

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

PARSE BIOSCIENCES, INC.,
Petitioner,

v.

10X GENOMICS, INC.,
Patent Owner.

IPR2023-00955
Patent 10,240,197 B1

Before MICHAEL J. FITZPATRICK, SHERIDAN K. SNEDDEN, and
DEVON ZASTROW NEWMAN, *Administrative Patent Judges*.

FITZPATRICK, *Administrative Patent Judge*.

ORDER

Granting Patent Owner's Motion to Terminate Proceeding But Holding
Termination in Abeyance Pending Action by Petitioner
37 C.F.R. § 42.5

With our authorization (Paper 22), Patent Owner, 10X Genomics, Inc., filed a Motion to Terminate. Paper 23 (“Mot.”). We grant the Motion, subject to Petitioner, Parse Biosciences, Inc., not timely taking action as specified below.

There is a pending district court litigation between the parties that predates the *inter partes* review (“IPR”) and involves the same patent at issue in this proceeding: *10x Genomics v. Parse Biosciences, Inc.*, 22-cv-01117 (D. Del.). Paper 1 (“Pet.”), 3; Paper 4, at 1. In its Petition to institute the IPR, Petitioner made the following representation: “If instituted, Petitioner will stipulate to not pursuing, in the district court litigation, invalidity arguments based on any instituted IPR ground.” Pet. 75–76.

After originally denying the Petition on December 18, 2023 (*see* Paper 7), we instituted the IPR on February 5, 2024 (Paper 9), pursuant to Petitioner’s Request for Rehearing (Paper 8). Despite that we instituted the IPR, Patent Owner is still pursuing invalidity arguments in district court based on the instituted IPR grounds. *See* Paper 24 (“Opp.”).

In Petitioner’s Opposition to the Motion, it argues that it should be able to walk away from the representation because institution of the IPR was delayed. Opp. 5–8. More specifically, Petitioner argues that, at the time it offered the representation, it “could not have expected the months-long delay in institution . . . and reasonably believed the final written decision would issue prior to the District Court trial.” *Id.* at 5–6. This argument is not persuasive.

First, the so-called “delay in institution” was not “months-long,” as Petitioner asserts. The IPR was instituted forty-nine days after it was first denied and forty-six days after the Board’s original statutory deadline for

deciding the Petition (i.e., December 21, 2023). *See* Paper 6 (Preliminary Response filed Sept. 21, 2023); 35 U.S.C. § 314(b).

Second, and more importantly, the district court trial is scheduled to begin on December 2, 2024, a date set prior to when Petitioner made its representation in the Petition, which was filed May 25, 2023. *See* Ex. 2032 (“Scheduling Order” entered March 7, 2023), at 9 (“This matter is scheduled for a 5-day jury trial beginning at 9:30 a.m. on December 2, 2024.”). Thus, as Patent Owner points out, even if our original Decision of December 18, 2023, was an institution as opposed to a denial, the final written decision still would not have been due until December 18, 2024, and thus after the trial is scheduled to begin on December 2, 2024. Mot. 6. Petitioner does not dispute this point. Opp. 5. Instead, Petitioner argues that, had we instituted on December 18, 2023, “the final written decision[] *could* have easily issued in advance of the trial *or the District Court trial could be moved.*” *Id.* (emphasis added).

Petitioner’s point is a weak one. Petitioner’s representation was explicitly contingent on our instituting an IPR and nothing else; it was not contingent on our issuing a final written decision prior to the district court trial. *See* Pet. 75–76 (“If instituted, Petitioner will stipulate to not pursuing, in the district court litigation, invalidity arguments based on any instituted IPR ground.”). To the extent Petitioner unreasonably assumed it would have either a final written decision prior to the district court trial or a delay in the district court trial, such an assumption could not excuse Petitioner from honoring its representation, which was explicitly contingent only on the IPR being instituted.

Petitioner argues that Patent Owner knew it was maintaining its IPR

grounds by virtue of the invalidity contentions it served on Patent Owner in the district court litigation on April 16, 2024, but did not timely seek termination thereafter. Opp. 9. Instead, according to Petitioner, Patent Owner did not seek termination of the IPR “until after [Petitioner] had served its expert report in the District Court case,” which expert report also contained invalidity arguments based on the IPR grounds. *Id.* at 9–10. Petitioner suggests it *may* have been prejudiced by the delay. *See id.* at 10 (“Had [Patent Owner] been diligent about requesting a stipulation regarding the Linnarsson/McCloskey defense, [Petitioner] may have approached its expert reports differently.”).

Petitioner’s argument turns the situation upside down. Any suggestion that Patent Owner should have acted earlier (to get Petitioner to honor its representation) is far outweighed by the fact that Petitioner should have acted earlier, either to honor its own representation or to seek permission to withdraw it.

In any event, Petitioner’s representation was not made to Patent Owner alone; it was made to the Board. Thus, no delay by Patent Owner could excuse Petitioner from honoring its representation to the Board.

The Motion before us is straight forward. Petitioner made a representation in an effort to have the IPR instituted. Petitioner, to date, has yet to honor the representation. Petitioner has five (5) business days to do so by filing a satisfactory stipulation in the district court and providing proof of the filing to the Board. Otherwise, the IPR will be terminated.

Lastly, we are cognizant that Petitioner urges us to wait to rule on the instant Motion until “after the District Court’s decision on the parallel

motion to strike, scheduled for hearing on August 20.”¹ Opp. 5. Petitioner argues that, if the district court grants “an extension of the trial date, the final written decision[] will issue prior to trial as Parse originally anticipated, and this will entirely moot PO’s motion here.” *Id.* That is not accurate. In that instance, Petitioner would still need to honor its representation. The point Petitioner seems to be making is that, if the trial were delayed, Petitioner would be more amenable to *voluntarily* honor its representation. Such does not persuade us to delay.

Accordingly, it is

ORDERED that Patent Owner’s Motion is granted; however, we do not at this time terminate the *inter partes* review;

FURTHER ORDERED that the *inter partes* review will be terminated unless Petitioner, within five (5) business days of this Order, files a satisfactory stipulation in the district court litigation and provides proof of the filing to the Board.

¹ We understand that the hearing date was since rescheduled to August 28, 2024.

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