

**PUBLIC VERSION**

**UNITED STATES INTERNATIONAL TRADE COMMISSION**

**Washington, D.C.**

**In the Matter of**  
  
**CERTAIN MICROFLUIDIC  
DEVICES**

**Inv. No. 337-TA-1068**

**ORDER NO. 31: DENYING RESPONDENT 10X GENOMICS, INC.'S  
MOTION TO REOPEN THE RECORD TO ACCEPT ITS  
MOTION PROFFER AND ALL EXHIBITS AND  
APPENDICES FILED IN SUPPORT THEREOF WITH  
RESPECT TO INVALIDITY, AND STRIKING THE SAME  
[MOTION DOCKET NO. 1068-025]**

(May 24, 2018)

**I. PROCEDURAL BACKGROUND**

Order No. 15, which issued on March 5, 2018 as an Initial Determination on Summary Determination (other than on violation), held that the doctrine of assignor estoppel precluded Respondent 10X Genomics, Inc. (“Respondent” or “Respondent 10X”) from challenging the validity of U.S. Patent Nos. 9,500,664 (“the ’664 patent”); 9,089,844 (“the ’844 patent”); 9,636,682 (“the ’682 patent”); 9,649,635 (“the ’635 patent”); and 9,126,160 (“the ’160 patent”) (collectively, the “Asserted Patents”). (See Order No. 15 (Mar. 5, 2018)).

Order No. 15 issued in response to a January 17, 2018 Motion for Summary Determination (“SD Motion”) that Complainants Bio-Rad Laboratories, Inc. and Lawrence Livermore National Security, LLC (collectively, “Complainants” or “Complainant Bio-Rad”) filed, supported by evidence and a Statement of Material Facts (“SMF”). (See Motion Docket

***PUBLIC VERSION***

No. 1068-003.).

On January 29, 2018, Respondent 10X filed its opposition (“SD Opposition”) to Complainant Bio-Rad’s SD Motion. With its SD Opposition, Respondent 10X filed its own statement of material facts, and *chose* the supporting exhibits that supported its SD Opposition. (Doc. ID No. 635085.). On January 29, 2018, Commission Investigative Staff (“Staff,” and with Complainants and Respondent, the “Parties”) also filed its response in which it supported Complainant Bio-Rad’s SD Motion. (Doc. ID No. 635063 (Jan. 29, 2018).). Respondent 10X requested and received extra time to file additional exhibits in support of its SD Opposition, which Respondent 10X filed on February 1, 2018. (Doc. ID Nos. 635445, 635446.).

On March 13, 2018, after Order No. 15 issued, Respondent 10X filed a Petition for Review of Order No. 15 with the Commission. (Doc. ID Nos. 633867, 638865.). The Commission had before it the record that Respondent 10X *chose* to submit in its opposition to Complainant Bio-Rad’s Motion for Summary Determination.

On March 20, 2018 and March 22, 2018, respectively, Complainant Bio-Rad and Staff filed their responses to Respondent 10X’s Petition for Review. Respondent 10X’s Petition for Review, together with the responses to the same, and the record supporting Complainant Bio-Rad’s SD Motion, Respondent 10X’s and Staff’s responses, and all supporting evidence was certified as the record before the Commission.

On April 9, 2018, the Commission issued a Notice for publication in the Federal Register that stated that after an examination of the pleadings and evidence submitted by the Parties in response to Order No. 15, the Commission chose not to review Order No. 15. (Doc. ID No. 641398.).

On May 14, 2018, three (3) days after the close of the evidentiary hearing (“Hearing”),

***PUBLIC VERSION***

Respondent 10X made what it describes as a “proffer” by motion (“Motion Proffer”) of the evidence Respondent 10X claims it would have submitted into the record had it been permitted to proceed with its invalidity defense that was precluded by Order No. 15. (Motion Docket No. 1068-1025; Mot. Proffer at 1.).<sup>1</sup>

However, Respondent 10X’s Motion Proffer was based solely on Order No. 15 that the Commission had already chosen not to review, and not on a submission of evidence or attempt to submit evidence during the Hearing. Respondent 10X’s Motion Proffer was supported by thousands of pages that included some 244 pages of new expert witness testimony by way of a Declaration, Appendices A-L, and Exhibits 1-121 most of which Respondent 10X had not submitted previously either to the Administrative Law Judge (“ALJ”) or to the Commission in support of its Petition for Review of Order No. 15. (*See* Doc. ID Nos. 645021, 645029, 645035, 645036, 645040, 645042, 645044, 645046, 645047, 645048, 645051, 645054, 645055, 645058, 645062, 645064, 645069, 645554, 645558, 645560, 645561, 645562, 645564, 645566, 645567, 645568, 645570, 645571, 645573, 645576, 645577, 645580, 645581, 645584, 645585, 645586, 645596, 645617, 645646.).

On May 23, 2018, Complainant Bio-Rad filed its Opposition (“Opposition”) to Respondent 10X’s Motion Proffer in which Complainant Bio-Rad made several valid arguments for denying Respondent 10X’s Motion Proffer. (Doc. ID 645776; Opp’n at 1.).

On May 24, 2018, Staff filed its response (“Staff Response”) to Respondent 10X’s Motion Proffer, which it opposes. (Doc. ID No. 645864; Staff Resp. at 1.).

---

<sup>1</sup> Respondent 10X did not certify pursuant to Ground Rule 2.2 that it discussed its Motion Proffer with either Complainant Bio-Rad or with Staff at least two days before it was filed. That omission might be sufficient to strike Respondent 10X’s Motion Proffer. However, the issues discussed in this Order are significant. There are other bases upon which to strike Respondent 10X’s Motion Proffer with its supporting exhibits.

***PUBLIC VERSION***

For the reasons explained below, the record of this Investigation will not be reopened to admit into evidence Respondent 10X's Motion Proffer and the exhibits and appendices identified above, which Respondent 10X filed in support of its Motion Proffer. Moreover, both Respondent 10X's Motion Proffer, and all documents in support thereof, are *stricken*.

**II. RESPONDENT 10X'S MOTION PROFFER IS UNTIMELY AND VIOLATES A NUMBER OF PROCEDURAL RULES**

Respondent 10x's Motion Proffer is inappropriate and untimely because it violates certain evidentiary or procedural rules.

First, even without considering the content of Respondent 10X's Motion Proffer or whether a proffer was filed appropriately and timely, in its sheer volume, Respondent 10X's Motion Proffer violates Ground Rule 2.1. Ground Rule 2.1 limits motions with supporting memoranda to no more than 25 pages without leave of court, and to no more than 100 pages of supporting exhibits without leave of court. (*See* Order No. 3 (Ground Rule 2.1) at 15 (Sept. 13, 2017)). Respondent 10X did request leave of Court to file such a Motion Proffer let alone thousands of pages of exhibits. Respondent 10X's Motion Proffer violates Ground Rule 2.1 so egregiously that the appropriate remedy, even without more, is to strike both Respondent 10X's Motion Proffer and the exhibits that support it.

Second, Fed. R. Evid. 103 permits the use of a proffer when key evidence has been excluded by a trial court and it is important for the party to make a record appropriate for review by an appellate court. (*See* Fed. R. Evid. 103). A problem for Respondent 10X, given the circumstances here, is that Fed. R. Evid. 103 which governs proffers, assumes that testimony was attempted to be offered during a hearing or before a hearing, that it then was stricken, and that an objection was made, which was sustained. Then, it is the party's obligation to inform the court

***PUBLIC VERSION***

of the nature and substance of the offer of proof. Fed. R. Evid. 103(c) provides that it is within the discretion of a trial court to determine and direct how a proffer should be made and the form it will take. (Fed. R. Evid. 103(c)).

Fed. R. Evid. 103 cannot be applied now or to the Hearing that occurred from May 7-11, 2018 in this Investigation. The predicates to Fed. R. Evid. were not met during the Hearing. Respondent 10X had no right to make a proffer on invalidity post-Hearing because there was no testimony offered on validity during the Hearing. No objection was made and no objection was sustained.<sup>2</sup> Respondent did not request to make a proffer on invalidity, but also had no basis for doing so. Respondent did not inform the Court it was making such a proffer.

At the start of the Hearing, Respondent 10X knew that the Commission had already chosen not to review Order No. 15.<sup>3</sup> Moreover, since Respondent 10X did not offer testimony on invalidity during the Hearing, and therefore, no objection was made or sustained, no proffer could be made legitimately during the Hearing or after the Hearing. (*See* n.4, *infra*). Respondent 10X did not argue invalidity in its Pre-Hearing Brief thereby abandoning that argument. (*See* Staff Resp. at 2.). Therefore, the Hearing record should not be reopened and will not be reopened to admit as “proffer evidence” any of the documents that Respondent 10X has

---

<sup>2</sup> For a review of each Hearing Transcript and the arguments each party made, *see* Doc. ID Nos. 644596, 644957, 644685, 644803, 604804, 644936, 644938, 645004, and 645005.

<sup>3</sup> Other than in Complainant Bio-Rad’s opening remarks, which noted that validity was no longer at issue in this Investigation, the first time the issue of validity came up substantively during the Hearing is at page 221 of the Hearing Transcript (“Hr’g Tr.”) when Respondent 10X’s counsel began questioning a witness, which lead to an objection by Complainant Bio-Rad’s counsel, who appropriately noted that invalidity (including prior art) was no longer a part of the case. There was then a colloquy in which Respondent 10X’s counsel assured the Court that he was pursuing a different line of questioning that was not delving into or related to invalidity. (*See* Hr’g Tr. at 221:11-222:6.). No request to make a proffer was made then or at any time on the record of the Hearing. In its own opening remarks, Respondent 10X did not contend that validity was still a part of the case or request to make a proffer. (*See* Hr’g Tr., Doc. ID Nos. 644596, 644597.).

***PUBLIC VERSION***

submitted, as identified above by EDIS document filing numbers. (*See* p. 3, *supra* (Doc. ID Nos. for Respondent 10X's Motion Proffer filings).).

Similar to the Federal Rule, Commission Rule 210.37(g) applies when evidence is "struck through a sustained objection on evidentiary grounds." *See Certain Elec. Devices, Including Mobile Phones & Tablet Computers, & Components Thereof*, Inv. No. 337-TA-847, Order No. 32, 2013 WL 3053832, at \*1 (June 12, 2013). Complainant Bio-Rad is correct that, by its terms, Commission Rule 210.27 (g) only permits evidentiary proffers "[w]hen an objection to a question propounded to a witness is sustained" and directs that "[r]ejected exhibits . . . be retained with the record." (Opp'n at 5-6 (citing 19 C.F.R. § 210.37(g)). Complainant Bio-Rad notes that Commission Rule 210.37(g) says nothing about testimony that a party *would have* offered had a summary determination grant not resolved an issue well before the trial or hearing. (*Id.*). The same problem that Respondent 10X has procedurally with respect to Fed. R. Evid. 103 applies with respect to the application of Commission Rule 210.37(g). Again, Respondent 10X did not raise a defense of invalidity during the Hearing and did not ask leave of court to make a proffer with respect to invalidity.

Third, to reopen the record to admit into evidence belatedly Respondent 10X's Motion Proffer with its thousands of pages of new documents would circumvent the purpose of the Hearing in addition to violating or circumventing certain Federal and Commissions Rules. It also would violate due process and fundamental fairness doctrines. To reopen the record now would be so prejudicial and inequitable to Complainant Bio-Rad that there is no proceeding available at this juncture that could cure the prejudice to Complainant Bio-Rad or enable it to respond to the thousands of pages of documents that Respondent 10X submitted. Complainant Bio-Rad had no opportunity during the Hearing to challenge through cross-examination the

***PUBLIC VERSION***

testimony of one of the expert declarants that Respondent 10X submitted in its Motion Proffer. Complainant Bio-Rad also had no opportunity to challenge by any means the thousands of pages of new documents Respondent 10X submitted as part of its Motion Proffer. (Opp'n at 3 (citing *Certain Digital Satellite Sys. (Dss) Receivers & Components Thereof*, Inv. No. 337-TA-392, Order No. 79, 1997 WL 696289, at \*4 (Oct. 20, 1997) (denying a motion to submit an offer of proof when "allowing respondents' offer of proof would deny complainant any opportunity to respond adequately to [an expert] declaration through the submission of any counter declarations").). As both Complainant Bio-Rad and Staff argue, Respondent 10X's Motion Proffer serves no purpose.

Fourth, Respondent 10X made its argument on invalidity to this Court in its January 11, 2018 papers with respect to assignor estoppel. It then made its arguments, with supporting evidence, to the Commission in its March 13, 2018 Petition for Review. Respondent 10X lost its Petition for Review as a matter of law based upon the weight of the evidence and the record that Complainant Bio-Rad with Respondent 10X submitted to the Court and the Commission at that time. The Commission's Notice of its denial of review became the final determination of the Commission nearly one month before the Hearing. *See* 19 C.F.R. § 210.42(h)(3).

Respondent 10X chose not to appeal the Commission's final determination which sustained Order No. 15. As Complainant Bio-Rad correctly argues with supportive precedent, "[D]ocuments [that] were not properly submitted to the ALJ while [a] motion for summary determination was under [her] consideration[] . . . are not properly before the Commission" when the determination is on review. (Opp'n at 5 (citing *Certain Polyethylene Terephthalate Yarn & Prod. Containing Same Order*, Inv. No. 337-TA-457, Comm'n Determination, 2002 WL 448657 (Mar. 21, 2002); *see also Certain Color Television Receivers & Color Display Monitors &*

**PUBLIC VERSION**

*Components Thereof*, Inv. No. 337-TA-534, Comm'n Notice, 2005 WL 8152097, at \*2 (Nov. 17, 2005) (“Complainants’ claim differentiation argument and supporting exhibit were not before the ALJ, and thus, under Commission precedent, may not be considered in determining whether to review the ALJ’s ID [granting summary determination].”).

As Complainant Bio-Rad also notes correctly, by effectively granting summary determination on April 9, 2018, the Commission necessarily rejected any contention that “the record contains facts which, if [further] explored and developed, might lead the Commission to accept the position of the non-moving party.” (Opp’n at 4 (citing *Certain Lens-Fitted Film Packages*, Inv. No. 337-TA-406, Order No. 121, 2003 WL 22767440, at \*2 (Nov. 18, 2003) (quoting *Certain Coated Optical Waveguide Fibers and Products Containing Same*, Inv. No. 337-4 TA-401, Order No. 6 at 3 (July 28, 1998))). Moreover, “ALJs do not have the authority to modify a record once it has been certified to the Commission.” (*Id.* at 5 (quoting *Certain Hardware Logic Emulation Sys. & Components Thereof*, Inv. No. 337-TA-383, Order No. 96, 1997 WL 665012, at \*9 n.15 (July 31, 1997))).

Respondent 10X does not get a second bite at the same apple so long after it should have taken an appropriate appeal, let alone by such an inappropriate filing as its Motion Proffer represents. There is no procedure by which Respondent 10X can make its Motion Proffer. This Court has no basis for allowing it.

If Respondent 10X wishes to take an appeal to the Federal Circuit at a later date, it may have that option. However, as Staff notes, if Respondent 10X appeals the Commission’s ruling on Order No. 15, the Federal Circuit will not consider any issues beyond those raised by Respondent 10X in its petition for review. (See Staff Resp. at 2 (citing *Checkpoint Systems, Inc. v. U.S. Int’l Trade Comm’n*, 54 F.3d 756, 760 (Fed. Cir. 1995) (“This court will not review an

***PUBLIC VERSION***

issue that has not been properly raised before the ITC in a petition for review of an Initial Determination.”); *Texas Instruments Inc. v. U.S. Int’l Trade Comm’n*, 988 F.2d 1165, 1176 (Fed. Cir. 1993); *Allied Corp. v. U.S. Int’l Trade Comm’n*, 850 F.2d 1573, 1580 (Fed. Cir. 1988).),

Respondent 10X’s late-filed Motion Proffer (with exhibits) is untimely and inappropriate. Respondent 10X’s Motion Proffer with exhibits is not cognizable or admissible into evidence at this time under any apparent Commission Rule or Federal Rule of Evidence or Procedure. Respondent 10X offered no counter-veiling precedent that would permit its Motion Proffer with exhibits to be admitted into evidence now. Finally, fairness considerations also preclude Respondent 10X’s Motion Proffer with exhibits from being accepted into the record of this Investigation.

**III. ORDER**

In sum: (1) Respondent 10X’s Motion Proffer is *denied* for the reasons articulated above; (2) the Hearing record will not be reopened to admit Respondent 10X’s Motion Proffer or the thousands of pages that were submitted in support; (3) Respondent 10X’s Motion Proffer and the thousands of pages of exhibits will not be admitted into the record of this Investigation; and (4) Respondent 10X’s Motion Proffer and the thousands of pages of exhibits in support of its Motion Proffer are *stricken*.

Within seven (7) business days of the date of this document, each party shall submit to the Office of the Administrative Law Judges a statement as to whether or not<sup>4</sup> it seeks to have any confidential portion of this document deleted from the public version. Any party seeking redactions to the public version must submit to this office two (2) copies of a proposed public

---

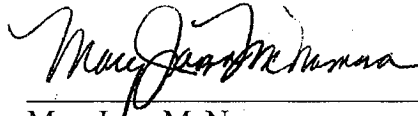
<sup>4</sup> This means that parties that do not seek to have any portion of this Order redacted are still required to submit a statement to this effect.

***PUBLIC VERSION***

version of this document pursuant to Ground Rule 1.10 with red brackets clearly indicating any portion asserted to contain confidential business information.

The Parties' submissions may be made by facsimile and/or hard copy by the aforementioned date. In addition, an electronic courtesy copy is required pursuant to Ground Rule 1.3.2. The Parties' submissions concerning the public version of this document need not be filed with the Commission Secretary.

**SO ORDERED.**



---

MaryJoan McNamara  
Administrative Law Judge

**PUBLIC CERTIFICATE OF SERVICE**

I, Lisa R. Barton, hereby certify that the attached **ORDER** has been served by hand upon the Commission Investigative Attorney, **Whitney Winston, Esq.**, and the following parties as indicated, on **October 30, 2018**.



Lisa R. Barton, Secretary  
U.S. International Trade Commission  
500 E Street, SW, Room 112  
Washington, DC 20436

**On Behalf of Complainants Bio-Rad Laboratories, Inc. and  
Lawrence Livermore National Security, LLC:**

Jeffrey Gerchick, Esq.  
**QUINN EMANUEL URQUHART & SULLIVAN LLP**  
1300 I Street, NW, Suite 900  
Washington, DC 20005

- Via Hand Delivery
- Via Express Delivery
- Via First Class Mail
- Other: \_\_\_\_\_

**Respondent 10X Genomics, Inc.:**

Nicholas Groombridge, Esq.  
**PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP**  
1285 Avenue of the Americas  
New York, NY 10019

- Via Hand Delivery
- Via Express Delivery
- Via First Class Mail
- Other: \_\_\_\_\_