

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 REPLY IN SUPPORT OF ITS
MOTION TO EXCLUDE**

I. PETITIONER OFFERS THE STATEMENTS IN EXHIBIT 1028 FOR THEIR TRUTH

Petitioner only argues it is not offering EX1028 for the truth of the statements made therein while stating, somewhat paradoxically, that “it is the statements themselves” that are relevant. However, the *only* way these statements are relevant is if the matter asserted with them is true. Otherwise, they have no relevance to this proceeding. Thus, the statements qualify as hearsay.

Petitioner relies on the principle that “a statement is not hearsay if the communication (as opposed to the truth) has legal significance.” Paper 45, 1 (quoting *REG Synthetic Fuels, LLC v. Neste Oil Oyj*, 841 F.3d 954, 964 (Fed. Cir. 2016)) (cleaned up). Petitioner’s assertion is unavailing for the simple reason that Petitioner’s statements in EX1028 had no legal significance whatsoever separate and apart from their contents. As explained in Patent Owner’s objections, Petitioner was required to seek leave to serve supplemental contentions and but never moved for leave to serve EX1028 on Patent Owner in the underlying district court litigation. *See* Paper 28, 4. Thus, under the Court’s order, EX1028 was never deemed served and are a nullity.

Regardless, Petitioner’s argument does not make any sense on its face. The “legal significance” at issue in *REG Synthetic Fuels* centered around the evidentiary value of out of court statements by the inventor for purposes of establishing

conception of the invention. *REG Synthetic Fuels*, 841 F.3d at 964-65. These statements were not put into evidence to establish the truth of a particular factual assertion, but to establish the *content* of what was communicated. Here, Petitioner wants the Board to believe it did not concede infringement in one statement by submitting a second statement it believes refutes that concession. For EX1028 to have any meaning to the Board, the statements within are alleged to be true. Therefore EX1028 is being brought forward by Petitioner for the truth of the matter asserted. Because it is an out-of-court statement and does not fall within any hearsay exception, EX1028 should be excluded.

II. PETITIONER’S BELATED SUBMISSION OF EX1031 PREJUDICES PATENT OWNER

Contrary to Petitioner’s grossly misleading assertion on Page 2 of its Opposition, Patent Owner does not in any way recognize that Petitioner’s late submission of EX1031 is consistent with or permitted by *Dynamic Drinkware*. To the contrary, Patent Owner was explicit that this shifting burden “does not relieve Petitioner of the requirement to provide its evidence supporting statements made *in the Petition* with the filing of the Petition.” Paper 43. *Dynamic Drinkware*’s shifting burden is not a license for Petitioner to sandbag with late produced evidence and affording Patent Owner limited opportunities to respond. More importantly, such an action, if condoned by the Board, would violate the Administrative Procedures Act

(“APA”)’s requirement for notice and opportunity to respond to the content of the provisional with competent counter evidence. *See Dexcom, Inc. v. AgaMatrix, Inc.*, IPR2016-01679, Paper 53, at 51 (PTAB Feb. 28, 2018).

Crucially, the issue in *Dynamic Drinkware*, as acknowledged by Petitioner through its quote on pages 4-5 of its opposition, was National Graphic’s argument on appeal that Dynamic Drinkware had *waived* any argument that the relied-on reference was entitled to its provisional filing date as a result of its conclusory statement of that fact in the petition. *See Dynamic Drinkware*, 800 F.3d at 1381; *see also* Paper 45, 4-5. A review of the docket for the underlying IPR proceeding shows National Graphics did not seek to exclude the late filed provisional and the question of whether the provisional was proper reply evidence was not preserved for appeal. *See* IPR2013-00131.

Thus, *Dynamic Drinkware* simply does not provide any insight into the precise question presented here: whether Petitioner’s sandbagging, in clear violation of the Board’s rules and prejudicing Patent Owner as explained in the Motion to Exclude (Paper 43, 4-5) and above, was proper. Patent Owner submits that it is not. Petitioner, knowing that Patent Owner claimed an earlier priority date for certain claims in this patent family, purposefully delayed submitting EX1031 until its reply to support arguments in its prima facie case of obviousness. The Board should

exclude EX1031 and disregard any arguments relying on that exhibit in its Reply.

See Paper 23, 11-13.¹

Respectfully submitted,

Dated: May 2, 2024

By: /Ryan N. Miller/
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¹ Petitioner originally filed Paper 23 citing to EX1020 for the Armitage Provisional
It later submitted a corrected Reply citing to EX1031. *See* EX1032 at 11-13.

CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. §42.6(e), I certify that on this 16th day of May, 2024, a copy of PATENT OWNER'S REPLY TO PETITIONER'S OPPOSITION TO MOTION TO EXCLUDE 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: May 16, 2024

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