Filed on behalf of Petitioner by: Paper No. __
Richard F. Giunta, Reg. No. 36,149
Andrew J. Tibbetts, Reg. No. 65,139
Marc S. Johannes, Reg. No. 64,978
Michael N. Rader, Reg. No. 52,146
WOLF, GREENFIELD & SACKS, P.C.
600 Atlantic Avenue
Boston, MA 02210
(617) 646-8000 Phone
(617) 646-8646 Fax

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
Patent No. 10,062,115

_____

PETITIONER'S OPPOSITION TO PATENT OWNER'S MOTION TO SUBMIT SUPPLEMENTAL INFORMATION[1]

[1] Emphasis is added unless otherwise indicated.

TABLE OF CONTENTS

TABLE OF AUTHORITIES

CASES

REGULATIONS

Exegy requests authorization to submit: (1) "a 'Thunderdome' document"; (2) "fifteen (15) pages of ***argument***"; and (3) other unidentified "supporting evidence including declarations." Paper 15, 2 and 5. Exegy's request should be denied because Exegy did not meet the requirements for the belated submission of any of this material as supplemental information ("SI"). Additionally, SI allows a party to submit evidence supplementing an argument made in its trial papers—not to submit evidence and "pages of argument" to advance a new argument the party did not make in its trial papers. Exegy's unprecedented request should be denied.

I. THUNDERDOME DOCUMENT

Exegy did not meet its burden of demonstrating that the "***requirements***" that 37 C.F.R § 42.123 imposes to submit SI are met.

First, Exegy did not request authorization to file a motion to submit SI "within one month" of institution. Rule 42.123(a). Thus, Exegy must show the SI "reasonably could not have been obtained earlier." Rule 42.123(b). Even if the Board accepts—despite its reliance on redacted communications (Exs. 2006-2013, 2015)—that Exegy was diligent ***after*** it started looking for evidence, Exegy's delay in starting is fatal. The Petition was filed in May 2020. Exegy made the strategic decision to not present evidence/argument attempting to remove Parsons as prior art in the POPR, and did not "beg[i]n collecting evidence" until December—***six months after the Petition was filed***. Paper 15, 2. The Board does not "liberally"

(*id*., 1) excuse such delay. *Marvell Semiconductor,* IPR2014-00553, Paper 42, 3 (June 24, 2015) ("We are not convinced that Patent Owner can meet this [§ 42.123 (b)] ***high standard*** …We are aware of no reason why Patent Owner could not have obtained these declarations earlier, given that ***the status of Wu as prior art has been an issue since early in this proceeding***. Instead, Patent Owner admittedly ***waited*** … to procure these additional declarations."); *Hyperbranch Medical,* IPR2016-01836, Paper 32, 5-6 (October 30, 2017) ("We do not find that ***delay*** reasonable because, as Patent Owner admits, the [SI] is responsive to arguments ***contained in the Petition***…Patent Owner provides no meaningful justification for its ***lack of earlier preparation***."). Thunderdome "reasonably could have been obtained earlier"—all Exegy had to do was not delay beginning to look for it.

Exegy must also establish that considering Thunderdome "would be in the interests-of-justice." Rule 42.123(b). Justice is not served by excusing Exegy's tardiness in submitting Thunderdome and its failure to begin searching for ***its own documents*** to support its case until it was too late. Activ has been diligently preparing its response to Exegy's POR and the belated injection into this proceeding of an untold number of "declarations" and additional exhibits beyond Thunderdome to introduce a new argument would be highly prejudicial to Activ and disruptive to the trial schedule. Exegy cites no case in which the Board has found belated submission of SI to be in the interests-of-justice where the evidence

was proffered to inject into the proceeding a ***new argument*** not in the trial papers.

Exegy thus failed to establish that it meets either of Rule 42.123(b)'s requirements to justify "late submission" of Thunderdome.

Second, Rule 42.123(a)(2) requires that the SI "***must be relevant*** to a claim for which the trial has been instituted." Exegy alleges the SI is relevant to "eliminate" Parsons as prior art. Paper 15, 1, 5. Exegy's POR never argued that Parsons is not prior art to any challenged claim. Thus, Exegy does not request authorization to file information that ***supplements*** any argument it advanced in this trial. Instead, Exegy seeks to belatedly make a new argument it did not make in the POR. That is not what supplemental information is for. Exegy does not cite a single case where the Board has granted such relief and Activ is aware of none.

II. OTHER "SUPPORTING EVIDENCE INCLUDING DECLARATIONS"

Even if the Board were to find that Exegy met its burden under Rule 42.123(b) to justify late submission of the Thunderdome document, Exegy manifestly failed to do so for the other evidence Exegy seeks to now submit, including an ***unidentified*** number of "declarations" (plural) from ***unidentified*** declarants and "other [***unidentified***] evidence." Paper 15, 2 and 5.

Exegy admits it had already "obtained" its other evidence ***before*** the POR was filed and strategically chose to not file it with the POR. Paper 15, 2 ("Exegy's POR did not include … ***other evidence Exegy had prepared*** … to eliminate

Parsons as prior art"); 1 ("Exegy was prepared to submit this [SI] with its [POR]"). Exegy does not even allege that any of the other evidence it seeks to submit as SI could not have reasonably been obtained earlier, let alone submit evidence to demonstrate that it meets this requirement of Rule 42.123(b). That is fatal to Exegy's request to belatedly submit evidence beyond Thunderdome.

Exegy's "interests-of-justice" argument—based on the assertion that the SI "was found only two days after the POR deadline" (Paper 15, 4)—***only*** applies to Thunderdome. Exegy does not establish that Rule 42.123(b)'s "interests-of-justice" requirement is met for ***other*** evidence Exegy admits it had already "obtained" but strategically chose to not file with its POR. Paper 15, 1-2.

Thus, Exegy fails to meet either of Rule 42.123(b)'s requirements to justify late submission of evidence beyond Thunderdome. Exegy also fails to meet Rule 42.123's relevance requirement for the same reasons discussed in § I above.

III. FIFTEEN PAGES OF NEW ARGUMENT

"Supplemental information … is ***evidence*** a party intends to support an argument on the merits." *Handi Quilter,* IPR2013-00364, Paper 30, 2-3 (June 12, 2014). Exegy cites no case where the Board has authorized filing as supplemental information "pages of ***argument***" (Paper 15, 5) advancing a new argument the moving party did not present in its trial papers. Activ is aware of no such case.

Exegy seeks to submit "argument" responding to the prior art grounds in the

Petition. But Exegy already filed the trial paper it is provided for presenting such arguments. 37 C.F.R. § 42.120 ("***Patent owner response*** … patent owner may file a ***single response to the petition***."). The Board cautioned Exegy that "arguments not raised in the [POR] may be deemed waived." Paper 11, 8. Despite that, Exegy made the strategic decision to not include arguments seeking to remove Parsons as prior art in its "single response" and must live with the consequences. Rule 42.120.

Exegy also failed to meet Rule 42.123(b)'s requirements to justify "late submission" of its new arguments. By Exegy's own admission, these arguments not only "could" have been obtained earlier – they ***were*** "obtained" earlier and Exegy chose to not use them. Paper 15, 2 ("Exegy's POR did not include ***the arguments … Exegy had prepared*** … to eliminate Parsons as prior art"). Exegy's "interests-of-justice" showing for these arguments also fails because it applies only to Thunderdome (*see* § II above) and because injection into this proceeding of a new argument well into Activ's reply period would be highly prejudicial to Activ and disruptive to the trial schedule. The Board should deny Exegy's unprecedented request to submit evidence and "argument" (Paper 15, 5) to belatedly inject into this trial new arguments Exegy strategically chose to not include in its POR.

Exegy's assertion that the Board should exercise "discretion" to grant its unprecedented request (*id.*) is baseless and should be denied for the above reasons.

Date: March 23, 2021

/Richard F. Giunta /
Richard F. Giunta, Reg. No. 36,149

CERTIFICATE OF SERVICE UNDER 37 C.F.R. § 42.6 (E)(4)

I certify that on March 23, 2021, I will cause a copy of the foregoing document, including any exhibits filed therewith, to be served via electronic mail, as previously consented to by Patent Owner, upon the following:

Matthew L. Cutler	mcutler@hdp.com
James. B. Luchsinger	bluchsinger@hdp.com
Michael J. Thomas	mthomas@hdp.com

Date: March 23, 2021

/Brooke Lunn/
Brooke Lunn
Paralegal
WOLF, GREENFIELD & SACKS, P.C.