplication benefits only Apotex, wastes Board resources, and imposes an unreasonable burden on Soleno. The Director should not condone such gamesmanship. Further, as Soleno will demonstrate in its POPR, the Petition also fails on the merits, making any prospect of simplification even more remote.

VI. DENIAL IS WARRANTED BECAUSE THE MERITS ARE PARTICULARLY WEAK

The Director should decline to institute because Apotex's unpatentability challenge is exceptionally weak, and Apotex fails to show a reasonable likelihood of prevailing as to any claim. Instead of grounding its case on prior art patents and printed publications, the Petition leans almost entirely on conclusory expert say-so. Petitions are required to be based on prior art patents and printed publications, and Apotex's failure to do so weighs against institution. Ex. 2029, 4 (Question 22).

The record confirms that Apotex's case rises or falls on its expert declaration rather than on persuasive disclosures in the prior art. In the absence of persuasive prior art, Apotex relies extensively on its expert declaration, citing its 119-page declaration over 200 times throughout the Petition. *See generally* Pet. As will be discussed in more detail in the POPR, Apotex relies on conclusory expert testimony to try to fill in disclosure that is critically missing from the prior art. That strategy is precisely the kind of expert-driven, publication-light presentation the Office has warned counsels against institution.

Large swaths of the Petition are identical or nearly identical to the expert declaration. Ex. 2031 (side-by-side comparison). An expert declaration that repeats the petition verbatim "is conclusory and unsupported, adds little to the conclusory assertion for which it is offered to support, and is entitled to little weight." *Xerox Corp. v. Bytemark, Inc.*, IPR2022-00624, Paper 9 at 15 (P.T.A.B. Aug. 24, 2022)

(precedential). Apotex's copy-and-paste approach cannot carry its burden to show a reasonable likelihood that it would prevail with respect to any claim.

The Petition impermissibly relies on conclusory arguments, presented under the guise of expert opinion, to establish the mindset of a skilled artisan. For example, Apotex asserts, relying on its expert declaration for support, that a "POSA would reasonably expect a corresponding reduction in the food-related behaviors described in Miller." Pet. 74 (citing Ex. 1005 ¶¶ 261-263). But the cited paragraphs of the expert declaration merely repeat that assertion verbatim. Ex. 1005 ¶ 263.

The same defect pervades Apotex's treatment of motivation to combine. Apotex asserts, relying on its expert, that skilled artisans would have combined Cowen and Miller. Pet. 73 (citing Ex. 1005 ¶ 259). But, again, the cited paragraph of the expert declaration provides no additional support, merely repeating the Petition's assertion verbatim. Ex. 1005 ¶ 259. This failure to articulate a reasoned rationale, supported by the prior art itself, confirms that Apotex's theory depends on unsupported expert *ipse dixit* rather than evidence. These examples are not isolated; they typify the Petition's approach. As the POPR will detail, the Petition fails on the merits for several other reasons. The Director should deny institution.

VII. DENIAL IS WARRANTED IN LIGHT OF THE PUBLIC INTEREST

The Director should also decline to institute because institution would be contrary to the public interest. *Magnolia*, IPR2026-00097, Paper 17 at 6-8.

Soleno's patent family reflects the extensive investment and risk required to develop an orphan drug for a vulnerable patient population with longstanding unmet medical need. The FDA's grant of orphan drug exclusivity for Vykat™ XR confirms that this investment yielded a therapy that Congress intended to reward with meaningful market protection. Ex. 2018. The same policy considerations that support orphan-drug incentives—correcting underinvestment in rare-disease research, promoting patient access for underserved populations, encouraging innovation in small and scientifically uncertain markets, addressing unmet medical need, and preserving predictable commercialization incentives—support denial of the Petition, which threatens to dilute the incentives that made the therapy possible.

Apotex cannot credibly argue that institution is necessary to accelerate patient access to a lower-cost generic product. Vykat™ XR has orphan drug exclusivity until March 26, 2032, and no other company can market a generic version of Vykat™ XR before then regardless of patent status. *Id.* Because Apotex cannot enter the market before that exclusivity expires, regardless of the outcome of this proceeding, institution would not produce any immediate public-health benefit through earlier generic availability.

Nor would institution meaningfully avoid or simplify future Hatch-Waxman litigation. *See supra* Section IV. There is no pending district court litigation involving the '895 patent, and no judicial matter has been threatened. Any eventual

ANDA filing would require certifications against the full Orange Book-listed patent estate and likely trigger Hatch-Waxman litigation and a 30-month stay. The public interest is not advanced by allowing Apotex to use PGR as a test run before utilizing the Hatch-Waxman framework Congress created for resolving Orange Book-listed patent disputes. On balance, the public health and innovation interests favor discretionary denial.

The equities further favor discretionary denial. Soleno made substantial investments in research and manufacturing as a small U.S. company that relied on its intellectual property portfolio to protect its investment. Its efforts proved so successful that it was recently acquired by Neurocrine based, in part, on the strength of Soleno's intellectual property portfolio, including the '895 patent. Soleno manufactures VykatTM XR drug substance and drug product domestically, primarily in Wisconsin and North Carolina. Ex. 2005. Apotex, by contrast, is a Canadian company. Ex. 2015. Allowing a foreign entity to challenge the patent rights of a domestic manufacturer—particularly one that has invested in domestic production of an orphan drug—would disserve the public interest in maintaining a robust domestic pharmaceutical manufacturing base. Ex. 2030, 2.

VIII. CONCLUSION

For the reasons set forth above, the Director should exercise discretion to deny the Petition for Post-Grant Review.

Respectfully submitted,

Dated: June 22, 2026

By: / Inge A. Osman /

Inge A. Osman (Reg. No. 74,480)
inge.osman@lw.com
Latham & Watkins LLP
555 Eleventh Street, NW, Ste. 1000
Washington, DC 20004-1304
Tel.: 202.637.2200
Fax: 202.637.2201

*Counsel for Patent Owner
Solenio Therapeutics, Inc.*

CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6(e), I certify that on this 22nd day of June, 2026, a true and correct copy of the foregoing **Patent Owner's Brief on Discretionary Denial and all Exhibits** were served by electronic mail on Petitioner's lead and backup counsel at the following email addresses:

Jitendra Malik (Reg. No. 55,823)
Katten Muchin Rosenman LLP
615 S. College Street, Ste 1700
Charlotte, NC 28202-3354
jitty.malik@katten.com
(704) 344-3185

Sara M. Pistilli (Reg. No. 82,287)
Katten Muchin Rosenman LLP
525 W. Monroe Street
Chicago, IL 60661-3693
sara.pistilli@katten.com
(312) 902-5681

By: / Inge A. Osman /

Inge A. Osman (Reg. No. 74,480)
inge.osman@lw.com
Latham & Watkins LLP
555 Eleventh Street, NW, Ste. 1000
Washington, DC 20004-1304
Tel.: 202.637.2200
Fax: 202.637.2201

*Counsel for Patent Owner
Solenio Therapeutics, Inc.*