

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

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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TABLE OF EXHIBITS CITED

Exhibit No.	Description
1028	Hum’s First Supplemental Counter-Infringement Contentions
1031	U.S. Provisional Application No. 61/333,428 to Armitage et al. (“Armitage Provisional”)

Petitioner submits this paper in opposition to Patent Owner's Motion to Exclude (Paper 43). For the reasons explained below, Exhibits 1028 and 1031 are proper and should not be excluded.

I. ARGUMENT

A. Exhibit 1028 is Not Offered for the Truth of the Matter Asserted.

Out-of-court statements that are offered for a purpose other than to prove the truth of the matter stated are not hearsay. FRE 801. Here, Petitioner does not rely on the contents of Exhibit 1028 for the truth of the matter asserted—that is, to prove that Petitioner's products do not infringe the asserted claims of the '673 Patent—which is irrelevant to this proceeding. Instead, Petitioner offers Exhibit 1028 only to rebut Patent Owner's argument that Petitioner has admitted infringement of the asserted claims in the corresponding district court litigation.

In other words, in Exhibit 1028 it is the statements themselves—specifically, Petitioner's denial of infringement—that are relevant, rather than the underlying truth or falsity of the statements. As the Federal Circuit has explained, "a statement [is] not hearsay if the communication (as opposed to the truth) [has] legal significance." *REG Synthetic Fuels, LLC v. Neste Oil Oyj*, 841 F.3d 954, 964 (Fed. Cir. 2016) (quoting *Knorr v. Pearson*, 671 F.2d 1368, 1372–73 (C.C.P.A. 1982) (internal quotations omitted)) (reversing PTAB decision to exclude exhibits as inadmissible hearsay). That is precisely the situation here: Petitioner relies on

Exhibit 1028 only to show that it has contested infringement in the district court proceeding, and not to prove the underlying truth or falsity of any matters related to infringement.

It is also worth noting that Petitioner relies on Exhibit 1028 (Petitioner's First Supplemental Preliminary Counter-Infringement Contentions) only in response to Patent Owner's filing and improper reliance on Petitioner's Preliminary Counter-Infringement Contentions filed in the corresponding district court litigation (Exhibit 2157). Petitioner has moved to exclude Exhibit 2157 on the basis that it is irrelevant. *See* Petitioner's Motion to Exclude, Paper 44, pp. 3-4. Notwithstanding that neither exhibit contains any admission of infringement (*see, e.g.,* Exhibit 2157 at p. 15 (denying infringement of claim 1)), Patent Owner's allegations of infringement and Petitioner's responses to the same are not relevant to the questions of validity at issue in this proceeding. Therefore, if the Board finds Exhibit 2157 should be excluded for the reasons set forth in Petitioner's Motion to Exclude, then Petitioner agrees it would be appropriate to exclude Exhibit 1028 on the same basis.

B. Exhibit 1031 is Timely Evidence Submitted in Response to Patent Owner's Conception and Reduction to Practice Evidence, Based on the Burden of Production Standard.

As Patent Owner recognizes in its Motion, Petitioner's introduction of Exhibit 1031 in its reply is consistent with—and expressly permitted by—the burden-

shifting framework established by the Federal Circuit in *Dynamic Drinkware 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 “the Challenged claims were conceived prior to May 2010.” Paper 21, p. 23. 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 1031:

[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.

Exhibit 1031 was therefore properly submitted with Petitioner's Reply. Petitioner was not required to file Exhibit 1031 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 1031 with its Reply was therefore timely, and Patent Owner's motion to exclude it should be denied.

II. CONCLUSION

For the reasons stated herein, Petitioner respectfully requests that Exhibits 1028 and 1031 not be excluded.

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Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on this 9th day of May, 2024, the foregoing was served via electronic mail to the attorneys of record for the '673 Patent at the following address:

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