

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

KAWASAKI RAIL CAR, INC.,
Petitioner,

v.

SCOTT BLAIR,
Patent Owner.

Case IPR2017-00117
Patent 6,700,602 B1

Before JAMESON LEE, SCOTT A. DANIELS, and
KEVIN C. TROCK, *Administrative Patent Judges*.

TROCK, *Administrative Patent Judge*.

ORDER
Conduct of Proceeding
37 C.F.R. § 42.5(a)

On November 13, 2017, the Board received an email from Patent Owner requesting leave to file a sur-reply in response to the Reply filed by Petitioner on November 6, 2017. Ex. 3001. In the email, Patent Owner asserted that the “Reply introduces new evidence for the first time including [supplemental] declaration testimony of Lowell Malo and selected,

incomplete portions of a document entitled the Federal Railroad Administration (“FRA”) proposed rules that purports to sets forth proposed standards for certain railcars under FRA jurisdiction.” Patent Owner stated that “the Board should allow Patent Owner to address these new arguments and evidence and to submit its own rebuttal evidence.”

The Board held a conference call with counsel for the parties on Friday, November 17, 2017, to discuss Patent Owner’s request. The Board asked Patent Owner to explain the basis for its request to file a sur-reply. Patent Owner argued that certain portions of the Reply and Mr. Malo’s supplemental declaration contain statements which were not presented in the Petition and Patent Owner would like an opportunity to file a sur-reply to respond to those submissions and to have its expert file a supplemental declaration in support of the sur-reply. We explained that Patent Owner had not articulated good cause for filing a sur-reply, because a reply is not expected to reiterate what is already stated in the Petition. The Petitioner is expected to use its reply to respond to Patent Owner’s arguments in the Patent Owner’s Response.

We appreciate that Patent Owner would like to respond to a reply and to have the last word. However, it is the petitioner, under the applicable rules governing *inter partes* review, who bears the burden of proof and who makes the last submission to the panel. Patent Owner did not articulate any appropriate reason for authorizing a sur-reply.

The Board inquired whether Patent Owner had taken Mr. Malo’s deposition. It had not. The Board was informed that a Notice of Deposition for Mr. Malo had just been issued. The Board explained to the parties that the upcoming deposition of Mr. Malo would provide Patent Owner with a

full and fair opportunity to cross-examine Mr. Malo on the basis for his opinion, including what portions of Patent Owner's Response his supplemental declaration is responsive to and whether he took into consideration the entirety of the FRA proposed rules. Regarding Patent Owner's assertion that Petitioner did not include all of the pages of the FRA proposed rules, Patent Owner may, when cross-examining Petitioner's expert, address that subject, and then include any inconsistencies in an Observation on Cross-examination. We authorize Patent Owner to include as much of the proposed rules, as an exhibit, as are relevant for its Observation on Cross-examination, if any.

The Board then inquired whether Patent Owner believes the Reply, or any evidence submitted in support of the Reply, exceeded the scope of a proper reply. We noted that if there is any such material, we would not consider that material. Counsel for Patent Owner responded by stating affirmatively that Patent Owner does believe that certain portions of the Reply and the declaration in support of the Reply went beyond the proper scope of a Reply.

With respect to Patent Owner's concerns that portions of Petitioner's Reply and Mr. Malo's supplemental declaration are outside the scope of Patent Owner's Response, the Board authorized Patent Owner to submit a paper in the form of a list providing the location of any portion of Petitioner's Reply (Paper 17) and the Supplemental Expert Declaration of Lowell Malo (Ex. 1025) that Patent Owner believes exceeds the scope of Patent Owner's Response. The Board also authorized Petitioner to submit a similar list in response, itemized to correspond to Patent Owner's submittal, with what Petitioner regards as the material contained in the Patent Owner's

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Response that caused the Petitioner to include in its Reply or Supplemental Declaration each item listed by Patent Owner and/or where each item listed by Patent Owner appears in the Petition.

Accordingly, the issue of whether Petitioner's Reply, inclusive of any declaration in support of the Reply, is beyond the scope of a proper reply is addressed by the above-noted procedure. The parties shall not use a motion to exclude evidence to address it again. A motion to exclude shall be used by the parties solely to address admissibility matters under the Federal Rules of Evidence.

ORDER

Accordingly, it is

ORDERED that Patent Owner may submit a paper in the form of a list providing the location by page and line numbers, of any portion of Petitioner's Reply (Paper 17) and the Supplemental Expert Declaration of Lowell Malo (Ex. 1025) that Patent Owner believes exceeds the scope of Patent Owner's Response or improperly introduces new evidence. This paper may not exceed 2 pages in length, may not contain argument, and is due no later than three business days from the entry of this Order; and

FURTHER ORDERED that Petitioner may submit a list corresponding to Patent Owner's submittal, identifying what Petitioner regards as the material contained in the Patent Owner's Response that caused Petitioner to include in its Reply, or the Supplemental Expert Declaration of Lowell Malo, each item listed by Patent Owner and/or where each item listed by Patent Owner appears in the Petition. This paper may not exceed 2 pages in length, may not contain argument, and is due no later than three business days from the date of Patent Owner's submittal; and

FURTHER ORDERED that Patent Owner's request for authorization to file a sur-reply is *denied*.

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