

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

In the Matter of

CERTAIN MICROFLUIDIC DEVICES

Investigation No. 337-TA-1068

NOTICE OF THE COMMISSION'S FINAL DETERMINATION FINDING A VIOLATION OF SECTION 337; ISSUANCE OF A LIMITED EXCLUSION ORDER AND CEASE AND DESIST ORDER; TERMINATION OF THE INVESTIGATION

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission ("Commission") has found a violation of section 337 in the above-captioned investigation. The Commission has determined to issue tailored remedial orders that permit researchers to continue their work in ongoing research projects using the infringing microfluidic devices as explained in the accompanying opinion. These remedial orders include: (1) a limited exclusion order ("LEO") prohibiting the unlicensed entry of infringing microfluidic devices covered by certain claims of U.S. Patent Nos. 9,500,664 ("the '664 patent"); 9,636,682 ("the '682 patent"); and 9,649,635 ("the '635 patent") that are manufactured abroad for or on behalf of, or imported by or on behalf of 10X Genomics, Inc. of Pleasanton, California ("10X") or any of its affiliated companies, parents, subsidiaries, or other related business entities, or its successors or assigns; and (2) a cease and desist order ("CDO") directed against 10X and its affiliated companies, parents, subsidiaries, or other related business entities, or its successors or assigns.

This investigation is terminated.

FOR FURTHER INFORMATION CONTACT: Ron Traud, Office of the General Counsel, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436, telephone 202-205-3427. Copies of non-confidential documents filed in connection with this investigation are or will be available for inspection during official business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436, telephone 202-205-2000. General information concerning the Commission may also be obtained by accessing its Internet server at <https://www.usitc.gov>. The public record for this investigation may be viewed on the Commission's electronic docket ("EDIS") at <https://edis.usitc.gov>. Hearing-impaired persons are advised that information on this matter can be obtained by contacting the Commission's TDD terminal, telephone 202-205-1810.

SUPPLEMENTARY INFORMATION: On September 6, 2017, the Commission instituted this investigation based on a complaint filed by Bio-Rad Laboratories, Inc. of Hercules, California; and Lawrence Livermore National Security, LLC of Livermore, California. 82 FR 42115 (Sept.

6, 2017). The complaint (and supplement thereto) alleges violations of section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. 1337 (“section 337”) based upon the importation into the United States, the sale for importation, or the sale within the United States after importation of certain microfluidic devices by reason of infringement of one or more claims of the ’664 patent, the ’682 patent, the ’635 patent, and U.S. Patent Nos. 9,089,844 (“the ’844 patent”) and 9,126,160 (“the ’160 patent). *Id.* The Commission’s notice of investigation named as the sole respondent 10X. *Id.* The Office of Unfair Import Investigations was also named as a party to this investigation. *Id.*

Prior to the issuance of the final initial determination (“ID”) by the presiding administrative law judge (the “ALJ”), the investigation was terminated as to the ’844 patent in its entirety and as to certain claims of the ’160, ’664, ’682, and ’635 patents. *See* Order No. 12, *unreviewed*, Notice (Mar. 6, 2018); Order No. 16, *unreviewed*, Notice (Mar. 26, 2018); Order No. 19, *unreviewed*, Notice (Apr. 16, 2018); Order No. 29, *unreviewed*, Notice (June 1, 2018). The ALJ’s final ID addressed the following claims: (i) claim 20 of the ’160 patent; (ii) claims 1, 2, 14, and 15 of the ’664 patent; (iii) claims 14, 16, and 17 of the ’682 patent; and (iv) claims 1, 13, 14, 16, and 21 of the ’635 patent.

On September 20, 2018, the ALJ issued the final ID, which finds 10X in violation of section 337 as to the remaining asserted claims of the ’664, ’682 patent, and ’635 patents. On September 28, 2018, the ALJ issued her recommendations on remedy, bond, and the public interest. The ALJ recommended that the Commission issue a limited exclusion order directed to 10X’s infringing products and a cease and desist order directed to 10X. The ALJ also recommended a bond of 100 percent of entered value during the period of Presidential review. *See* 19 U.S.C. 1337(j)(3).

The private parties petitioned for the Commission to review certain of the ALJ’s determinations. On December 4, 2018, after considering the parties’ petitions and responses thereto, the Commission determined to review the following issues:

- (1) Whether 10X indirectly infringes the ’682 and ’635 patents;
- (2) Whether 10X’s Chip GB infringes claims 1 and 14 of the ’664 patent; and
- (3) Whether 10X’s Chip SE infringes claim 20 of the ’160 patent and claim 1 of the ’664 patent.

83 FR 63672 (Dec. 11, 2018). The Commission thereafter requested briefing only on remedy, the public interest, and bonding.

On June 10, 2019, the Commission requested supplemental briefing on the public interest. 84 FR 27802 (June 14, 2019); 84 FR 31912 (July 3, 2019) (modifying briefing schedule). Thereafter, the parties, members of the public, and a government agency submitted public interest briefing.

On review, and consistent with the simultaneously-issued Commission opinion, the Commission has determined to affirm with modification the final ID’s finding of a violation of

section 337 with respect to claims 1, 2, 14, and 15 of the '664 patent, claims 14, 16, and 17 of the '682 patent, and claims 1, 13, 14, 16, and 21 of the '635 patent.

The Commission has further determined that the public interest factors enumerated in subsections (d)(1) and (f)(1) (19 U.S.C. 1337(d)(1), (f)(1)) do not preclude issuance of the above-referenced remedial orders. However, the Commission has determined to tailor the LEO and CDO to allow research studies using the infringing articles at issue as of the date of issuance of the remedial orders to continue to use those infringing articles.

The Commission has determined to impose a bond of three (3) percent of entered value of the covered products during the period of Presidential review (19 U.S.C. 1337(j)).

This investigation is terminated.

This action is taken under the authority of section 337 of the Tariff Act of 1930, as amended (19 U.S.C. 1337), and in part 210 of the Commission's Rules of Practice and Procedure (19 CFR part 210).

By order of the Commission.

A handwritten signature in black ink, appearing to read 'Lisa R. Barton', with a stylized flourish at the end.

Lisa R. Barton
Secretary to the Commission

Issued: December 18, 2019

PUBLIC CERTIFICATE OF SERVICE

I, Lisa R. Barton, hereby certify that the attached **NOTICE** has been served by hand upon the Commission Investigative Attorney, **Whitney Winston, Esq.**, and the following parties as indicated, on **December 18, 2019**.



Lisa R. Barton, Secretary
U.S. International Trade Commission
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