

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 IPR2023-00539

Patent No. 9,981,673

PATENT OWNER'S MOTION TO EXCLUDE

I. INTRODUCTION

Pursuant to 37 C.F.R. § 42.64 and the Federal Rules of Evidence, Patent Owner Amsted Rail Company, Inc. (“PO”) moves to exclude Exhibit 1028 (Hum’s First Supplemental Counter-Infringement Contentions) and Exhibit 1031 (Armitage Provisional). Petitioner Hum Industrial Technology, Inc. (“Petitioner”) relies on Exhibit 1028 on page 26 of its Petitioner Reply (Paper 23), filed on January 11, 2024. Petitioner relies on Exhibit 1031 on page 11 of its Reply (Paper 23, EX1033). PO timely objected to these exhibits on sufficiently particularized grounds (*see* Paper 28, 4, 6).

Exhibit 1028 consists of statements made outside the course of this proceeding that Petitioner relies upon for their truth, and it is therefore hearsay. Because none of the exceptions or exemptions to rule against hearsay applies here, those statements are inadmissible. Accordingly, PO requests that the Board exclude Exhibit 1028. Exhibit 1031 is a provisional application that should have been filed with Petitioner’s case-in-chief because Petitioner was aware of PO’s claim to an earlier priority date yet chose to deny the Board and PO the provisional application until its Reply. *See* Paper 28, 6.

II. ARGUMENT

A. Exhibit 1028

1. Petitioner Offers the Statements in Exhibit 1028 for Their Truth

Out-of-court statements offered for their truth are inadmissible hearsay. *See* Fed. R. Evid. 801. Here, Petitioner offers for its truth, a statement made in its First Supplemental Counter-Infringement Contentions (Petitioner's Exhibit 1028) to contradict its own prior statements, made of evidence by PO in Exhibit 2030.

Out-of-court statements by a party opponent are excluded from the hearsay rule while a party's own statements are not excluded and must qualify for an exception to be admitted. *See* FRE 801(c), (d)(2); *GAF Materials LLC v. Kirsch Rsch. & Dev., LLC*, No. IPR2021-00192, Paper 45 at 64-65 (PTAB May 24, 2022) (finding an expert report submitted in district court proceeding to be hearsay and not within any exception of FRE 802); *Am. Nat'l Mfg., Inc. et al v. Sleep Number Corp.*, No. IPR2019-00500, Paper 114 at 139 (PTAB Sept. 30, 2020) (finding deposition transcripts of an officer of a party-opponent to qualify as an admission under FRE 801(d)(2)).

Specifically, Petitioner seeks to introduce its "First Supplemental Counter-Infringement Contentions" as evidence countering its own admission that its products, ostensibly developed with input from PO's former employee and a named inventor of the Challenged Patent, infringe claims 1, 2, 6, and 7 of the '673 Patent. *See* Paper 23 at 26 (citing Exhibit 1028 to support its own statement). It is black letter law that a party's own statements are hearsay. *See Unified Patents, LLC v. Am. Patents LLC*, No. IPR2019-00482, Paper 132 at 56-57 (PTAB Aug. 3, 2022)

(excluding a petitioner's interrogatory responses as hearsay). Thus, Exhibit 1028 is hearsay under Rule 801 of the Federal Rules of Evidence.

2. No Hearsay Exception Applies to Exhibit 1028

Petitioner's Exhibit 1028 is not subject to any hearsay exception. Specifically, Exhibit 1028 not satisfy any of the conditions that are set forth in Rule 803(1)-(23). Moreover, the Rule 804 exceptions do not apply because they require a witness to be unavailable, indeed Exhibit 1028 is not testimony and there is no witness to evaluate. *Surgalign Spine Techs., Inc. v. LifeNet Health*, No. IPR2019-00570, Paper 74 at 13 (PTAB August 26, 2020) (excluding claim charts that "do not represent the testimony of any witness").

Further, Rule 807 (the residual hearsay exception) does not apply either because it requires the statement to: (1) have equivalent circumstantial guarantees of trustworthiness; (2) be offered as evidence of a material fact; (3) be more probative on the point for which it is offered than any other evidence that the proponent can obtain through reasonable efforts; and (4) be in the interests of justice to admit. Fed. R. Evid. 807. The Board has held that the exercise of the residual exception "is to be reserved for 'exceptional cases' and is not 'a broad license on trial judges to admit hearsay statements that do not fall within one of the other exceptions.'" *Neste Oil OYJ v. REG Synthetic Fuels, LLC*, IPR2013-00578, Paper 52 at 9 (PTAB March 12, 2015) (quoting *Conoco, Inc. v. Dep't of Energy*, 99 F.3d 387, 392 (Fed. Cir. 1996)).

This is not an exceptional case at least because the interest of justice is not served when, as here, the Petitioner merely seeks to admit its own hearsay statements.

3. Exhibit 1028 Is Irrelevant Attorney Argument

Further, Exhibit 1028 amounts to irrelevant attorney argument under Rules 401 and 402, and an improper incorporation by reference in violation of 37 C.F.R. § 42.6(a)(3). As noted above, Exhibit 1028 does not represent the testimonial evidence from a witness and amounts to argument. The Board should give “no weight to the extent those arguments are not set forth independently” in the Petition or Reply.

B. Exhibit 1031

Petitioner declared in the Petition “Armitage claims, and is entitled to, a provisional application filing date of May 11, 2010.” Paper 1, 5, n.1. Yet Petitioner did not provide any evidence for this assertion. Instead, it waited nearly a year, until it filed its Reply, to file the Armitage provisional as evidence. Petitioner will likely rely on *Dynamic Drinkware*’s burden shifting approach, but that reliance will be misplaced. *See Dynamic Drinkware, LLC v. Nat’l Graphics, Inc.*, 800 F. 3d 1375, 1379-80 (Fed. Cir. 2015).

The Court in *Dynamic Drinkware* was concerned with shifting burdens of production and is clear that Petitioner bears the ultimate burden of persuasion regarding issues of invalidity. *Id.* However, shifting burdens regarding the

production of evidence does not relieve Petitioner of the requirement to provide its evidence supporting statements made *in the Petition* with the filing of the Petition. By waiting until its Reply to enter Exhibit 1031 into evidence, it denied PO any ability to produce *any* evidence on Armitage's entitlement to its provisional date. Instead, PO's only opportunity to respond to Petitioner's argument regarding Exhibit 1031 was in its Sur-Reply and Board rules prohibit PO from presenting any evidence with its Sur-Reply. *See* 37 C.F.R. § 42.23(b); Consolidated Trial Practice Guide 73-74. It is fundamentally unfair to consider Petitioner's belated evidence while precluding PO by rule from presenting evidence in response to Petitioner's belated arguments, and Petitioner's untimely presentation of Exhibit 1031 should not be condoned. Therefore, the Board should exclude Exhibit 1031.

Respectfully submitted,

Dated: May 2, 2024

By: /Ryan N. Miller/
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Counsel for Patent Owner
Amsted Rail Company, Inc.

CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. §42.6(e), I certify that on this 25th day of April, 2024, a copy of PATENT OWNER'S REPLY TO PETITIONER'S OPPOSITION TO REVISED MOTION TO AMEND by electronic mail on Petitioner's counsel, lead and back-up, as follows:

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Counsel for Petitioner has consented to service of all documents via electronic email. *See* Petition, Paper 1 at 2.

Dated: April 25, 2024

By: / Ryan N. Miller /

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