Paper No. __

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

VIKING DRILL & TOOL, INC.
Petitioner

v.

HONGJIA WANG
Patent Owner

Case IPR2023-00473

U.S. Patent No. 11,007,583

PETITIONER'S REPLY TO PATENT OWNER'S OPPOSITION TO PETITIONER'S MOTION TO EXCLUDE

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Pursuant to 37 C.F.R. § 42.64(c), the Federal Rules of Evidence and the Scheduling Order (as amended) (Paper 50), Petitioner Viking Drill & Tool ("Petitioner") responds to Patent Owner's Opposition to Petitioner's Motion to Exclude (Paper 61) the following evidence submitted by Patent Owner Hongjia Wang ("Patent Owner"): (1) paragraphs 37 to 55 of Exhibit 2036; (2) paragraphs 33 to 34, 36 of Exhibit 2036, (4) paragraphs 142 to 148 of Exhibit 2034, (5) Exhibits 2094 to 2097, and (6) Exhibits 2047, 2055 to 2061.

I. PARAGRAPHS 37 TO 55 OF EXHIBIT 2036

Paragraphs 37-55 of Exhibit 2036 that Patent Owner alleges "evidenc[e] industry praise," are nothing more than Patent Owner's attempt to use Mr. Fisher as a conduit for introducing out-of-court statements that are hearsay and are not based upon Mr. Fisher's personal knowledge.

Patent Owner alleges that Viking's motion is a belated attempt to exclude Exhibits 2011–2022 and Exhibits 2049, 2051, and 2052. *See* Paper 61 at 2. But Patent Owner ignores that it is hearsay when a statement is "other than one made by the declarant while testifying at the trial or hearing, [is] offered in evidence to prove the truth of the matter asserted." Fed. R. Evid. 801(c). Mr. Fisher is not even an expert; he is a lay witness. As a lay witness, in paragraphs 37-55, Mr. Fisher repeatedly quotes unknown authors and offers a conclusion of "industry" praise. *See* Ex. 2036 at ¶ 39 ("The Hyper-Step drill bits have also ***garnered positive***

reviews in tech journals, such as TechShop magazine. Exhibit 2012 is a true and correct copy of a printout of the TechShop review of the Matco Cobalt Hyper-Step Drill Bits, ***praising*** that '[t]hese drill bits act like a step drill, spreading the job of cutting across multiple levels, which keeps the drill bit cooler, resulting in less wear and maybe best of all, there's no more need for a pilot hole.'") (emphasis added); ¶ 40 ("I have also come across ***numerous positive reviews*** on YouTube for the Hyper-Step drill bits from ***industry insiders***."). Tellingly, Mr. Fisher does not purport to know any of the authors, who are also third parties to these proceedings. *See* Paper 59 at 3; Ex. 1051. Moreover, there is no evidence that the authors are "industry" players or the websites and "tech journals" are accepted by the industry.

Patent Owner further alleges that paragraphs 37-55 are "not hearsay because they are not being offered for the truth of the matter asserted. Fed. R. Evid. 801(c)(2)." *See* Paper 61 at 3. Here, Patent Owner misrepresents Mr. Fisher's statements. For instance, Mr. Fisher (without citing any evidence) states:

> 38. As can be seen, numerous of the reviews comment on the "unique point design" and "steps feature" which eliminate the need to drill pilot holes, as well as Easy-Boost drill bit's durability and cutting speed. As some examples:
>
> - The step bit feature saves so much time and eliminates the need to keep changing bits!

- The unique point design allows for smooth start with no walking. The steps feature eliminates drilling pilot holes.
- The stepped tip makes it very fast to dig in the metal. Also is very easy to start, it fits perfect to the center punch hole.
- These drill bits will drill through anything and everything without slowing down. The steps will make it easy to start without a pilot hole as well.
- Didn't think there could be much innovation in drill bits, but these changed the way I drill. I like how they don't grab the work piece at the bottom of the hole like conventional drills.

See Exhibit 2036 at ¶ 38.

Similarly, Mr. Fisher cites to third-party videos stating that "***[i]n the video, the user demonstrates*** the Matco Hyper-Step drill bits ***are capable of drilling holes through sheet metal, a lug bolt, and a wrench—all without the need for a pilot hole***." *See* Exhibit 2036 at ¶ 47 (citing Exhibit 2052) (emphasis added); *see also id*. at ¶ 53 (citing to Ex. 2020 and stating, "[t]he thread starter comments on ***the unique design*** of the Hyper-Step drill bits:…"); ¶ 54 (citing to Ex. 2021 and stating, "[s]everal users comment ***directly on the tip geometry*** of the Hyper-Step bits….") Mr. Fisher is not merely offering the statement to "show that [they] were made," he is expressly quoting them to assert "the truth of the matters asserted in them." *See* Paper 61 at 3 (citing *Asetek Danmark A/S v. CMI USA, Inc.*, 2014 WL 12644295, at *2 (N.D. Cal. Nov. 19, 2014)). And Patent Owner relies on these paragraphs to assert that "[t]here have also been numerous positive reviews of the

patented drill bits on YouTube from industry insiders, honing in on advantages of the patented configuration—improved durability, cutting speed, and centering capabilities. [ ] And, user discussions on technical forums have commented on the 'unique design for drill bits' and 'new geometry' of the patented Hyper-Step drill bits." *See* Paper 28 at 56 (citations omitted).

The caselaw relied upon by Patent Owner is unavailing. In *Asetek*, the court found that the "articles and internet site" were being offered "for a non-hearsay purpose," but recognized that "statements taken from the internet are hearsay when offered to prove the truth of the matter asserted." *Asetek*, 2014 WL 12644295, at *5. Similarly, in *Cisco Systems, Inc. v. Centripetal Networks, Inc*., IPR2018-01437, exhibits were deemed admissible over hearsay objections in part because they "are cited only as evidence of industry praise; their relevance lies in that they include statements from the industry allegedly praising Centripetal's invention, not in whether that praise is true or accurate." *Cisco Systems, Inc. v. Centripetal Networks, Inc*., IPR2018-01437, Paper 40 at 32 (PTAB Jan. 23, 2020). Here, Patent Owner is relying upon Mr. Fisher's declaration containing out-of-court, third party statements to assert that the praise is true or accurate. This is inadmissible hearsay.

For these reasons, and those enumerated in Petitioner's Motion to Exclude, paragraphs 37 to 55 of Exhibit 2036 should be excluded.

II. PARAGRAPHS 33, 34, AND 36 OF EXHIBIT 2036

Patent Owner makes the same arguments in connection with paragraphs 33, 34, and 36 of Exhibit 2036, which also fail for the same afore-mentioned reasons.

In paragraph 33, Mr. Fisher expressly quotes from Steel Vision's website to assert that "Steel Vision advertises the following ***advantages or features*** of the Stepped drill bit set:….," and that "Steel Vision even refers to ***the patented combination of features*** as a 'groundbreaking.'" *See* Exhibit 2036 at ¶ 33 (emphasis added). In paragraph 34, Mr. Fisher asserts "VIM advertises the following ***advantages or features*** of HSSC29 drill bits…" *See id*. at ¶ 33. Once again, Mr. Fisher quotes out-of-court statements by third parties as an assertion of the truth of what he characterizes as "advantages or features" of "the patented combination." Mr. Fisher did not author these statements, nor is he Patent Owner's expert on secondary considerations. At least paragraphs 33 and 34 constitute inadmissible hearsay.

Regarding paragraph 36, Mr. Fisher's statement has no relevance to Patent Owner's assertion of commercial acquiescence. *See* Paper 28 at 55.

For these reasons, and those enumerated in Petitioner's Motion to Exclude, paragraphs 33, 34, and 36 of Exhibit 2036 should be excluded.

III. PARAGRAPHS 142 TO 148 OF EXHIBIT 2034 AND EXHIBITS 2094 TO 2097

Patent Owner argues that "cited portions of Endres' declaration discuss ***his analysis*** of the Steel Vision and VIM drill bits and establish that these products also embody the '583 patent's claims and are co-extensive with them." *See* Paper 61 at 6 (emphasis added). But Patent Owner glosses over the fact that Dr. Endres did not prepare these claim charts. Rather, he submitted "a 'third-party copying' patent claims chart that I closely evaluated and agree with…". *See* Exhibit 2034, ¶¶ 143-148. Patent Owner also now asserts, without any evidence, that "Exhibits 2094–2097 are claim charts prepared at Endres' direction, not out-of-court statements." *See* Paper 61. But Dr. Endres, in his declaration, did not attest to having done so. In fact, in his declaration Dr. Endres merely states that he evaluated "the 'third-party copying' patent claims charts." *See* Exhibit 2034, ¶ 142.

Turning to Patent Owner's argument that Viking did not timely object to Exhibits 2094-2097 on hearsay grounds, Patent Owner misses the point. As stated above, Dr. Endres did not prepare the claim charts. There is no evidence in the record to show who prepared these exhibits or attesting to the veracity of Exhibits 2094-2097. Viking objected, in a timely manner, that Exhibits 2094-2097 are not relevant, and Viking could not cross-examine to verify the truth of the statements. *See Chanbond, LLC v. Atl. Broadband Grp., LLC*, C. A. No. 15-842-RGA, 2021 U.S. Dist. LEXIS 72804, at *11 (D. Del. Apr. 15, 2021) (finding that "relevance of the document, if any, depends upon the truth of the out-of-court assertion of a

person who cannot be cross-examined, it is inadmissible hearsay."); *Surgalign Spine Techs., Inc., v. Lifenet Health*, IPR2019-00570, Paper 71 at 12-14 (PTAB Aug. 26, 2020) (excluding claim charts as irrelevant attorney argument).

Patent Owner further argues that even if the Board finds that the claim charts and Dr. Endres' testimony are hearsay, an exemption applies under Federal Rule of Evidence ("FRE") 703. But "Rule 703 is not, itself, an exception to or exclusion from the hearsay rule or any other evidence rule that makes the underlying information inadmissible." 4 Weinstein's Federal Evidence § 703.05 n.12; *Wi-Lan Inc. v. Sharp Elecs. Corp*., 992 F.3d 1366, 1375 (Fed. Cir. 2021) (finding that Rule 703 cannot serve as a "backdoor" for a party to "us[e] its expert as a substitute for a fact witness to circumvent the rules of evidence to admit otherwise inadmissible evidence.").

As a result, Dr. Endres' reliance on the claim charts alone to tie the commercial products to the claims is impermissible hearsay. For these reasons, and those enumerated in Petitioner's Motion to Exclude, paragraphs 142 to 148 of Exhibit 2034 and Exhibits 2094 to 2097 should be excluded.

IV. EXHIBITS 2047 AND 2055-2061

Patent Owner's arguments that Exhibits 2047 and 2055-2061 should not be excluded simply ignore the fact that they are cited and relied upon by Patent

Owner for the truth of the assertions. In the Response, citing Ex. 2047 Patent Owner argues:

> The evidence shows that Viking Drill copied the design of the Hyper-Step drill bits due to the unique combination of the patented features and the resulting performance. Kimball Midwest, the first copycat of which Mr. Wang became aware, approached Viking in April 2019 to inquire about whether Viking could manufacture a similar drill bit to the Hyper-Step drill bits. Kimball noted that "[the Hyper-Step drill bits] very much intrigue me, as I have never seen anything like them." (Ex. 2055.) When Viking initially turned them down, Kimball approached Astro to inquire if Astro would manufacture a line a drill bits for it in line with the Hyper-Step drill bits. (Ex. 2047.) Kimball received and tested samples of the Hyper-Step

See Paper 28 at 50. This contradicts Patent Owner's argument that Exhibit 2047 "is relevant to show that certain conversations took place—not for the truth of the assertions." *See* Paper 61 at 9. Patent Owner is relying upon this Exhibit as a part of the alleged evidence to show copying.

As for 2055–2061, Patent Owner once again simply ignores that the Exhibits are third-party documents being put forth by Patent Owner as evidence of its secondary considerations' assertions. In its response, Patent Owner argues:

The evidence shows that Viking Drill copied the design of the Hyper-Step drill bits due to the unique combination of the patented features and the resulting performance. Kimball Midwest, the first copycat of which Mr. Wang became aware, approached Viking in April 2019 to inquire about whether Viking could manufacture a similar drill bit to the Hyper-Step drill bits. Kimball noted that "[the Hyper-Step drill bits] very much intrigue me, as I have never seen anything like them." (Ex. 2055.) When Viking initially turned them down, Kimball approached Astro to inquire if Astro would manufacture a line a drill bits for it in line with the Hyper-Step drill bits. (Ex. 2047.) Kimball received and tested samples of the Hyper-Step drill bits and was so impressed with their performance that they attempted to convince Viking to manufacture a copy of the Hyper-Step drill bits for almost a year. (*See generally* Ex. 2056; *id.* at p.6 ("Initial testing went extremely well.").) In Kimball's own words, "[Viking] passed on this several times with [Kimball] until [Kimball] sent you samples." (Ex. 2057 at p.2.)

Initial testing documents produced by Kimball are particularly telling in this regard. (Ex. 2059 at p.4 [Kimball00000116] ["Initial impressions from first metric samples are that drill bits cut quicker than anything we've seen to this point."] The testing document notes (*Id.*):

See Paper 28 at 50-51.

Kimball's internal documents echo these finding. (Ex. 2060 at p.1 (referring to Easy-Boost drill bits as "the lastest revolution in cutting tools" "up to 4x the life and 45% faster drilling" and "potentially the best new product line of 2020."); Ex. 2061 (2600+ holes without failure)).

See id. at 51.

> Furthermore, in their advertising, many of these copycats point to elements of the patented drill bit configuration as advantages over competing products, such as: "split-point design gives accurate starting and is selfcentering eliminating the need for the use of a center punch", "unique tip geometry reduces heat generation cutting tool wear increasing tool life", and "step drill design easily enlarges existing holes without damaging the point." (Ex. 2036 ¶¶28-35; Ex. 2027 at p. 2; *see also* Ex. 2024 at p. 1; Ex. 2025 at p. 1; Ex. 2026 at pp. 1, 3; Ex. 2048 at p.1; Ex. 2058 at 10.)

See Paper 28 at 53.

The statements that Patent Owner relies upon are by a third party, Kimball Midwest, to these proceedings. The statements that Patent Owner relies upon in these Exhibit **were not made** by Viking, and importantly, Patent Owner **does not cite** Exhibit 2055-2057 in the Response and Sur-Reply to this effect. *See* Paper 28 at 50, 52 ("But even if not, Kimball's emails with Viking demonstrate that the Hyper-Step drill bits were copied due to the uniqueness of the patented combination of features ('They very much intrigue me, as I have never seen anything like them') and performance ('Initial testing went extremely well.'). (Exs. 2055-2057, 2059; Ex. 2034 ¶¶165-174.)"); 59 ("One need only examine Kimball's strong desire to copy Mr. Wang's invention to confirm this fact. Exs. 2055, 2056, 2057, 2059, 2060, and 2061."); Paper 54 at 20-21. Therefore, it is simplistic and misleading for Patent Owner's to argue that "[ ] Exhibits 2055–2057 include statements made by Viking, which are not hearsay." *See* Paper 61 at 9.

No exceptions to the rule against hearsay are applicable to any quoted statements and there is no evidence to corroborate Patent Owner's argument that Kimball's statements are present-sense impression, then-existing impression, and records of regularly conducted activities. Further, Patent Owner incorrectly argues that "Mr. Roussin was included in said conversations, and he confirmed the veracity of the statements." *See* Paper 61 at 9. The cited line of questioning was:

> Q. So this is an April 12, 2019, email from you to Anchell Waks with the subject Matco Hyper Step drill bits. It was produced beginning with Bates Number VIKINGVP_0002425.
>
> Do you recall sending or receiving this email?
>
> **A. No.**
>
> Q. But do you have any reason to believe that you didn't send or receive this email?
>
> **A. No.**

Ex. 2071 at 91:13-22.

For these reasons, and those enumerated in Petitioner's Motion to Exclude, Exhibits 2047 and 2055-2061 should be excluded.

V. CONCLUSION

Based on the foregoing and Petitioner's Motion to Exclude (Paper 59), Petitioner requests that the Board grant Petitioner's motion to exclude and exclude (1) paragraphs 37 to 55 of Exhibit 2036; (2) paragraphs 33 to 34, 36 of Exhibit 2036, (4) paragraphs 142 to 148 of Exhibit 2034, (5) Exhibits 2094 to 2097, and (6) Exhibits 2047, 2055 to 2061.

Dated: April 2, 2024

Respectfully submitted,

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CERTIFICATE OF SERVICE

I certify that on April 2, 2024, I caused a true and correct copy of the foregoing Petitioner's Reply to Patent Owner's Opposition to Petitioner's Motion to Exclude to be served via electronic mail on the following:

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