

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

10X GENOMICS, INC.,
Petitioner,

v.

PRESIDENT AND FELLOWS OF HARVARD COLLEGE,
Patent Owner.

IPR2023-01299
Patent 11,098,303 B2

Before GEORGIANNA W. BRADEN, TINA E. HULSE, and
TIMOTHY G. MAJORS, *Administrative Patent Judges*.

HULSE, *Administrative Patent Judge*.

DECISION
Denying Institution of *Inter Partes* Review
35 U.S.C. § 314, 37 C.F.R. § 42.4

I. INTRODUCTION

10x Genomics, Inc. (“Petitioner”) filed a Petition requesting an *inter partes* review of claims 1–12 of U.S. Patent No. 11,098,303 B2 (Ex. 1001, “the ’303 Patent”). Paper 2 (“Pet.”). With its Petition, Petitioner filed a Motion to Seal certain exhibits. Paper 3. President and Fellows of Harvard College (“Patent Owner”) filed a Preliminary Response to the Petition. Paper 11 (“Prelim. Resp.”).

We have authority under 35 U.S.C. § 314, which provides that an *inter partes* review may not be instituted “unless . . . there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. § 314(a). Upon considering the arguments and evidence presented in the papers, we determine that the Petition is deficient under 37 C.F.R. § 42.104(b)(3) and that it is appropriate to exercise our discretion under 35 U.S.C. § 314(a) to deny institution. Accordingly, for the reasons set forth below, we decline to institute an *inter partes* review of claims 1–12 of the ’303 Patent.

A. *Real Parties-in-Interest*

Petitioner identifies itself as the real party-in-interest. Pet. 75. Patent Owner identifies itself and Vizgen, Inc., the exclusive licensee of the ’303 Patent, as real parties-in-interest. Paper 6, 1; Paper 9, 1.

B. *Related Proceedings*

Patent Owner has asserted the ’303 Patent against Petitioner in a counterclaim for infringement in a pending case before the U.S. District Court for the District of Delaware, *10x Genomics, Inc. v. Vizgen, Inc.*, No. 1:22-cv-00595 (D. Del., counterclaim filed August 30, 2022). Pet. 75; Paper 6, 1; Paper 9, 1.

C. *The ’303 Patent*

The ’303 Patent relates to systems and methods for imaging or determining nucleic acids within cells. Ex. 1001, 1:28–30. The ’303 Patent describes a method

comprising exposing a sample to a plurality of nucleic acid probes and determining binding of the nucleic acid probes within the sample. *Id.* at 2:4–10. The nucleic acid probes may include primary nucleic acid probes (encoding probes) and secondary nucleic acid probes (readout probes). *Id.* at 2:25–29. Each primary nucleic acid probe comprises a first portion having a target sequence and a second portion having one or more read sequences that specifically hybridize to a recognition sequence on a secondary nucleic acid probe. *Id.* at 2:14–18. Each secondary nucleic acid probe includes a signaling entity, such as a fluorescent entity, which is used to detect the targets. *Id.* at 2:37–42.

The binding pattern of the secondary nucleic acid probes is used to create codewords, which can be used to identify the different targets of the primary nucleic acid probes. Ex. 1001, 2:4–13. The codewords may be in binary code, such that a value of 1 represents binding of a secondary nucleic acid probe and a value of 0 represents no binding of the secondary nucleic acid probe. *Id.* at 10:41–46. The codewords may be assigned using an error detection system or an error correcting system, which can be used to identify where errors have occurred and, in some cases, correct them. *Id.* at 11:8–20.

D. Illustrative Claim

Petitioner challenges claims 1–12 of the '303 Patent, of which claim 1 is independent. Claim 1 is illustrative and is reproduced below:

1. A method for detecting a plurality of different nucleic acid targets within a sample by in situ hybridization, comprising:
 - (a) producing a plurality of first hybridized complexes within a sample containing a plurality of different nucleic acid targets by exposing the sample to a plurality of different encoding nucleic acid probes, wherein each of the plurality of encoding nucleic acid probes comprises (i) a target sequence that

specifically hybridizes to a different nucleic acid target or a different location of an identical nucleic acid target of the plurality of different nucleic acid targets and (ii) one or more read sequences such that each of the plurality of first hybridized complexes comprises multiple encoding nucleic acid probes of the different encoding nucleic acid probes located in its different locations;¹

- (b) producing a plurality of readout probe-hybridized complexes by exposing each of the plurality of first hybridized complexes within the sample to a first readout nucleic acid probe, wherein the first readout nucleic acid probe comprises a first portion and a second portion, the first portion comprising a sequence that specifically hybridizes to one of the read sequences, and the second portion comprising a fluorescent signaling entity capable of producing a fluorescent signal;
- (c) detecting a fluorescent signal from each of the plurality of readout probe-hybridized complexes;
- (d) removing the fluorescent signal from each of the plurality of readout probe-hybridized complexes by inactivating the fluorescent signaling entity or removing the fluorescent signaling entity from each of the plurality of readout probe-hybridized complexes;
- (e) after step (d), producing a different plurality of readout probe-hybridized complexes by exposing the sample to a different readout nucleic acid probe, wherein the different readout nucleic acid probe comprise[s] a first portion and a second portion, the first portion comprising a sequence that specifically hybridizes to one of the read sequences, and the second portion comprising a fluorescent signaling entity capable of producing a fluorescent signal;

¹ See Ex. 1001, Certificate of Correction (adding “located in its different locations”).

- (f) detecting a fluorescent signal from each of the different plurality of readout probe hybridized complexes;
- (g) removing the fluorescent signal from each of the different plurality of readout probe hybridized complexes by inactivating the fluorescent signaling entity or removing the fluorescent signaling entity from each of the different plurality of readout probe hybridized complexes;
- (h) repeating steps (e) to (g) for one or more times using a different readout nucleic acid probe, wherein the different readout nucleic acid probe comprises a first portion and a second portion, the first portion comprising a sequence that specifically hybridizes to one of the read sequences, and the second portion comprising a fluorescent signaling entity capable of producing a fluorescent signal;
- (i) producing codewords representing the plurality of different nucleic acid targets at locations within the sample, wherein each of the codeword represents one of the plurality of different nucleic acid targets and comprises multiple binary values 1 and 0, wherein a value of 1 is obtained when the fluorescent signal is detected from one of the plurality of readout probe hybridized complexes or one of the different plurality of readout probe-hybridized complexes at a respective location within the sample while a value of 0 is obtained when the fluorescent signal is not detected from one of the plurality of readout probe-hybridized complexes or one of the different plurality of readout probe-hybridized complexes at the respective location within the sample;
- (j) matching the codewords with valid codewords in a codebook by comparing the codewords to the valid codewords in the codebook, and if one of the codewords is not matched with one of the valid codewords in the codebook, applying an error detection or correction system, matching the one of

the codewords with another of the valid codewords in the codebook, or discarding the one of the codewords, wherein the codebook comprises the valid codewords of the plurality of nucleic acid targets; and

(k) determining the plurality of nucleic acid targets in the sample based on results from the matching step.

Ex. 1001, 85:34–87:18, Certificate of Correction.

E. Person of Ordinary Skill in the Art

Petitioner contends that a person of ordinary skill in the art at the time of the invention would have had “a strong understanding in the use and development of genetics and genomics approaches for detecting or monitoring human diseases, such as detection of a target analyte (e.g., mRNA or DNA) in an individual cell of a biological sample.” Pet. 11 (citing Ex. 1002 ¶ 24). Petitioner further asserts that a person of ordinary skill in the art would have had “a Ph.D. in a relevant field (e.g., molecular biology, genetics, and bioinformatics) with two years of experience.” *Id.* at 11–12 (citing Ex. 1002 ¶ 24).

For purposes of the Preliminary Response, Patent Owner states that it does not contest Petitioner’s definition of the person of ordinary skill in the art. Prelim. Resp. 12.

We adopt Petitioner’s definition as it appears to be consistent with the prior art’s demonstration of the level of ordinary skill in the art at the time of the invention. *See Okajima v. Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001) (explaining that specific findings regarding ordinary skill level are not required “where the prior art itself reflects an appropriate level and a need for testimony is not shown” (quoting *Litton Indus. Prods., Inc. v. Solid State Sys. Corp.*, 755 F.2d 158, 163 (Fed. Cir. 1985))).

F. The Asserted Grounds of Unpatentability

Petitioner contends that claims 1–12 of the '303 Patent are unpatentable based upon the following grounds:

Claims Challenged	35 U.S.C. §²	Reference(s)/Basis
1–12	102	Fan ³
1, 3, 6–12	103	Fan, Gunderson ⁴
2, 4, 5	103	Fan, Gunderson, Larsson ⁵
1–12	103	Fan, Curry ⁶

Petitioner also relies upon the Declaration of Dr. Paul Spellman. Ex. 1002.

Patent Owner argues the Petition should be denied under 37 C.F.R. § 42.104(b)(3) (Prelim. Resp. 12–16) and under 35 U.S.C. § 314(a) (*id.* at 35–48). We address each issue below.

II. DENIAL UNDER 37 C.F.R. § 42.104(b)(3)

Our rules require that a petition set forth “[h]ow the challenged claim is to be construed” and, “[w]here the claim to be construed contains a means-plus-function or step-plus-function limitation as permitted under 35 U.S.C. [§] 112(f), the construction of the claim must identify the specific portions of the specification that describe the structure, material, or acts corresponding to each function.”

² The Leahy-Smith America Invents Act (“AIA”), Pub. L. No. 112-29, 125 Stat. 284, 287–88 (2011), amended 35 U.S.C. §§ 102 and 103, effective March 16, 2013. Because the '303 Patent has an effective filing date after March 16, 2013, the AIA version of §§ 102 and 103 apply. Our decision, however, would be the same under either version.

³ Fan et al., US 10,829,814 B2, issued Nov. 10, 2020. Ex. 1005 (“Fan”).

⁴ Gunderson et al., *Decoding Randomly Ordered DNA Arrays*, 14 GENOME 870–77 (2004). Ex. 1007 (“Gunderson”).

⁵ Larsson et al., *In situ detection and genotyping of individual mRNA molecules*, 7 NAT. METHODS 395–97 (2010). Ex. 1008 (“Larsson”).

⁶ Bo U. Curry, US 8,765,642 B2, issued Jul. 1, 2014. Ex. 1009 (“Curry”).

37 C.F.R. § 42.104(b)(3). The Consolidated Trial Practice Guide⁷ (“CTPG”), which provides guidance to practitioners on our rules, further instructs that “[w]here claim language *may* be construed according to 35 U.S.C. § 112(f), a petitioner *must* provide a construction.” CTPG 45 (emphases added) (citing 37 C.F.R. § 42.104(b)(3)). The CTPG advises that a party “may choose to elaborate why § 112(f) should or should not apply to the limitation at issue.” *Id.* Notably, the CTPG warns that “[a] petitioner who chooses not to address construction under § 112(f) risks failing to satisfy the requirement of 37 C.F.R. § 42.104(b)(3).” *Id.*

Here, Petitioner asserts that “[s]olely for the purposes of this IPR, 10x applies Co-Plaintiffs’ [(i.e., Vizgen’s)] interpretation of the 303 patent claims from the concurrent litigation.” Pet. 12 (citing Ex. 1047 (Vizgen’s Initial Infringement Contentions); Ex. 1059 (Vizgen’s Counterclaim Pleading); Ex. 1060 (Vizgen’s Counterclaim Pleading Ex. 9)). Rather than provide Vizgen’s express constructions, Petitioner states that it describes them in detail “where relevant in the Grounds below.”⁸ *Id.*

Patent Owner argues that Petitioner’s claim construction arguments—or lack thereof—are insufficient under Rule 104(b)(3) and, therefore, requires denial of institution. Prelim. Resp. 12–16. Patent Owner also notes that for the claim phrase “an error detection or correction system,” Petitioner has taken opposite positions in

⁷ Available at <https://www.uspto.gov/TrialPracticeGuideConsolidated>.

⁸ We note that Petitioner did not cite the Joint Claim Construction Statement, which was filed with the district court before the Petition was filed and which expressly provides the parties’ proposed constructions for disputed terms of the ’303 Patent in the district court proceeding. *Compare* Pet. 78 (filed August 30, 2023), *with* Ex. 2005 (Joint Claim Construction Statement, Ex. B, filed August 4, 2023).

this proceeding and in the district court proceeding. *Id.* at 14–15. Specifically, in this proceeding, Petitioner relies on Vizgen’s interpretation that the phrase is *not* governed by § 112(f), but in the district court proceeding, Petitioner takes the opposite position, arguing that the claim phrase *is* governed by § 112(f). *Id.* at 15. Patent Owner contends that because § 112(f) is implicated in the construction of the claim phrase, Petitioner was required to provide a means-plus-function construction. *Id.* at 16 (citing CTPG 45). According to Patent Owner, Petitioner’s failure to do so is fatal to the Petition. *Id.* (citing *Orthopediatrics Corp. v. K2M, Inc.*, IPR2018-01546, Paper 10 at 12 (PTAB Feb. 14, 2019)).

After the parties filed their respective papers in this IPR, the district court entered its Claim Construction Order. Ex. 1062.⁹ Consistent with the parties’ Joint Claim Construction Statement (Ex. 2005, 7–8), the district court recited the parties’ proposed constructions for the claim phrase “an error detection or correction system”:

Vizgen’s [Co-Plaintiffs’] Proposed Construction	10x’s [Petitioner’s] Proposed Construction
This claim limitation is not governed by 35 U.S.C. § 112(f). No construction necessary.	This limitation is governed by 35 U.S.C. § 112(f). Function: detecting or correcting unmatched bits in a produced codeword. Structure: “A Hamming system, a Golay code, or an extended Hamming system (or a SECEDED system, i.e., single error correction, double error detection)” as disclosed in Col. 11:12–

⁹ The parties notified the Board of the district court’s decision on February 6, 2023, and the Board authorized entry of the decision as an exhibit. Ex. 3002.

	28, Col. 20:51–21:34, Col. 38:4–17, Col. 65:36–68:63.
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Ex. 1062, 34.

The district court analyzed the claim phrase and held that, although the absence of the word “means” creates a rebuttable presumption that § 112(f) does not apply, Petitioner successfully rebutted the presumption because a person of ordinary skill in the art would not have understood sufficiently the structure of an “error detection or correction system.” *Id.* at 35–36 (citing *Williamson v. Citrix Online, LLC*, 792 F.3d 1339, 1348 (Fed. Cir. 2015) (en banc in relevant part)). The district court found that the phrase “an error detection or correction system” recites only a function (i.e., detecting or correcting errors) and not a structure for doing so. *Id.* at 36. The district court was not persuaded by Vizgen’s argument that the claim language itself provides structure for the system, noting that although the claim language describes how the codewords function, that is “insufficient to clarify the structure of a complicated error detection or correction system.” *Id.* at 36–37. The district court then adopted a modified version of Petitioner’s proposed construction, adding “equivalents thereof” to the recited structure. Thus, the district court construed the phrase “an error detection or correction system” as follows: “This limitation is governed by 35 U.S.C. § 112(f). Function: detecting or correcting errors[.] Structure: A Hamming system, a Golay code, or an extended Hamming system (or a SECEDED system, i.e., single error correction, double error detection), or equivalents thereof.” *Id.* at 37–38.

Having considered the parties’ respective arguments, we find Patent Owner has the better position under the facts of this proceeding. As an initial matter, our rules do not necessarily prohibit petitioners from taking inconsistent claim construction positions before the Board and in district court to show the claims are

unpatentable. *See 10x Genomics, Inc. v. Bio-Rad Lab 'ys, Inc.*, IPR2020-00086, Paper 8 at 18 (PTAB Apr. 27, 2020). To the extent Patent Owner argues that the mere fact that Petitioner has done so precludes institution under Rule 104(b)(3), we disagree. *See* Pet. 15.

Contrary to Petitioner's assertion, however, the *10x Genomics* decision is distinguishable from the facts of this case. There, the petitioner argued a term should be construed under § 112(f), but also argued an alternative construction if the Board found the term is not subject to § 112(f). *See* IPR2020-00086, Paper 8 at 12–13. That decision to argue an alternative construction proved to be a wise one, as the Board disagreed with the petitioner's argument that § 112(f) applies, but still instituted trial because it applied the petitioner's alternative construction instead. *Id.* at 14–15; *see also id.* at 22 (stating “even if our rules and guidance were correctly interpreted as prohibiting a petitioner from relying solely on a claim construction it believes is incorrect, that is not what Petitioner has done here. Petitioner proposes alternative claim constructions and presents at least one ground of unpatentability for each construction”).

Here, although Petitioner adopted Vizgen's position in district court that § 112(f) does not apply and that no construction is necessary, Petitioner chose not to argue § 112(f) does apply in the alternative, despite knowing that it is a claim term in dispute in the district court. Indeed, in the Joint Claim Construction Statement submitted to the district court, the parties identified “an error detection or correction system” as a “DISPUTED CLAIM TERM[] *PROPOSED BY 10X.*” Ex. 2005, 4, 7 (emphasis added). Thus, by the time it filed the Petition, Petitioner knew that whether “an error detection or correction system” is subject to § 112(f) would be an issue in dispute. Petitioner is now left with the consequences of its strategic choice to not address § 112(f) in the Petition here. *See* CTPG 45 (“A

petitioner who chooses not to address construction under § 112(f) risks failing to satisfy the requirement of 37 C.F.R. § 42.104(b)(3).”).

We agree with Patent Owner that the facts of this case are similar to that of *Orthopediatrics*. There, the petitioner asserted that no “specific claim terms of the Challenged Claims require construction for the purposes of this petition.”

IPR2018-01546, Paper 10 at 6. The petitioner argued that “[i]n essence, this petition is based on the claim constructions urged by Patent Owner in the related district court litigation.” *Id.* at 8. Because the patent owner had not requested construction under § 112, ¶ 6, the petitioner stated that the Board “need not and should not construe any terms or phrases under § 112, ¶ 6.” *Id.* In the related district court proceeding, however, the petitioner asserted that the claim terms *should be* interpreted under § 112, ¶ 6. *Id.* at 7. The district court ultimately agreed with the petitioner and construed the claims as means-plus-function limitations. *Id.* The Board found that, given the petitioner’s prior positions regarding § 112, ¶ 6, the petitioner should have known that the question of whether or not the limitation was a means-plus-function limitation was likely to be at issue in that proceeding. *Id.* at 11. Accordingly, the Board found that the petitioner “should have either provided reasons why these limitations are not governed by 35 U.S.C. § 112, ¶ 6, or Petitioner should have provided an explicit claim construction as required by our rules.” *Id.* Because the petitioner advocated for a different claim construction in the related district court litigation, construing the disputed claim term was necessary to resolve the issues before the Board, and the petitioner’s failure to construe those claims violated Rule 104(b)(3). *Id.*

Similarly, here, Petitioner asserts that the phrase “an error detection or correction system” is not governed by § 112(f) and that no construction is necessary. *See* Pet. 12 (“Solely for the purposes of this IPR, 10x applies Co-

Plaintiff’s [(i.e., Vizgen’s)] interpretations of the 303 patent claims from the concurrent litigation.”); *see also* Ex. 2005, 7 (reciting Vizgen’s proposed construction: “This claim limitation is not governed by 35 U.S.C. § 112(f). No construction necessary”). Before the district court, however, Petitioner asserts that the claim phrase is subject to § 112(f), which the district court largely adopted.¹⁰ Ex. 1062, 34. Petitioner admitted the claim phrase was in dispute in the Joint Claim Construction Statement filed in district court. Ex. 2005, 4, 7 (identifying “an error detection or correction system” as a disputed claim term). Despite knowing the meaning of the claim phrase is in dispute, Petitioner did not offer a reasoned construction in the Petition. Thus, like the petitioner in *Orthopediatrics*, Petitioner should have provided reasons why the limitation is not governed by § 112(f) or provided an express construction of the claim phrase. *See* IPR2018-01546, Paper 10 at 11. Because Petitioner has the burden to show a reasonable likelihood of prevailing in its assertion that at least one claim is unpatentable, our rules require that Petitioner substantively address any claim terms in dispute. Based on the circumstances presented here, by relying solely on Vizgen’s construction for “an error detection or correction system” that “no construction [is] necessary” without further explanation, Petitioner failed to satisfy its burden to set forth “[h]ow the challenged claim is to be construed.” 37 C.F.R. § 42.104(b)(3).

Thus, we find the Petition is deficient on its face under 37 C.F.R. § 42.104(b)(3), as merely stating “no construction [is] necessary”—while knowing the construction is actually disputed under § 112(f)—is not sufficient for purposes of institution.

¹⁰ The district court added “or equivalents thereof” to Petitioner’s proposed structure for the means-plus-function construction. Ex. 1062, 34.

III. DISCRETIONARY DENIAL UNDER 35 U.S.C. § 314(a)

In addition to denial under Rule 104(b)(3), we separately consider Patent Owner’s request that we exercise our discretion under 35 U.S.C. § 314(a) and deny institution under the Board’s precedential decision in *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential). Prelim. Resp. 35–48. For the reasons discussed below, we determine exercising our discretion to deny institution under § 314(a) is appropriate under the facts and circumstances of this proceeding.

A. Legal Standards

Institution of an *inter partes* review under 35 U.S.C. § 314(a) is discretionary. See *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016) (citing § 314(a) and stating “the agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion”); see also *Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016) (explaining that under § 314(a), “the PTO is permitted, but never compelled, to institute an IPR proceeding”). In determining whether to exercise that discretion, the Board may consider the advanced state of a parallel proceeding. *NHK Spring Co., Ltd. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 at 19–20 (PTAB Sept. 12, 2018) (precedential).

The Board has set forth certain factors (“the *Fintiv* factors”) that may be considered in determining whether to exercise its discretion to deny institution based on the advanced stage of a parallel proceeding:

1. whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
2. proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision;
3. investment in the parallel proceeding by the court and the parties;

4. overlap between issues raised in the petition and in the parallel proceeding;
5. whether the petitioner and the defendant in the parallel proceeding are the same party; and
6. other circumstances that impact the Board's exercise of discretion, including the merits.

Fintiv, IPR2020-00019, Paper 11 at 5–6.

On June 21, 2022, the Director of the Office issued a Memorandum to clarify how the Board should apply certain *Fintiv* factors when determining whether to exercise its discretion to deny institution under § 314(a).¹¹ The Memorandum explains that the Board should decline to exercise its discretion to deny institution where: (1) a petition presents compelling evidence of unpatentability; (2) a request for denial under *Fintiv* is based on a parallel ITC proceeding; or (3) a petitioner stipulates not to pursue in a parallel district court proceeding the same grounds as in the petition or any grounds that could have reasonably been raised in the petition. Memo 2–3. Moreover, when analyzing *Fintiv*'s second factor, the Board will consider the published median time to trial in the district court in which the parallel litigation resides. *Id.* at 3.

We now apply the facts of this case to each of the *Fintiv* factors.

¹¹ Memorandum Re: Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation (June 21, 2022), available at https://www.uspto.gov/sites/default/files/documents/interim_proc_discretionary_denials_aia_parallel_district_court_litigation_memo_20220621_.pdf. (“Memo”).

B. Analysis of the Fintiv Factors

1. Whether the court granted, or will grant, a stay

The existence of a district court stay pending Board resolution of an *inter partes* review has weighed strongly against discretionary denial, while a denial of such a stay request may weigh in favor of discretionary denial. *Fintiv*, IPR2020-00019, Paper 11 at 6–8.

Patent Owner asserts that there is no reasonable likelihood of a stay in district court with respect to the '303 Patent, because the '303 Patent is only one of six patents at issue and patent infringement is just one of the many causes of action in that proceeding. Prelim. Resp. 38 (citing Ex. 1059, 66–120). The district court has also denied a previous motion to stay, explaining that it “has entered a comprehensive case management schedule in which this case is being litigated on a case management schedule coordinated with at least two other related cases.” *See* Ex. 2008, 25 (Dkt. No. 147). Notably, neither party states that it intends to request a stay if trial is instituted. Prelim. Resp. 38–39; *see* Pet. 74.

Given the coordinated schedule with the related cases, the prior denial of a motion to stay, and the lack of intent by either party to file a motion to stay, we agree with Patent Owner that it is unlikely the district court proceeding will be stayed. Thus, under the facts and circumstances of this case, we find this factor favors exercising our discretion to deny institution.

2. The proximity of the court’s trial date to the Board’s final written decision

If the district court’s trial date is before the projected deadline for the final written decision, the Board has generally weighed this fact in favor of exercising discretion. *See Fintiv*, IPR2020-00019, Paper 11 at 9.

At the time of the Petition, trial was set for November 12, 2024, which is approximately four months before our Final Written Decision would be due. Pet. 74 (citing Ex. 1051, 3). By the time of the Preliminary Response, the district court moved the trial date forward to October 7, 2024, now placing trial approximately five months before our Final Written Decision. Prelim. Resp. 39 (citing Ex. 2008, 37 (Dkt. No. 291)). Patent Owner also asserts that the median time to trial in the District of Delaware is 34.7 months. *Id.* at 40 (citing Ex. 2011, 1). Applying that median time here would result in a projected trial date of March 2025, the same month our Final Written Decision would be expected to issue. *Id.* Patent Owner notes, however, that Judge Kennelly, who is presiding over the parallel litigation, is a visiting judge with fewer cases than the average District of Delaware judge, thereby making it likely that the actual time to trial would be even shorter than the median time to trial, which is based on data across the district as a whole. *Id.* n.5.

Because it is likely the district court's trial will occur at least one month—and most likely five months—before our Final Written Decision would be due, under the facts and circumstances of this case, we find this factor weighs in favor of exercising our discretion to deny institution.

3. *Investment in the parallel proceeding
by the court and the parties*

If, at the time of the institution decision, the district court has issued substantive orders related to the challenged patent, such as a claim construction order, this fact may weigh in favor of exercising our discretion to deny institution. *See Fintiv*, IPR2020-00019, Paper 11 at 9–10.

Patent Owner asserts that the parties have made a substantial investment in the district court proceeding. Prelim. Resp. 41–44. Although Petitioner states that

the proceeding is “still in the early stages and the parties have not significantly invested in the litigation” (Pet. 74), the facts suggest otherwise.

As Patent Owner notes, the parties have exchanged initial and supplemental infringement and invalidity contentions, completed claim construction briefing and held a claim construction hearing. Prelim. Resp. 41 (citing Ex. 2008, 19–20, 23, 25, 33, 35, 36 (Dkt. Nos. 74, 75, 91, 92, 130, 142, 247, 275)). Patent Owner also asserts that document production was completed by December 22, 2023, and that the cut-off for fact discovery is March 15, 2024. *Id.* at 42 (citing Ex. 2013, 2; Ex. 2008, 34–35 (Dkt. Nos. 262, 263); Ex. 1051, 3). Thus, we agree the parties have made a substantial investment in the parallel proceeding as of the time of this Decision.

Even more significantly, the district court has invested substantial resources in the parallel proceeding. The district court has held a claim construction hearing and issued its Claim Construction Order on February 1, 2024. Ex. 1062, 43. The court’s 43-page Order addressed three disputed claim terms in the parallel proceeding and additional claim terms from the two related cases. *Id.* at 29–38 (addressing claim terms of the ’303 Patent). Moreover, although not necessarily related to the ’303 Patent, we note that the district court has also considered two motions to dismiss (Ex. 2008, 22 (Dkt. No. 114), 29 (Dkt. No. 193)) and presided over several discovery disputes (*see, e.g., id.* at 29 (Dkt. No. 189), 30 (Dkt. No. 206)). Thus, it is clear that Judge Kennelly has invested a significant amount of time and resources to the parallel proceeding.

We also agree with Patent Owner that the fact that Petitioner waited to file its Petition until exactly one year after it was served with the counterclaim for infringement of the ’303 Patent and nine months after receiving the initial infringement contentions weighs in favor of exercising our discretion to deny

institution. Prelim. Resp. 43 (citing Ex. 2008, 15, 19 (Dkt. Nos. 29, 30, 74)); *see also Ericsson Inc. v. Collision Commc'ns, Inc.*, IPR2022-01233, Paper 12 at 14–15 (PTAB Jan. 19, 2023) (weighing factor in favor of discretionary denial where the petition was filed almost one year from the filing of the parallel proceeding and almost nine months after receiving infringement contentions). Notably, although Petitioner addresses *Fintiv* in the Petition, Petitioner provides no explanation for the delay. *See* Pet. 74.

Accordingly, under the facts and circumstances of this case, we find this factor weighs in favor of exercising our discretion to deny institution.

4. *Overlap between issues raised in the petition and in the parallel proceeding*

“[I]f the petition includes the same or substantially the same claims, grounds, arguments, and evidence as presented in the parallel proceeding, this fact has favored denial.” *Fintiv*, IPR2020-00019, Paper 11 at 12. The Board has found, however, that where “Petitioner broadly stipulates to not pursue ‘any ground raised or that could have been reasonably raised,’ . . . such a broad stipulation better addresses concerns of duplicative efforts and potentially conflicting decisions.” *See Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 at 14 (PTAB Dec. 1, 2020) (precedential as to § II.A).

Patent Owner asserts that this factor strongly favors denial because Petitioner relies on the same prior art references and invalidity theories before the Board and in the district court proceeding. Prelim. Resp. 44. Specifically, Petitioner asserts anticipation of claims 1–12 by Fan (Ground 1), obviousness based on the combinations of Fan and Gunderson, and Fan, Gunderson, and Larsson (Grounds 2–3), and obviousness based on the combination of Fan and Curry (Ground 4) in both proceedings. *Id.* Although Petitioner addresses *Fintiv* in

the Petition, Petitioner is silent as to the overlapping issues in the parallel proceeding. *See* Pet. 74.

In the absence of a *Sotera* stipulation, under the facts and circumstances of this case, we agree with Patent Owner that the overlapping art and arguments presented in the parallel proceeding weigh in favor of exercising our discretion to deny institution.¹²

5. *Whether petitioner and parallel proceeding defendant are the same party*

If a petitioner is unrelated to a defendant in a parallel proceeding, the Board has weighed this factor against exercising its discretion to deny institution. *Fintiv*, IPR2020-00019, Paper 11 at 13–14.

Here, Petitioner and the counterclaim-defendant are the same parties in the parallel proceeding and that proceeding is expected to reach trial before we would reach a Final Written Decision in this case, which therefore weighs in favor of exercising our discretion. *Google LLC v. Parus Holdings, Inc.*, IPR2020-00846, Paper 9 at 21 (PTAB Oct. 21, 2020) (“Here, . . . Petitioner is the defendant in the parallel proceeding. This fact could weigh either in favor of, or against, exercising discretion to deny institution, depending on which tribunal was likely to address the challenged patent first.”).

¹² Patent Owner also asserts that the “unusual risk of inconsistent results” weighs in favor of exercising our discretion. Prelim. Resp. 45–47. Specifically, Patent Owner asserts that the Board and district courts have taken different approaches to the Federal Circuit’s decision in *Dynamic Drinkware, LLC v. National Graphics, Inc.*, 800 F.3d 1375 (Fed. Cir. 2015), which may result in conflicting decisions as to whether Fan is prior art. *Id.* Although we acknowledge Patent Owner’s argument, we need not address the alleged conflicting approaches for purposes of this Decision.

6. *Other circumstances that impact the Board's exercise of discretion, including the merits*

As part of our balanced assessment of the relevant circumstances of the case, we may consider the merits of the Petition and any other circumstances that may impact our decision. *Fintiv*, IPR2020-00019, Paper 11 at 14. Specifically, having found that *Fintiv* factors 1–5 weigh in favor of discretionary denial, we must address whether the Petition presents compelling merits that would outweigh those factors and weigh against exercising our discretion. *See CommScope Techs. LLC v. Dali Wireless, Inc.*, IPR2022-01242, Paper 23 (PTAB Feb. 27, 2023) (precedential) (holding the Board should consider compelling merits only if *Fintiv* factors 1–5 favor discretionary denial).

Having considered the district court's Claim Construction Order (albeit without the benefit of briefing by either party in this proceeding), it appears to be well reasoned and we see merit in the determination that § 112(f) applies to claim 1's phrase "an error detection or correction system." *See* Ex. 1062, 34–38. In particular, we do not disagree on this limited record that Petitioner successfully rebutted the presumption that § 112(f) does not govern the construction of the claim phrase because the phrase recites only a function and not the structure for doing so. *Id.* at 36 (citing *Williamson*, 792 F.3d at 1349 (stating the presumption can be overcome "if the challenger demonstrates that the claim term fails to recite sufficiently definite structure or else recites function without reciting sufficient structure for performing that function"))).

Thus, for Petitioner to prevail on the record before us, Petitioner must, at minimum, persuade us that the claim phrase "an error detection or correction system" should not be construed under § 112(f). As explained above, Petitioner

provides no persuasive argument or evidence to support such a construction, much less make a “compelling” showing that such construction is correct.

Given that deficiency, under the facts and circumstances of this case, we find the Petition has failed to present compelling evidence of unpatentability that would overcome *Fintiv* factors 1–5, which all weigh in favor of discretionary denial.

C. *Weighing the Factors*

Having considered the specific facts and circumstances of this case, we find that each of the *Fintiv* factors weighs in favor of discretionary denial. We, therefore, exercise our discretion to deny institution under § 314(a).

IV. CONCLUSION

For the foregoing reasons, we determine that the Petition fails to satisfy the requirements of 37 C.F.R. § 42.104(b)(3) and that the holistic balance of *Fintiv* factors weighs in favor of exercising our discretion under 35 U.S.C. § 314(a) to deny institution. Accordingly, we decline to institute an *inter partes* review of claims 1–12 of the ’303 Patent on the grounds raised in the Petition, and we dismiss Petitioner’s Motion to Seal as moot.

V. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that the Petition is *denied* as to the challenged claims of the ’303 Patent;

FURTHER ORDERED that no *inter partes* review is instituted; and

FURTHER ORDERED that Petitioner’s Motion to Seal is *dismissed as moot*.

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