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

PATENT OWNER PACIFIC BIOSCIENCES OF CALIFORNIA, INC.'S SUR-REPLY TO PETITION FOR INTER PARTES REVIEW

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EXHIBIT LIST

Exhibit #	Description
Ex. 2001	Amendment and Response to Office Action regarding Patent Application No. 13/147,159, Docket No. JKJ-027USRCE
Ex. 2002	Complaint for Patent Infringement arising under U.S. Patent No. 9,546,400, *Pacific Biosciences of California, Inc. v. Oxford Nanopore Technologies, Inc.*, Case No. 1:17-cv-00275 (D. Del.), Docket No. 1
Ex. 2003	Complaint for Patent Infringement arising under U.S. Patent No. 9,678,056, *Pacific Biosciences of California, Inc. v. Oxford Nanopore Technologies, Inc.*, Case No. 1:17-cv-01353 (D. Del.), Docket No. 1
Ex. 2004	Oxford Nanopore Technologies, Inc.'s Initial Invalidity Contentions, *Pacific Biosciences of California, Inc. v. Oxford Nanopore Technologies, Inc.*, Case Nos. 1:17-cv-00275 (D. Del.) and 1:17-cv-01353 (D. Del.)
Ex. 2005	Docket text for Oral Order Rescheduling Markman Hearing, *Pacific Biosciences of California, Inc. v. Oxford Nanopore Technologies, Inc.*, Case Nos. 1:17-cv-00275 (D. Del.) and 1:17-cv-01353 (D. Del.)
Ex. 2006	Stipulation and Proposed Order Granting Leave to Extend Time, *Pacific Biosciences of California, Inc. v. Oxford Nanopore Technologies, Inc.*, Case No. 1:17-cv-00275, Docket No. 118
Ex. 2007	Scheduling Order, *Pacific Biosciences of California, Inc. v. Oxford Nanopore Technologies, Inc.*, Case No. 1:17-cv-01353 (D. Del.), Docket No. 35
Ex. 2008	Deposition of Patrick Hrdlicka, Ph.D., dated October 23, 2018, *Pacific Biosciences of California, Inc. v. Oxford Nanopore Technologies, Inc.*, Case Case Nos. 1:17-cv-00275 (D. Del.) and 1:17-cv-01353 (D. Del.)

Ex. 2009	Invalidity Contentions of Respondents Oxford Nanopore Technologies Ltd., Oxford Nanopore Technologies, Inc., and Metrichor, Ltd, *In the Matter of Certain Single-Molecule Nucleic Acid Sequencing Systems and Reagents, Consumables, and Software for use with Same*, Investigation No. 337-TA-1032

Although Petitioner uses its reply mainly to dispute that it has gained an unfair advantage through its delay, unfair advantage is just one factor for the Board to consider in deciding whether to exercise its discretion to deny institution pursuant to § 314(d). When one considers the overall stage of the district court litigation and Petitioner's delay in filing, it makes no sense for the Board to institute an IPR. Moreover, despite Petitioner's protestations that it gained no actual unfair advantage, the only reasonable explanation for Petitioner's delay is that it was taking a wait-and-see approach to IPR precisely so that it could gain an advantage.

The undisputed facts are as follows. The parties had been in litigation for almost a year prior to the filing of this IPR. Indeed, Petitioner waited until the last possible day before the statutory deadline pursuant to 35 U.S.C. § 315 before filing its IPR request. As Patent Owner explained in its preliminary response, Petitioner delayed filing until long after it was undisputedly aware of the art it ultimately relied upon, having asserted this art months earlier in its district court invalidity contentions.

In fact, Petitioner's delay is much more egregious than this. Petitioner had actually been aware of the relevant prior art since before ***March 2017***, when Petitioner cited it in co-pending ITC litigation against another of Patent Owner's patents directed to redundant sequencing. *See* Ex. 2009 at 4-5. This was six months

before Patent Owner asserted the '929 patent against Petitioner and 18 months before Petitioner finally filed its IPR request against the '929 patent.

While Petitioner delayed until the last possible moment to file this IPR, the district court litigation involving the '929 patent proceeded steadily. The parties have completed claim construction briefing and conducted a *Markman* hearing. Fact discovery is set to close in a few months. It is undisputed that the parties will complete expert discovery, summary judgment proceedings, and a jury trial before the Board will issue its final written decision in this IPR. As part of these proceedings, the district will fully adjudicate the validity of the '929 patent. For this reason alone, it makes little sense to institute an IPR and would only serve to waste Board resources.

As to the question of whether Petitioner's delay led to unfair advantage, the most compelling aspect of Petitioner's reply is what it omits. Specifically, Petitioner never explains why it waited until the very last possible day before the statutory deadline to file its IPR request, even though it had been aware of the relevant prior art seven months before PacBio asserted the '929 patent against it.

This silence speaks loudly. While Petitioner argues that it did not ultimately receive an advantage, the only possible explanation for Petitioner's delay is that it was, in fact, seeking to gain such an advantage. There are multiple avenues for Petitioner to have gained such an advantage.

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