

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

NEUMODX MOLECULAR, INC.,
Petitioner,

v.

HANDYLAB, INC.,
Patent Owner.

IPR2020-01132 (Patent 8,709,787 B2)
IPR2020-01133 (Patent 8,415,103 B2)
IPR2020-01136 (Patent 8,415,103 B2)
IPR2020-01137 (Patent 8,709,787 B2)¹

Before SHERIDAN K. SNEDDEN, JO-ANNE M. KOKOSKI, and
CHRISTOPHER G. PAULRAJ, *Administrative Patent Judges*.

PER CURIAM

DECISION
Granting Petitioner's Motion to
Change the Filing Date Accorded to the Petitions
37 C.F.R. § 42.5

¹ This Decision addresses identical issues in each of four related cases. The parties are not authorized to use this style heading for any subsequent papers.

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I. INTRODUCTION

Pursuant to our authorization, NeuMoDx Molecular, Inc. (“Petitioner”) filed a Motion to Change the Filing Date Accorded to the Actual Filing Date of the Petition in each of the above-referenced proceedings, and HandyLab, Inc. (“Patent Owner”) filed an Opposition.² Also with our authorization, Petitioner filed a Reply, and Patent Owner filed a Sur-Reply.³ In its Motions, Petitioner requests that the filing dates accorded to the Petitions in each of the above-referenced proceedings be changed from the date Patent Owner was served with copies of the petitions to the date Petitioner filed the petitions and paid the statutory fees. Mot. 1. For the reasons stated below, Petitioner’s Motion is granted.

A. *Relevant Background*⁴

35 U.S.C. § 315(b) states that “[a]n *inter partes* review may not be instituted if the petition requesting the proceeding is filed more than 1 year

² See IPR2020-01132, Papers 12 (authorizing filing of the Motion), 13 (“Mot.”), and 14 (“Opp.”); IPR2020-01133, Papers 13, 14, and 15; IPR2020-01136, Papers 12, 13, and 14; IPR2020-01137, Papers 12, 13, and 14.

³ See IPR2020-01132, Papers 15 (“Reply”) and 16 (“Sur-Reply”); IPR2020-01133, Papers 16 and 17; IPR2020-01136, Papers 15 and 16; IPR2020-01137, Papers 15 and 16. Although the analysis herein applies to all four proceedings, we refer to the papers and exhibits filed in IPR2020-01132 for convenience.

⁴ The facts set forth herein are based primarily on the Declaration of Petitioner’s counsel James K. Cleland (Ex. 1250) and the Declaration of Exela Technologies’ employee Gerard Brooks (Ex. 1251), both of which were submitted in support of Petitioner’s Motion.

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after the date on which the petitioner . . . is served with a complaint alleging infringement of the patent.” Patent Owner served Petitioner with its Complaint alleging infringement of six patents, including U.S. Patent Nos. 8,709,787 B2 (“the ’787 patent”) and 8,415,103 B2 (“the ’103 patent”) that are the subjects of these proceedings, on June 19, 2019. Mot. 1–2. Therefore, the one-year deadline in these proceedings under § 315(b) was June 19, 2020.

Due to the COVID-19 pandemic, Petitioner’s counsel’s offices have been closed since March 2020, and “Petitioner’s legal team is necessarily using a third party named Exela Technologies . . . for printing, assembly, and service of documents.” Mot. 2 (citing Ex. 1250 ¶ 8). Petitioner states that, prior to filing the Petitions in these proceedings, “Petitioner spent significant time explaining the printing, assembly and service requirements to Exela,” and Exela successfully served petitions in four other proceedings between the instant parties. *Id.* at 3 (citing Ex. 1250 ¶ 9; Ex. 1251 ¶ 5).

Petitioner filed the Petitions and paid the statutory fees in these proceedings on June 18 and 19, 2020. Mot. 3 (citing Ex. 1250 ¶ 10). Petitioner states that, “[b]ecause of the size and number of exhibits,” the filings were completed after the close of business. *Id.* Petitioner also states that its “legal team would normally have served the petitions concurrently prior to leaving the office that Friday night, but could not due to COVID working arrangements.” *Id.* at 3–4 (citing Ex. 1250 ¶ 10). Instead, “Petitioner’s legal team sent the petitions to Exela for printing and service at the beginning of the following week of June 22, 2020.” *Id.* at 4 (citing Ex. 1250 ¶ 10). According to Petitioner, “Exela confirmed receipt of the

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second four petitions like they had for the prior” petitions. *Id.* (citing Ex. 1250 ¶ 11; Ex. 1251 ¶ 6).

On June 29, 2020, after the one-year deadline, Patent Owner’s counsel emailed Petitioner, thanking Petitioner “for sending us courtesy copies of the recently filed IPRs,” and stating that “[g]iven that we’re all working from home and WilmerHale’s offices are still shut down (and will be for the foreseeable future), we’re having difficulty retrieving the paper copies.” Ex. 1250 ¶ 12 (quoting Ex. A). Patent Owner’s counsel listed the IPRs that they had identified, asked Petitioner to confirm there are no others, and stated that “we can then just pull the relevant material down from the dockets—no need for your team to do anything.” *Id.* at Ex. A. On July 1, 2020, Patent Owner filed mandatory notices in each of the proceedings. *Id.* ¶ 14; Paper 3.

On July 14, 2020, Patent Owner’s counsel emailed Petitioner stating that Patent Owner had not received service copies of several IPR petitions. Ex. 1250 ¶ 15, Ex. B. Patent Owner’s counsel explained that they “obtained electronic copies of the petitions, which included certificates of service stating that the IPR petitions and exhibits were served,” but that Patent Owner “has not received any of the service copies.” *Id.* at Ex. B.

Petitioner states that, after investigating, it “learned that there was a mix-up at Exela relative to the” Petitions in the proceedings at issue here. *Id.* ¶ 17. Petitioner explains that Exela’s office “had lost its supervisor and was significantly understaffed due to COVID-19,” and, “[u]pon receiving the second four petitions for copying, assembling and service, Exela lost track of the project in the cue of other projects” and the Petitions had not

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been served. Mot. 5 (citing Ex. 1250 ¶¶ 16–17; Ex. 1251 ¶¶ 4, 7). On July 15, 2020, Exela served Patent Owner and its counsel of record with service copies of the Petitions. Ex. 1250 ¶ 18; Ex. 1251 ¶ 8.

On July 16, 2020, Petitioner emailed Patent Owner’s counsel, explaining that the “petitions had not been served as of July 14, 2020 due to an COVID-related mix-up with our copy and messenger service,” and that the copies were “promptly served . . . via FedEx on July 15, 2020.” Ex. 1250 ¶ 19, Ex. C. Petitioner also filed amended certificates of service with the Board reflecting the July 15, 2020 service date. *Id.* ¶ 21; Paper 5.

On July 27, 2020, the Board issued Notices of Filing Date Accorded in the proceedings, according the Petitions a filing date of July 15, 2020, the day the petitions were served on Patent Owner. Paper 7.

B. Relief Requested

Petitioner requests that the Board change the filing dates accorded to the Petitions in these proceedings “to reflect the date the petition was filed and the statutory fees were paid.” Mot. 1. According to Petitioner, it has satisfied the statutory requirements for consideration of petitions for *inter partes* review by filing the Petitions and paying the statutory fees on June 18 and 19, 2020, which is within one year from the date it was served with a complaint, and serving the Petitions to Patent Owner on July 15, 2020. *Id.* at 7. Petitioner requests that the Board exercise its discretion to waive the regulatory service requirements of 37 C.F.R. §§ 42.6, 42.105(a), and 42.106(a), and/or excuse Petitioner’s delayed service “because there is good cause and changing the filing date accorded is in the interests of justice.” *Id.* at 1, 9–14. Petitioner contends that we should waive or excuse the service

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requirements because: (1) due process has been satisfied, as Petitioner provided Patent Owner with notice of the filings, and “Patent Owner has also acknowledged that it placed a tracker on and received notice of these very PTAB filings” (*id.* at 9); (2) “Petitioner exercised due diligence under the ‘extraordinary situation’ of the COVID-19 pandemic” (*id.*); (3) Petitioner “believed in good faith that service had occurred” (*id.* at 10); and (4) there is no prejudice to Patent Owner (*id.* at 10–11). Petitioner contends that, because it would be barred from pursuing its IPR petitions if the late service is not excused, “[t]he balance of the hardships and interests of justice weigh overwhelmingly in Petitioner’s favor.” *Id.* at 13. In the alternative, Petitioner also “requests waiver of the requirement for simultaneous service, and/or an extension of the service deadline of 37 C.F.R. §§ 42.106(a) and 42.6(e), pursuant to the USPTO Director’s authority under § 12004 of the CARES Act.” Mot. 14.

Patent Owner asserts that “[u]nder the regulations, July 15 is the earliest filing date the Board could have accorded to these petitions.” Opp. 4–5 (citing 37 C.F.R. § 42.106(a)). Patent Owner asserts that even though Petitioner uploaded the Petitions on June 18 and 19, 2020, it did not attempt to effect service until the beginning of the week of June 22, 2020, and that Petitioner’s initial submissions “falsely certify that, as of June 19, Petitioner ‘has served’ by FedEx the Petition, Power of Attorney and supporting evidence on Patent Owner as well as its prosecution and litigation counsel.” *Id.* at 3 (quoting Paper 2, 3). Additionally, Patent Owner asserts that Petitioner has not established that it is entitled to a June 18 or 19, 2020 filing date because (1) Petitioner misrepresented the date that it served the

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papers on Patent Owner, (2) Petitioner does not explain why it did not complete and submit the petitions earlier to allow sufficient time for service, and (3) Petitioner did not check for service receipts or otherwise track or confirm delivery of the petitions. *Id.* at 8–11. Moreover, according to Patent Owner, “waiving the service requirement would cause the Patent Owner harm” because it “would prejudice Patent Owner’s ability to rely on the one-year bar date and the provisions governing service.” *Id.* at 11–12.

II. DISCUSSION

A. Statutory and Regulatory Requirements

The requirements for a petition are set forth in 35 U.S.C. § 312(a), which specifies that “[a] petition filed under section 311 may be considered only if” the enumerated requirements are met. Relevant to these proceedings, among the requirements is that “the petitioner provides copies of any of the documents required . . . to the patent owner or, if applicable, the designated representative of the patent owner.” 35 U.S.C. § 312(a)(5). This requirement is reflected in a corresponding regulation, 37 C.F.R. § 42.105, which sets forth the petition service requirements. Notably, § 42.105 provides that “[t]he petition and supporting evidence must be served on the patent owner at the correspondence address of record for the subject patent. The petitioner may additionally serve the petition and supporting evidence on the patent owner at any other address known to the petitioner as likely to effect service.” 37 C.F.R. § 42.105(a). The requirements for obtaining a filing date in an *inter partes* review are enumerated in 37 C.F.R. § 42.106(a). These requirements include that a

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petitioner must effect service as provided in 37 C.F.R. § 42.105(a) in order for a filing date to be accorded. 37 C.F.R. § 42.106(a)(2).

B. Analysis

There is no question that compliance with our rules is important. The service requirement of 37 C.F.R. § 42.106(a)(2) serves the important purpose of either providing a patent owner with timely notice that its patent is subject to an *inter partes* review proceeding, or else to give the patent owner repose at the end of the statutory period. As such, we take the question of whether a petitioner has complied with this requirement seriously. Nonetheless, based on the particular factual circumstances of this case, we determine that a waiver of the regulatory requirements for according a filing date to a petition is warranted.

In particular, we find that Petitioner's failure to timely serve the petitions in these proceedings is largely attributable to the extraordinary circumstances created by the COVID-19 pandemic. Petitioner establishes that: (1) its counsel's normal procedures for serving petitions were disrupted due to its office closure, such that Exela's assistance in copying and serving the papers was required (Ex. 1250 ¶¶ 7–8); (2) counsel transmitted the papers to Exela on the Friday before the bar date, and Exela confirmed receipt of the papers on the next business day (*id.* ¶ 10; Ex. 1251 ¶ 6); and (3) Exela's oversight in not serving the petitions was accidental, and most likely due to it being short-staffed because of the COVID-19 pandemic (Ex. 1251 ¶¶ 4–8). Under the circumstances, we find it was not unreasonable for Petitioner's counsel to believe that Patent Owner received the Petitions based on the email Petitioner's counsel received from Patent

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Owner's litigation counsel on June 29, 2020, thanking Petitioner for courtesy copies and indicating that it would obtain electronic copies due to its difficulty in retrieving paper copies from their closed offices. Ex. 1250 ¶¶ 12–13, Ex. A. Petitioner also acted quickly to rectify the service error once it learned of it from Patent Owner on July 14, 2020. *See* Ex. 1250 ¶¶ 15–21.

As Petitioner notes, Patent Owner filed its Mandatory Notices, which indicates that it had notice of the filings. Mot. 12–13. We acknowledge that Patent Owner independently learned of the filings because it was “checking the PTAB’s E2E database for the 13 patents asserted in the co-pending litigation.” Opp. 4; Ex. 1250, Ex. A. In that regard, Patent Owner argues that, if this motion is granted, it will be prejudiced because it “will have to continue monitoring for new petitions.” Mot. 12. Our waiver of the regulatory requirements for according a filing date to the Petitions in these proceedings, however, is not meant to create a requirement that patent owners monitor for new petitions. It is and remains a petitioner’s responsibility to notify a patent owner of a petition by properly serving the petition pursuant to 37 C.F.R. § 42.105(a). Our decision here is based on, and limited to, the unusual circumstances in these proceedings created by the COVID-19 pandemic.

Nevertheless, we are troubled by the fact that Petitioner waited until the day before the statutory bar date to file the Petitions given the working conditions created by the COVID-19 pandemic. Waiting until the last minute, without explanation, is ill-advised, particularly in light of the fact that Petitioner needed to use a third-party vendor to effect service of the

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Petitions. Petitioner chose the time frame of its filing and service activities, and left no margin for error despite having had one year to prepare the petitions. Moreover, to the extent there is prejudice to Patent Owner here, it was created by Petitioner's actions. Petitioner could have taken any number of steps to timely serve Patent Owner, such as serving the papers by email or confirming with Exela that the papers were served. Petitioner is advised to take care in the future to ensure that it meets all the relevant requirements, and that any further service miscues such as those here may not be excused.

We recognize that Patent Owner's ability to prepare Preliminary Responses in these proceedings has been adversely affected by the time taken to brief and decide Petitioner's Motion. Accordingly, Patent Owner's deadline for filing Preliminary Responses in these proceedings is extended to January 20, 2021.

III. CONCLUSION

Based on the particular factual circumstances of this case, we determine that a waiver of the regulatory requirements for according a filing date to a petition is warranted. Accordingly, Petitioner's Motion is granted. The filing date of the Petitions in IPR2020-01132 and IPR2020-01133 is changed to June 18, 2020, and the filing date of the Petitions in IPR2020-01136 and IPR2020-1137 is changed to June 19, 2020.

IV. ORDER

In consideration of the foregoing, it is hereby
ORDERED that Petitioner's Motion to Change the Filing Date
Accorded to the Actual Filing Date of the Petition is *granted*;

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FURTHER ORDERED that the filing date of the Petitions in IPR2020-001132 and IPR2020-01133 is changed to June 18, 2020;

FURTHER ORDERED that the filing date of the Petitions in IPR2020-01136 and IPR2020-01137 is changed to June 19, 2020; and

FURTHER ORDERED that Patent Owner may file a preliminary response in each proceeding no later than January 20, 2021.

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