

Paper No. _____
Filed: May 6, 2015

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE PATENT TRIAL AND APPEAL BOARD

HENKEL CORPORATION
Petitioner

v.

H.B. FULLER COMPANY
Patent Owner

Patent No. 6,833,404
Filing Date: APRIL 27, 1999
Issue Date: DECEMBER 21, 2004
Title: HOT MELTS UTILIZING A HIGH GLASS TRANSITION
TEMPERATURE SUBSTANTIALLY ALIPHATIC TACKIFYING RESIN

Inter Partes Review No. IPR2014-00606

**PATENT OWNER MOTION TO EXCLUDE EVIDENCE
PURSUANT TO 37 C.F.R § 42.64**

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I. Introduction

Patent Owner files this motion to exclude two exhibits—namely, Exhibit 1040 (U.S. Patent No. 5,939,483) and Exhibit 1041 (U.S. Patent No. 5,176,779)—on the grounds that the exhibits were untimely and unfairly disclosed by Petitioner for the first time in its Reply, filed on March 30, 2015 (Paper No. 24).

As background, Petitioner contends that a composition in footnote 1 of the Exxon Reference (Ex. 1003) anticipates claims 22-25 and 28 of the '404 patent. (Paper No. 1 at 29-37.) In its Response, Patent Owner explained in detail why Petitioner failed to meet its burden of proving that the footnote 1 composition is a “hot melt adhesive,” as required by all of the claims of the '404 patent. (Paper No. 23 at 30-38.) Patent Owner, for example, explained that Petitioner and its expert—Dr. Hsu—did not provide any analysis of the properties of the footnote 1 composition. (*Id.* at 33-34.) Patent Owner also explained that the footnote 1 composition included 40% wax, which is inconsistent with the '404 patent, which teaches that when a composition includes an ethylene copolymer, the wax concentration should not exceed 30% of the composition. (*Id.* at 34-37.) In its Reply, Petitioner for the first time introduced two new exhibits—Exhibit 1040 and Exhibit 1041—as the only evidence allegedly supporting Petitioner’s new assertion that “ethylene copolymer hot melt adhesives with 40% wax are consistent with the art as a whole.” (Paper No. 24 at 13 n.4.)

Petitioner's reliance on Exhibits 1040 and 1041 for the first time in its Reply as allegedly representing "the art as a whole" is not only untimely, but unfairly prejudicial to Patent Owner. Patent Owner did not have an opportunity to address Exhibits 1040 and 1041 in its Response. Moreover, new Exhibits 1040 and 1041 are not representative of the "art as a whole" and do not relate to the invention of the '404 patent. Exhibits 1040 and 1041, for example, do not disclose a hot melt adhesive with a tackifying resin having "a glass transition temperature greater than about 65° C," which is an express requirement of the claims of the '404 Patent. (*E.g.*, Ex. 1001 at cl. 22, cl. 28.) And the '404 patent even explains that resins that do not have a glass transition temperature greater than about 65° C "did not find utility to the present invention." (*Id.* at 17:30-34.) It is therefore improper and unfairly prejudicial for Petitioner to introduce this new evidence in its Reply brief. *See Intri-Plex Techs., Inc. and MMI Holdings, Ltd. v. Saint-Gobain Performance Plastics Reconl Ltd.*, IPR2014-00309, Paper 83 at 13 (PTAB Mar. 23, 2015) ("A Reply that belatedly presents evidence will not be considered."); *see also id.* ("By waiting and filing its expert declaration after Saint-Gobain filed its Patent Owner Response (Paper 21), Intri-Plex effectively precluded Saint-Gobain from addressing Dr. McCarthy's Declaration in its Response."). Accordingly, Patent Owner respectfully requests that the Board exclude Exhibit 1040 and Exhibit 1041 pursuant to 37 C.F.R. § 42.64(c).

II. Legal Standard

“A reply that raises a new issue or belatedly presents evidence will not be considered.” Office Patent Trial Practice Guide, 77 Fed. Reg. at 48767 (Aug. 14, 2012) (“Trial Practice Guide”). Improper reply evidence includes “new evidence necessary to make out a *prima facie* case for . . . patentability or unpatentability . . . , and new evidence that could have been presented in a prior filing.” *Id.*; *Saint-Gobain*, IPR2014-00309, Paper 83 at 13 (“Among other things, one indication that a new issue has been raised in a Reply is ‘new evidence that could have been presented in a prior filing.’”). The Trial Practice Guide is consistent with the practice of federal courts, which “generally do not consider new evidence presented at the end of a briefing schedule when the other party no longer has an opportunity to respond.” *Corning Inc. v. DSM IP Assets B.V.*, IPR2013-00052, Paper 88 at 13 (PTAB May 1, 2014); *see also Saint-Gobain*, IPR2014-00309, Paper 83 at 12-14 (sustaining Patent Owner’s objection and excluding evidence “belatedly present[ed]” with Petitioner’s Reply).

The moving party bears the burden to establish inadmissibility of evidence. *See* 37 C.F.R. § 42.20(c).

III. Statement of Relief Requested

Patent Owner respectfully requests that Exhibits 1040 and 1041 be excluded on the grounds that the exhibits were untimely disclosed, raise new issues, and unfairly prejudice Patent Owner. *See* 37 C.F.R. § 42.64(c).

Exhibit	Description from Exhibit List (Paper 27)	Grounds for Exclusion
1040	U.S. Patent No. 5,939,483 (issued Aug. 17, 1999)	Untimely/Unfairly Prejudicial
1041	U.S. Patent No. 5,176,779 (issued Jan. 5, 1993)	Untimely/Unfairly Prejudicial

IV. Patent Owner Timely Objected to Exhibit 1040 and Exhibit 1041

Petitioner filed and served its Reply on March 30, 2015. (Paper 24.)

Petitioner's Reply included new Exhibits 1040 and 1041. Petitioner relied on Exhibits 1040 and 1041 as the only evidence to allegedly support Petitioner's new assertion that "ethylene copolymer hot melt adhesives with 40% wax are consistent with the art as a whole." (*Id.* at 13 n.4.) On April 6, 2015, Patent Owner timely served objections to each of these Exhibits pursuant to 37 C.F.R. § 42.64(b)(1). (Ex. 2005.)

V. The Board Should Exclude Exhibits 1040 and 1041 As Untimely and Unfairly Prejudicial

As explained below, the Board should exclude Exhibits 1040 and 1041 because Petitioner's use of the exhibits for the first time in a Reply is untimely, raises new issues, and is unfairly prejudicial to Patent Owner. *See* Trial Practice Guide, 77 Fed. Reg. at 48757 ("A reply that raises a new issue or belatedly presents evidence will not be considered."); *Saint-Gobain*, IPR2014-00309, Paper No. 83 at 13 ("By waiting and filing its expert declaration after Saint-Gobain filed its Patent Owner Response (Paper 21), Intri-Plex effectively precluded Saint-Gobain from addressing Dr. McCarthy's Declaration in its Reponse.").

1. Exhibits 1040 and 1041 are untimely and raise new issues

There is no question that Exhibits 1040 and 1041 are untimely and raise new issues.

The Board instituted Ground 2 of the Petition to address the question of whether "claims 22-25 and 28 are unpatentable under 35 U.S.C. § 102(b) as anticipated by the Exxon Reference." (Paper No. 11 at 16.) Petitioner alleged that a composition used in footnote 1 of the Exxon Reference was a "hot melt adhesive." (*See* Paper No. 1 at 29-36.) In particular, Petitioner alleged that a composition in footnote 1, which included 40% of an Escorez 5340 tackifier, 20% ethylene copolymer known as Escorene UL 7750, and 40% paraffin wax, constituted a "hot melt adhesive." (*See, e.g., id.* at 36 (Petitioner's claim chart for

claim 22); *see also id.* at 29-36.) However, neither Petitioner nor its expert witness—Dr. Hsu—provided any analysis or explanation showing that the footnote 1 composition in the Exxon Reference was a “hot melt adhesive.” (*See* Paper No. 1 at 29-36; *see also* Paper No. 23 at 33-34.)

In its Response, Patent Owner explained in detail why Petitioner failed to meet its burden of proving that the composition in the Exxon Reference was a “hot melt adhesive.” (Paper No. 23 at 31-38.) Patent Owner, for example, explained that Petitioner’s expert—Dr. Hsu—did not make the footnote 1 composition, did not conduct any tests on the footnote 1 composition, and did not analyze any of the properties of the footnote 1 composition. (*Id.* at 33-34.) Patent Owner also pointed out that the footnote 1 composition is inconsistent with the teachings of the ’404 patent. (*Id.* at 36.) In particular, Patent Owner explained that while the footnote 1 composition in the Exxon Reference includes an ethylene copolymer and 40% wax, the ’404 patent teaches that if a hot melt adhesive of the invention includes an ethylene copolymer, the hot melt adhesive should not include more than 30% wax. (*Id.* at 36.)¹ Patent Owner also pointed out that, in forming his opinions, Dr. Hsu failed to consider the clear discrepancy between the footnote 1

¹ The ’404 patent further explains that too much wax may cause bondability problems. (Paper No. 23 at 34-35.)

composition's use of 40% wax and the '404 patent's teaching that the wax should not exceed 30% when working with an ethylene copolymer. (*Id.* at 37.)

In its Reply, Petitioner for the first time included two new exhibits—Exhibits 1040 and 1041. In particular, Petitioner for the first time asserted that “ethylene copolymer hot melt adhesives with 40% wax are consistent with the art as a whole,” and cited Exhibit 1040 and Exhibit 1041 as **the only** allegedly supporting evidence—Petitioner did not, for example, cite any other exhibits previously filed or the declaration of its expert. (Paper 24 at 13 n.4.)

Petitioner's disclosure of and reliance on Exhibits 1040 and 1041 for the first time in its Reply clearly raises new issues and is untimely. Indeed, “one indication that a new issue has been raised in [Petitioner's] Reply” is that Exhibits 1040 and 1041, both of which are U.S. patents, clearly constitute “new evidence that could have been presented in [Petitioner's] prior filing.” *Saint-Gobain*, IPR2014-00309, Paper No. 83 at 13; Trial Practice Guide, 77 Fed. Reg. at 48767. Another indication that the Reply raises a new issue is the simple fact that Petitioner submitted the new exhibits in an apparent attempt to meet its burden of proof—if Petitioner believed it had met its burden of proof, Petitioner should have simply pointed to the existing record; not submitted new evidence. *See* Trial Practice Guide, 77 Fed. Reg. at 48767 (“Examples of indications that a new issue has been raised in a reply include new evidence necessary to make out a *prima*

facie case . . .”).² Accordingly, there is no question that Exhibits 1040 and 1041 are untimely and raise new issues.

2. Exhibits 1040 and 1041 are unfairly prejudicial

There also is no question that Petitioner’s disclosure of Exhibits 1040 and 1041 for the first time in its Reply unfairly prejudices Patent Owner.

First, Patent Owner had no opportunity to address new Exhibits 1040 or 1041 in its Response. *Saint-Gobain*, IPR2014-00309, Paper 83 at 13 (“By waiting and filing its expert declaration after Saint-Gobain filed its Patent Owner Response (Paper 21), Intri-Plex effectively precluded Saint-Gobain from addressing Dr. McCarthy’s Declaration in its Reponse.”). Patent Owner similarly did not have an opportunity to question Dr. Hsu about the exhibits at his deposition.

² Petitioner also never requested permission to supplement the record. *Baxter Healthcare Corp. v. Millenium Biologix, LLC*, IPR2013-00582, -590, Paper No. 32 at 6 n.5 (PTAB Oct. 13, 2014) (explaining that a “party seeking to submit supplemental information more than one month after the date the trial is instituted, must request authorization to file a motion to submit the information,” which must include a showing as to “why the supplemental information reasonably could not have been obtained earlier, and that consideration of the supplemental information would be in the interest-of-justice”).

Second, it is fundamentally unfair for Petitioner to try and address the deficiencies in its evidence by submitting new evidence in a Reply. As explained above, Petitioner provided no evidence in its Petition showing that the footnote 1 composition in the Exxon Reference is a “hot melt adhesive.” (See Paper No. 23 at 31-38.) In addition, in forming his opinions, Petitioner’s expert—Dr. Hsu—failed to consider the clear discrepancy between the footnote 1 composition’s use of 40% wax and the ’404 patent’s teaching that the wax should not exceed 30% when working with an ethylene copolymer. (See Paper No. 23 at 37.) Having made these strategic choices to not analyze the footnote 1 composition in its Petition, Petitioner should not be allowed to submit new evidence in its Reply. *Baxter Healthcare*, IPR2013-00582, Paper 32 at 6 (not considering evidence after finding “it was Petitioner who decided to rely on the declaration of its expert without experimental evidence in support of its inherent anticipation argument”).

Third, Petitioner’s characterization of Exhibits 1040 and 1041 as purportedly representing “the art as a whole” is misleading and ignores the invention and teachings of the ’404 patent. Petitioner relies on Exhibits 1040 and 1041 to support Petitioner’s assertion that “ethylene copolymer hot melt adhesives with 40% wax are consistent with the art as a whole.” (Paper 24 at 13 n.4.) But neither of the new exhibits disclose a hot melt adhesive with a tackifying resin having “a glass transition temperature greater than about 65° C,” which is an express

requirement of the claims of the '404 Patent. (*E.g.*, Ex. 1001 at cl. 22, cl. 28.) The '404 Patent, moreover, explains that tackifiers that do not have glass transition temperatures above about 65° C “did not find utility to the present invention”: “Eastotac® H-100 and H-130 and Escorez® 5615 were used for comparative purposes to illustrate that aliphatic resins (*i.e.*, DCPD) having low Tg’s **did not find utility to the present invention.**” (*Id.* at 17:30-34 (*emphasis added*)).³

Thus, despite the '404 patent's clear teaching that the invention requires a tackifier with a glass transition temperature greater than 65° C, Petitioner cites Exhibits 1040 and 1041 as purportedly evidencing the “art as a whole,” even though neither Exhibit 1040 nor Exhibit 1041 uses a tackifier with a glass transition temperature greater than 65° C. (Paper 24 at 13; *see also* Ex. 1040 at cl. 1, col. 4:66-5:29; Ex. 1041 at cl. 1, 5:66-6:10.) Petitioner's use of Exhibits 1040 and 1041 as purportedly representing “the art as a whole” is therefore inconsistent with the '404 patent, misleading, and unfairly prejudicial.

³ In fact, Exhibit 1040 specifically discloses “Eastotac® H-100 and H-130 from Eastman Chemical Company” for use in its composition (Ex. 1040 at 5:6-13), which are the very tackifiers the '404 patent explains “**did not find utility** to the present invention” (Ex. 1001 at 17:30-34 (*emphasis added*)).

Under these circumstances, the Board should exclude Exhibit 1040 and Exhibit 1041 as untimely and unfairly prejudicial.⁴ Trial Practice Guide, 77 Fed. Reg. at 48767 (“A Reply that belatedly presents evidence will not be considered.”); *Saint-Gobain*, IPR2014-00309, Paper No. 83 at 13-14 (excluding untimely evidence submitted in Reply); *Baxter Healthcare*, IPR2013-00582, Paper 32 at 6 (not considering evidence after finding “it was Petitioner who decided to rely on the declaration of its expert without experimental evidence in support of its inherent anticipation argument”).

⁴ Patent Owner recognizes that the Board has recently issued decisions indicating that a motion to exclude “**normally** is not the proper vehicle for resolution of a dispute regarding reply arguments and evidence exceeding the proper scope of a reply.” *Facebook, Inc. v. Software Rights Archive, LLC*, IPR2013-00478, Paper 58 at 37-38 (PTAB Feb. 2, 2015) (emphasis added). Patent Owner respectfully submits that in this case, where Petitioner cites new evidence in an attempt to cure a failure to meet its burden of proof, a motion to exclude is a proper vehicle for raising the objection to Petitioner’s new evidence. Patent Owner will also be prepared to address the objection at the oral hearing, if needed.

VI. Conclusion

For the foregoing reasons, Patent Owner respectfully requests that the Board exclude Petitioner's Exhibits 1040 and 1041 as untimely and unfairly prejudicial.

Dated: May 6, 2015

Respectfully Submitted,

/ Timothy E. Grimsrud/

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APPENDIX 1: CURRENT LIST OF PATENT OWNER EXHIBITS

Exhibit No.	Description	Previously Submitted
2001	Declaration of Timothy E. Grimsrud	X
2002	Second Declaration of Timothy E. Grimsrud	X
2003	Updated Due Date Schedule	X
2004	Prosecution History File for U.S. Patent No. 6,833,404 (“the ’404 patent”)	X
2005	Patent Owner’s Objection to Evidence served April 6, 2015	

CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6, I hereby certify that I caused a true and correct copy of the **Patent Owner Motion to Exclude Evidence Pursuant to 37 C.F.R. § 42.64** and accompanying **Exhibit 2005** to be served via electronic mail on the following:

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