

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

adidas AG,
Petitioner,

v.

Nike, Inc.,
Patent Owner.

Case IPR2017-00263
Case IPR2017-00264
Patent 8,042,288 B2¹

Before JOSIAH C. COCKS, MICHAEL J. FITZPATRICK, and
JAMES B. ARPIN, Administrative Patent Judges.

ARPIN, Administrative Patent Judge.

DECISION
Denying Petitioner's Requests for Rehearing
37 C.F.R. § 42.71

¹ This Decision applies to each of the listed cases. We exercise our discretion to issue one Decision to be docketed in each case. The parties are not authorized to use a multiple-case caption.

A. INTRODUCTION

On July 7, 2017, adidas AG (“Petitioner”) filed Requests for Rehearing (IPR2017-00263, Paper 10, “’263 Req.”; IPR2017-00264, Paper 10, “’264 Req.”) of our June 7, 2017, Decisions (IPR2017-00263, Paper 9 “’263 Dec.”; IPR2017-00264, Paper 9 “’264 Dec.”), which denied institution of *inter partes* review of challenged claims of U.S. Patent No. 8,042,288 B2 (“the ’288 patent”).²

Petitioner argues that

(1) in finding that the ‘263 IPR petition contains art *and* arguments that are “substantially the same” as those presented in the ‘920 IPR petition, the Board overlooks the fact that the petition features different grounds which rely on different base references, different combinations of secondary references, and provide markedly different arguments regarding obviousness, and

(2) the decision represents an unreasonable judgment in weighing public interest and harassment factors because it ignores the fact that the subject matter of the challenged claims of the ‘288 patent *largely* overlaps other claims in the same family for which the Board already instituted review based on the same prior art.

’263 Req. 7–8 (emphases added); ’264 Req. 7–8. We have considered Petitioner’s Requests for Rehearing, and, for the reasons set forth below, Petitioner’s Requests are *denied*.

² Petitioner raises substantially identical arguments in each of the Requests for Rehearing. Nevertheless, for purposes of clarity, we cite to relevant portions of the papers filed in each case throughout this Decision.

B. STANDARD OF REVIEW

Under 37 C.F.R. § 42.71(c), “[w]hen rehearing a decision on petition, a panel will review the decision for an abuse of discretion.” “An abuse of discretion occurs if a decision is based on an erroneous interpretation of law, if a factual finding is not supported by substantial evidence, or if the decision represents an unreasonable judgment in weighing relevant factors.” *Arnold P’ship v. Dudas*, 362 F.3d 1338, 1340 (Fed. Cir. 2004) (citing *In re Gartside*, 203 F.3d 1305, 1315–16 (Fed. Cir. 2000)). The request must identify, with specificity, all matters that the requesting party believes the Board misapprehended or overlooked. 37 C.F.R. § 42.71(d).

Nevertheless,

[a] request for rehearing is not an opportunity merely to disagree with the panel’s assessment of the arguments or weighing of the evidence, or to present new arguments or evidence. It is not an abuse of discretion to have performed an analysis or reached a conclusion with which Petitioner disagrees, and mere disagreement with the Board’s analysis or conclusion is not a proper basis for rehearing.

Sophos, Inc. v. Finjan, Inc., Case IPR2015-01022, at 3–4 (PTAB Jan. 28, 2016) (Paper 9).

C. DISCUSSION

1. *Discretion to Deny Petition Under 35 U.S.C. § 325(d)*

a. *The Same or Substantially the Same Prior Art*

As Petitioner correctly notes, “Section 325(d) provides: ‘In determining whether to institute or order a proceeding . . . the Director may take into account whether, and reject the petition or request because, the

IPR2017-00263
IPR2017-00264
Patent 8,042,288 B2

same or substantially the same prior art *or* arguments previously were presented to the Office.” ’263 Req. 6 (emphasis added); *see* ’264 Req. 5–6. In our Decisions exercising our discretion to deny Petitioner’s Petitions in the captioned cases, we noted that, in the instant Petitions, “Petitioner challenges a subset of the claims challenged in IPR2016-00920 based on a subset of the references relied upon in the first ground asserted in IPR2016-00920.” ’263 Dec. 7 (citing IPR2017-00263, Paper 1, 6–7 (“’263 Pet.”)); ’264 Dec. 7. In particular, we noted that, in IPR2016-00920, Petitioner challenged claims 1–38 of the ’288 patent as allegedly rendered obvious by the combined teachings of *Nishida*, *Reed*, *Shiomura*, and Shepherd; but, in IPR2017-00263, Petitioner is challenging claims 8 and 14–20 of the ’288 patent as allegedly rendered obvious by the combined teachings of *Reed*, *Nishida*, and *Shiomura*. ’263 Dec. 7; ’264 Dec. 7. Thus, the same prior art presented in the instant Petitions was previously presented to the Office.

Petitioner argues that “[s]ubstantial evidence does not support the Board’s finding that the art *and* arguments presented in the [Petitions of the above captioned cases] are substantially the same as those in the ’920 IPR petition. To the contrary, the arguments are materially different with respect to the primary references and the obviousness combinations presented.” ’263 Req. 8 (emphasis added); ’264 Req. 8. Nevertheless, our invocation of § 325(d) did not require that we determine that the same or substantially the same prior art *and* arguments presented in the instant Petitions previously were presented to the Office, but rather that the same or substantially the same prior art *or* arguments previously were presented to the Office. Thus, our exercise of discretion in denying of institution under 35 U.S.C. § 325(d)

is warranted by our finding that the same or substantially the same prior art had previously been presented to the Office.

b. The Same or Substantially the Same Prior Art and Arguments

Petitioner's identification of "primary" and "secondary" references and its application of the teachings of these references to the challenged claims are *arguments*. In particular, Petitioner argues that "by beginning with Reed as the primary reference instead of Nishida, the [person of ordinary skill in the art's (POSA's)] motivation to combine the references is *presented differently*." '263 Req. 11 (emphasis added); '264 Req. 10. As noted above, it was not necessary for us to determine whether those arguments also were the same or substantially the same as arguments previously presented to the Office. Nevertheless, to the extent that Petitioner contends that these arguments are not the same or substantially the same as its previous arguments because Petitioner relied on a different primary reference, the Board previously has held that the order in which art is applied in a utility application is not necessarily material. *See In re Bush*, 296 F.2d 491, 496 (CCPA 1961) ("where a rejection is predicated on two references each containing pertinent disclosure which has been pointed out to the applicant, we deem it to be of no significance, but merely a matter of exposition, that the rejection is stated to be on A in view of B instead of on B in view of A, or to term one reference primary and the other secondary.").

Here, for example, in the Petition in IPR2017-00263, Petitioner argues that:

Reed describes that the textile element is circular-knitted. (Ex.

IPR2017-00263
IPR2017-00264
Patent 8,042,288 B2

1003, ¶¶89-90.) To the extent that Reed does not explicitly state that the circular-knitted textile element can be used to form an upper for an article of footwear, Nishida describes using conventional textile processes, such as weaving and/or knitting and/or embroidering, and program-controlled web of material production devices to form a textile structure with a single or a plurality of textile elements in the shape of a shoe upper. (Ex. 1003, ¶¶91-92.) The POA would have understood that circular knitting is a conventional textile process. (Ex. 1003, ¶91.)

’263 Req. 10 (quoting IPR2017-00263, Paper 1, 16); *see* ’264 Req. 10. However, but for the order, Petitioner asserted the combination of substantially the same teachings of Reed and Nishida in its Petition for IPR2016-00920. IPR2016-00920, Paper 1, 9–14. In particular, Petitioner relies on Nishida and/or Reed to demonstrate that these references are directed to articles of footwear (*id.* at 13–14 (claim chart citing to both Nishida and Reed) and that the references teach conventional textile processes, including circular knitting (*id.* at 11–12, 14–15 (a person of ordinary skill in the art would understand that Nishida’s teachings of textile processes encompass Reed’s specific teaching of circular knitting)). Thus, we conclude that Petitioner’s decision to apply less of the art and to apply the art in a different order in the instant Petitions presents arguments that are the same or substantially the same as those previously presented to the Office. *See In re Boyer*, 363 F.2d 455, 458 n.2 (CCPA 1966).

2. *Additional Alleged Errors Warranting Rehearing*

Petitioner alleges several additional errors warranting the grant of rehearing in the above-captioned cases. First, Petitioner alleges that, “due to vagueness in [Petitioner’s] presentation” in the petition for IPR2016-00920,

IPR2017-00263
IPR2017-00264
Patent 8,042,288 B2

we could not have substantively reviewed that petition. ’263 Req. 11–12; ’264 Req. 11–12. Thus, Petitioner contends that it has not sought to benefit from our previous review of its earlier petition in the instant Petitions and, instead, has chosen to challenge claims on different grounds. ’263 Req. 12; ’264 Req. 11–12. Nevertheless, Petitioner’s decision to shift to alternative grounds for challenging patentability is itself a reaction to our rejection of the presentation in its earlier petition. ’263 Req. 12; ’264 Req. 11–12. As Petitioner explains, “Petitioner chose a different route in the ’263 IPR petition, premised on a different ground that had already been deemed acceptable to the Board,” in view of the rejection of the Petition in IPR2016-00920. ’263 Req. 12; *see* ’264 Req. 11–12. That route change, however, was guided by our decision denying institution in IPR2016-00920. Consequently, we remain persuaded that Petitioner’s instant Petitions seek to benefit from our rejection of Petitioner’s earlier petition. ’263 Dec. 7–8; ’264 Dec. 7–8.

Second, Petitioner argues that “the Board has repeatedly instituted *inter partes* review proceedings involving follow-on petitions under similar circumstances.” ’263 Req. 12; ’264 Req. 12 (both citing *Arista Networks, Inc. v. Cisco Sys., Inc.*, Case IPR2016-00309 (PTAB June 11, 2016) (Paper 8) and *Arista Networks, Inc. v. Cisco Sys., Inc.*, Case IPR2015-00974 (PTAB Oct. 6, 2015) (Paper 7)). Initially, we note that none of the decisions cited by Petitioner is precedential. Further, despite their potential persuasive weight, we are not persuaded that any of the cited decisions is sufficiently similar to the circumstances presented in IPR2016-00920, IPR2017-00263, and IPR2017-00264. In particular, in the *Arista* cases, the petitioner’s

IPR2017-00263
IPR2017-00264
Patent 8,042,288 B2

second petition (IPR2016-00309) changed the basis of the challenge based on a particular reference, Amara, from anticipation to obviousness and added a new reference, CoreBuilder, to the references relied upon in its first petition (IPR2015-00974). ’263 Req. 13; ’264 Req. 13; *see Arista Networks, Inc. v. Cisco Sys., Inc.*, Case IPR2016- 00309, at 6–7 (PTAB June 11, 2016) (Paper 7). No such change of theory or addition of references occurred in the instant Petitions. Therefore, the circumstances in the *Arista* cases and in these cases are not sufficiently similar to persuade us to reach the same conclusion here that the Board reached in IPR2016-00309.

Third, Petitioner argues that “practically every recited feature of the challenged claims can be found in one or more claims of the ‘598, ‘749, and ‘011 patents, where the Board has instituted *inter partes* review.” ’263 Req. 14; ’264 Req. 14. Thus, Petitioner contends that

[b]y denying institution of the ‘288 patent, the Board gives insufficient weight to the public interest in having unpatentable claims canceled – a particularly appropriate factor where the Board has, in the context of the ‘921 and ‘922 IPRs, done much of the work needed to determine the unpatentability of these claims based on this combination of prior art that uses Reed as a primary reference.

’263 Req. 14–15; ’264 Req. 14–15; *see* ’263 Pet. 41–42; ’264 Pet. 50–51.

We disagree.

Initially, we note that, under the authority delegated to us by the Director,

[we] may not authorize an *inter partes* review to be instituted unless [we] determine[] that the information presented in the petition filed under section 311 and any response filed under section 313 shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims

challenged in the petition.

35 U.S.C. § 314(a). Thus, we evaluate Petitioner’s reasonable likelihood of prevailing in showing the unpatentability of challenged claims on a claim–by-claim basis, upon consideration of the arguments and evidence presented in the Petitions. A petitioner’s arguments and evidence presented in other petitions with respect to other challenged claims of other patents is largely irrelevant to the institution decision in a different petition presenting different arguments and evidence for similar limitations in different challenged claims of a different patent.

Further, Petitioner argues that the public interest in having unpatentable claims cancelled should outweigh our concern over Patent Owner harassment. ’263 Req. 14; ’264 Req. 14–15. We remind Petitioner, however, that when determining whether to institute *inter partes* review, we determine if, consistent with Petitioner’s burden and based first and foremost on the arguments and evidence presented by Petitioner, Petitioner has shown a reasonable likelihood of prevailing in showing the unpatentability of at least one claim. At the institution of review, we have made *no* final determination of unpatentability. *See, e.g., adidas AG v. Nike, Inc.*, Case IPR2016-00921, at 22 (PTAB Oct. 21, 2016) (Paper 6) (“At this stage of the proceeding, we have not made a final determination as to the patentability of any of these challenged claims or the construction of any claim term.”). With regard to the instant Petitions, in denying institution, we concluded that, in accordance with the Congress’s express grant of discretion to the Board, we would not entertain multiple petitions seeking institution of claims of a particular patent on similar grounds based on the same

references.

Finally, Petitioner argues that the pendency of other related petitions should outweigh our concern over the repetitive nature of Petitioner's challenges. '263 Req. 14–15; '264 Req. 14–15. In particular, Petitioner argues that “because ‘the parties and the Board are already committed to reviewing the issues raised herein, and there is little additional burden to do so here’ and ‘it strikes us as inefficient, from a global perspective, for the Board to decide issues in [the related IPR proceeding] and for a district court to decide the same issues with respect to the [patent challenged in the follow-on petition].’” '263 Req. 14 (quoting *Polygroup Ltd. v. Willis Elec. Co., Ltd.*, Case IPR2016-00801, slip op. at 16 (PTAB Oct. 17, 2016) (Paper 8) (“*Polygroup*”)); '264 Req. 15; see '263 Pet. 40; '264 Pet. 48–49.

Nevertheless, in *Polygroup*, the Board noted that “[i]n exercising our discretion under § 325(d), we take into account *numerous factors*, including the facts of each case, the burden on the parties and the Board, and the public interest.” *Polygroup* at 16. Certainly, we considered that, among other factors, the parties and the panel already are committed to reviewing issues similar to those raised in the instant Petitions, and that, consequently, there may be less additional burden to do so here. See '263 Dec. 2; '264 Dec. 2; '263 Pet. 41–42; IPR2017-00264, Paper 1, 50–51. However, unlike the circumstances in IPR2014-01264 and IPR2016-00801, at issue in *Polygroup*, where different references were applied in each case, the earlier and instant Petitions at issue here involve the same references. Compare IPR2014-01264, Paper 1, 3–4 (asserting ten grounds of unpatentability challenging claims 1–15, each ground relying on either *Otto* or *Smith*, in

IPR2017-00263
IPR2017-00264
Patent 8,042,288 B2

combination with one or more other references), *with* IPR2016-00801, Paper 2, 4 (asserting one ground of unpatentability challenging claims 1 and 7, relying on Miller in view of Pan, *Otto*, and Jumo). In the context of § 325(d), we found this distinction significant.

IV. ORDER

Accordingly, it is hereby:

ORDERED that Petitioner's Requests for Rehearing in IPR2017-00263 and IPR2017-00264 are *denied*.

IPR2017-00263
IPR2017-00264
Patent 8,042,288 B2

For PETITIONER

Mitchell G. Stockwell
Vaibhav P. Kadaba
Tiffany L. Williams
KILPATRICK TOWNSEND & STOCKTON LLP
mstockwell@kilpatricktownsend.com
wkadaba@kilpatricktownsend.com
tiwilliams@kilpatricktownsend.com

For PATENT OWNER

Christopher J. Renk
Michael J. Harris
BANNER & WITCOFF, LTD.
crenk@bannerwitcoff.com
mharris@bannerwitcoff.com