

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

OXFORD NANOPORE TECHNOLOGIES, INC.
Petitioner

v.

PACIFIC BIOSCIENCES OF CALIFORNIA, INC.
Patent Owner

Case No. IPR2018-01792
U.S. Patent No. 9,738,929

**PETITIONER'S REPLY TO PATENT OWNER'S PRELIMINARY
RESPONSE PURSUANT TO 37 C.F.R. § 42.108(c)**

I. INTRODUCTION

Oxford Nanopore Technologies, Inc. (“Petitioner”) filed a Petition, Paper 1 (“Petition”), to institute *inter partes* review (“IPR”) of claims 1-17 of U.S. Patent No. 9,738,929 (“the ’929 Patent”). Pacific Biosciences of California, Inc. (“Patent Owner”) filed a Preliminary Response, Paper 6 (“Prelim. Resp.”), contending, in part, that the Board should deny the Petition under 35 U.S.C. § 314(a). Prelim. Resp., 5. The Board authorized Petitioner to file a Reply to the Patent Owner’s Preliminary Response to address Patent Owner’s arguments regarding the timing of the Petition in relation to a concurrent litigation. Paper 7 (January 30, 2019).

II. RELATED PROCEEDINGS

The ’929 Patent is subject to a pending lawsuit entitled *Pacific Biosciences of California, Inc., v. Oxford Nanopore Technologies, Inc.*, which was consolidated into actions 1:17-cv-00275-LPS, 1:17-cv-01353-LPS (D. Del.) (“the Delaware Proceeding”), in which Petitioner is a defendant.

III. ARGUMENT

Patent Owner contends that “the Board should exercise its discretion not to institute trial here, as it would be a waste of both the Board’s and the Parties’ resources and fundamentally at odds with Congress’s intent for IPR proceedings.” Prelim. Resp., 10. The Board has identified the following seven factors to be considered in exercising discretion to institute under 35 U.S.C. § 314(a):

1. whether the same petitioner previously filed a petition directed to the same claims of the same patent; 2. whether at the time of filing of the first petition the petitioner knew of the prior art asserted in the second petition or should have known of it; 3. whether at the time of filing of the second petition the petitioner already received the patent owner's preliminary response to the first petition or received the Board's decision on whether to institute review in the first petition; 4. the length of time that elapsed between the time the petitioner learned of the prior art asserted in the second petition and the filing of the second petition; 5. whether the petitioner provides adequate explanation for the time elapsed between the filings of multiple petitions directed to the same claims of the same patent; 6. the finite resources of the Board; and 7. the requirement . . . to issue a final determination not later than 1 year after . . . institution of review.

General Plastic Industrial Co., Ltd. v. Canon Kabushiki Kaisha, Case IPR2016-01357, Paper 19 (PTAB Sept. 6, 2017), 16. The Board's intent in formulating the *General Plastic* factors was "to take undue inequities and prejudices to Patent Owner into account." *Id.*, 17. Applying the *General Plastic* factors to the facts at hand, Petitioner has gained no unfair advantage, Patent Owner has not been prejudiced, and the Board's resources will not be wasted by institution of this IPR.

As Patent Owner concedes, factor one favors institution as Petitioner has not previously filed an IPR petition challenging the '929 patent. Prelim. Resp., 11-12.

Factors two through five address situations where a delay in filing grants

Petitioner an unfair advantage. *Expedia, Inc. v. International Business Machines Corporation*, Case IPR2018-01354, Paper 8 (PTAB January 15, 2019), 33 (“[Factors two through five ask] whether Petitioner unfairly waited to raise prior art in a petition until after allegations were presented in another case and ruled upon, thereby giving a Petitioner a road map on how to improve its case.”). Patent Owner does not allege Petitioner gained any unfair advantage from the Delaware Proceeding. Instead, Patent Owner’s sole argument concerning “unfair advantage” is predicated on Petitioner having the benefit of the Patent Owner’s Preliminary Response and the Board’s Denial of Institution in an IPR on a different patent, *Oxford Nanopore Tech., Inc. v. Pacific Biosciences of California, Inc.*, Case IPR2018-00789. Prelim. Resp., 7 and 12. Patent Owner’s conclusory position, however, is not supported by the facts.

Patent Owner has argued that the patent at issue in IPR2018-00789, U.S. Patent No. 9,546,400 (“the ’400 Patent”), is directed to the recognition “that multiple bases within a nanopore typically contribute to the signal, [and that] the inventors developed an approach specific to nanopore-based DNA sequencing in which calibration information based on all 4^N sequence combinations . . . is used to sequence the nanopore signal.” *Oxford Nanopore*, Case IPR2018-00789, Paper 7 (July 5, 2018), 14. In contrast, Patent Owner argues that the ’929 Patent is directed to “the ability to determine a consensus sequence from just the sense and anti-sense

strands of a single-molecule with nanopore sequencing.” Prelim. Resp., 34, n.2. Given these differences in subject matter, Petitioner could not, and did not, gain any unfair advantage by having access to the Patent Owner’s Preliminary Response or the Institution Decision in IPR2018-00789 prior to filing the instant Petition. Moreover, neither the Patent Owner’s Preliminary Response nor the Institution Decision in IPR2018-00789 analyzed or discussed the disclosure of the single reference in common between the two proceedings, U.S. Patent Publication No. 2006/0063171, beyond a passing reference in the “Background” of the Patent Owner Preliminary Response. *See* IPR2018-00789, Paper 7, 12; IPR2018-00789, Paper 8 (Sept. 25, 2018). Because no unfair “road map” could have been obtained based on the proceedings of IPR2018-00789, factors two through five also fall decidedly in favor of institution of the instant Petition.

Patent Owner alleges that the roughly two-month period between filing of invalidity contentions in the Delaware Proceeding and the filing of the Petition allowed Petitioner to obtain an unspecified “unfair advantage” under factor 4 and leads factor 5 to weigh against institution or be neutral. Prelim. Resp., 12. Roughly two months to prepare and file an IPR petition and supporting expert declaration hardly constitutes undue delay, particularly in the absence, as here, of any factual evidence supporting the alleged unfair advantage.

The Patent Owner contends that factors six and seven weigh in favor of

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