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On behalf of **FreightCar America, Inc.**

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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 No. 8,132,515

**PETITIONER'S AUTHORIZED RESPONSE TO PATENT OWNER'S
REQUEST FOR DIRECTOR REVIEW**

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I. INTRODUCTION

The Director Review process provides a “mechanism to correct errors” of law or fact at the institution stage,¹ but Patent Owner’s request identifies no error in the Board’s institution decision. Patent Owner points to the Board’s preliminary analysis of three claim limitations and, rather than finding error there, argues the Board’s preliminary analysis should be treated as a final decision on those limitations. Because Patent Owner’s request for Director Review does not seek to correct any error by the Board, it should be denied as procedurally improper.

Patent Owner’s request also violates the Office’s strict prohibition against relying on new evidence in requests for Director Review. Patent Owner’s request is based on evidence that it disclaimed eight claims of the ’515 patent *after the Board’s institution decision*. Patent Owner now asks the Director to revisit both the institution decision and the Deputy Director’s discretionary-denial decision based on evidence that was not before the Board or the Deputy Director. This is a second reason Patent Owner’s request should be denied as procedurally improper.

Patent Owner argues that reversing the Board’s institution decision would be efficient because the Board has determined that most claims of the ’515 patent are patentable. But the Board made no such determination. It provided a “preliminary

¹ <https://www.uspto.gov/patents/ptab/decisions/director-review-process>

analysis” of three claim limitations “for the benefit of the parties,” promoting efficiency in the IPR by focusing the parties on specific limitations of interest to the Board. Importantly, Petitioner has not yet had an opportunity to respond to Patent Owner’s arguments on those limitations. Thus, Patent Owner’s assertion the Board will find the challenged claims patentable is pure speculation.

Patent Owner’s efficiency argument also ignores the many similarities between the ’515 patent and the ’892 patent, which the Board will review. The two patents share a specification and have numerous claim limitations in common. Thus, when she referred this case to the PTAB, Deputy Director Stewart cited efficiency as the reason for reviewing both patents.

The Board’s decision found it likely that the key limitation on which Patent Owner relied to obtain allowance of the patent—an open machinery space free of support structure—was disclosed by century-old prior art. The decision therefore supports the conclusion that the ’515 patent was issued in error. Patent Owner should not be permitted to use a procedurally improper request for Director Review to continue to threaten its American competitors with an erroneously issued patent. The Director should deny the request and allow the Board to consider both parties’ positions on the three limitations identified by the Board.

II. PATENT OWNER FAILS TO IDENTIFY ANY BOARD ERROR OR IMPORTANT POLICY THAT WARRANTS DIRECTOR REVIEW

Patent Owner acknowledges that Director Review is only warranted where the Board’s decision reflects: “(a) an abuse of discretion, (b) important issues of law or policy, (c) erroneous findings of material fact, or (d) erroneous conclusions of law.” Paper 31 at 4. But Patent Owner identifies no abuse of discretion, erroneous factual finding or legal conclusion, or important policy issue. Indeed, far from finding error in the Board’s institution decision, Patent Owner *endorses and relies on* the decision to speculate that the Board will ultimately find the remaining claims patentable. Accordingly, Patent owner has failed to show that Director Review of the institution decision is justified or appropriate. *See LG Electronics, Inc. v. Wi-LAN Inc.*, IPR2018-00673, Paper 27, at 5 (PTAB Nov. 26, 2018) (“Because [the claims found likely unpatentable] were disclaimed after our Institution Decision, our Institution Decision remains correct based on the facts that existed at the time it was decided.”).

Patent Owner argues the Board erred “by not denying institution based on efficiency,” Paper 31 at 9, but this argument does not identify any error in the Board’s decision or any policy issue of general applicability. Patent Owner simply disagrees with the Board’s decision to institute *inter partes* review. Further, efficiency is a discretionary factor that Deputy Director Stewart addressed in her earlier decision on discretionary denial. When the Deputy Director referred this

case to the Board, she stated it was to address “the merits and other non-discretionary considerations.” Paper 20 at 4. Patent Owner cannot fault the Board for remaining within its ambit.

Patent Owner relies on *Zhuhai* (Paper 31 at 5–6, 9–10), but there the Patent Owner argued the Board erred because it “failed to acknowledge or address” one of Patent Owner’s principal arguments. *Zhuhai CosMx Battery Co., Ltd. v. Ningde Amperex Technology Limited*, IPR2025-00405, Paper 24, at 2 (PTAB Oct. 15, 2025). Here, Patent Owner has not argued that the Board erred by ignoring an argument. Moreover, the petition in *Zhuhai* was “unfocused” and not “sufficiently developed” to make an IPR “an efficient or respectful use of Office or party resources.” *Id.* at 3. For example, the *Zhuhai* petition addressed certain grounds in a cursory manner in summary tables, failed to address one independent claim in any ground, and presented five grounds for certain claims. *Id.* The petition in this case is not similarly unfocused or undeveloped—it addresses every claim of the ’515 patent in the text of the petition, with one ground per claim. *Zhuhai* is simply inapposite here.

Director Review is “a mechanism to correct errors.”² Because Patent Owner has failed to identify any error in the institution decision or show that any of the

² <https://www.uspto.gov/patents/ptab/decisions/director-review-process>

four grounds for Direct Review apply here, Patent Owner's request for Director Review should be denied.

III. PATENT OWNER'S REQUEST IMPROPERLY RELIES ON NEW EVIDENCE

Patent Owner's request should also be denied because it relies on new evidence that was not before the Board. Patent Owner's principal argument for Director Review is its assertion that the remaining claims of the '515 Patent will likely be found patentable. Paper 31 at 9–10. To make that argument, Patent Owner was required to present evidence that it disclaimed claim 24, which the Board found would likely be proven unpatentable. *See* Paper 27 at 12–22. But Patent Owner's disclaimer is new evidence. It was not before the Board because Patent Owner did not disclaim claim 24 and its dependent claims until December 30, 2025, two weeks *after* the Board's December 16, 2025 institution decision. EX2046 (disclaimer); Paper 27 (institution decision). Patent Owner's introduction of its disclaimer as Exhibit 2046 violates Section 42.75, which provides that “a request for Director Review may not introduce new evidence.” 37 C.F.R. § 42.75(c)(3). This is a second reason Patent Owner's request is improper and should be denied.

Patent Owner violated the rule against new evidence so that it could engage in gamesmanship. Patent Owner should have timely disclaimed the clearly unpatentable claims of the '515 patent at the beginning of this proceeding, before

the Office considered whether to discretionarily deny the petition. Instead, Patent Owner waited until *after* the Office denied Patent Owner’s request for discretionary denial and *after* the Board issued its institution decision. By strategically deferring its disclaimer, Patent Owner ensured that, if the petition was discretionarily denied, its weak claims would survive. But if an IPR was instituted based on those weak claims, Patent Owner could simply disclaim them and ask the Director to revisit the Office’s decisions based on this new evidence, giving Patent Owner a second bite at the apple.

Patent Owner’s strategic deferral of disclaimer rendered the Board’s analysis in the institution decision a complete waste of time and resources. If Patent Owner had timely disclaimed claim 24, the Board would not have wasted time analyzing that claim in its decision. Thus, Patent Owner’s violation of Section 42.75 was not harmless—it was gamesmanship that unnecessarily burdened the Office and wasted Board resources. The Director should enforce Section 42.75 and deny Patent Owner’s request for Director Review.

IV. PATENT OWNER MISSUNDERSTANDS THE BOARD’S DECISION AND SPECULATES ON THE OUTCOME OF THE IPR

Patent Owner’s request for Director Review should also be denied on the merits. Patent Owner suggests the Board determined that most of the petition’s grounds are “fatally flawed” and “meritless.” Paper 31 at 9–10. But the Board made no such finding. The Board expressly stated that, “[a]t this stage of the

proceeding, the Board has not made a final determination.” Paper 27 at 34. And while the Board stated that it “questioned” whether the 1910 Hart patent disclosed three limitations, the Board explained that it had performed only a preliminary analysis: “***For the benefit of the parties***, we provide below our ***preliminary analysis*** of the other challenged independent claims ***based on the record before us***.” Paper 27 at 23 (emphasis added). Thus, the Board commented on three claim limitations so the parties would know where to focus their IPR papers, not because it had made a final decision on those limitations.

Further, the Board’s institution decision states: “at this stage, we do not need to construe expressly any term to determine whether to institute review.” *Id.* at 11. This further supports the conclusion that the Board’s analysis was preliminary. *See LG*, IPR2018-00673, Paper 27, at 5 (treating the analysis in the institution decision as preliminary because, *inter alia*, “the record on claim construction [was] not yet fully developed”). The Board eliminated any doubt by repeatedly stating—in connection with each of the three claim limitations—that its comments were “[b]ased on the preliminary record.” *See id.* at 24, 26, 28, 29, 32. The record was preliminary because the Board was relying on arguments that Patent Owner made in its POPR, arguments Petitioner had not yet had an opportunity to address. Because the Board has not yet heard Petitioner’s response to Patent Owner’s arguments on the three limitations identified in the institution decisions, Patent

Owner's assertion that the remaining challenged claims will survive the IPR is mere speculation.

Nothing in the Board's decision justifies such speculation. The Board instituted *inter partes* review after reviewing the patent's six lengthy independent claims and determining that almost every limitation was likely disclosed by the petition's century-old prior art. Notably, the Board did not question whether the 1910 Hart patent disclosed an open machinery space free of elephant ears and other support structure. That limitation—a variant of which appears in every independent claim—is the limitation on which Patent Owner relied to distinguish the prior art and secure allowance of the patent. *See* Paper 1 at 22–23. Thus, the Board agreed with Petitioner on the key claim limitation and almost all of the remaining limitations in the independent claims. Taken as a whole, the Board's decision does not support Patent Owner's supposition that, once the Board has heard Petitioner's response to Patent Owner's arguments, the Board will rule for Patent Owner.

Patent Owner cites *Chevron* and *Deeper* to argue that an IPR would be inefficient given the Board's preliminary analysis. Paper 31 at 9 (citing *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)). But Patent Owner's argument

assumes the Board will rule in its favor on the three limitations the Board questioned. Because that is unfounded speculation, Patent Owner's cases are inapposite. Moreover, in those cases the Board expressly found almost all the Petitions' arguments meritless, with minor exceptions. The Board found the present petition had merit in identifying the fundamental error of allowance based on open machinery space and has merely invited further briefing on three limitations.

More pertinent is the Board's decision in *LG*. There the Board instituted *inter partes* review based on four claims that the patent owner later disclaimed. *LG*, IPR2018-00673, Paper 27 at 2. Similar to Patent Owner here, the patent owner in *LG* sought to reverse the institution decision, arguing that the Board had "already determined that Petitioner has not demonstrated a reasonable likelihood of success as to" the remaining claims. *Id.* at 3. The patent owner insisted it "would be a waste of resources of all parties and the Board to continue the trial to a Final Written Decision on claims on which Petitioner cannot prevail." *Id.* The Board rejected the patent owner's argument:

The Board is not prohibited from providing its preliminary assessment regarding the Petitioner's challenges, and frequently does so at the time of institution because it may provide valuable insight to the parties to put them on notice as to the panel's view of the arguments at that stage, so that they have a full and fair opportunity to develop a record for the trial

portion of the proceeding. Such a preliminary assessment should not, however, be the basis for a dismissal or termination. Given that we instituted on all the challenged claims and that our Institution Decision is a preliminary finding based on an incomplete record, we agree with Petitioner that this proceeding should not be dismissed, but should proceed to a final written decision so that neither party is deprived of a full and fair opportunity to develop the record.

Id. at 5–6 (citations and punctuation omitted). Similarly here, the analysis in the Board’s institution decision was preliminary and may change after Petitioner has a full and fair opportunity to develop the record.

V. EFFICIENCY CONSIDERATIONS SUPPORT DENIAL OF PATENT OWNER’S REQUEST

Patent Owner’s request identifies no important policies that support its request. The Patent Owner merely seeks denial of the present IPR based on the specific facts of the case. However, efficiency considerations support denying the request.

The Board instituted *inter partes* review of the ’892 patent in addition to the ’515 patent. As Deputy Director Stewart observed in her combined decision on discretionary denial, it is efficient to address these two related patents at the same time:

Petitioner persuasively demonstrates that the patent examiner overlooked certain teachings of the Car Builder’s Cyclopedia that

appear to disclose the allowable features of the claims. *Id.* at 14–15; *see* Pet. 13–14. Accordingly, Petitioner appears to show a material error by the Office, and it is an appropriate use of Office resources to review the potential error. The patent challenged in IPR2025-01047, U.S. Patent No. 8,132,515 (“the ’515 patent”), is a divisional of the ’892 patent, and ***it is an efficient use of Board resources to address the related patent under these circumstances.***

Paper 20 at 3 (emphasis added). Significantly, Patent Owner does not seek Director Review of the decision to institute *inter partes* review of the ’892 patent or challenge the Deputy Director’s finding that addressing the patents together would be efficient.

The efficiency benefits of considering related patents together are particularly significant here because of the patents’ strong similarities. The ’892 patent and ’515 patent share a common specification, eliminating the need for the Board to study a second specification. The patents’ claims are all directed to a “railroad hopper car” and recite many of the same standard railcar features. For example, claim 2 of the ’892 patent and claim 32 of the ’515 patent each claim a hopper, trucks, sidewalls, a slope sheet, a draft sill, a bolster, a truck center, a striker, a shear plate, first and second crosswise beams, and an end section free of elephant ears. Similarly, claim 5 of the ’892 patent and claim 44 of the ’515 patent each claim a side sill, a top chord, a side wall with three regions, a two-part

sidewall stiffener, web continuity between the two parts of the stiffener, and a transition portion of the sidewall “located a distance above said [first] side sill that is in the range of 1/4 to 2/3” the height of the sidewall.

Considering the two patents together is also appropriate because the limitation of the ’892 patent the examiner erroneously believed was novel—a two-part sidewall stiffener with web continuity—is also a limitation of claims 40–44 of the ’515 patent. *Compare* ’892 Patent, col. 30:60–31:18 *with* ’515 Patent, col. 24:27–60. Correcting the examiner’s error in allowing the ’892 patent will therefore require the Board to also address claims 40–44 of the ’515 patent. Accordingly, efficiency considerations support denying Patent Owner’s request and allowing the Board to address the ’515 patent together with the ’892 patent.

VI. CONCLUSION

For the reasons set forth above and in Petitioner’s memoranda in opposition to discretionary denial (Papers 11, 15), *inter partes* review of the ’515 patent remains an appropriate use of Board resources. Petitioner respectfully requests that the Director deny Patent Owner’s request for reconsideration of the institution decision.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that, pursuant to 37 C.F.R. § 42.6(e), a true and correct copy of **AUTHORIZED RESPONSE TO DIRECTOR REVIEW REQUEST** is being served electronically on January 15, 2026, to the e-mail addresses shown below:

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