

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

HUM INDUSTRIAL TECHNOLOGY, INC.
Petitioner

v.

AMSTED RAIL COMPANY, INC.
Patent Owner

Case IPR2023-00538
US Patent No. 9,365,223

Before JAMES P. CALVE, KEVIN W. CHERRY, and MICHAEL L. WOODS,
Administrative Patent Judges.

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

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EXHIBIT LIST

Ex #	Exhibit Description
1034	US61333428 – Armitage Provisional

Petitioner submits this paper in opposition to Patent Owner's Motion to Exclude (Paper 44). For the reasons explained below, Exhibit 1034 is proper and should not be excluded.

I. ARGUMENT

As a threshold matter, a motion to exclude is not the proper vehicle for Patent Owner's arguments. A motion to exclude should not "address arguments or evidence that a party believes exceeds the proper scope of reply..." Patent Trial and Appeal Board Consolidated Trial Practice Guide at 79 (Nov. 2019). Here, the basis for Patent Owner's Motion to Exclude is that Exhibit 1034 was untimely and raised new issues in Petitioner's Reply to Patent Owner's Response. The Board's Trial Practice Guide outlines two options in this scenario—a motion to strike or a request for further briefing "to address the merits of any newly-raised arguments or evidence." *Id.* at 80. Patent Owner has not requested authorization to file a motion to strike, nor has it requested an opportunity to file further briefing or evidence directed to the merits. Patent Owner's Motion to Exclude should therefore be denied.

A. Exhibit 1034 is timely evidence submitted in response to Patent Owner's alleged evidence of conception and reduction to practice.

Regardless of the procedural mechanism used, Exhibit 1034 is timely evidence and should not be excluded. Petitioner's introduction of Exhibit 1034 in its reply is consistent with—and expressly permitted by—the burden shifting

framework established by the Federal Circuit in *Dynamic Drinkware, LLC v. Nat'l Graphics, Inc.*, 800 F.3d 1375 (Fed. Cir. 2015).

As the Federal Circuit explained, in IPRs there are “two distinct burdens of proof: a burden of persuasion and a burden of production.” *Id.* at 1378 (citing *Tech. Licensing Corp. v. Videotek, Inc.*, 545 F.3d 1316, 1326–1327 (Fed. Cir. 2008)). While the burden of persuasion is borne by the petitioner, “the burden of production, or the burden of going forward with evidence, is a shifting burden, ‘the allocation of which depends on where in the process of trial the issue arises.’” *Id.* at 1379 (quoting *Tech. Licensing*, 545 F.3d at 1327).

Here, Petitioner bore the initial burden of production to come forward with invalidating prior art. That burden is plainly satisfied by the Petition: Armitage is prima facie prior art under § 102(e) because its U.S. filing date (May 11, 2011) is prior to the '673 Patent's U.S. filing date (March 15, 2013). *See Dynamic Drinkware*, 800 F.3d at 1379 (Petitioner satisfied initial burden of production by arguing the prior art anticipated the asserted claims under § 102(e)(2)); *Bausch & Lomb, Inc. v. Barnes-Hind/Hydrocurve, Inc.*, 796 F.2d 443, 449 (Fed. Cir. 1986) (party challenging validity need only show the art existed as of date of invention, presumed to be the filing date of the application until an earlier date is proved).

Once Petitioner satisfied its initial burden of production, the burden shifted to Patent Owner to come forward with evidence that the challenged claims “are entitled

to the benefit of a filing date (constructive or otherwise) prior to the filing date of [the prior art].” *Dynamic Drinkware*, 800 F.3d at 1380. Here, Patent Owner asserted in its Patent Owner Response that “All Claims of the ’223 Patent Were Conceived By At Least March 2020.” Paper 20, pp. 26–35. Patent Owner had not previously alleged that it was entitled to an earlier priority date based upon the date of conception.

Once Patent Owner submitted new evidence in its Patent Owner Response, the burden of production shifted back to the Petitioner “to prove that either the invention was not actually reduced to practice as argued, or that the [Armitage] prior art was entitled to the benefit of a filing date prior to the date of [Patent Owner’s] reduction to practice.” *Dynamic Drinkware*, 800 F.3d at 1380. *See also Tech. Licensing Corp.*, 545 F.3d at 1327–28. With respect to the scope of evidence a Petitioner may submit in its reply, the Federal Circuit in *Dynamic Drinkware* addressed precisely the same argument that Patent Owner now raises with respect to Exhibit 1034:

[Patent Owner] National Graphics responds that [Petitioner] Dynamic only made a conclusory assertion in its petition that Raymond was entitled to an earlier effective date, and the argument is therefore waived....

First, we find that Dynamic did not waive its argument that Raymond

was entitled to an earlier effective date. As discussed *supra*, Dynamic did not have the burden of producing evidence relating to the Raymond provisional application until after National Graphics made its argument regarding reduction to practice. As a result, it was not necessary for Dynamic to prove in its petition that Raymond was entitled to the filing date of its provisional application. Thus, there was no waiver.

Dynamic Drinkware, 800 F.3d at 1381.

The Board has consistently applied the burden-shifting approach from *Dynamic Drinkware* in similar cases arising in IPR proceedings. For example, the Board's recent decision in *Innovative Growers Equipment* addressed a similar argument, and confirmed that *Dynamic Drinkware* is controlling precedent in these circumstances:

Dynamic Drinkware is very clear on this point. The petitioner in an *inter partes* review does not have the burden of producing evidence that the effective date of an asserted reference patent relates back to its claimed provisional application until after a patentee challenges the prior art status of the asserted reference.... Thus, Petitioner did not waive any argument by asserting in its Petition that Hutto was entitled to its claimed earlier effective date.

Innovative Growers Equip., Inc. v. Pipp Mobile Storage Sys., Inc., IPR2022-

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00893, Paper 38 at 43–44 (P.T.A.B. Oct. 27, 2023) (citing *Dynamic Drinkware*, 800 F.3d at 1381).

Exhibit 1034 was properly submitted with Petitioner’s Reply. Petitioner was not required to file Exhibit 1034 with its Petition; rather, Petitioner’s burden of production arose only after Patent Owner submitted evidence alleging an earlier conception and reduction to practice. Petitioner’s submission of Exhibit 1034 with its Reply was therefore timely, and Patent Owner’s motion should be denied.

B. Petitioner had no obligation to prove in its Petition that Armitage was entitled to the priority date of its provisional application.

Patent Owner attempts to distinguish *Dynamic Drinkware* on the basis that the Petition includes a footnote stating that “Armitage claims, and is entitled to, a provisional application filing date of May 11, 2010.” Paper 1, p. 5, n.1. Patent Owner’s argument is incorrect.

First, as explained above, Armitage’s entitlement to its provisional filing date is irrelevant to Petitioner’s *prima facie* case of unpatentability. Armitage is *prima facie* prior art under § 102(e) because its nonprovisional filing date (May 11, 2011) is prior to the ’673 Patent’s nonprovisional filing date (March 15, 2013). *See Dynamic Drinkware*, 800 F.3d at 1379.

Second, the Petition at issue in *Dynamic Drinkware* included a nearly identical statement regarding the priority date of the Raymond reference:

(1) U.S. Patent Publication No. 2004/0157011 by Raymond et al. (*the Raymond publication, Ex. 1002*), published on 8/12/2004 and having a priority date of 2/15/2000 based on U.S. Prov. Pat. App. 60/182,490 filed on 2/15/2000.

Dynamic Drinkware v. Nat’l Graphics, Inc., IPR2013-00131, Paper 10 at 4 (P.T.A.B. Feb. 14, 2013). There is no meaningful distinction between the facts of *Dynamic Drinkware* and the facts at issue here.

C. Patent Owner has not been prejudiced by Petitioner’s reliance on Exhibit 1034.

Patent Owner makes several additional arguments regarding prejudice, fairness, and the Administrative Procedures Act (“APA”). None have merit.

First, there is no causal relationship between the conduct Patent Owner alleges to be improper (i.e., footnote 1 in the Petition referencing Armitage’s provisional filing date) and the prejudice it allegedly suffered (an inability to respond to the evidence of Armitage’s entitlement to its provisional filing date introduced with Petitioner’s Reply). Absent the footnote in the Petition, Petitioner still would have been entitled to introduce the Armitage provisional in its Reply under the *Dynamic Drinkware* burden-shifting framework. If anything, the fact that Petitioner forecast this argument in its Petition gave Patent Owner *additional* notice of this argument.

Second, while Patent Owner complains it was denied the “ability to produce any evidence on Armitage’s entitlement to its provisional date,” it addressed the issue both in its Patent Owner Response (Paper 20, p. 25) and in its Sur-Reply (Paper

36, pp. 9–11). To the extent Patent Owner believed further evidence was required to respond to the Reply, it could have requested leave to file such evidence with its Sur-Reply. *See* Patent Trial and Appeal Board Consolidated Trial Practice Guide at 80 (Nov. 2019). *See also Genzyme Therapeutic Prod. Ltd. P'ship v. Biomarin Pharm. Inc.*, 825 F.3d 1360, 1367-68 (Fed. Cir. 2016) (finding the Patent Owner was not denied notice or an opportunity to respond under the APA in part because it failed to take advantage of procedural options); *Belden Inc. v. Berk-Tek LLC*, 805 F.3d 1065, 1082 (affirming denial of a motion to exclude evidence filed with a Reply where Patent Owner did not request leave from the Board to substantively respond to the evidence).

Finally, to the extent Patent Owner argues that the *Dynamic Drinkware* burden-shifting framework is in conflict with the APA, that issue is not properly before the Board. Although Patent Owner may believe that *Dynamic Drinkware* was wrongly decided or represents an unwise policy choice, the Board is bound to follow the Federal Circuit's controlling precedent on this issue. *See In re Magnum Oil Tools Int'l, Ltd.*, 829 F.3d 1364, 1376 (Fed. Cir. 2016) (In cases like *Dynamic Drinkware*, “the shifting of the burden of production is warranted because the patentee affirmatively seeks to establish a proposition not relied on by the patent challenger and not a necessary predicate for the unpatentability claim asserted—effectively an affirmative defense.”).

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II. CONCLUSION

For the reasons stated herein, Petitioner respectfully requests that Patent Owner's Motion to Exclude Exhibit 1034 be denied.

Respectfully submitted,

Dated: May 24, 2024

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CERTIFICATE OF SERVICE

I hereby certify that on this 24th day of May, 2024, the foregoing was served via electronic mail to the attorneys of record for the '223 Patent at the following address:

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