

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SIRIUS XM RADIO INC.,

Petitioner,

v.

FRAUNHOFER-GESELLSCHAFT ZUR FÖRDERUNG DER
ANGEWANDTEN FORSCHUNG E.V.,

Patent Owner.

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

**PETITIONER'S REPLY IN SUPPORT OF ITS MOTION TO EXCLUDE
PATENT OWNER'S EVIDENCE**

Petitioner (“SXM”) submits this Reply in support of its Motion to Exclude Evidence (Paper 54, the “Mot.”) and in reply to Patent Owner’s (“PO”) Opposition thereto (Paper 57, “Opp.”). PO’s Opposition ignores the untimeliness of Exhibits 2050-2055 and its violations of the FRE, the Board’s Consolidated Trial Practice Guide (the “TPG”), and Federal Circuit precedent. PO claims its “new issues and untimely evidence” were submitted in response to SXM’s Reply. PO’s arguments fail.

PO’s new evidence, and arguments based thereon, were not responsive to those raised in the Reply (*i.e.* whether Smallcomb ’258 supports at least one claim of Smallcomb and whether the cited portions of Smallcomb were carried over). *See* Reply at 22–26. While SXM was permitted to include “rebuttal evidence in support of its reply,” PO’s Sur-Reply violated the TPG’s express prohibition against submitting new evidence other than cross-examination deposition transcripts which PO could have, but chose not to include, after foregoing deposing SXM’s expert.

I. Exhibits 2050–2055 Should Be Excluded

PO does not dispute that Exhibits 2050-2055 (the Eberlein Declaration and related documents), in its Sur-Reply, violate the TPG. Mot. at 2-4; (“The sur-reply may not be accompanied by new evidence other than deposition transcripts of the cross-examination of any reply witness.”). Rather, PO baselessly attacks SXM’s evidence, an argument that is (1) irrelevant to PO’s improper introduction of new

evidence in its Sur-Reply and (2) meritless because petitioners are explicitly permitted to cite new rebuttal evidence in a Reply.

PO relies on Exhibits 2050-2055 to challenge Smallcomb's status as prior art, an issue it addressed in the POR *without* this evidence.¹ Mot. at 3; POR at 48-49; Reply at 20-22. PO attempts to justify its belated introduction of evidence on *Dynamic Drinkware* and *Masterimage*,² but both cases support the exclusion of this evidence. Paper 46 at 3-4. As in *Dynamic Drinkware*, SXM met its initial burden of production by arguing that prior art Smallcomb anticipated the claims. *Dynamic Drinkware*, 800 F.3d at 1379. The burden then shifted to PO "to argue or produce evidence" that Smallcomb does not anticipate or is not prior art because the claims are entitled to an earlier date. *Id.* at 1380. PO only chose one of those

¹ PO incorrectly contends (Opp. at 3) that SXM "fail[ed] to carry its burden" in showing that Smallcomb is prior art. That question ultimately goes to the burden of persuasion, not the burden of production. *Dynamic Drinkware, LLC v. Nat'l Graphics, Inc.*, 800 F.3d 1375, 1378-79 (Fed. Cir. 2015).

² PO's reliance on dicta from *Masterimage 3D, Inc. v. RealD Inc.*, IPR2015-00035, Paper 79 (PTAB Apr. 20, 2016), a case pre-dating *Seabery* (cited herein), fails as the petitioner there admitted that the provisional did not support the claims, so the petitioner could never satisfy its burden of production or persuasion. *Id.* at 12-13.

options in its POR, arguing that Smallcomb did not anticipate the claims, allegedly because the provisional “does not support the claims of Smallcomb.” POR at 49.

Having been on notice of Smallcomb's priority date, PO was obligated to supply argument and evidence that “the claims are entitled to an earlier date” so that SXM would have had an adequate opportunity to address such argument and evidence. *Dynamic Drinkware* at 1380; *see also* Paper 30 at 7 (PO “is cautioned that any arguments for patentability not raised in the response may be deemed waived.”).³ It did not. At no point, including in an e-mail to the Board regarding SXM's Reply (*see* Paper 39), did PO do so or request the opportunity to exceed the scope of a Sur-Reply to raise new arguments.⁴

³ PO acknowledges that Mr. Eberlein himself “authenticated” exhibits and describes the alleged conception of the '289 Patent. But, the Federal Circuit has instructed that “evidence of corroboration must not depend solely on the inventor himself,” and thus the Eberlein Declaration cannot be used to antedate the Smallcomb '258 provisional. *Aparator Miitors APS v. Kamstrup A/S*, 887 F.3d 1293, 1295 (Fed. Cir. 2018).

⁴ PO's purported “inform[ing]” SXM of “additional material” it intended to file is of no import (Opp. at 6) as PO did not identify the “material” and further, SXM specifically informed PO of the prohibition against such new evidence. Ex. 1034.

PO attempts to justify its prohibited conduct by claiming SXM submitted evidence in its Reply. But this is a different situation. Unlike PO's Sur-Reply, SXM's Reply properly presented evidence under Federal Circuit precedent and the Administrative Procedure Act ("APA") because PO had "adequate notice and opportunity to respond." *Genzyme Therapeutic Prod. Ltd. P'ship v. Biomarin Pharm. Inc.*, 825 F. 3d 1360, 1366 (Fed. Cir. 2016); *see also Lone Star Silicon Innova v. Iancu*, No. 2019-1669, 2020 WL 1487265, at 6 (Fed. Cir. Mar. 25, 2020) (citing *In re NuVasive, Inc.*, 841 F.3d 966, 975 (Fed. Cir. 2016)) (confirming that "the Board is within its authority to institute review and consider even arguments that were not asserted in the petition 'after giving [the patent owner] a full and fair opportunity to submit additional evidence and arguments on that point.'"); *Philips v. Google LLC*, 948 F.3d 1330 (Fed. Cir. 2020) (proper to consider evidence not raised in the petition to support grounds raised in the Petition and to consider evidence of a POSITA's knowledge as disclosing certain claim limitations); *Robert Bosch, LLC, v. Iancu*, No. 2017-2122 (Fed. Cir. 2019).

Notably, PO had the right and opportunity to submit arguments and evidence to rebut SXM's Reply arguments and evidence, *i.e.* Smallcomb '258's support of "at least one claim of" Smallcomb. MPEP §2136.03, III (to claim benefit to provisional, "at least one claim of the patent must be supported by the disclosure"). That is, the TPG permitted PO to cross-examine SXM's expert Dr. Lyon about his

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