

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ACTIV FINANCIAL SYSTEMS, INC.,

Petitioner,

v.

EXEGY, INC.

Patent Owner.

Case No. IPR2020-01010
U.S. Patent No. 10,062,115

**PATENT OWNER'S MOTION TO SUBMIT SUPPLEMENTAL
INFORMATION UNDER 37 C.F.R. § 42.123(b)**

Pursuant to 37 C.F.R. § 42.123(b) and the Board’s March 10 email authorization, Exegy hereby moves to submit supplemental information to eliminate the only reference cited in the Petition – Parsons – as prior art for obviousness purposes under 102(a) and 102(e). Exegy was prepared to submit this supplemental information with its Patent Owner Response (POR) filed March 1, but could not locate a key “swear behind” document discovered missing in mid-January, despite Exegy’s extensive search efforts from mid-January to March 1. 37 C.F.R. § 42.123(b) allows for the submission of supplemental information where the movant shows “why the supplemental information reasonably could not have been obtained earlier, and why consideration of the supplemental information would be in the interests-of-justice.” *Lupin Ltd. v. Vertex Pharms. Inc.*, IPR2015-00405, Paper 19 at 4 (P.T.A.B. Aug. 11, 2015). That standard is met here.

I. The Information Reasonably Could Not Have Been Obtained Earlier

The Board’s decisions make clear that the “reasonably could not have been obtained earlier” language in 37 C.F.R. § 42.123(b) is applied liberally and in view of the concomitant “interests-of-justice” requirement embodied in the rule. On this basis, the Board has permitted the late submission of supplemental information to *correct filing mistakes* (*Target Corp.*, IPR2013-00530, Paper 36 (July 8, 2014)), to address inconsistencies in a prior art reference that Patent Owner *discovered after Petitioner’s Reply* (*Edmund Optics*, IPR2014-00599, Paper 44 (May 5, 2015), and

to consider documents Patent Owner *received from Petitioner five months before its POR deadline*. *CyanoTech Corp.*, IPR2013-00401, Paper 41 (May 9, 2014); *But Cf. Hyperbranch Medical Tech.*, IPR2016-01836, Paper 32 (October 30, 2017) (denying entry where Patent Owner failed to provide “information on the effort or length of time involved in obtaining the [information]” or “extenuating circumstances that prevented it from obtaining the copies in a timely manner”).

Here, Exegy began collecting evidence in early December to prove conception of the ‘115 invention before the Parson publication, and common ownership of Parsons and the ‘115 invention when the ‘115 invention was made. In-mid January, Exegy noticed a “Thunderdome” document showing conception of the challenged claims was not the original document from 2008. Exegy immediately commissioned an extensive search for the original document. Because it was not found by March 1, Exegy’s POR did not include the arguments and other evidence Exegy had prepared (at considerable expense) to eliminate Parsons as prior art. Despite this, Exegy continued searching and found the original Thunderdome document two days after its POR deadline. Ex. 2004, ¶¶4, 27; Ex. 2005, ¶¶7-15, 21-22.

The original Thunderdome document reasonably could not have been obtained earlier due to numerous obstacles and circumstances beyond Exegy’s control. For example, Exegy initially searched its active file system for directories

associated with a former employee, and a retired workstation of a current employee, only to discover the former and current employees had deleted all relevant file directories and files. Exegy then recovered several thousand files from the retired workstation but the associated filenames were lost. Therefore, Exegy dedicated time restoring and searching a retired file sharing system, and then restoring and searching its original Wiki system, but still did not find the Thundersome document. Therefore, Exegy decided to bring additional previously retired systems back online as necessary to restore documents from archived monthly tape sets (each including up to twenty-seven magnetic tapes). Exegy had to determine the appropriate restore method for each tape set (manual/interactive, incremental, etc.), which itself was a time-consuming process. Exegy started restoring documents from the oldest known tape set, labeled May, 2013, only to encounter numerous read and processing errors (e.g., due to corrupted tapes, an unresponsive system, etc.). Each such error required restarting of the restore process. These efforts were hindered and delayed by the global pandemic, because IT personnel working remotely had to travel to Exegy's office to physically change tapes. Exegy also discovered that some older tape sets dating back to 2008 had been previously overwritten due to operator error, and no longer stored files as of 2008. Ultimately, Exegy discovered on March 1 that a tape set mislabeled as 2015 was actually from December 2012. IT began the restore process for this mislabeled

tape set, and found the Thunderdome document two days later, on March 3. The extensive efforts described above started on January 18 and did not conclude until the Thunderdome document was found on March 3, with Exegy IT working numerous nights, weekends and a holiday in January and February. Ex. 2004, ¶¶5-18, 23-29; Ex. 2005, ¶¶16-23, 25-30. For each and all of these reasons, the original Thunderdome document reasonably could not have been obtained earlier.

Additionally, numerous extenuating circumstances in January and February prevented Exegy from devoting even more resources to its extensive search for the original Thunderdome document, including a new product launch and related provisional patent filing, a business-critical virtual server going down, and three other PORs due in the same time period. Ex. 2004, ¶¶19-22; Ex. 2005, ¶¶30-31. But for these extenuating circumstances, Exegy would have found the Thunderdome at least two days earlier and by its POR deadline of March 1.

II. Consideration of the Information Is in the Interests of Justice

Consideration of the supplemental information is in the interests-of-justice particularly where, as here, the supplemental information was found only two days after the POR deadline and *Exegy requested permission to file this motion within three months of the Institution Decision*. Indeed, in *CyanoTech Corp.*, IPR2013-00401, Paper 41 (P.T.A.B. May 9, 2014), the Board *allowed* the filing of supplemental information *five weeks after the POR deadline*, where the

supplemental information had been produced to Patent Owner *more than five months before the POR deadline*, because “the interests of justice are served by permitting entry of the supplemental information” and prejudice to the Petitioner was negligible. Consideration of the supplemental information here will permit the Board to consider whether Parsons qualifies as prior art to the challenged claims, will result in no prejudice to Petitioner given it has not yet even contacted Exegy to schedule the deposition of Exegy’s expert, and will have no negative impact on the trial schedule given the parties can stipulate to a later filing date for Petitioner’s Reply and Exegy’s Sur-Reply. Conversely, denying this motion *could* result in the challenged claims being deemed unpatentable based on Exegy’s earlier work that does not legally qualify as prior art, and would therefore severely prejudice Exegy.

III. The Supplemental Information

The supplemental information that Exegy seeks to file are fifteen (15) pages of argument explaining why Parsons does not qualify as prior art for obviousness purposes under 102(a) or 102(e), and supporting evidence including declarations.

Accordingly, the Board should grant Patent Owner’s request to file supplemental information under 37 C.F.R. §42.123(b).¹

¹ In the alternative, for the reasons set forth above, the Board should exercise its discretion and permit the supplemental information to be filed pursuant to 37 C.F.R. § 42.5.

Dated: March 16, 2021

Respectfully submitted,

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CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. 42.6(e), I certify that on this 16th day of March, 2021, a true and correct copy of the foregoing **Patent Owner's Motion to Submit Supplemental Information** was served by electronic mail on Petitioner's lead and backup counsel at the following addresses:

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