

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SIRIUS XM RADIO INC.,

Petitioner

v.

FRAUNHOFER-GESELLSCHAFT ZUR FORDERUNG DER
ANGEWANDTEN E.V.,

Patent Owner

Case IPR2018-00690
U.S. Patent No. 6,314,289 B1

**PATENT OWNER'S OPPOSITION TO
PETITIONERS MOTION TO EXCLUDE PATENT OWNER'S EVIDENCE**

Mail Stop: PATENT BOARD
Patent Trial and Appeal Board
U.S. Patent & Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450

Fraunhofer-Gesellschaft zur Forderung der Angewandten E.V.

(“Fraunhofer” or “Patent Owner”) respectfully submits this response in opposition to Sirius XM Radio Inc.’s (“SXM” or “Petitioner”) motion to exclude Patent Owner’s evidence (“SXM Motion” or “Motion”) (Paper 52).

Petitioner’s Motion should be denied in its entirety as it is premised on a fatal internal inconsistency. Specifically, Petitioner argues that the Board should *permit* the untimely evidence and new issues presented in Petitioner’s Reply but that it should also *reject* Patent Owner’s efforts to respond to the same in its Sur-Reply. This argument cannot be correct; on this point, the Board’s Consolidated Trial Practice Guide (November 2019 edition) (“TPG”) treats replies and sur-replies the same: “While replies and sur-replies can help crystalize issues for decision, a reply or sur-reply that raises a new issue or belatedly presents evidence may not be considered.” *Id.* at 74; *see also id.* at 73 (“Petitioner may not submit new evidence or argument in reply that it could have presented earlier, e.g., to make out a prima facie case of unpatentability”).

As Patent Owner demonstrated earlier, the Petition originally filed in this case failed to even attempt to demonstrate that Smallcomb (Ex. 1003) and Campanella (Ex. 1005) might be entitled to the priority dates of their respective provisional applications. This showing was indisputably part of Petitioner’s *prima*

facie burden of production in the first instance. *See Dynamic Drinkware, LLC v. Nat'l Graphics, Inc.*, 800 F.3d 1375, 1379-81 (Fed. Cir. 2015); *see also Masterimage 3D, Inc. v. RealD Inc.*, IPR2015-00035, Paper 79, at 10, 14 (PTAB Apr. 20, 2016) (“[T]he burden of production started with Petitioner and remains with Petitioner to establish that [the cited prior art] is entitled to claim priority to the [] provisional...”). Nevertheless, Petitioner failed to provide any substantive priority analysis in its Petition, and did not even submit the provisional applications themselves (Exs. 1026, 1027) until the filing of its Reply.

To the extent that the Board allows the new issues and untimely evidence presented in the Reply, then Patent Owner’s Sur-Reply and supporting material must be allowed as well. Indeed, the subject matter that Petitioner seeks to exclude is directly responsive to the new evidence and arguments regarding the provisional applications that Petitioner improperly presented for the first time in Reply. Accordingly, the Motion should be denied for the reasons detailed further below.

I. EXHIBIT 2050

Petitioner objects to the Declaration of Ernst Eberlein (Ex. 2050) accompanying Patent Owner’s Sur-Reply (Paper 42) on three grounds: (1) that the submission allegedly violates the TPG, specifically that the “sur-reply may not be accompanied by new evidence other than deposition transcripts of the cross-examination of any reply witness,” (2) that it “could have [been] submitted with

[the] Patent Owner Response,” and (3) Petitioner will have no “opportunity to respond or investigate through discovery or deposition the veracity of the declaration.” SXM Motion at 2-4.

Regarding (1), the TPG states, “While replies and sur-replies can help crystalize issues for decision, a reply or sur-reply that raises a new issue or belatedly presents evidence may not be considered.” TPG at 74. It further states, “Petitioner may not submit new evidence or argument in reply that it could have presented earlier, e.g. to make out a prima facie case of unpatentability.” *Id.* at 73. As noted in the Patent Owner Response (Paper 34), the Petitioner made ***no attempt at all*** to fulfill its burden of production to show that Smallcomb (Ex. 1003), though filed after the effective filing date of the ’289 patent, was entitled to an earlier effective prior art date that might render it prior art to the challenged claims. *Dynamic Drinkware, LLC v. Nat’l Graphics, Inc.*, 800 F.3d 1375, 1379-81 (Fed. Cir. 2015); *see also Masterimage 3D, Inc. v. RealD Inc.*, IPR2015-00035, Paper 79, at 10 (PTAB Apr. 20, 2016) (noting “the burden of production is initially on Petitioner” to show a reference “is entitled to the filing date of the [parent] provisional”). The Board highlighted Petitioner’s failure to carry its burden, stating “the Petition does not sufficiently show that the Smallcomb patent is prior art to the ’289 patent.” Paper 29 at 26.

Subsequently, as detailed in Patent Owner’s Sur-Reply (Paper 42) and Motion to Exclude Petitioner’s Evidence (Paper 53), Petitioner violated the TPG’s admonition against “submit[ting] new evidence or argument in reply that it could have presented earlier, e.g. to make out a *prima facie* case of unpatentability” by submitting new evidence (in the form of a Reply expert declaration, and copies of provisional applications related to Smallcomb and Campanella, Exs. 1025-1027) and new arguments, including extensive claim charts, to attempt to make out a *prima facie* showing that the cited references are prior art for the first time in the Reply. Petitioner sought authorization to strike these untimely arguments by an email to the Board dated February 21, 2020, but the Board denied Patent Owner’s request noting, “[t]he propriety or impropriety of the identified portions of the reply will be addressed, if necessary, in our Final Written Decision.” Paper 39 at 3. As a result, Patent Owner was obliged to present arguments and evidence in the Sur-Reply responsive to the new arguments and evidence introduced in the Reply.

Despite its own violation of the TPG’s restriction against late presentation of arguments and evidence, Petitioner now asks the Board to exclude Patent Owner’s evidence that was submitted in response to Petitioner’s untimely Reply submissions. Such exclusion would be profoundly prejudicial and is unwarranted

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