

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

LIBERTY MUTUAL INSURANCE CO.

Petitioner

v.

PROGRESSIVE CASUALTY INSURANCE CO.

Patent Owner

Case CBM2012-00003

Patent 8,140,358

Before the Honorable JAMESON LEE, JONI Y. CHANG, and MICHAEL R.
ZECHER, *Administrative Patent Judges.*

**PETITIONER LIBERTY MUTUAL INSURANCE CO.'S OPPOSITION TO
PATENT OWNER'S MOTION TO EXCLUDE EVIDENCE PURSUANT
TO 37 C.F.R. § 42.64(C)**

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In response to Patent Owner's Motion to Exclude ("Mot.", Paper 58), Petitioner¹ respectfully submits that the Board, sitting as a non-jury tribunal with administrative expertise, is well-positioned to determine and assign appropriate weight to the evidence presented in this trial, without resorting to formal exclusion that might later be held reversible error. *See, e.g., S.E.C. v. Guenther*, 395 F. Supp. 2d 835, 842 n.3 (D. Neb. 2005); *Builders Steel Co. v. Comm'r of Internal Revenue*, 179 F.2d 377, 379 (8th Cir. 1950) (vacating Tax Court decision for exclusion of competent, material evidence); *Donnelly Garment Co. v. NLRB*, 123 F.2d 215, 224 (8th Cir. 1942) (finding NLRB's refusal to receive testimonial evidence was denial of due process). *See also, e.g., Samuel H. Moss, Inc. v. FTC*, 148 F.2d 378, 380 (2d Cir.), *cert. denied*, 326 U.S. 734 (1945) ("Even in criminal trials to a jury it is better, nine times out of ten, to admit, than exclude evidence and in such proceedings as these the only conceivable interest that can suffer by admitting any evidence is the time lost, which is seldom as much as that inevitably lost by idle bickering about irrelevancy or incompetence"). Even under the strict application of the Rules of Evidence and arguments regarding the proper scope of rebuttal that Progressive urges here, however, *cf.* 77 Fed. Reg. 48,612, 48,616 (Aug. 14, 2012, Rules of Practice) ("42.5(a) and (b) permit administrative patent judges wide latitude in administering the proceedings to balance the ideal of precise rules against

¹ All emphases are added and abbreviations are as in Petitioner's Reply ("Rep.", Paper 39).

the need for flexibility to achieve reasonably fast, inexpensive and fair proceedings”), Petitioner’s evidence is entirely proper, while Progressive’s objections are baseless.

Despite the Board’s institution of trial based on its determination that Petitioner had made a *prima facie* case of invalidity based on the evidence submitted with the Petition (*see* Institution Decision (“ID”, Paper 15) at 21), Progressive now argues that Petitioner’s *rebuttal* experts and documents should be excluded as “new evidence” that should have been submitted with the Petition to make out that same *prima facie* case. This contradicts both common sense and the Board’s Institution Decision, which found there were no “holes” to “plug,” as Progressive now imagines. (Mot. 1.) Notwithstanding Progressive’s attempt to avoid this trial with its Preliminary Response, the Board found Petitioner’s submitted evidence addressed each limitation of the challenged claims. Petitioner’s later rebuttal evidence, in contrast, responded to Progressive’s efforts in its Opposition (“Opp.”, Paper 33) to attack Petitioner’s *prima facie* case. While Petitioner’s Reply certainly continued to urge invalidity on the same grounds instituted by the Board (as any reply will do), this was entirely proper—it certainly did not transform Petitioner’s authorized rebuttal evidence into part of a *prima facie* case, or otherwise make that rebuttal evidence untimely or improper. Indeed, Progressive’s unsupported arguments to the contrary would make *all* replies and reply evidence a nullity, and would deprive Petitioner and others using these PTO trial mechanisms of their rights to present a case, confront the Patent Owner’s attacks on that case (*see* F.R.E. 611), and carry their burden of

proof with the protections of basic fairness and due process.

I. Ms. O’Neil’s Testimony Responding to Progressive’s Arguments Regarding “Selected Vehicle Data” Is Proper Rebuttal

The September 16, 2012 Petition demonstrated that claim 1’s “selected vehicle data” limitation is found in Nakagawa’s disclosure of, *e.g.*, “collected” or “detected” data and “usage data.” Pet. 23-24. To counter Progressive’s Opposition argument with “expert” testimony that Nakagawa’s “usage data” would not satisfy “selected vehicle data” as newly construed by Progressive, Ms. O’Neil properly pointed out that, as understood by a POSITA, Nakagawa’s “usage data” does in fact satisfy this limitation as interpreted by Progressive.² *See* RX1032 ¶ 26. While Progressive may wish otherwise (Mot. 4-5), the presentation of such evidence in rebuttal is entirely proper. *See, e.g.*, August 29, 2013 Telephonic Hearing Tr. (Paper 54, “Aug. 29, 2013 Tr.”) 8:11-19 (“If the opposition says...no one knows about anything, then they’re entitled to put in 30 declarations if they want to say...anybody in this field would have known about this.... [T]he reply evidence would have been triggered by the opposition”); CBM2012-00010 (same parties), August 22, 2013 Telephonic Hearing Tr. (Exhibit 2300, “CBM2012-00010 Tr.”) 23:18-20 (“[I]n a reply the party is permitted to file rebuttal declaration testimony”), 30:3-10 (“[W]e’re going to consider whether they filed a truly new argument in the reply *or they’re really properly responding to*

² Petitioner and the Board had construed this term according to its ordinary meaning in the context of the disclosure of the ‘358 Patent. *E.g.*, ID 6.

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