

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

KUBOTA NORTH AMERICA CORPORATION,
Petitioner,

v.

VERMEER MANUFACTURING COMPANY,
Patent Owner.

PGR2025-00016
U.S. Patent No. 12,098,063

Filed: March 10, 2026

**PATENT OWNER'S BRIEF IN OPPOSITION TO
PETITIONER'S MOTION TO EXCLUDE**

I. INTRODUCTION

Petitioner Kubota's motion to exclude Patent Owner Vermeer's "reliance" on portions of Exhibits 2002, 2014, and 2015 should be denied. The exhibits that Kubota now seeks to exclude comprise the *ex parte* reexaminations of U.S. Pat. 9,321,386 ("the '386 Patent") and U.S. Pat. 10,202,266 ("the '266 Patent"), including the record of previous reexamination proceedings initiated by The Toro Company. In those reexaminations, the Office confirmed the validity of Vermeer's patent claims based in part on the evidence of secondary considerations of non-obviousness appearing in the file histories of those proceedings. As Vermeer has previously explained, the fact that Kubota and its expert failed to sufficiently address this evidence is fatal to its Petition. *See, e.g.*, POR at 45–47. For the reasons discussed below, Kubota cannot correct that failure at this stage of the proceeding with its motion to exclude. Kubota's motion to exclude should be denied.

II. ARGUMENT

A. The Challenged Evidence is Not Offered for its Truth, and Therefore is Not Hearsay.

1. *Toro's internal documents and testimony support the Office's prior decision confirming the patentability of Vermeer's claims.*

Kubota challenges Vermeer's "reliance on Toro's internal documents" under the rule against hearsay. Mot. 7–9 (challenging Vermeer's "reliance" on EX2002 at 161–194, 542, 712, 736), 14–15 (EX2014 and EX2015). According to Kubota, Vermeer "relies on these Toro documents...for the truth of the matter asserted: *i.e.*,

that Toro engineers required serial development steps over time to achieve a desired lift capacity for their production machine and were skeptical of success during that development.” *Id.* at 8 (citing POR at 48–54), 14–15 (arguing that EX2014 and EX2015 are hearsay “for the same reasons as discussed above”).

Kubota mischaracterizes Vermeer’s argument. The portions of Exhibit 2002 that Kubota identifies are excerpts of briefing and evidence that Vermeer submitted in a previous *ex parte* reexamination brought by Toro. *See* EX2002 at 161–194, 542, 712, 736. In that proceeding, Vermeer put forth copious evidence of secondary considerations supporting the patent’s validity, and ultimately prevailed based in part on its secondary-considerations evidence. Vermeer cites this evidence now to demonstrate that the Office’s previous conclusion regarding the non-obviousness of Vermeer’s claims, including the Office’s analysis of the secondary considerations of non-obviousness, was correct and should be followed here.¹ *See* POR at 45–54.

¹ Current guidelines require a decision contradicting a previous USPTO ruling to state in detail why overturning the earlier decision is warranted. *See* Sept. 16, 2025 USPTO Memorandum. Kubota now argues that the examiner’s discussion of the internal Toro documents constitutes “hearsay upon hearsay” (Mot. 14–15), but Kubota cannot misapply the Federal Rules of Evidence to overcome this requirement. More importantly, as discussed above, Vermeer does not rely on any portion of the

Vermeer therefore does not rely on its prior briefing for a hearsay purpose.

Even if Vermeer did rely on those documents anew in this proceeding, that still would not constitute inadmissible hearsay. The hearsay rule does not prevent a party from submitting evidence that supports its *own* arguments in the proceeding. “Indeed, almost any out-of-court statement [a party] offers in court is admitted to prove the [party’s] case in some way. Otherwise, there would be no reason to introduce the statement at all.” *United States v. Harrison*, 54 F.4th 884, 887–88 (6th Cir. 2022). Rather, a document cannot be used to show that the statements *in the document* are true. *See id.*

Here, Kubota identifies no specific statements in Toro’s internal documents that Vermeer is supposedly relying on for their truth. Instead, Kubota merely points to a handful of pages that it believes Vermeer cites for the truth of Vermeer’s argument—*i.e.*, that Vermeer’s patent is valid under a secondary-considerations analysis. For example, Kubota references an “excerpt of ‘Toro’s Project Risk and Risk Management Plan’” that Vermeer cited in its PGR briefing, which describes what Toro saw as possible “risks” related to the development of a vertical-lift CUL. *See* Mot. 7 (citing EX2002 at 187, 736). According to that document, Toro believed

reexamination histories—including the text of the examiner’s decision—for their truth, so they are not hearsay (or hearsay upon hearsay).

there was a “high” risk that “loader arm complexity and durability” would “result[] in failures,” which in turn would lead to “increased weight, cost, and time to develop the arm.” EX2002 at 187.

Vermeer does not cite these statements for their truth. That is, Vermeer does not rely on Exhibit 2002 to show that loader arm complexity and durability *actually* resulted in “failures” or that it led to Toro facing “increased weight, cost, and time to develop the arm.” Rather, this excerpt merely demonstrates that Toro believed there was a long-felt but unsolved need for vertical-lift CULs before Vermeer’s priority date and that it struggled to meet that need, whether or not the facts underlying Toro’s beliefs were true. This is a textbook example of non-hearsay use. *See, e.g., Cardiovascular Sys., Inc. v. Shockwave Med., Inc.*, IPR2019-00409, Paper 75 at 60 (P.T.A.B. July 8, 2020) (“Patent Owner does not rely on statements made in these exhibits for the truth of the matter asserted....Rather, Patent Owner relies upon these statements to show that industry actors took notice of and commented on the Shockwave device.”); *Fox Factory, Inc. v. SRAM, LLC*, Paper 59 at 59–60 (P.T.A.B. Apr. 2, 2018) (denying motion to exclude secondary-considerations evidence “[b]ecause the existence of the statements themselves is relevant”).

The same exemption applies to Vermeer’s “reliance” on prior testimony from Toro’s named inventors, Neill Borenstein and James Kuemper. *See* Mot. 10–13 (citing EX2002 at 161–194, 517–518). In their depositions, Mr. Borenstein and Mr.

Kuemper testified regarding the process that led to Toro's vertical-lift CUL, including the numerous setbacks they faced along the way. *See* EX2002 at 161–194, 517–518. Again, Vermeer cites this testimony to show that the Office's prior decision confirming the patentability of Vermeer's claims was well-supported, not as new evidence in this proceeding, and Kubota identifies no statements in the inventors' testimony that Vermeer supposedly relies upon for the *statements'* truth. Vermeer's citation to the Toro inventors' testimony in support of its secondary-considerations argument does not invoke the rule against hearsay. Toro's motion to exclude Vermeer's "reliance" on Exhibits 2002, 2014, and 2015 should be denied.

B. Kubota Has Not Established that it will be Prejudiced by the Challenged Exhibits.

1. *Kubota's reliance on Rule 403 is misplaced.*

Kubota has also failed to demonstrate that any of the challenged exhibits would be more prejudicial than probative under Federal Rule of Evidence 403. As the Board has repeatedly recognized, "the application of Rule 403 to non-jury trials has been questioned" because "in a non-jury trial, such as in trial proceedings before the Board, the risk that a decision by the trier of fact will be unfairly affected by the admission of improper evidence is far less than in a jury trial." *Collegium Parmis., Inc. v. Purdue Pharma LP*, Paper 58 at 13–14 (P.T.A.B. Nov. 19, 2021) (collecting cases). For this reason, the Board typically holds that it is "able to consider the evidence offered by Petitioner and Patent Owner, in light of the parties' arguments,

and give it the appropriate weight, without risk of unfair prejudice.” *Id.*; *see also*, *e.g.*, *Spinal Elements, Inc. v. Spectrum IP Holdings, LLC*, PGR2021-00050, Paper 47 at 55 (P.T.A.B. Aug. 17, 2022); *Hamilton Techs. LLC v. Tehrani*, IPR2020-01199, Paper 57 at 55 (P.T.A.B. Dec. 28, 2021). Kubota's reliance on Rule 403 is therefore misplaced.²

2. *Kubota has not demonstrated undue prejudice.*

Even if Rule 403 did apply, Kubota has not established that it will be prejudiced by the challenged documents. Kubota submitted the same exhibits it is now challenging in the parties' senior parallel proceedings. *See* EX1029 and 1030 to IPR2025-167, IPR2025-168, and IPR2025-169 ('386 Patent Reexaminations); EX1029 to IPR2025-171 ('266 Patent Reexamination). Moreover, because these documents come from the Office's publicly available file histories of the

² Kubota appears to acknowledge that its Rule 403 arguments go to the evidence's weight, rather than its admissibility, multiple times in its brief, including in its explicit request for the Board to “accord the related statements little to no weight.” Mot. 4; *see also*, *e.g.*, *id.* at 11 (arguing that Vermeer has failed to show Toro's development story “has any relevance here”), 12 (arguing that Toro engineer testimony should be excluded because it is “belied by the prior art”). These weight-of-the-evidence arguments do not justify exclusion and should be disregarded.

reexaminations, Kubota has had ample opportunity to address the weight this evidence should be given in its merits briefing—yet it opted to largely ignore the evidence of objective indicia of non-obviousness in its Petition and Reply. *See* POR at 45–47. A motion to exclude is not a proper mechanism for Kubota to correct this failure or avoid the import of the evidence previously considered by the Office.

Nor has Kubota explained how the challenged documents will cause undue prejudice when the information it seems to find most troubling also appears in numerous documents that Kubota has not attempted to exclude. For instance, Toro's patent application—which Kubota acknowledges was the “culmination” of Toro's development efforts (Mot. 9)—states that “the use of such high lift loader arms on a compact utility loader has been considered difficult if not impossible due to size and durability constraints.” EX2006 at [0007]. Kubota has not moved to exclude this Toro patent application, but instead argues in a footnote that “[t]his passage is itself hearsay” and that “[n]o hearsay exception applies when a patent specification statement is being offered to prove the truth of the statement.” Mot. 9 n.6 (citing 37 C.F.R. § 42.61(c)).

Again, Vermeer is not offering this statement for its truth, but rather to show that the Office's previous secondary-considerations decision was well supported by evidence showing that Toro believed there to be a long-felt and unsolved need and skepticism in the industry. Nevertheless, Kubota seems to contend that the Board

cannot consider *any* statements made in a patent or patent application unless a hearsay exception applies. *See* Mot. 9 n.6. Kubota's only support for this sweeping assertion, however, is a rule stating that "a specification or drawing of a United States patent application or patent is admissible as evidence only to prove what the specification or drawing describes," so "if there is data in the specification or a drawing upon which a party intends to rely to prove the truth of the data, an affidavit by an individual having first-hand knowledge of how the data was generated must be filed." 37 C.F.R. § 42.61(c). This rule expressly *permits* Vermeer to rely on the patent application to "prove what the specification...describes," since Vermeer does not rely on any data underlying the specification or its drawings. *Id.* Kubota's contention that Toro's patent application is hearsay, yet apparently not subject to exclusion, should therefore be disregarded.

3. *Vermeer's characterization of Toro's development story is consistent across proceedings.*

Kubota argues that Vermeer's "characterization of Toro's development efforts has been inconsistent, raising concerns of unfair prejudice and confusion." Mot. 9–10. Even setting aside the fact that this argument relates to the weight the evidence should be given and not its admissibility, Kubota's assertion is incorrect. Toro's patent application, which Kubota does not seek to exclude, states that "the use of such high lift loader arms on a compact utility loader has been considered difficult if not impossible due to size and durability constraints." EX2006 at [0007].

Vermeer has consistently characterized that statement as describing the long-felt but unsolved need in the industry for vertical-lift CULs, and Toro's skepticism. *See, e.g.*, POR at 49–53.

In Vermeer's PGR against Toro's patent, which Kubota now alleges contains inconsistent statements from Vermeer, it was *Toro* who changed its story, stating for the first time that its invention was directed to a front-mounted scissor mechanism rather than vertical-lift loader arms. *See* PGR2020-00081, Paper 1 at 41–44. In the section of Vermeer's Petition that Kubota now plucks out of context, Vermeer did not accept this changed position as true, but rather argued that Toro's new position would render its invention unpatentable under 35 U.S.C. § 112(b) because the patent's claims never once mention a scissor-lift mechanism or a front mount for that mechanism. *See id.* at 44–45. This assertion is entirely consistent with Vermeer's argument that Toro believed vertical lift was difficult if not impossible to achieve before Vermeer solved that long-felt but unsolved need. Kubota's motion to exclude Vermeer's "reliance" on this evidence under Federal Rule of Evidence 403 should be denied.

C. Vermeer Has Complied with All Discovery Rules.

1. *Vermeer is not obligated to produce third-party witnesses from prior proceedings for deposition.*

Kubota contends that statements made by Toro's inventors should be excluded because Vermeer "was unwilling or unable to produce" Mr. Borenstein

and Mr. Kuemper for deposition, which purportedly violated a rule requiring a party to make any witness available for deposition whose “testimony is ‘submitted in the form of an affidavit’ or a compliant declaration.” Mot. 5–6 (citing 37 C.F.R. §§ 42.53, 42.2, 42.51(b)(1)(ii)).

But that’s not the rule. Under 37 C.F.R. § 42.51(b)(1)(ii), a party must only produce affiants whose testimony was “prepared *for the proceeding*.” As Kubota acknowledges in its brief, none of the Toro documents it now seeks to exclude “were independently submitted in the present proceeding.” Mot. 7. Thus, neither Mr. Borenstein nor Mr. Kuemper are subject to the routine discovery that Kubota requested. *See, e.g., Costco Wholesale Corp. v. Robert Bosch LLC*, IPR2016-00038, Paper 68 at 7–9 (P.T.A.B. Mar. 30, 2017) (denying motion to strike inventor’s testimony from prior litigation where “Patent Owner did not make [its own inventor] available for cross-examination” in later IPR); *Nestle Healthcare Nutrition, Inc. v. Steuben Foods, Inc.*, IPR2015-00249, Paper 107 at 3 (P.T.A.B. Oct. 29, 2018) (holding that declarations created for prior reexamination “were not prepared for this proceeding” and “therefore cross examination of those declarants is not routine discovery”); *Medtronic, Inc. v. Teleflex Innovations S.à.r.l.*, IPR2020-00126, Paper 77 at 4–7 (P.T.A.B. Dec. 8, 2020) (denying request to cross examine declarant whose declaration “was prepared for and filed in the related district court litigation rather than the specific proceedings before the Board”).

None of Kubota's cases support its assertion that Vermeer violated the Board's discovery rules or that such a violation should result in exclusion. In *Asetek Danmark v. CoolIT Sys.*, IPR2020-00825, Paper 50 at 43–46 (Oct. 12, 2021), the patent owner successfully sought to exclude deposition testimony from a prior litigation as hearsay because, unlike here, the petitioner was submitting the testimony for its truth. More importantly, there was no rule violation at issue because the petitioner had never requested to take the former employee's deposition in the Board proceeding. *Id.* at 46. And in *Vudu v. Ideahub*, IPR2020-01688, Paper 47 at 7 (Mar. 16, 2022), the declaration at issue was “prepared for this proceeding,” so the petitioner was entitled to cross-examine the declarant.

Here, the testimony Kubota challenges originated from a different party in a prior case. Kubota cannot now argue that this testimony “was prepared for this proceeding,” as required to make Toro's inventors subject to routine discovery under 37 C.F.R. § 42.51(b)(1)(ii), or that either of those inventors is a Vermeer witness in this IPR. Nor has Kubota cited any case in which the Board excluded testimony prepared for a previous proceeding based on a violation of the routine discovery rule. Kubota's request to exclude any portion of Mr. Borenstein's or Mr. Kuemper's testimony on the same basis should be denied.

2. *Vermeer timely produced all documents on which it relies.*

Kubota further argues that allowing Vermeer to rely on the internal Toro

documents submitted in a prior proceeding would be more prejudicial than probative because Vermeer purportedly “failed to provide complete transcripts in the *ex parte* reexamination and refuses to provide them in this proceeding.” Mot. 4.

This statement is misleading at best. At Kubota's request, Vermeer produced the entire record that was submitted to the Office in the challenged patent's previous *ex parte* reexamination. Kubota nonetheless contends that the risk of “incompleteness” requires exclusion. *Id.* But again, it was Kubota that originally submitted these file histories in the parties' parallel proceedings, yet failed to submit them here. To the extent that Kubota intends to invoke as the rule of completeness, that rule applies *against* the party who “introduces all or part of a statement.” *See* Fed. R. Evid. 106. Kubota cannot now claim that it is prejudiced by its own submissions or demand their exclusion under Rule 106.

Nor is there any risk of incompleteness here where Vermeer has produced the record of Toro's testimony that was submitted during the reexamination proceeding in its entirety. Kubota's motion to exclude any portion of Exhibits 2002, 2014, and 2015 on the basis of “incompleteness,” as well as its request to “accord the related statements little to no weight,” should be denied.

D. Dr. Fleming's Declaration is Admissible in its Entirety.

Kubota asks the Board to exclude any portion of Dr. Fleming's declaration

(EX2013) that addresses the exhibits discussed above.³ Kubota's request should be denied for two independent reasons.

First, as discussed above, none of the Toro information that Kubota challenges constitutes inadmissible hearsay. *Second*, Federal Rule of Evidence 703 expressly allows experts to rely on information in reaching their opinions, regardless of whether the information is admissible. Fed. R. Evid. 703 ("If experts in the particular field would reasonably rely on those kinds of facts or data in forming an opinion on the subject, they need not be admissible for the opinion to be admitted."); *Fox Factory*, IPR2016-01876, Paper 59 at 56 (denying motion to exclude based on FRE 703's explanation that "experts may rely on hearsay in forming their opinions").

Experts opining on secondary indicia of non-obviousness—such as long-felt need or skepticism—reasonably rely on the documents and testimony of companies or individuals working in the field. *See Trading Techs. Int'l, Inc. v. IBG LLC*, 2020 WL 12309207, at *2 (N.D. Ill. 2020) (allowing expert to rely on hearsay statements from industry participants because it was the type of information reasonably relied

³ Kubota challenges paragraphs 125–140, but this identification is overbroad. These paragraphs include testimony from Dr. Fleming that does not address any of the exhibits Kubota now challenges.

on by experts as part of a non-obviousness analysis and “highly probative”) (citing *Vulcan Eng'g Co. v. Fata Aluminum, Inc.*, 278 F.3d 1366, 1373 (Fed. Cir. 2002) (“Appreciation by contemporaries skilled in the field of the invention is a useful indicator of whether the invention would have been obvious to such persons at the time it was made.”)). Toro’s experience as an industry participant designing compact utility loaders is highly probative of the secondary indicia of non-obviousness and was reasonably relied on by Dr. Fleming when analyzing this issue.

Further, this information was part of the evidentiary record before the Patent Office in the prior reexaminations confirming the patentability of Vermeer’s patents. *See, e.g.*, EX2015 at 36–57. Certainly, it is reasonable (if not required) for an expert to consider evidence of secondary indicia of non-obviousness in the prosecution history of the challenged patent as part of their obviousness analysis. Therefore, Dr. Fleming’s reliance on this information is proper and no portions of his declaration should be excluded.

Kubota’s reliance on *Wi-LAN* is misplaced. *Wi-LAN* involved the admissibility of questionable source-code printouts from a third party that were being offered as the sole evidence of whether the accused television products performed a patented method. *Wi-LAN Inc. v. Sharp Elecs. Corp.*, 992 F.3d 1366, 1370 (Fed. Cir. 2021) (“*Wi-LAN* has known that it could not establish infringement without establishing that the source code of Sharp’s and Vizio’s systems actually

practiced the patented method.”). The documents at issue “purported to be the source code printouts” from the manufacturers of the computer chips used in the accused products. *Id.* at 1371. The district court excluded this evidence on hearsay and authentication grounds, specifically noting the “highly dubious circumstances surrounding the production and the lack of indicia of trustworthiness in the source code.” *Id.* at 1373. The *Wi-LAN* court also excluded expert testimony about this information under Rule 703, because the court concluded that experts do not reasonably rely on “highly dubious” source code. *Id.* at 1376.

Unlike the source code documentation in *Wi-LAN*, there is no basis to doubt the trustworthiness of the testimony and documents obtained from Toro and submitted to the Patent Office during the prior reexaminations. Further, this information is consistent with Toro’s representations to the Patent Office in its patent application (EX2006), whose admissibility is not challenged by Kubota. Unlike the situation in *Wi-LAN*, the Toro information contained in the reexamination prosecution histories is the type of information reasonably relied on by experts analyzing objective indicia of non-obviousness.

III. CONCLUSION

For these reasons, the Board should deny Kubota’s motion.

Patent Owner's Brief in Opposition
PGR2025-00016 to U.S. Patent No. 12,098,063

Date: March 10, 2026.

Respectfully submitted,

/Richard Brophy/

Richard L. Brophy

Reg. No. 69,736

Armstrong Teasdale LLP

7700 Forsyth Boulevard

Suite 1800

Saint Louis, Missouri 63105

Telephone: 314.621.5070

Facsimile: 314.621.5065

rbrophy@atllp.com

Lead Counsel for Patent Owner

CERTIFICATE OF SERVICE

Under 37 C.F.R. § 42.6(e), the undersigned certified that on March 10, 2026, a copy of the foregoing was served via electronic mail on the following attorneys of record:

David M. O'Dell
HAYNES AND BOONE, LLP
2801 N. Harwood Street, Suite 2300
Dallas, TX 75201
Phone: (972) 739-8635
Fax: (214) 200-0853
david.odell.ipr@haynesboone.com
USPTO Reg. No. 42,044

Greg Michelson
HAYNES AND BOONE, LLP
2801 N. Harwood Street, Suite 2300
Dallas, TX 75201
Phone: (949) 202-3022
Fax: (214) 200-0853
greg.michelson.ipr@haynesboone.com
USPTO Reg. No. 44,940

Kelly Gehrke Lyle
HAYNES AND BOONE, LLP
2801 N. Harwood Street, Suite 2300
Dallas, TX 75201
Phone: (512) 867-8528
Fax: (214) 200-0853
kelly.lyle.ipr@haynesboone.com
USPTO Reg. No. 62,332

John Russell Emerson
HAYNES AND BOONE, LLP
2801 N. Harwood Street, Suite 2300
Dallas, TX 75201
Phone: (214) 651-5328
Fax: (214) 200-0853
Russ.Emerson.IPR@haynesboone.com
USPTO Reg. No. 44,098

Hong Shi
HAYNES AND BOONE, LLP
2801 N. Harwood Street, Suite 2300
Dallas, TX 75201
Phone: (512) 867-8440
Fax: (214) 200-0853
hong.shi.ipr@haynesboone.com
USPTO Reg. No. 69,009

By: /Richard Brophy/
Lead Counsel for Patent Owner
Richard L. Brophy
Reg. No. 69,736