

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

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Petitioner's opposition (Paper 56) fails to provide any adequate rebuttal to Patent Owner's articulated grounds for exclusion. At a high level, Patent Owner's motion identified three recurring problems that mandate exclusion here: (1) Petitioner's untimely submission of evidence based on a critical misinterpretation of the framework for shifting the burden of production, (2) evidence that is incomplete or not cited in its papers, and (3) evidence that is hearsay, not properly authenticated, or otherwise inadmissible. These issues are addressed in turn below.

I. Exhibits Based On Untimely Reply and Evidence Submitted Therewith

Petitioner's attempt to justify the untimely and improper evidence submitted in connection with its Reply (including **Exs. 1025 – 1027**) reflects a profound misunderstanding of the applicable burdens in this case. It is well established that petitioners in IPR proceedings bear the initial "burden of production." *See Dynamic Drinkware, LLC v. Nat'l Graphics, Inc.*, 800 F.3d 1375, 1379 (Fed. Cir. 2015). This burden of production requires "going forward with *evidence*" and not just conclusory argument. *Id.* (quoting *Tech. Licensing Corp. v. Videotek, Inc.*, 545 F.3d 1316, 1327 (Fed. Cir. 2008)); *Coalition for Affordable Drugs IV LLC v. Pharmacyclics, Inc.*, Case IPR2015-01076, Paper 33 at 5 (Oct. 19, 2015) (petitioner must "come forward with sufficient evidence to make a threshold showing that the reference relied upon is available prior art") (citing cases). Moreover, petitioners must present their "prima facie case of unpatentability" *in*

the petition itself as opposed to waiting until reply. Consolidated Trial Practice Guide (Nov. 2019) (“TPG”) at 73; *Unified Patents Inc. v. Moaec Tech., LLC*, Case IPR2018-10758, Paper 12 at 20 (Apr. 17, 2019) (petitioner has “initial burden of production ... to establish the references relied upon are indeed prior art”).

Petitioner mistakenly attempts to analogize its situation to that of a patent challenger who seeks to meet its burden by relying on self-explanatory art such as a patent with a filing date that on its face antedates the filing date of the patent. *See Dynamic Drinkware*, 800 F.3d at 1377 (citing “Raymond” patent with May 2000 filing date as prior art to patent with Nov. 2000 filing date); *Tech. Licensing*, 545 F.3d at 1326 (citing 1993 data sheets as prior art to patent issued from application filed in 1995). However, if a petitioner seeks to rely upon a later-filed patent as prior art (as Petitioner does here), it must present evidence showing the cited patent properly qualifies as prior art based on entitlement to an earlier date, *e.g.*, via an antedating provisional. *See, e.g., MasterImage 3D, Inc. v. RealD Inc.*, Case IPR2015-00035, Paper 79 at 14 (Apr. 20, 2016) (applying *Dynamic Drinkware*: “the burden of production started with Petitioner and remains with Petitioner to establish that Schuck is entitled to claim priority to the [] provisional” because “the [challenged] patent was filed before the actual filing date of Schuck”). The burden of production will **not** be met if the petition fails to do this. *See, e.g., SPTS Tech. Ltd. v. Plasma-Therm LLC*, Case IPR2017-02164, Paper 8 at 7-8 (Apr. 3, 2018)

(petitioner’s burden not met where petition failed to demonstrate that cited reference was entitled to provisional filing date) (citing cases); *Comcast Cable Comm’s, LLC v. Promptu Systems Corp.*, Case IPR2018-00343, Paper 56 at 69-71, 76 (July 18, 2019) (petition “must provide reasonable notice to Patent Owner” and not mere “barebones analysis” as to how the provisional “provides support for the subject matter relied upon”; rejecting as untimely the “new arguments and evidence submitted in Petitioner’s Reply” in an attempt to remedy the “glaring deficiencies in the Petition”) (citing *Belden Inc. v. Berk-Tek LLC*, 805 F.3d 1064, 1080 (Fed. Cir. 2015)); *Unified Patents*, IPR2018-10758, Paper 12 at 20 (petitioner failed to meet burden of production by simply asserting without evidence that alleged prior art CIP patent was entitled to earlier priority date).¹

Petitioner SXM clearly failed to meet its burden of production here. For example, Petitioner chose to rely on the Smallcomb patent with its filing date of December 30, 1998 (Ex. 1003), despite conceding that the ’289 patent is entitled to a filing date several weeks *earlier* on December 3, 1998. *See* Exs. 1001, 1002 (Lyon Decl.) ¶ 60. The Smallcomb reference on its face is thus insufficient to present a *prima facie* case. Moreover, the Petition failed to offer any evidence or explanation suggesting that Smallcomb might plausibly claim priority to any

¹ *In re Giacomini* is an inapposite *ex parte* case with a waiver issue not found here.

earlier provisional application. With respect to Campanella (Ex. 1005), the Petition did not assert reliance on any purported provisional filing date (March 27, 1998), nor was that date even identified in the Petition itself. The only basis asserted in the Petition for the prior art status of Campanella was a PCT filing date that Petitioner now admits is contrary to the teachings of the MPEP. Reply at 11.

Having failed to meet the required burden in its Petition for these two references, Petitioner's attempt to present new argument, expert opinion, and other evidence for the first time in Reply—including the belated filing of the provisional applications themselves—was untimely and improper. Thus, **Exhibits 1026 and 1027** should be excluded along with the untimely expert opinions presented in **Exhibit 1025**. Moreover, because Petitioner failed to timely present any evidence that Smallcomb and Campanella might possibly qualify as prior art, expert opinions corresponding to those references (e.g., **Ex. 1002**, ¶¶ 86-334) should be excluded as well as the references themselves (e.g., **Ex. 1003**).

II. Evidence That Is Incomplete Or Not Cited In Papers

Expert testimony not cited in the briefs should be excluded. **Ex. 1002** is more than 48,000 words, compared to the petition limit of 14,000 words. **Ex. 1025** includes over 18,000 words—more than three times the reply limit. The Board has excluded portions of expert declarations under similar circumstances. *See, e.g., Conopco, Inc. v. Proctor & Gamble Co.*, IPR2013-00510, Paper 9, at 8 (Feb. 12,

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