

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GUARDANT HEALTH, INC.,
Petitioner,

v.

TEMPUS AI, INC.,
Patent Owner.

Case IPR2026-00185
Patent No. 10,991,097

PETITIONER'S OPPOSITION
TO PATENT OWNER'S DISCRETIONARY DENIAL REQUEST

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I. INTRODUCTION

Everyone now agrees that the claims of U.S. Patent 10,991,097 (the '097 patent) are invalid. The '097 patent—along with three other related patents¹—was recently invalidated at district court. EX2001. Patent Owner subsequently waived any right to challenge or appeal the district court's order, thereby conceding invalidity of the '097 patent claims. EX2004 (stipulation waiving right to appeal), EX2005 (stipulation to allow final judgement entry). However, adverse judgement—not discretionary denial—is warranted. Patent Owner here openly concedes the invalidity of the subject patent, yet flouts its duty of candor while pursuing continuation applications seeking to recapture substantially the same unpatentable subject matter already lost.

Under the circumstances of the present case, Patent Owner's own conduct merits entry of adverse judgment under Section 42.73. Moreover, adverse judgment is appropriate here to prevent misleading the Office in an effort to recapture subject matter Patent Owner concedes is invalid. Accordingly, Patent

¹ The patents invalidated at district court include the subject '097 patent along with related U.S. Patent Nos. 10,957,041, 11,640,859, 12,112,839. *See* EX2001.

Owner's request for discretionary denial should be denied and adverse judgment entered as to all claims of the '097 patent.

II. THE '097 PATENT'S "DO IT ON A COMPUTER" CLAIMS ARE PLAINLY INVALID

The '097 patent claims are a classic example of patent-ineligible subject matter: claiming a well-worn abstract idea and doing it on a computer. The claims describe the general idea of identifying tissue in a slide image by ordinary means: (1) dividing the image into "tiles" and identifying tissues both within a tile and surrounding that tile; and (2) performing this process on a computer (e.g., "receiving the digital image"). But neither aspect adds any inventive concept to this abstract idea. As the '097 patent acknowledges, pathologists have practiced such basic analysis of tissue slides for many decades. EX1001, 1:31-46. Indeed, it was conventional to use a grid with manual or digital microscopy to assist a pathologist in visually analyzing tissue slides, where the pathologist of course viewed a discrete region in context with the surrounding tissue. And the patent laws of the United States have long held that claims directed to performing abstract ideas on a computer remain unpatentable.

Not only are the claims of the '097 patent unpatentable as directed to an abstract idea but, as this petition demonstrated, they are invalid over the prior art too. Nothing is novel or non-obvious in the '097 patent claims—computer

algorithms that automated microscopy slide analysis performed by trained pathologists, such as identifying tissue, also used grids and pre-date the '097 patent. That is, doing tissue analysis on a computer does not render the claims patentable over the prior art either.

III. PATENT OWNER HAS ALREADY CONCEDED UNPATENTABILITY AT DISTRICT COURT

Patent Owner does not dispute that the claims of the '097 patent are unpatentable. In the parallel litigation, Patent Owner has now waived its right to appeal the district court's order granting Guardant's motion to dismiss Patent Owner's infringement action on the basis that the claims of the '097 patent—along with those of the related 10,957,041 patent (“the '041 patent”)—were directed to an abstract idea and not patent eligible. EX2004, 1 (“Tempus AI, Inc. waives its right to appeal or to file any post-judgement motion”); EX2001, 1; *see also* EX1035('041 patent). Both the holding of that order and its underlying findings are now binding on Patent Owner. As discussed below, through waiver, Patent Owner has not only conceded unpatentability of the '097 subject matter but has broadly conceded unpatentability of tissue analysis using tiled slide images.

The court found, and Patent Owner concedes, that the '097 patent is directed to patent ineligible subject matter. Indeed, Patent Owner conceded that the '097 patent claims relate to the longstanding practice of “analyzing and classifying

component tissues on a digital tissue slide.” *See* EX2001, 11; EX2004, 2. Patent Owner further concedes that the practice of “tissue classification of a digital medical image” was “already done by both humans and computers” prior to its patent. *See* EX2001, 11; EX2004, 2. Patent Owner never identified a “specific and concrete technological advance” (*id.*, 12) embodied in the claims and now concedes that, as a result, the claims are directed to an abstract idea. *Id.*

Patent Owner’s concession goes beyond the claimed subject matter of the ’097 patent and extends to related subject matter such as that claimed in the ’041 patent. Patent Owner was unable to identify any difference in the claims of the ’041 patent as compared to the ’097 patent that was material to patentability and concedes that there is no material difference. EX2004, 2. For example, the court found—and Patent Owner concedes—a limitation specifying the digital image as one derived from a “hematoxylin and eosin (H&E) stained slide” is not material to the eligibility analysis. EX2001, 15-16; EX2004, 2; EX1035, claim 1. Patent Owner also concedes that requiring a generic “deep learning framework” for the tissue classification is not material to the eligibility analysis. EX2001, 16; EX2004, 2; EX1035, claim 1. Patent Owner has conceded that the differences recited in the ’041 patent claims are “trivial” and do not alter the conclusion that

such claims would be directed to the “abstract idea of analyzing digital images of stained tissue slides.” EX2001, 15; EX2004, 2.

IV. Patent Owner’s Concession Of Unpatentability Warrants Adverse Judgment

Section 42.73(b) gives the Board authority to enter adverse judgment when a patent owner concedes unpatentability. Specifically, 37 C.F.R. §42.73(b) states that a party “may request judgment against itself at any time during a proceeding” and then provides a non-exclusive list of “[a]ctions construed to be a request for adverse judgment.” The listed patent owner actions include “disclaimer” of the involved claims or patents and “[c]oncession of unpatentability ... of the contested subject matter.” The Federal Circuit has expressly held that Section 42.73(b) “gives the Board authority to construe a patent owner’s actions as a request for an adverse judgment.” *Arthrex, Inc. v. Smith & Nephew, Inc.*, 880 F.3d 1345, 1349 (Fed. Cir. 2018). The court further held there “is no time limitation” in Section 42.73 and adverse judgment may be entered “before an institution decision.” *Arthrex*, 880 F.3d at 1350.

The Board has previously invoked Section 42.73 to enter adverse judgment when a patent owner disclaims the challenged claims prior to institution. *E.g.*, *Smith & Nephew v. Arthrex*, IPR2016-00917, Paper 12 at 6 (“[O]ur rules permit the Board to construe a statutory disclaimer of all challenged claims as a request

for adverse judgment, even when the disclaimer occurs before the Board has entered a decision on institution.”); *Amgen v. BMS*, IPR2025-00603, Paper 14 at 8 (“[W]e enter adverse judgment against Patent Owner based on the statutory disclaimer.”); *Absolute Software Corp. v. Softtext LLC*, IPR2024-00288, Paper 6 at 3 (“Therefore, pursuant to our Rules, we construe this disclaimer as a request for adverse judgment, which we grant.”). The same remedy is available when patent owner concedes unpatentability prior to institution, as is expressly laid out in the rule and confirmed by the Federal Circuit. 37 C.F.R. §42.73(b)(3) (“[c]oncession of unpatentability”); *Arthrex*, 880 F.3d at 1350 (“Subsection 3 similarly contains no time limitation, stating that a ‘[c]oncession of unpatentability or derivation of the contested subject matter’ will be construed as an adverse judgment.”).

Patent Owner’s broad concession at district court while this petition was pending should be construed as a request for adverse judgment. Petitioner reached out to Patent Owner prior to discretionary denial briefing asking whether it “intends to participate” in this IPR but received no specific answer. EX2006 at 5. Instead, Patent Owner asked Guardant if it would be “seeking adverse judgement.” EX2006 at 4. While Patent Owner’s concern is understandable, it has given neither Guardant nor the Director any reason why adverse judgment should not be entered under these circumstances (it should be). *Cf. Arthrex*, 880 F.3d at 1349 (“If the

Board’s authority to enter an adverse judgment depended on whether the patent owner requested an adverse judgment, a patent owner could always avoid an adverse judgment by simply stating that it is not requesting one, even with respect to the specific instances articulated in 37 C.F.R. § 42.73(b). This would render the rule a nullity.”).

Patent Owner’s request for discretionary denial wholly ignores that Section 42.73 renders its lead authority inapposite. Specifically, it argues for denial under *Hulu*, stating “efficiency and integrity of the patent system are best served by denying institution.” DDB at 1 (citing *Hulu LLC v. Piranha Media Distribution, LLC*, IPR2024-01252, Paper 27). But *Hulu* did not concern concessions of unpatentability. In fact, the patent owner in *Hulu* refused to concede patent ineligibility of its claims following its loss at district court. *Hulu*, Paper 21 at 1 (explaining that Piranha is “asking the Federal Circuit to find the ’768 patent eligible under §101”).

Patent Owner’s argument that discretionary denial is appropriate “when the challenged claims have been found invalid in other proceedings” likewise rings hollow. DDB, 2-3. None of the Board decisions it cites involve concessions of unpatentability. To the contrary, in each case the patent owner had either already appealed the invalidity decision or was planning to do so. *See Google LLC v.*

Booter LLC, IPR2025-00967, Paper 9 at 6 (explaining that patent owner is appealing the district court’s decision under Section 101); *Google LLC v. Sandpiper CDN LLC*, IPR2025-00846, Paper 8 at 6-7 (same); *Google LLC v. TJTM Technologies, LLC*, IPR2025-00586, Paper 8 at 3 (same); *HighLevel, Inc. v. Etison LLC d/b/a ClickFunnels*, IPR2025-00235, Paper 10 at 1 (same); *Shopify Inc. v. DKR Consulting LLC*, IPR2025-00131, Paper 9 at 6 (same); *Hulu, LLC v. Piranha Media Distribution, LLC*, IPR2025-00081, Paper 10 at 8 (same); *UIPath, Inc. v. Rule 14 LLC*, IPR2025-00623, Paper 6 at 2 (“Patent Owner disagrees with the district court’s decision and reserves all rights to challenge it on appeal”).

Patent Owner’s cited cases are therefore inapposite. Contrary to Patent Owner’s arguments, adverse judgement is in the interests of efficiency and economy, as it will better prevent future litigation and expense to address claims that are invalid for the same reasons demonstrated at district court and in this petition.

In view of the foregoing, adverse judgment is appropriate and Patent Owner fails to demonstrate entitlement to discretionary denial.

V. Adverse Judgement Is Necessary To Prevent Malfeasance And Recapture

Despite broadly conceding unpatentability of the claimed subject matter, Patent Owner is presently pursuing multiple pending applications with claims that

are patentably indistinct. In none of these pending applications has Patent Owner notified the Office of the district court order or of its concession of invalidity.

Adverse judgment is warranted to prevent Patent Owner from recapturing the same subject matter it lost by court order and which it has conceded is not patentable. *Smith & Nephew v. Arthrex*, IPR2016-00917, Paper 12 at 8 (“Finality and repose would not be achieved if this proceeding were terminated in a manner that left Patent Owner free to seek claims that are not patentably distinct through its continuation applications.”); *Arthrex*, 880 F.3d at 1347 (affirming adverse judgment and noting “Arthrex recently filed another continuation application, which remains in prosecution and therefore is affected by the adverse judgment.”); *Amgen v. BMS*, IPR2025-00603, Paper 14 at 4 (“In other words, the *Smith & Nephew* decision makes plain that entry of adverse judgment (as opposed to a denial without adverse judgment) is appropriate in situations where a patentee seeks to regain, through continued prosecution, subject matter that is patentably indistinct from previously surrendered subject matter.”). Patent Owner’s lack of candor before the Office heightens the potential for recapture and further supports adverse judgment.

Patent Owner is actively pursuing claims directed to tissue classification of a digital medical image that are patentably indistinct from claims it concedes are

invalid. For example, Patent Owner is pursuing claims in U.S. Appl. No. 18/433,240 (“the ’240 application”) that recite “digital image of a Hematoxylin and Eosin-stained slide of a target tissue” and application of a “deep learning” classifier—limitations that Patent Owner has conceded are not material to the eligibility analysis. EX1036 at 32. Indeed, the Examiner has issued a double patenting rejection over all claims of the ’240 application on the basis that they are “not patentably distinct” from those of the invalid ’041 patent. EX1036 at 6. Yet, Patent Owner has failed to inform the Examiner of the district court’s order or Patent Owner concession that the ’041 patent and ’097 patent and the same subject matter being pursued is admittedly invalid.

In U.S. Appl. No. 19/360,756 (“the ’756 application”), the pending claims limit the digital image to a “slide stained by immunohistochemistry (IHC)” but Patent Owner has already conceded that staining by hematoxylin and eosin is not patentable and there is no basis for finding IHC staining materially different. EX1037 at 30. Again, the Examiner has issued a double patenting rejecting finding these claims as “not patentably distinct” from those of the invalid ’041 patent. EX1037 at 5. And again, Patent Owner failed to inform the Examiner that the same subject matter was found invalid by the district court and Patent Owner has conceded the same. *See also* EX1037 at 9-13.

Both the '097 patent and '041 patent are directed to same abstract subject matter involving tissue classification of a medical image and both are conceded as invalid. EX2001, 15; EX2004, 2. Yet, Patent Owner has refused to disclose this information to the Examiner while pursuing claims of the pending '756 application that are not patentably distinct.

U.S. Pat. No. 10,991,097	U.S. Appl. No. 19/360,756
<p>1. A method for creating an overlay map on a digital image of a slide, the method comprising:</p> <p>receiving the digital image;</p> <p>separating the digital image into a plurality of tiles, each tile of the plurality of tiles containing a respective portion of the digital image of the slide; and</p> <p>for each tile of the plurality of tiles:</p> <p>identifying features of the tile;</p> <p><i>identifying structural tissue features of a second portion of the digital image of the slide including at least part of one or more other tiles of the plurality of tiles, wherein the second portion is larger than the respective portion of the digital image contained in the tile;</i> and</p> <p>identifying the majority class of tissue visible within the tile based at least in part on the features of the tile and the structural tissue features of the second portion of the digital image of the slide.</p>	<p>1. A computer-implemented method for generating a digital overlay of a digital image of a slide containing a tissue from a subject, the slide stained by immunohistochemistry (IHC), the computer-implemented method comprising:</p> <p>segmenting, via one or more processors, the digital image into a plurality of tiles;</p> <p>for each tile of the plurality of tiles, identifying, via the one or more processors, at least one type of cell within that tile;</p> <p>for at least a set of cells of the identified at least one type of cell, classifying, via the one or more processors, each cell of the set of cells as PD-L1-positive or PD-L1-negative; and</p> <p>generating, via the one or more processors, the digital overlay of the digital image, wherein the digital overlay indicates at least one metric associated with the classifying as PD-</p>

As the district court explained, the claims of the '097 patent are directed to abstract and unpatentable concept of tissue classification of a digital medical image. EX2001, 15. The claims of the '756 application are even worse; they do not even require what Patent Owner initially alleged (but now concedes is not material) was the point of novelty in claim 1 of the '097 patent. Specifically, Patent Owner argued that the bolded limitation relates a “novel multi-tile approach.” EX2001, 12-13. Patent Owner argued that this limitation was an improvement to a technological process that rendered the claims patent eligible. The district court, of course, disagreed and Patent Owner has conceded unpatentability. *Id.* Thus, the claims of the '756 application are even worse than those lost; they lack the only limitation Patent Owner argued (unsuccessfully) as rendering the '097 claims patent eligible but now concedes is immaterial to patentability. *See also* EX1037 at 5-13 (rejecting claims under Section 101).

Further supporting the concern that additional continuation applications like the '756 application are a vehicle for fraud and recapture, and that adverse judgement is warranted, the Examiner has rejected the claims under Section 103 in view of the same Chukka reference (EX1005) asserted in this petition. The Examiner found “Chukka discloses a computer-implemented method for

generating a digital overlay of a digital image of a slide containing a tissue from a subject, the slide stained by immunohistochemistry (IHC).” EX1037, 14. The Examiner further found that the recitation of PD-L1 does not render the claims patentable. EX1037, 16. Chukka (like many other prior art references) illustrates what the district court found and Patent Owner has now conceded—that is, the subject matter of the ’097 and its progeny like the ’756 application are merely directed to abstract and unpatentable subject matter that was well-known and conventional to those in the art. It is inconceivable that the district court decision and Patent Owner’s concession of unpatentability would not be considered material to the Examiner’s analysis, yet Patent Owner has refused to disclose this information.

Moreover, related patents 11,610,307 and 11,682,098 have now issued with claims that are not patentably distinct from the ’097 and ’041 patents invalidated at district court. Indeed, both the ’307 and ’098 patents faced double patenting rejections during prosecution and are now subject to terminal disclaimers over the admittedly invalid ’041 patent. Currently, there is no record in those cases of the district court’s order or otherwise notification to the Office or the public that the ’307 and ’098 patents are correspondingly invalid.

Moreover, U.S. Patent Nos. 11,640,859 and 12,112,839 were also invalidated by the district court. EX2001. Both cases have active continuation portfolios with no notification to the Office of the district court's invalidation and Patent Owner's concession of unpatentability. For example, issued patent 11,705,226 is subject to a terminal disclaimer over the admittedly invalid '859 patent. Remarkably, several related continuation cases are currently subject to 101 rejections (several cases on appeal to the Board), with no notification to the Office that the district court invalidated substantially similar subject matter under Section 101. *See e.g.*, U.S. Patent Application Nos. 16/927,976, 19/210,931, 16/789,288, 18/660,213, 17/150,992. Neither the Board nor the public should be burdened with combing through Patent Owner's continuation portfolio to police fraud and recapture of subject matter that is admittedly invalid.

Patent Owner should not be allowed to sweep its invalidated claims under the rug with its requested discretionary denial. Adverse judgment is available and appropriate to prevent this type of gamesmanship.

VI. PATENT OWNER'S RECENT GAMESMENSHP UNDERScores RECAPTURE

On the cusp of Petitioner's response deadline here, Patent Owner has now filed a statutory disclaimer for the claims of the '097 patent. EX1038. And while

the district court invalidated four patents, Patent Owner only filed a “disclaimer” as to the ’097 patent claims in a clear effort to dodge adverse judgement.

No notification was provided by Patent Owner, Petitioner learned of this through its own investigation. This is particularly troubling in view of Petitioner’s efforts to resolve this case without unnecessary briefing to the Board.² EX2006, 4-6. Communications between the parties reveal Patent Owner’s interest to sidestep adverse judgement. *Id.* at 4. Patent Owner’s 11th hour “disclaimer” of already invalid claims without notification underscores the need for adverse judgement here. It should also give the Board considerable pause regarding Patent Owner’s ongoing gamesmanship, particularly in view of recapture efforts and lack of candor as discussed above.

VII. CONCLUSION

Patent Owner’s unambiguous concession that the ’097 patent is invalid warrants adverse judgement, not discretionary denial. Moreover, adverse judgement would better safeguard against Patent Owner’s attempts to deceive the Office with a lack of candor or recapture subject matter it concedes is

² The Board was first notified of the district court’s invalidation of the ’097 patent only when Petitioner filed updated mandatory notices on March 9, 2026. Paper 7.

unpatentable. Adverse judgement is also in the interests of efficiency and economy, as it will better prevent future litigation and expense to address claims that are invalid for the same reasons demonstrated at district court and in this petition.

Respectfully submitted,

Dated: April 13, 2026

/ Michael T. Rosato /
Michael T. Rosato, Lead Counsel
Reg. No. 52,182

VIII. CERTIFICATIONS

A. Page Limit

I certify that this discretionary-denial opposition complies with the type-volume limitation of Rule 42.24 and Webpage, *Interim Director Discretionary Process*, §III.C.iii6 (“For discretionary denial requests due after September 1, 2025, a petitioner’s opposition to the patent owner’s discretionary denial brief is limited to 20 pages”). The page limit for this paper is 20 pages.

B. Rule 42.6(e)(4) Certificate of Service

I certify that today this paper was served electronically on Tempus’ counsel at tpowers-PTAB@sternekessler.com; bpickard-PTAB@sternekessler.com; dhaars-PTAB@sternekessler.com; lpanzica-PTAB@sternekessler.com; PTAB@sternekessler.com. See Paper 6 (PO Mand. Not.).

C. Declaration

All statements in this certificate of service made of my own knowledge are true and all statements made on information and belief are believed to be true. I acknowledge that willful false statements and the like are punishable by fine or imprisonment, or both (18 U.S.C. 1001) and may jeopardize the validity of this proceeding.

Respectfully submitted,

Dated: April 13, 2026

/ Michael T. Rosato /
Michael T. Rosato, Lead Counsel
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