

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

INTEGRATED DNA TECHNOLOGIES, INC.,
Petitioner,

v.

TECAN GENOMICS, INC.,
Patent Owner.

Case IPR2024-01502
Patent 9,546,399 B2

**IDT'S AUTHORIZED RESPONSE TO
DIRECTOR REVIEW REQUEST**

PO sought Director Review for two reasons, alleging that (1) institution “conflicts with important policy directives;” and (2) the Board abused its discretion. *See* Paper 11 (“Req.”). The Director authorized Petitioner to file this Response. EX3100. Neither argument has merit.

I. The Institution Decision Was Appropriate.

A. *Efficiency.* The challenged patent, EX1003, is one of five asserted by PO against IDT in district court.¹ IDT timely requested IPR of all asserted claims of all asserted patents and filed a motion to stay the district court litigation. While the motion remains pending, the parties have tentatively agreed to stay all district court litigations and are drafting a stipulation to that effect.

In the meantime, little has happened in district court: the parties agreed to forgo claim construction, final contentions have not been served, no depositions have been noticed, and expert discovery has not begun. Even if the Court does not stay proceedings, trial is scheduled for June 2026, i.e., after any final written decision in this proceeding. Given these facts, it was not surprising that PO did not raise any *Fintiv* arguments in its POPR, *see* Paper 6. PO’s decision not to raise

¹ PO asserted certain of those patents against QIAGEN in a separate, unconsolidated litigation. QIAGEN filed separate petitions for IPR of those patents, but not EX1003. IDT is not a party in those proceedings, nor is QIAGEN a party here.

these arguments in its POPR precludes raising them for the first time here, as the Director's procedures are clear: "The Director will not consider. . . new arguments not part of the official record." USPTO, *Director Review Process* at 3.E (last modified Feb. 5, 2025).

Regardless, the Board's institution of this proceeding will promote efficiency, not "waste resources" as PO alleges. At this juncture, the PTAB has devoted significantly more resources to these issues than the district court, which has not held any hearings or rendered any substantive decisions. The Panel has already found there is a "reasonable likelihood" at least one of the claims of each of the asserted patents is unpatentable, which would narrow—or moot entirely—the district court proceedings. Yet PO implores the Director to throw out all the work already done by the Panel so that the district court can start at square one, thereby burdening not only the Court and the parties, but also witnesses and third parties, with everything required to litigate a damages claim on highly technical issues from fact discovery through a jury trial, concerning patents that have a "reasonable likelihood" of being invalid.

PO's citation, Req. at 5, to the Consolidated Trial Practice Guide's discussion of a party filing multiple petitions challenging the same patent is inapt for two reasons: (1) that guidance does not apply to the situation of independent defendants

each filing a single petition, and (2) even if it did, IDT is not aware of, and PO does not identify, any petitions other than IDT's challenging the patent at issue here.

2. *Expert Testimony.* PO argues that Institution should be revisited because IDT's petition allegedly rests on "unsupported expert testimony." Req. at 5-7. This argument is inapposite because, contrary to PO's representations, the Board made clear that its decision rested on the teachings of the references, Kivioja and Iafrate, and not on Dr. Sims' testimony alone. *E.g.*, Paper 7 at 20-32.

The argument also goes too far because of course IPR petitions rest on expert testimony. The Director's guidance cited by PO at 5 makes clear that "the Board may consider expert testimony," FAQ 21, and it does so routinely, particularly in cases involving highly technical subject matter. IDT here offers Dr. Sims' testimony to provide technical background regarding the field of DNA sequencing, which combines both biochemistry and data analysis. His testimony explains how the POSA would understand the context and terms of art in the references. The PTAB is precisely the right forum to hear this dispute given that its "judges have technical *and* legal expertise." FAQ 21 (emphasis added).

3. *"Weakness."* PO alleges the petition's arguments are "weak" because the Board reserved certain issues for further development at trial. Req. at 7-8. But the Board's statement (which PO alludes to but does not cite) at p. 38 of Paper 7 merely confirmed that the Panel was instituting on all claims and all grounds based

on its assessment of Ground 1 and Claim 1, and therefore did not need to reach any conclusions on the dependent claims or alternative grounds, *id.* at 32, 36. If anything, this proves the opposite of PO's point—it shows that the Board considered Ground 1 sufficiently strong that there was no need to say more at this time. While the fact the Board did not complete its analysis of Grounds 2 and 3 is irrelevant to the petition's "strength," it is fatal to PO's request at 13 that the Director "deny" the petition, because a petition cannot be denied without consideration of all Grounds.

II. The Board Did Not Abuse Its Discretion.

PO cites several factual determinations made by the Board with which it disagrees. Req. at 8-13. None of these amounts to abuse of discretion. PO simply requests reconsideration of issues already considered and resolved against it.

First, PO's claim that the Panel "analyzed an interpretation of the claims that neither party advanced" is incorrect. Req. at 8. In stating that the claim requires "that the method identifies a duplicate sequencing read, where the sequencing read has the same identifier site and nucleic acid as another," the Panel was not offering an "interpretation" of the claim. It was using language directly from claim 1, which requires "identifying a duplicate sequencing read as the sequencing read comprising the same identifier site and nucleic acid fragment as another sequencing read." This does not conflict whatsoever with the parties' "interpretation" of that limitation.

Second, PO's claim that the Panel failed to analyze "whether using a surrogate for the target sequence is sufficient enough to satisfy a process for identifying duplicate reads that uses both an identifier site and at least a portion of the target sequence," Req. at 9, is similarly untrue. The Panel specifically concluded: "On this record, we determine that Petitioner has made an adequate showing that Kivioja uses a combination of the label and fragment as the UMI to determine whether there is duplication," Paper 7 at 26. In so doing, the Panel expressly considered "whether Kivioja relies on the sequence of the label and the sequence of the target fragment," concluding, "we understand Kivioja to mean that the mapped position was based on the gene sequence," *Id.* at 27.

Finally, PO is incorrect that the Board "flipp[ed] the burden." Req. at 12 (citing Paper 7 at 30). The Board found that IDT met *IDT's* burden by making "an adequate showing of motivation to combine, not based on hindsight" based on Kivioja's disclosure that its method "can improve accuracy of almost any next-generation sequencing method." Paper 7 at 30. That the Board rejected Tecan's rebuttal of that statement is not "flipping the burden."

PO's § 325(d) argument merely rehashes PO's arguments regarding the Board's alleged factual errors and fails for the same reasons.

For the foregoing reasons, Director Review should be denied.

Dated: May 13, 2025

Respectfully submitted,

A handwritten signature in blue ink that reads "Tom Fletcher". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

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CERTIFICATE OF SERVICE

The undersigned certifies pursuant to 37 C.F.R. § 42.6(e)(1), a copy of the foregoing IDT'S Authorized Response to Director Review Request was served via electronic mail on the following lead and back-up counsel of record for Patent Owner.

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