

UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE PATENT TRIAL AND APPEAL BOARD

FREIGHTCAR AMERICA, INC.,

Petitioner,

v.

NATIONAL STEEL CAR LIMITED,

Patent Owner

IPR2025-01047 (Patent 8,132,515)

**PATENT OWNER'S REQUEST FOR DIRECTOR REVIEW OF
INSTITUTION DECISION PURSUANT TO 37 C.F.R. § 42.75**

On behalf of National Steel Car Limited
By: Safet Metjahic (Reg. No. 58,677)
Robert Keeler (Reg. No. 70,546)
ICE MILLER LLP
1500 Broadway, Suite 2900
New York, NY 10036
Tel: (212) 824-4940
Fax: (212) 824-4982
Email: IM-NSClit@icemiller.com

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I. Introduction

Patent Owner National Steel Car Limited respectfully requests that the Director review the Board’s institution decision (Paper 27, the “Institution Decision”) regarding U.S. Patent No. 8,132,515 (the “’515 Patent”) and vacate that decision.

The Institution Decision should be vacated and reversed because it would be an inefficient use of Board resources to proceed with this IPR when Petitioner has failed to demonstrate a reasonable likelihood of prevailing with respect to any of the claims remaining in the IPR. The Board found that Petitioner “show[ed] a reasonable likelihood of prevailing in its challenge to [independent] claim 24” and, based thereon, instituted review on claims 1-44. Institution Decision at 22. The Board did not stop its analysis at independent claim 24, however. “For the benefit of the parties,” the Board analyzed the other five independent claims of the ’515 Patent – claims 1, 7, 18, 20, and 32 – and either “questioned whether” or found that Petitioner “did not appear to show” that these claims are reasonably likely to be invalid. Institution Decision at 23-32.

Patent Owner has since disclaimed independent claim 24 and dependent claims 25-31, which depend therefrom, per 35 U.S.C. § 253. Ex. 2046.

Thus, there is no claim remaining where the Board has found it “reasonably likely” that Petitioner will prevail as required by Section 314(a).

Further, Patent Owner respectfully requests that the Director reconsider the earlier Discretionary Denial decision. Paper 20. The Acting Director chose not to exercise that discretion because of an alleged material error by the patent office in granting a separate patent of Patent Owner also challenged by Petitioner. No material error in the granting of the '515 patent has been asserted and now there are no claims of the '515 patent that are reasonably likely to be found invalid.

It is a waste of the Board's resources and against the foundations of the *inter partes* review system for the Board to continue with trial to a final written decision. For the reasons below, Patent Owner respectfully requests that the Director review the institution decision and de-institute *inter partes* review.

II. Factual and Procedural Background

Patent Owner filed applications that issued as U.S. Patent No. 8,166,892 (the "'892 Patent") and the '515 Patent with priority dates in September 2009. Ex. 1001. The '515 and '892 Patents issued less than three years later in the first half of 2012. Ex. 1001; IPR2025-01046, Ex. 1001. Approximately twelve years later, Patent Owner sued Petitioner for willful infringement of all claims of the '892 and '515 Patents in the District Court for the District of Delaware. *National Steel Car Limited v. FreightCar America, Inc. et al.*, No. 24-00594-JLH-CJB (D. Del.) (the "District Court Case"); Ex. 2001. Petitioner was aware of the '892 and '515 Patents up to 13 years before the filing of the complaint and even incorporated the '515 Patent in its

own applications by reference in 2014. Paper 8 at 7-11; Ex. 2004 at ¶¶85-91. Petitioner took no steps to challenge either patent until May 27, 2025, when it filed Petitions for *inter partes* review at the statutory deadline. Paper 8 at 19. IPR2025-01046, Paper 1; IPR2025-01047, Paper 1.¹

Patent Owner requested discretionary denial of the Petitions, arguing that, *inter alia*, the settled expectations of the parties, Petitioner’s long-standing knowledge of the patents, the lack of simplification of the District Court Case, and weakness of the Petition provide ample justification for discretionary denial. IPR2025-01046, Paper 8; IPR2025-01047, Paper 8. The Petition against the ’892 Patent was referred to the Board because, *inter alia*, “the Office materially erred during prosecution” of the ’892 patent regarding the “[t]he sidewall stiffener having web continuity.” IPR2025-01046, -01047, Paper 20 at 2-3. Though that limitation does not appear in any of the independent claims of the ’515 Patent, the petition against the ’515 Patent was nevertheless referred because “it is an efficient use of Board resources to address the related patent under these circumstances.” *Id.*

After being referred, the Board instituted review on December 16, 2025, based on its analysis of claim 24. Institution Decision at 22 (citing 37 C.F.R. § 42.108(a)

¹ A second petition against the ’515 Patent was discretionarily denied and is now a final agency decision. IPR2025-01048, Paper 21 at 4; 37 C.F.R. § 42.75(d).

and *SAS Inst. Inc. v. Iancu*, 138 S. Ct. 1348, 1359–60 (2018)). However, the Board “question[ed] whether” the art cited by Petitioner teaches or suggests all the limitations of independent claims 1, 18, 20, or 32. *Id.* at 25, 28-29, 32. The Board also found that Petitioner “d[oes] not appear to show” that the art cited by Petitioner teaches or suggests all the limitations of independent claim 7. *Id.* at 28. The Board did not substantively address the other claims of the ’515 Patent (*i.e.*, claims 2-17, 19, 21-23, 25-31, or 33-44), which all depend from one of the independent claims.

While FreightCar has requested a stay in the District Court Case, none has been granted and briefing will not conclude until Thursday, January 8, 2026. This request complies with the requirements of 37 C.F.R. § 42.75.

III. Legal Standards

In *United States v. Arthrex, Inc.*, the Supreme Court explained that “constitutional principles chart a clear course: Decisions by [administrative patent judges (APJs)] must be subject to review by the Director.” 594 U.S. 1, 24 (2021) (citation modified). The Director may review institution decisions “presenting (a) an abuse of discretion, (b) important issues of law or policy, (c) erroneous findings of material fact, or (d) erroneous conclusions of law.” Director Review Process § 2(B), available at <https://www.uspto.gov/patents/ptab/decisions/director-review-process> (last updated Dec. 15, 2025) . 37 C.F.R. § 42.75. “Both discretionary and merits-based issues may be raised, subject to limitations (a)–(d) above.” Director

Review Process § 2(B). “The Director Review process provides a mechanism to correct errors at the institution stage, for example, to avoid unnecessary trials for patent owners.” *Id.*

The Board regularly denies institution under § 314(a) when instituting trial would not be an efficient use of the Board’s time and resources—for example, where Petitioner fails to present a reasonable likelihood of prevailing with respect to a subset of grounds or challenged claims. *See, e.g., Zhuhai CosMx Battery Co., Ltd. v. Ningde Ampere Technology Limited*, IPR2025-00405, Paper 24, at 2-3 (PTAB Oct. 15, 2025) (vacating institution decision on Director review where “maintaining a trial in this case would require the Board and Patent Owner to expend resources addressing multiple claims and grounds that do not meet the reasonable likelihood standard, as well as grounds that have not been sufficiently developed”); *Chevron Oronite Co. v. Infineum USA LP*, IPR2018-00923, Paper 9, at 9-11 (PTAB Nov. 7, 2018) (informative); *Deeper, UAB v. Vexilar, Inc.*, IPR2018-01310, Paper 7, at 41-43 (PTAB Jan. 24, 2019) (informative).

The Board must institute on all grounds or none, and the Board must address all grounds in its final written decision. *SAS Institute*, 584 U.S. at 364–65; *see* “Final Written Decision Procedures for AIA Trial Proceedings”, July 29, 2025, available at <https://www.uspto.gov/sites/default/files/documents/20250729095727582.pdf>. It is well within the Director’s power to grant director review, vacate the Institution

Decision, and deny institution. 37 C.F.R. §§ 42.72, 42.75; *Arthrex*, 594 U.S. at 24; *Zhuhai CosMx*, IPR2025-00405, Paper 24, at 2-3.

IV. Argument

A. The Board Found that Petitioner is Not Reasonably Likely to Prevail on the Remaining Claims of the '515 Patent

The Board's Institution Decision confirmed that Petitioner failed to meet its burden regarding five of the six independent claims of the '515 Patent, and for the thirty-one claims that depend therefrom. The Board's finding with respect to these claims is below.

Hart, thus, shows and expressly indicates that posts d' extend upwardly outboard of inclined end b' and past inclined end b' to upper member b10. *Id.* at 1:34–41, Figs. 1, 3. Petitioner's own annotated Figures 1 and 3 appear to agree that posts d' extend upwardly outboard of and above inclined end b'. Pet. 48. Hart does not show, and Petitioner does not sufficiently explain how, posts d' extend upwardly to inclined end b'. See Ex. 1008, 1:34–41, Figs. 1–6. At this stage, we question whether Petitioner shows that its proposed combination of Hart and the 1906 Cyclopedia teaches or suggests all the limitations of claim 1.

Institution Decision at 25.

Taking together Petitioner’s arguments for the recited “side walls” and “first laterally extending reinforcement,” Petitioner insufficiently argues that the asserted “laterally extending reinforcement” of Hart (transverse member b4) extends between the asserted “side walls” of Hart (plate girder side b). Pet. 59, 60–61... Petitioner does not appear to show that its proposed combination of Hart, the 1906 Cyclopedia, and Wong teaches or suggests all the limitations of independent claim 7.

Id. at 27-28.

For the reasons stated above for claim 7, based on the preliminary record, Petitioner does not appear to show that the asserted “laterally extending reinforcement” of Hart (transverse member b4) extends between the asserted “side walls” of Hart (plate girder side b), as required by claim 18. Pet. 59, 60–61, 84. Thus, at this stage, we question whether Petitioner shows that its proposed combination of Hart, the 1906 Cyclopedia, Wong, and Campbell ’051 teaches or suggests all the limitations of independent claim 18.

Id. at 28-29.

For the reasons stated above for claim 1, based on the preliminary record, it appears Petitioner may not have shown that post d’ “extend[s] upwardly from said main

bolster to said first end slope sheet,” as required by claim 20. Pet. 33–34, 48, 74. Thus, at this stage, we question whether Petitioner shows that its proposed combination of Hart, the 1906 Cyclopedia, and Wong teaches or suggests all the limitations of independent claim 20.

Id. at 29.

Even if we agreed that one of ordinary skill in the art would have made the proposed modifications to Lindström, Petitioner’s modifications, as shown in its annotated Figure 6 of Lindström, does not appear to have the end post of Ratcliffe 1 “extending upwardly to meet said first beam and said top chord,” as required by claim 32. Pet. 100. As Petitioner’s annotated figure shows, the added end post meets a top chord, but not the asserted first beam. *See id.* Petitioner and its declarant also do not explain how the added end beam meets the asserted first beam and the top chord. *Id.* at 98–100; Ex. 1003 ¶¶ 130, 131. Thus, at this stage, we question whether Petitioner shows that its proposed combination of Lindström, Wong, Ratcliffe 1, and Hart teaches or suggests all the limitations of independent claim 32.

Id. at 32.

Thus, the Board affirmatively found that Petitioner did not meet its burden of showing a reasonable likelihood that thirty-six of the claims of the ’515 patent are

invalid. Institution of the IPR resulted from the Board’s finding with respect to a single independent claim, i.e., claim 24. Even if it is assumed that Petitioner is reasonably likely to prevail on the claims that depend therefrom (a finding that is absent from the Institution Decision), Petitioner has still only met its burden on a maximum of eight claims, and Patent Owner has disclaimed those claims (24-31) to simplify the issues in this proceeding and the District Court Case. Ex. 2046.

B. It Would be a Waste of Board Resources to Continue the trial to a Final Written Decision

Patent Owner requested discretionary denial, which the Director denied.² Nevertheless, the Director has authorized the Board to consider discretionary denial where the petition presents an insufficient number of challenges that meet the reasonable likelihood standard indicating that institution is an inefficient use of resources, as explained in *Zhuhai CosMx*, *Chevron*, and *Deeper*. Interim Director Discretionary Process § I.F, available at <https://www.uspto.gov/patents/ptab/interim-director-discretionary-process> (last updated October 3, 2025) .

The Board erred by not denying institution based on efficiency. Thirty-six of the claim challenges, and eight of the nine grounds raised, were fatally flawed from

² The Director discretionarily denied institution of one other co-pending Petition.

See IPR2025-01048 Paper 20.

the filing of the Petition. Nonetheless, now that the Board has instituted review, it would need to address all grounds and all claims, even though all challenges to independent claims 1, 7, 18, 20, or 32 fail to demonstrate a reasonable likelihood of success. *See SAS Inst.* 584 U.S. at 367. The large subset of meritless claim challenges and grounds justifies applying discretion to decline institution, as explained in *Zhuhai CosMx*, *Chevron*, and *Deeper*.

C. Vacating and Denying Review Comports with the Goals of *Inter Partes* Review Process

- i. This IPR has already achieved the goal of narrowing validity issues in the District Court Case

The *inter partes* review procedures were established by the America Invents Act with the goals of streamlining litigation and offering a faster, cheaper mechanism for adjudicating patent validity issues. Here, those statutory goals have already been met and further proceedings will only be oriented towards adjudicating claims that do not have a reasonable likelihood of being found invalid. Petitioner challenged the '515 Patent and, without conceding that claims 24-31 would be found invalid, Patent Owner disclaimed claims 24-31 (Ex. 2046), the only claim set found to have an independent claim where the Board found a reasonable likelihood of success.

- ii. Proceeding with this IPR is unlikely to narrow any further validity issues in the District Court Case

The concurrent District Court Case is proceeding apace and has not been stayed. The District Court recently issued its Claim Construction Order, fact discovery is set to close at the end of February, and trial is scheduled for mere weeks after a Final Written Decision is expected in this IPR. This IPR and Petitioner's Sotera stipulation will not meaningfully simplify the issues in the District Court Case because Petitioner's invalidity contentions include system prior art ***evidenced by the same printed publications it raises here***, for which no estoppel will attach. *Ingenico Inc. v. IOENGINE, LLC*, 136 F.4th 1354 (Fed. Cir. 2025). In fact, more than half of the purported prior art cited in the Petition (12/19 pieces) are printed publications that Petitioner also raises as system prior art in the District Court Case. Moreover, Petitioner has cited nine additional pieces of system prior art in its invalidity claim charts in the District Court Case.

Thus, this IPR does not present a mechanism for the faster and cheaper resolution of validity issues in the District Court Case. If the District Court Action is stayed, there will be a considerable delay of that Action without any consequent narrowing of the validity issues. Moreover, whether or not the District Court Action is stayed, Patent Owner will be forced to expend considerable resources addressing

validity issues in this IPR only to be faced with the same prior art arguments as well as additional system prior art in the District Court Case.

V. Conclusion

For the foregoing reasons, Patent Owner respectfully requests that the Director reconsider the decision to institute review and deny institution.

Respectfully Submitted,

Date: December 30, 2025

/Safet Metjahic/

Safet Metjahic (Reg. No. 58,677)
Robert D. Keeler (Reg. No. 70,546)
Ice Miller LLP
1500 Broadway, Suite 2900
New York, NY 10036
(212) 824-4940

*Attorneys for Patent Owner,
National Steel Car Limited*

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing **PATENT OWNER’S REQUEST FOR DIRECTOR REVIEW OF INSTITUTION DECISION PURSUANT TO 37 C.F.R. § 42.75** was served electronically in its entirety on the date noted below via electronic mail to the following attorneys of record:

KNOBBE MARTENS OLSON & BEAR, LLP
Philip Nelson (Reg. No. 62,676)
Ted M. Cannon (Reg. No. 55,036)
Justin Gillett (Reg. No. 71,099)
Email: 2PMN@knobbe.com
2TMC@knobbe.com
2JJG@knobbe.com
FCAIPR-892@knobbe.com

Respectfully Submitted,

Date: December 30, 2025

/Safet Metjahic/

Safet Metjahic (Reg. No. 58,677)
Robert D. Keeler (Reg. No. 70,546)
Ice Miller LLP
1500 Broadway, Suite 2900
New York, NY 10036
(212) 824-4940

*Attorneys for Patent Owner;
National Steel Car Limited*